



Dear BPPU Customers,

The Blooming Prairie Public Utilities along with the City of Blooming Prairie are writing you today to notify you of rate adjustments to Municipal Services in 2025.

Electric

Electric Base Rates will remain the same from 2024 with Residential and All Electric Residential at \$18, Commercial, All Electric Commercial and Demand Billed at \$25. All energy charges across all rates will increase by \$.002 per KWH. For example, the average Residential Customer for BPPU uses 642 KWH, that would result in an increase of \$1.24 to the end customer. These increases were necessary to offset the rising costs of materials used in providing continued service due to inflation.

Water

Water rates require adjustments due to increased costs caused by inflationary prices. Adjustments in the Base Rate from \$22 to \$23 and Usage Rate per 1000 gallons from \$4 to \$4.25 with charges for usage over 50,000 gallons remaining the same from 2024, this will result in the average Residential Customer seeing an increase of \$1.99 per month over a 12-month average, keep in mind that traditionally the bulk of residents usage is in the summer months with reduced usage in the winter months which will cause those estimates to vary month to month based on that usage.

Storm Sewer

Residential storm sewer rates will increase \$.97 from the 2024 rate of \$15.26 to \$16.23 for 2025. Commercial will increase from the 2024 rate of \$30.56 to \$31.53 for 2025.

Questions/Explanations

What is a PCA?

A power cost adjustment (PCA) is a line item on electric bills that can be a charge or a credit.

When the cost to produce power is higher than expected a charge is used to recover the added costs.

When the cost to produce power is lower than expected a credit is applied to pass along those savings to Customers.

What is the purpose of a PCA?

A PCA helps manage the fluctuating (increasing or decreasing) costs to purchase power. Members may see a PCA credit or charge on electric bills, depending on the wholesale power market.

When the cost to purchase power in our regional market is significantly more or less than anticipated, our wholesale power providers, SMMPA, pass the difference to BPPU. In turn, we pass this charge or credit to our customers.

We provide transparency on electric bills with a PCA, so our customers know what they are paying for.

The PCA was instituted in January 2024.