BASIN ELECTRIC POWER COOPERATIVE
A Touchstone Energy® Cooperative

What are the primary drivers behind the rate increase?

Load growth and investments in reliability, decreased surplus sales on the West side of the system, impacts of inflation, and volatility of power markets.

What if actual results are better than the budgeted rate increase in '25 or beyond?

Basin Electric has a history of pulling a variety of levers in situations in which results are better than expected including providing bill credits in 2021 and 2022; implementing rate decreases in 2020 and 2023; and adding to the rate stability fund to offset the financial impact of unexpected events that would otherwise result in rate increases.

What is the impact of NEW ERA program on rates?

The New ERA program is expected to have a favorable impact on rates. However, Basin Electric is not expected to benefit from the New ERA program until 2026.

How has inflation impacted Basin Electric?

Inflation has impacted Basin Electric over the past 3-4 years (examples: insurance premiums increasing 70% in 5 years and contract labor increasing 4-5% per year since 2020). Basin Electric was able to weather the inflation impacts as a result of additional revenue from surplus sales on the West side of the system and the record profits at Dakota Gas in 2022.

Why is $150M margin necessary?

The $150 million margin is necessary as Basin Electric is growing and a portion of the funding of investments comes in the form of equity from Basin Electric's members. This is similar to the concept of homeowner's equity in that a homeowner is required to maintain a certain level of equity in its home to secure a mortgage at acceptable and reasonable interest rates.

Why isn't a larger portion of the deferred revenue being used?

The Basin Electric Board of Directors wants to reserve funds for unforeseen events (example: major weather events like Winter Storm Uri in 2021).

BASIN ELECTRIC AVERAGE MEMBER RATES