

HOW DO STEARNS ELECTRIC'S RATES COMPARE WITH OTHER UTILITIES?

Stearns Electric rates are fair and competitive. Here is a comparison of Stearns Electric rates to other electric utility providers in Minnesota.

	Stearns Electric	MN Power ¹	Xcel Energy ¹	Electric Co-op A	Electric Co-op B	Electric Co-op C
Fixed Charge	\$34.25	\$8.00	\$10.00	\$30.25	\$43.00	\$48.00
Energy (1,000 kWh)	\$121.03	\$83.84	\$93.02	\$139.08	\$108.00	\$113.26
Other Charges		\$58.77	\$64.75		\$11.20	
Total	\$155.28	\$150.61	\$167.59	\$169.33	\$162.20	\$161.26

The table reflects Stearns Electric's best interpretation of currently published rates and charges for each utility, taxes not included.
¹ Incorporates interim rate increases; full rate increases are under consideration by the Public Utilities Commission (PUC).

WHY IS THE FIXED CHARGE INCREASED?

Most of our costs for delivering safe, reliable electricity are fixed; they exist no matter how much energy we sell. The cost of basic service includes the costs to own, operate and maintain the 4,000 miles of power line throughout our service area as well as general business costs such as billing, accounting, customer service, etc. In an environment where the costs of providing electric service are increasing at a faster pace than energy sales, the Fixed Charge must be adjusted to more accurately reflect the true cost of delivering electricity to each member and ensure that fixed costs are recovered fairly.

WILL THE RATE ADJUSTMENT BE USED TO PAY FOR THE NEW HEADQUARTERS FACILITY?

Included in the Fixed Charge increase is \$3 per month per member to support the construction of a new headquarters facility for our Cooperative near our current Melrose location. When completed, the new headquarters will provide the space we need to support our operations and give us room to grow over the next several decades.

FOR MORE INFORMATION:

Visit www.stearnslectric.org/RateAdjustment2023 or call (800) 962-0655.



member driven.
community focused.
energy smart.

MEMBER NOTICE: 2023 RATE ADJUSTMENT

To maintain the reliability and quality of the services Stearns Electric Association provides to members, it is sometimes necessary for the Cooperative to implement a rate adjustment. Maintaining dependable service at an affordable price remains the cornerstone of the Cooperative's business.

A recent Cost-of-Service study, conducted for Stearns Electric Association by an independent consulting firm, determined that a rate adjustment was needed to ensure the strong financial stability of the Cooperative and maintain the quality, reliability and integrity of the services we provide. In March 2023, the Stearns Electric Board of Directors approved a Cooperative revenue increase of 7.2 percent effective May 1, 2023.

FREQUENTLY ASKED QUESTIONS

STEARNS ELECTRIC ASSOCIATION

2023 RATE ADJUSTMENT

WHY IS THIS RATE ADJUSTMENT NECESSARY?

As our Cooperative's membership has grown, so too have costs for wholesale power, maintenance and materials. This increase is necessary to cover the increased cost of doing business in order to ensure the financial stability of the Cooperative while also working to maintain the quality, reliability and integrity of the services we provide.

Like many of the members and businesses we serve, Stearns Electric Association's finances and operations have been significantly affected by the rising costs of equipment, materials and services. For example, the price for key pieces of our distribution infrastructure such as poles, wires, transformers and meters, has risen by as much as 60% over the last two years.

HOW DID YOU DETERMINE HOW MUCH TO ADJUST RATES?

Stearns Electric worked with Power Systems Engineering, an independent and reputable consulting firm, to complete a comprehensive Cost-of-Service study for the Cooperative. This study concluded that current revenue could not support our operations and long-term investments into the future. The Stearns Electric Board of Directors approved a new rate plan they determined would best meet our financial goals and ensure fairness of all energy users.

WHAT IS A COST-OF-SERVICE STUDY?

A Cost-of-Service study analyzes the Cooperative's revenue requirements, financial forecasts, projected wholesale energy rates and more to identify costs and revenue needs for the coming years. This analysis is used to create a guide for designing rates that are equitable to all of our members. This Cost-of-Service study process has been used prior to all previous rate adjustments to ensure any changes to rates are made equitably across all of the Cooperative's rate classes.

WHEN WILL THE RATE ADJUSTMENT TAKE EFFECT?

The rate adjustment will take effect on May 1, 2023. Members will see the adjustment on their bill for May usage, which they receive in June.

WHAT DOES THE CHANGE IN RATES LOOK LIKE?

The chart below reflects the change in rates effective May 1, 2023 for our most common rate classes. Additional rate class adjustments can be reviewed on our website at www.stearnslectric.org/RateAdjustment2023.

GENERAL SINGLE PHASE	EXISTING RATE	NEW RATE
Fixed Charge	\$24.75 per month	\$34.25 per month
Energy (June - August)	\$0.12500 per kWh	\$0.13220 per kWh
Energy (Other Months)	\$0.10500 per kWh	\$0.11720 per kWh
Base PCA	\$0.00595 per kWh	-----
ENERGYWISE	EXISTING RATE	NEW RATE
EnergyWise Rate (June - August)	\$0.07700 per kWh	\$0.08300 per kWh
EnergyWise Rate (Other Months)	\$0.05700 per kWh	\$0.06300 per kWh
Base PCA	\$0.00595 per kWh	-----

HOW WILL THE NEW STEARNS ELECTRIC RATES IMPACT MY BILL?

The average Stearns Electric residential member uses 1,000 kWh per month and can expect a net increase of approximately \$14.00 per month. If your usage is more or less than the average, your price adjustment may vary.

