

RATE FAQs

2026 rate adjustment effective with April bills

Q. WHY ARE YOU HAVING A RATE CHANGE?

A. Our wholesale power supplier, Minnkota, increased their rates 4.1% and implemented an energy surcharge. When BEC set rates in 2025, we used the most current forecast for all expenses/costs to run your cooperative, including the average cost for wholesale power. Wholesale power accounts for 70% of our costs.

Q. HOW MUCH WILL MY BILL INCREASE?

A. The average increase will be around 6.1%, but bills will vary depending on each individual's energy usage.

Q. WHAT IS THE ACCESS CHARGE?

A. A fixed charge that accounts for the equipment and service necessary to turn on the lights whenever you want, because fixed costs exist regardless of usage.

Density (the number of consumers per mile of line) influences how these costs are divided.

The image above shows the difference in density between electric cooperatives and other utilities. Picture the system like a shared driveway. If six neighbors share the cost of maintaining a long driveway, each pays more than if 35 neighbors share it. The driveway still needs grading, snow removal and repairs either way. The difference is how many people are contributing. Electric service works much the same way.

Q. WHAT IS THE KWH CHARGE?

A. This is the rate you pay for each kilowatt-hour (kWh) of energy used in the billing period. The amount of energy you consume can vary from month to month and can be impacted by extreme temperatures. The kWh (energy) charge represents costs associated with wholesale power, including energy, transmission, substation and capacity charges.

Q. WHAT EXACTLY IS DEMAND?

A. Demand is the amount of power needed to run everything in your home at a specific time – measured in kilowatts (kW), not kilowatt-hours. BEC pays more for power when members use a lot of electricity at the same time. **Your demand is calculated on the one hour of highest demand during the billing period.**

Example: If you run your oven for 1 hour, and during that hour you also run your washing machine, dryer and other devices for the entire hour, they would create a higher demand than normal. The key is to spread out the use of these devices over multiple hours instead of using them all at the same time. Dive deeper into demand at www.beltramelectric.com/understanding-demand.

Q. WHAT IS THE PURCHASED POWER ADJUSTMENT?

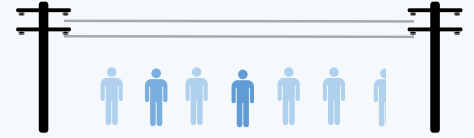
A. It is a direct pass-through of changes in the average cost of purchased wholesale power from Minnkota Power Cooperative. When BEC sets rates, we use the most current forecast for all expenses/costs to run your cooperative, including the average cost for wholesale power. This allows for BEC to manage changes to the average cost of wholesale power without changing rates.

Q. WHAT IS BEC DOING TO CONTROL COSTS?

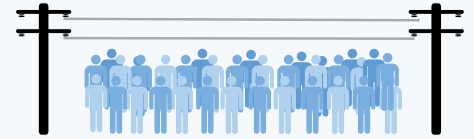
A. We continue to work to increase efficiencies throughout our organization and manage the costs of our operations, including doing our due diligence to secure quality products and materials at the best value for our members.

NUMBER OF CONSUMERS PER MILE OF LINE

Beltrami Electric Cooperative:
6.6 consumers



Investor-owned utilities:
35 consumers
(Examples: Otter Tail Power Co., Xcel Energy, Minnesota Power)



Municipalities:
48 consumers
(Examples: City of Fosston, City of Bagley, City of Thief River Falls)

