



TRAVERSE
ELECTRIC
COOPERATIVE, INC.

2025 Rate Adjustments

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Electric utilities nationwide, including those here in the Tri-State region, are grappling with increasing rate pressures, and Traverse Electric Cooperative is no exception. Every year Traverse Electric is provided with an estimated load forecast that we calculate our estimated purchase power cost for the year. The difference between 2024 & 2025 is estimated at an increase of \$874,000.

Traverse Electric Cooperative is part of a 3-tiered wholesale power source between our power producers, Basin Electric Cooperative and Western Area Power Administration, and East River Electric Cooperative, who delivers the power to our substations.

Basin Electric has experienced rapid growth across its nine-state service territory, which has allowed them to spread increasing operating costs over a larger volume of energy sales, helping to keep wholesale power rates stable. However, due to the combined pressures of increased demand, necessary capital investments, and inflation, Basin Electric has announced the need to increase wholesale power rates as early as January 2025. Unfortunately, similar rate pressures are being felt by many other generation and transmission cooperatives and utilities due to inflation and higher interest rates. Additionally, the Western Area Power Administration (WAPA) has announced a nearly 14% rate adjustment over the next two years. As Traverse Electric receives these rate increase from our power suppliers, they are passed onto our membership. See factors to the right about rate adjustments

Traverse Electric's Board of Directors and staff worked diligently with STAR Energy Services to come up with the best available options to move forward with these adjustments. With adjustments expected in 2025 & 2026, Traverse had to make a decision to do a 1-step adjustment or a 2-step adjustment. After a lengthy conversation with the Board of Directors, it was advised that we complete a 1-step adjustment in 2025 and carry over deferred revenue into 2026 to offset the adjustment that is expected. We will base our deferred revenue towards the end of 2025 when we have a better outlook at how the end of year margin will look.

Please see the back of this sheet for the rate adjustments for 2025.



Understanding the factors that are behind rate adjustments is a key piece, as they play a significant role in shaping our electricity costs. Purchased power cost is roughly 60% of Traverse Electric's cost throughout the year. Several key factors that play into rate adjustments from our wholesale providers are:

▶ Growing Demand for Electricity:

As demand continues to rise, investments in power generation and transmission become necessary to meet the growth.

▶ Capital Investments:

Basin Electric is planning significant investments in new generation and transmission facilities, with a forecast of approximately \$7 billion over the next ten years. A couple notable projects are Pioneer Generating Station IV and a \$2 billion 1,400MW natural gas-fired power plant that's projected to be completed by 2030.

▶ Impacts of Inflation:

Inflation affects everything from operational costs to the prices of materials and equipment.

▶ Increased Market Volatility:

Fluctuations in the power markets contribute to the uncertainty and variability of wholesale costs.

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This institution is an equal opportunity provider and employer.

Traverse Electric Rate Adjustment Details

Effective January 1, 2025

General Service	Exiting Rate	New Rate
Fixed Charge	\$50 per month	\$60 per month
Energy Charge	\$0.1075 per kWh	\$0.119 per kWh
Seasonal Service	Exiting Rate	New Rate
Fixed Charge	\$50 per month	\$60 per month
Energy Charge	\$0.1075 per kWh	\$0.119 per kWh
General Service - Time of Use - **New**	Exiting Rate	New Rate
Fixed Charge	\$60 per month	\$70 per month
Energy Charge		
Super Off-Peak - 12am - 7am	\$0.0565 per kWh	\$0.0625 per kWh
On-Peak - 7am - 7pm	\$0.10 per kWh	\$0.112 per kWh
Off-Peak - 7pm - 12am	\$0.065 per kWh	\$0.072 per kWh
Residential-Small Commercial	Exiting Rate	New Rate
Fixed Charge	\$50 per month	\$70 per month
Energy Charge	\$0.096 per kWh	\$0.10 per kwh
Demand Charge	\$1.00 per maximum kW	\$2.00 per maximum kW
*Transformer sizes 50, 75, 100 kva		
*Demand based on maximum 30-minute monthly peak		
Multi-Phase & Large Single Phase	Exiting Rate	New Rate
Fixed Charge	\$100 per month	\$200 per month
Energy Charge	\$0.072 per kWh	\$0.078 per kWh
Demand Charge	\$16.50 per kW	\$17.50 per kW
*Transformer sizes over 100 kva and under 500 kva		
*Demand based on non-coincidental monthly peak		
Irrigation	Exiting Rate	New Rate
Fixed Charge	\$100 per month	\$125 per month
Energy Charge	\$0.075 per kWh	\$0.078 per kWh
Demand Charge	\$16.50 per kW	\$17.50 per kW
*Demand based on non-coincidental monthly peak		
Heat & Load Management	Exiting Rate	New Rate
Meter Charge	\$4 per month	\$5 per month
Energy Charge	\$0.0562 per kWh	\$0.062 per kWh
5/7 Interruptible	Exiting Rate	New Rate
Fixed Charge	\$100 per month	\$200 per month
Energy Charge	\$0.075 per kWh	\$0.078 per kWh
Demand Charge (Jan., Feb., June, July, Aug., Nov., and Dec.)	\$19.00 per kW	\$21.00 per kW
Demand Charge (March, April, May, Sept., and Oct.)	None	None
*Demand based on a coincidental monthly peak		
Railroad	Exiting Rate	New Rate
Fixed Charge	\$100 per month	\$130 per month
Energy Charge	\$0.1143 per kWh	\$0.12 per kWh