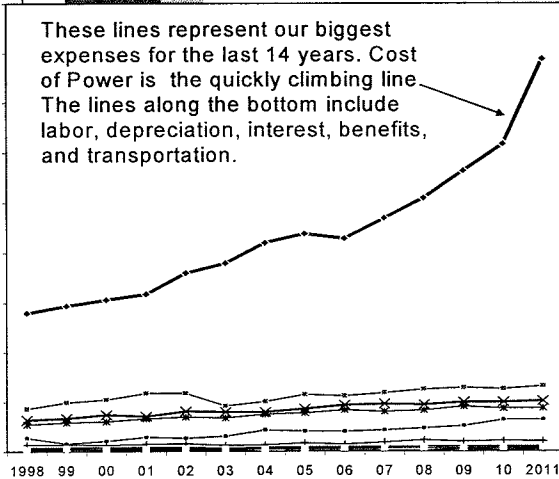


# Wholesale Power Costs are Skyrocketing

## Highest Cost Expenses

These lines represent our biggest expenses for the last 14 years. Cost of Power is the quickly climbing line. The lines along the bottom include labor, depreciation, interest, benefits, and transportation.



Wholesale power increases are staggering compared to our other costs. As the cooperative that delivers this electricity to you, we are asking for your help to inform legislators about the unintended consequences of legislation and federal EPA regulations impacting our wholesale power supplier, Minnkota Power Cooperative.

## Residential Bill Comparisons

kWh Usage	0	750	2000	10000
Old Rates	\$35	\$108	\$229	\$1005
New Rates	\$36	\$125	\$272	\$1216
\$ Incr.	\$1	\$17	\$43	\$211
% Incr.	<3%	16%	19%	21%

**It really CAN make a difference when our elected officials hear the concerns of the voters. Please take the time to contact yours and tell them:**

Your rates have increased 79% over the last ten years as the price of wholesale power has gone up 141% BECAUSE of:

### EPA regulations (federal agency)

\$425 million of new emission control equipment required at power plant originally built for \$350 million including pollution control equipment.

### Sluggish Economy

Less electricity demanded results in a surplus of electricity causing a 50% loss on sale of excess wind power.

### Renewable Mandates (State of MN)

Adding enough wind to our portfolio to meet RES. Minnkota is ahead of the game in reaching the renewable RES mandates. Other utilities have not taken the leap yet, but they will have to. Their rates will rise at that time.

### CIP Costs (State of MN)

At the same time that we are losing millions of dollars on surplus wind energy in the open market, we're also mandated by the state's Conservation Improvement Program (CIP) to spend millions more to further reduce energy sales and revenue.

Our statewide organization, the Minnesota Rural Electric Association, is currently working on legis-

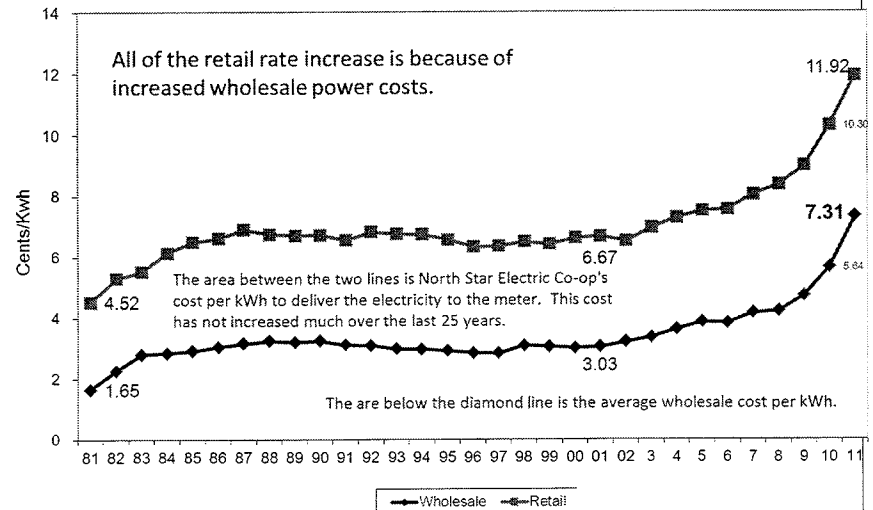
What hurts Minnkota hurts you. Our rate increase effective March 20, 2011, will pass through only the increase in the Minnkota wholesale power bill.

lation in St. Paul that would reduce the economic burden the CIP program is creating for rural electric cooperatives.

### **Is Off Peak Heat still the best value?**

Yes! Even with the March 20th increase, you would have to be able to buy LP for \$1.20 a gallon to get the same heat from a 70% efficient propane furnace (\$1.55 for a 90% efficient furnace). Please continue to use your off peak heat. When we sell less energy, it puts more pressure on your rates.

## Average Electricity Rates/kWh Sold (includes the margin)



Help us  
**Do Something About It**

Write a letter to your legislators and send it to us. We will make copies and get your letter to the right people at the right time.

Your letter should tell them how rising electric rates are affecting you. Be sure to also tell them that the reasons for the increases are regulations from the EPA in addition to legislation regarding Minnesota's renewable mandates and the CIP (conservation improvement program).

Tell them that without affordable energy, voters are struggling and the economy doesn't have a chance to recover.

Be sure to sign your name and list your address so they can verify that you are in their district and for possible response.



**What is happening  
with my  
electric bill?**

**And what  
can I DO  
about it?**