



ERMCO

Distribution Transformers

April 5, 2022

Via Electronic Transmission

This correspondence should explain the pricing for orders and the differences that may be seen at the time of invoicing.

As ERMCO booked orders in 2021, material costs continued to increase. Pricing for orders accepted during this time changed and was dependent upon the time of the order placement.

Due to the unprecedented distribution transformer market conditions that we are facing, as well as customer requirements, capacity allocations and supply chain uncertainty, ERMCO will have to adjust pricing on all purchase orders already accepted, to the quarterly price in effect for the quarter immediately prior to the scheduled quarter of production for that purchase order.

We appreciate your patronage of our business partner GRESCO and of the ERMCO brand and look forward to the time when our businesses can return to a more normal condition.

Please advise if you have questions.

Sincerely,

Travis Baldwin

Travis Baldwin
Regional Sales Manager