



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 2024.

Electric

Electric Rates will remain the same from 2023 at \$18.00 Base Rate & \$.1360 per kWh (all kWh) for energy use on Residential, \$25.00 Base Charge \$.1340 per kWh for first 2000 kWh \$.1290 per kWh for excess for Commercial Rate, \$10.25 per demand kW Base Charge \$.0960 per kWh usage, All Electric Tiered Rate (Call For Details) will remain unchanged as well. BPPU has adopted a Power Cost Adjustment Charge(PCAC) to address increasing volatility in Whole Sale Power Costs which will fluctuate month by month based on Market Prices and may be a charge or a credit based on influences outside of BPPU controls. On the last page, you will see example questions and explanations that may help you further understand this new line item. For more information call 507-583-6683.

Water

Water rates require adjustments due to increased costs caused by inflationary prices. Adjustments in the Base Rate from \$19 to \$22 and Usage Rate per 1000 gallons from \$2.75 to \$4 with charges for usage over 50,000 gallons remaining the same from 2023, this will result in the average Residential Customer seeing an increase of \$7.16 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 from the 2023 rate of \$7.63 to \$15.26 for 2024. Commercial will increase from the 2023 rate of \$15.28 to \$30.56 for 2024.

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 members.

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.

(See included Flyer for additional information)