



Understanding our first rate change in seven years:

Keeping up with reliability, costs and financial responsibility

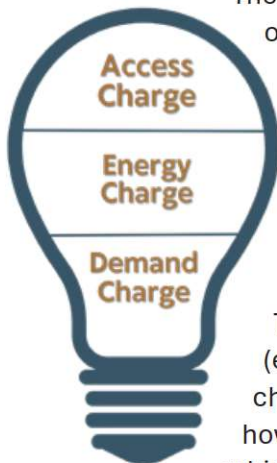
As a not-for-profit, member-owned cooperative built by those we serve, our focus is on service, not profit. We only change rates when necessary to keep our service reliable, pay our loans and stay financially stable.

In April, for the first time since 2018, Beltrami Electric Cooperative will be adjusting rates to:

- Maintain a reliable electric distribution system,
- Adapt to grid changes, and
- Keep pace with rising costs,
- Pay our loans to meet financial obligations.

Our wholesale power supplier, Minnkota Power Cooperative, will increase rates by 8% in April. Wholesale power accounts for roughly 70% of our total costs and has a significant impact on our operations. This is Minnkota's first rate increase in eight years.

The average rate change will be approximately 12.7% and will vary by member, depending on rate classification and how you use electricity. Spread over seven years, this averages 1.8% per year, which is below the rate of inflation over the same period.



Three-part rate

BEC will be moving to a three-part rate, which will be made up of three components:

The monthly access charge, a kWh (energy) charge, and a demand charge to better align our rates with how we pay for wholesale power, which includes a demand component.

Member resources & tools

Members can find detailed information about the upcoming rate change, including a demand calculator, residential rate calculator, frequently asked questions and energy-saving tips on our website.

www.beltramielcric.com/rates

Look for a full-page letter/bill insert with April billing statements providing additional information about the upcoming rate change.