

### Why the increase?

In developing the 2024 Work Plan and Budget, cooperative staff found that rising costs of services and materials continue to have a significant impact on the essential things we need to supply reliable power to our members.

As a not-for-profit organization, it is necessary to recover the costs of doing business, as well as maintain enough margins to reinvest in the system for reliability and cover repayment of debt. This practice ensures long-term financial stability for the Cooperative.

Due to rising fixed costs, members will primarily see the rate increase reflected in their basic service charge. The table on the other side shows the increase in rates for the most common rates and encompasses about 90% of PEC members. Please note that summer is June through August, and non-summer is September through May. A full listing of rates is available on our website.

### Understanding the Impact

**Residential-Rural Rate:** The average energy use by those on the Residential-Rural rate is ~912 kWh per month. These users will see an average increase of \$5.30 per month.

**Residential-Urban Rate:** The average energy use by those on the Residential-Urban rate is ~705 kWh per month. These users will see an average increase of \$6.50 per month.



### Who decides when a rate change happens and what it will be?

PEC's member-elected Board of Directors and executive staff continuously monitor the financial stability of the organization to determine if a rate change is necessary based on revenue requirements and a cost of service study.

The Board of Directors then decides what the rates will be based on the following rate making principles:

- ▶ Rates should generate the revenue required to operate the Cooperative, including appropriate operating margins.
- ▶ Operating costs and margin requirements should be spread across all member classes equitably.
- ▶ Rates should reflect the cost of serving each member class.

**We hope you find the information in this brochure helpful in understanding the Cooperative's rate philosophy and the rate increase that will go into effect beginning with May 1, 2024 energy use, which is billed in June.**

# the 2024 RATE INCREASE

*For more information visit:  
[peoplesenergy.coop/rates](http://peoplesenergy.coop/rates)*

*For any questions specific to your account, please email [memberservices@peoplesenergy.coop](mailto:memberservices@peoplesenergy.coop) or contact the office during business hours (M-F, 7:30 am – 4:00 pm).*



# the 2024 RATE INCREASE



**People's Energy Cooperative**

1775 Lake Shady Avenue South  
Oronoco, Minnesota 55960  
toll-free: (800) 214-2694

[www.peoplesenergy.coop](http://www.peoplesenergy.coop)

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**People's Energy Cooperative**

Your Touchstone Energy® Cooperative 

### THE 2024 RATE INCREASE

*will be effective with energy usage beginning May 1, 2024, which is billed in June.*

## Bill Terms

**Power Cost Adjustments (PCA):** The chart on the right does not include monthly power cost adjustments which are sometimes a line item on your monthly bill. It can be either a credit or a charge and is calculated based on the actual energy (kWh) used.

### What is a Power Cost Adjustment?

The PCA is a monthly adjustment dependent on differences in the base cost of wholesale power. If the cost is lower, the PCA is applied as a credit on bills. If the cost is higher, the PCA is applied as a charge.

Utilizing a PCA covers these fluctuations and can also be used to cover other costs without having to continually restructure electric rates. The goal is to only collect what is needed and not over collect.

### What is an Energy Charge?

The energy charge is based on the kilowatt hours (kWh) consumed during the 'statement read dates' and is multiplied by the current energy rate to calculate the charge.

### What is a Demand Charge?

The demand charge (or informational demand) is based on the highest metered "demand," measured in kilowatts (kW), for electricity in a 15-minute period per billing cycle. For those in a rate class with demand charges, the charge is calculated based on cost per kW used.

	RATE	BSC – NOW	BSC – MAY 1	CURRENT ENERGY RATE	ENERGY RATE EFFECTIVE MAY 1
RESIDENTIAL	Rural	\$53.70/mo	\$59.00/mo ▲\$5.30	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)
	Urban	\$32.00/mo	\$38.50/mo ▲\$6.50		
SPECIAL/INCENTIVE RATES	Off-Peak Electric Heat & EV Charging	\$6.00/mo	\$7.00/mo ▲\$1.00	\$0.0620/kWh (all-year)	\$0.0620/kWh (all-year)
	Dual Fuel Heat	\$6.00/mo	\$7.00/mo ▲\$1.00	\$0.1040/kW (Summer) \$0.0751/kW (Non-Summer)	\$0.1040/kW (Summer) \$0.0751/kW (Non-Summer)
	Electric Shared Well and/or Septic	\$20.50/mo	\$22.50/mo ▲\$2.00	\$0.1240/kW (Summer) \$0.1040/kW (Non-Summer)	\$0.1240/kW (Summer) \$0.1040/kW (Non-Summer)
	Residential Time-of-Use (Whole Home and/or EV Charging)	\$32.00/mo Urban \$53.70/mo Rural \$6.00/mo 2nd Meter	\$38.50/mo Urban ▲\$6.50 Urban \$59.00/mo Rural ▲\$5.30 Rural \$7.00/mo ▲\$1.00	\$0.2560/kW (On-Peak) \$0.0740/kW (Off-Peak) \$0.0470/kW (Overnight)	\$0.2560/kW (On-Peak) \$0.0740/kW (Off-Peak) \$0.0470/kW (Overnight)
GENERAL/COMMERCIAL RATES	Small Gen Serv < 25 kW	\$53.70/mo (Single-phase)	\$59.00/mo ▲\$5.30	\$0.1140/kWh (Summer) \$0.0940/kWh (Non-Summer)	\$0.1240/kWh (Summer) ▲\$0.0100 \$0.1040/kWh (Non-Summer) ▲\$0.0100
		\$122.50/mo (Three-phase)	\$123.00/mo ▲\$0.50		
	Medium Gen Demand Serv > 25 kW	\$53.70/mo (Single-phase)	\$64.00/mo ▲\$10.30	\$0.0630/kWh (all-year) <b>Demand:</b> \$17.00/kW (Summer) \$13.50/kW (Non-Summer)	\$0.0630 /kWh (all-year) <b>Demand:</b> \$17.00/kW (Summer) \$14.75/kW (Non-Summer) ▲\$1.25
\$122.50/mo (Three-phase)		\$125.00/mo ▲\$2.50			
	Large Power and Lighting > 50 kW all months	\$122.50/mo	\$125.00/mo ▲\$2.50		

## Basic Service Charge

The basic service charge (BSC) provides the funds required to maintain the integrity of services that our members count on and have come to expect. This includes items such as:

- Substations, wire, poles, transformers, and equipment needed to distribute reliable electricity.
- Trucks, equipment, and tools required to build and maintain the electric distribution system.
- Facilities that house trucks and equipment along with the technology and office supplies needed to operate.
- Payroll for the wages of the professionals who design, build, maintain, and restore the system, as well as the staff needed to operate the business.
- Vegetation management and system inspections to ensure the safety and reliability of the electric system.
- Liability insurance, interest on long-term debt, and property taxes.
- New technologies to provide increased reliability and operational efficiencies and investments in renewable energy.