

THE COST OF POWER AND DELIVERY

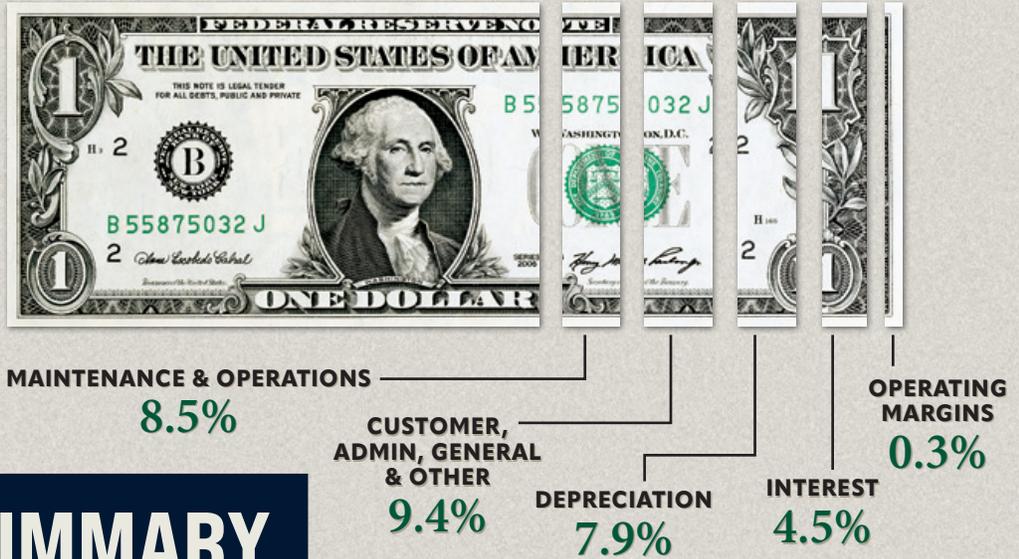
Your cooperative works hard to balance fair electric rates with reliable service. Across the utility industry, costs continue to rise due to higher power supply prices, required system upgrades and inflation affecting equipment and materials. We carefully manage these challenges while investing in the system needed to keep electricity safe, dependable and affordable for our members.

DID YOU KNOW? YOUR ELECTRIC BILL HAS TWO MAIN COMPONENTS:

1. The cost to generate and transmit power to our area (wholesale power cost). This represents about 70 cents of every dollar you pay.
2. The cost to deliver electricity to our members (BEC's cost to get electricity to your home or business).
 - a. This includes the local distribution system that is needed to provide reliable power to our members – including routine maintenance or repairs, system upgrades, insurance, loan interest, member services and resources, and the people behind your power.

WHERE YOUR ELECTRIC DOLLAR GOES

COST OF POWER
69.4%



2026 RATE ADJUSTMENT SUMMARY

RESIDENTIAL AND SMALL COMMERCIAL SERVICES:

- The monthly **access charge** of \$50 and the **demand charge** of \$1.50/kW will remain unchanged.
- **The energy (kWh) rate** of \$0.12/kWh will be adjusted to \$0.1275/kWh.
- **Off-peak services:** The monthly **access charge** and the **energy (kWh) rate** will remain unchanged.
- **Purchased Power Adjustment** – this is an adjustable pass-through charge from Minnkota for wholesale power.

- *The rate adjustments will be effective with bills received in April.*
- *Minnkota Power Cooperative will apply a per-kWh surcharge in 2026. That amount has not been finalized and will be passed through the existing Purchased Power Adjustment line item on retail bills.*
- *Look for more information in future issues of Northern Lights.*

BOARD MEETING HIGHLIGHTS

Beltrami Electric Cooperative's board conducted its regular monthly meeting Wednesday, Dec. 17, 2025. A quorum of directors was in attendance.

The following reports were given at the meeting:

- President and CEO Echternach and the board discussed recent safety successes, observations, mutual aid and our four Beltrami Electric crew members that assisted Ontonagon Cooperative.
- President and CEO Echternach made his monthly report, including the Employee Appreciation party, 2026 membership to America's Electric Cooperative's PAC and REPAC, employee updates,

energy sales, union negotiations and the proposed City of Bemidji franchise ordinance.

- President and CEO Echternach presented the 2026-2028 Strategic Plan.
- President and CEO Echternach presented the 2026 Budget.
- Rate discussions were held.
- Mike Birkeland and Angela Lyseng presented the 2026 Marketing and Communications Plan.
- President and CEO Echternach presented the Non-

Union Compensation and Benefits Plan.

- President and CEO Echternach and the directors discussed upcoming meetings, events and education conferences.

The following actions were taken at the meeting:

- Approved the consent agenda.
- Approved to hold a special meeting on Jan. 9, 2026.
- Approved the 2026-2028 Strategic Plan.

- Approved the 2026 Marketing and Communications Plan.
- Approved the Non-Union Compensation and Benefits Plan.
- Approved the Sept. 25, 2026, board meeting date.
- Appointed Jared Echternach as the NRTC Annual Meeting voting delegate.
- Approved director and President and CEO expenses.

The next board meeting will be held on Friday, Jan. 30, 2026.