



# Beltrami Electric Cooperative Inc.

® Your Touchstone Energy® Cooperative 

April 15, 2016

Dear Cooperative Member,

The Beltrami Electric Cooperative board of directors has approved a rate increase effective with the May billing cycles – the bills members receive around the beginning of June. The last general service rate increase occurred in 2011.

The monthly service charge for residential services will increase \$5.00 from \$29.50 to \$34.50. The energy charge will be restructured to roll in the Purchase Power Cost Adjustment and the Renewable Energy Market Adjustment, moving the average energy rate from \$.1055 (including the PPCA and REMA) per kilowatt-hour to \$.1069 per kilowatt-hour. The good news is that the load management rate will remain relatively flat in the winter months after rolling in the Purchased Power Cost Adjustment and Renewable Energy Market Adjustment, while there will be a slight increase to the load management rate during the summer months.

The impact of the rate increase will affect members differently depending on how they use energy. For the average residential member who uses approximately 1,000 kilowatt-hours per month, the increase will be approximately 4.75%.

Earlier this year your cooperative contracted with a third party to conduct a cost of service study to determine if our rates were appropriately recovering costs, to determine if each rate class is providing a margin to the system, and to identify if any cross subsidization is taking place.

There are several reasons for the need for a rate increase. The cost of wholesale power, which represents about 70 percent of our total costs, has increased roughly 8.8% in the last two years. Last year we were able to absorb the wholesale rate increase. This year we are not able to absorb the increase and remain financially stable. Other costs such as material, labor and overhead have also increased.

While no one likes to see a rate increase, your board of directors does not take this responsibility lightly and has a fiduciary responsibility to keep the cooperative financially stable. You can be assured that as a not-for-profit electric cooperative your board of directors only raises rates when it absolutely must.

For more detailed information on the rate increase, please see the reverse side of this letter. Additional information will be provided in the *Northern Lights* newsletter, along with energy-saving ideas members can take to help minimize the impact of the increase.

If you have specific questions about the rate increase or how you can save energy and money, please contact us. We are here to help.

Sincerely,



Jared Echternach, CEO

# 2016 Beltrami Electric Rate Increase

\* Effective with May billings, the Renewable Energy Market Adjustment (REMA) and the Purchased Power Cost Adjustment (PPCA) will be rolled into the energy (kWh) rate. The PPCA will be reset to zero and will be adjusted as needed in the future.

Service Type	2015 Average Rates	Effective - May Billings
<b>Residential / Small Commercial</b>		
Access charge (25 kVa and less)	\$29.50/month	\$34.50/month
(over 25 kVa)	\$80/month	\$85/month
Energy charge (kWh)	\$0.1055/kWh (Includes REMA & PPCA)	\$0.1069/kWh
<b>Off-peak</b>		
Access charge	\$2.50/month	\$2.50/month
Energy charge	\$0.0673/kWh Oct - May (Includes REMA & PPCA) \$0.0773/kWh Jun - Sep (Includes REMA & PPCA)	\$0.0672/kWh Oct - May \$0.0776/kWh Jun - Sep
<b>Yard Lighting</b>		
Metered Light	\$4.30/month plus energy	\$4.43/month plus energy
Unmetered Light	\$10.50/month	\$10.82/month
<b>Large Commercial</b>		
Monthly minimum (Applied when monthly use is less than 697 kWh)	\$160/month	\$180/month
Three-phase commercial, industrial or farm with billing demands of 50kW or less and Single-phase with billing demands of 50kW-100kW		
Access charge	\$80/month	\$95/month
Energy charge (kWh)	\$0.1129/kWh first 2000 kWh (Includes REMA & PPCA) \$0.1029/kWh for all excess (Includes REMA & PPCA)	\$0.1220/kWh for first 2000 \$0.1120/kWh for all excess
Three-phase commercial, industrial or farm with billing demands over 50kW and Single-phase with billing demands over 100kW		
Demand charge	\$9.20/kW/month	\$10.00/kW/month
Energy charge	\$0.749/kWh (Includes REMA & PPCA)	\$0.0750/kWh

Depending on energy usage, a residential member will see the following increases:

Residential Monthly kWh	Current (Access Charge + kWh)	New (Access Charge + kWh)	Monthly Difference
0	\$29.50	\$34.50	\$5.00
300	\$61.14	\$66.57	\$5.43
500	\$82.23	\$87.95	\$5.72
1000	\$134.96	\$141.40	\$6.44
1500	\$187.69	\$194.85	\$7.16
2000	\$240.42	\$248.30	\$7.88
<b>Off-peak (October - May) Monthly kWh</b>			
500	\$36.10	\$36.10	\$0.00
1000	\$69.69	\$69.70	\$0.01
1500	\$103.29	\$103.30	\$0.01
2000	\$136.88	\$136.90	\$0.02
<b>Off-peak (June - September) Monthly kWh</b>			
500	\$41.10	\$41.30	\$0.20
1000	\$79.69	\$80.10	\$0.41
1500	\$118.29	\$118.90	\$0.61
2000	\$156.88	\$157.70	\$0.82

\* For a complete rate schedule, please contact our office or visit our website at [www.beltramielctric.com](http://www.beltramielctric.com)