



Moorhead Public Service Rate Hearing: 2023 Electric Rates

Tuesday, October 18, 2022

5:30 PM

How Are Electric Rates Determined?



- **Cost-of-Service Based**
 - 2018 Electric Rate Study – Next Rate Study 2023
- **Long-Range (10-Year) Plan Review**
 - Purchased Power and Transmission Cost Forecasts
 - City of Moorhead Transfers under 2019-2023 Agreement
 - Operating Expenditures
 - Capital Improvement Plans
 - Reserve Requirements
- **Annual In-Depth Review**
 - Four-Month Process
- **Rate Increase Proposal (Budget Committee)**
- **Public Hearing (October 18, 2022)**
- **Final Approval (December 20, 2022)**

What Rates and Fees are Changing?

Electric Rates

- Net overall rate increase of 2% for 2023

Projected Future Rate Increases 2023-2026

2024	2025	2026	2027
2%	2%	2%	2%

Cost-of-Service Rate Restructure

- No changes – customer classes to remain the same

Fee / Surcharge Changes

- Annual modification of PSC-approved Surcharge on kWh used by customers in former Xcel and RRVCPA service areas.

What Rates and Fees are Changing?

2023 Electric Rate Surcharges

- Moorhead Public Service’s Policy on Service Extensions states, “If the Moorhead Public Service rate for a similar-classed customer is less than the rate charged by the previous electrical supplier, the customer will pay approximately one-half (1/2) the difference in rates to help Moorhead Public Service pay the service extension and acquisition costs such as loss of revenues, facilities, and reintegration costs to provide service.”

Type of Service	2022	Proposed 2023	Percent Increase
Electric Service Extension Surcharge (R) ¹	\$ 0.0296	\$ 0.0263	-11.14%
Electric Service Extension Surcharge (X) ²	\$ 0.0143	\$ 0.0243	70.57%
Dual Fuel Service Extension Surcharge (R) ¹	\$ 0.0110	\$ 0.0121	9.64%
Dual Fuel Service Extension Surcharge (X) ²	\$ 0.0009	\$ 0.0048	411.70%

Moorhead Public Service Renewable Energy Programs



2023 Proposed Rates – 2% Increase

Average Residential Customer will see an Average Increase of \$1.85 in Electric Charges per Month

2023 Proposed Electric Residential Customer Charge and Usage Rates

Single-Phase Residential	2022	Proposed 2023	Percent Change
Customer Charge	\$ 14.40	\$ 15.40	6.94%
Energy Charge (June-August)	\$ 0.1040	\$ 0.1050	0.96%
Energy Charge (September-May)	\$ 0.0890	\$ 0.0900	1.12%

2023 Proposed Dual Fuel Electric Rates

Dual Fuel and Multiple Meter Services	2022	Proposed 2023	Percent Change
Dual Fuel	\$ 0.0430	\$ 0.0430	0.00%
Additional Meter - Single-phase (monthly)	\$ 2.20	\$ 2.20	0.00%
Additional Meter - Three-phase or Demand (monthly)	\$ 11.00	\$ 11.00	0.00%

2023 Proposed Rates – 2% Increase

Average Residential Customer will see an Average Increase of \$1.85 in Electric Charges per Month

Proposed Electric Rate Increase Impact to Average Residential Consumer*

	2022	Proposed 2023	Net Impact
Customer Charge	\$ 14.40	\$ 15.40	\$ 1.00
Electric Consumption	\$ 78.84 ^{**}	\$ 79.69 ^{***}	\$ 0.85
Total	\$ 93.24	\$ 95.09	\$ 1.85

Overall increase of \$1.85 per month

- * Based on Residential meter charge and usage of 850 kWh per month
- ** Based on average of 3 months at \$0.104/kWh and 9 months at \$0.089/kWh.
- *** Based on average of 3 months at \$0.105/kWh and 9 months at \$0.09/kWh.

2023 Proposed Rates

2% Overall Net Increase

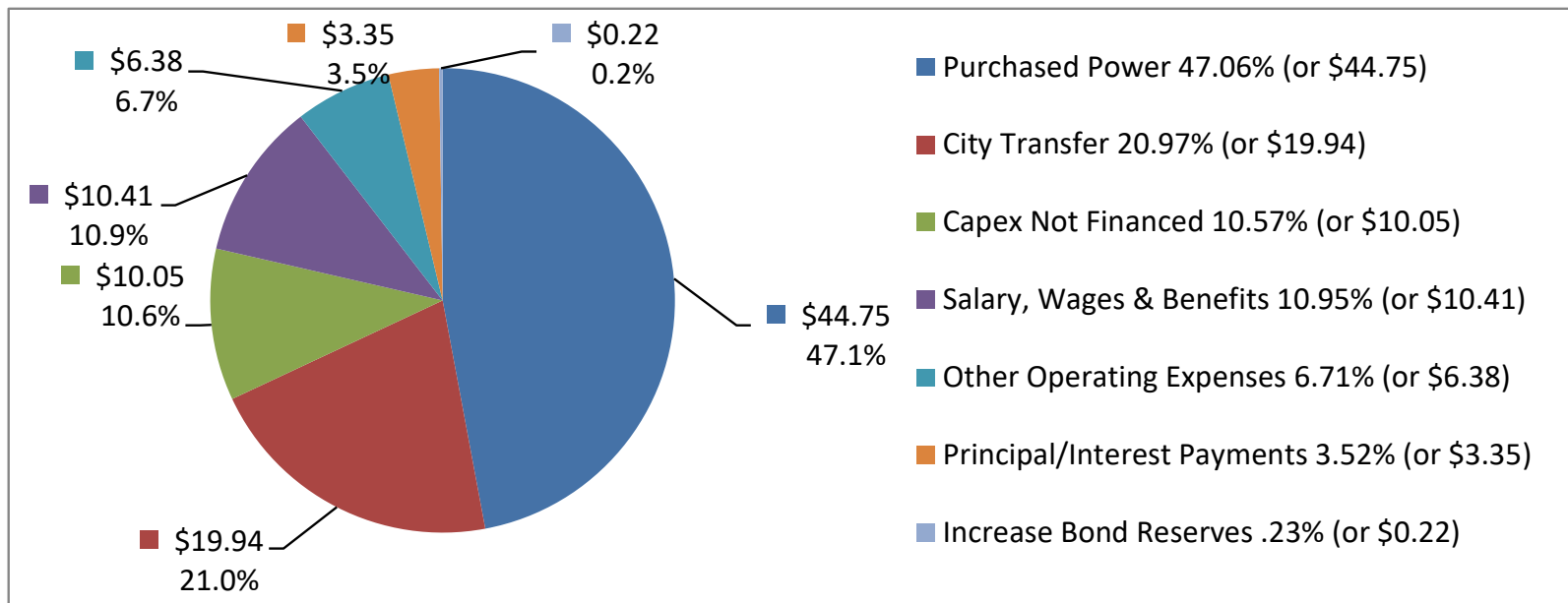
2023 Proposed Electric Non-Residential Customer Charge and Usage Rates

Type of Service	2022	Proposed 2023	Percent Change
Small General Service (average under 6,000kWh or 25kW)			
Customer Charge	\$ 19.60	\$ 21.00	7.14%
Energy Charge (per kWh) (June-August)	\$ 0.1050	\$ 0.1060	0.95%
Energy Charge (per kWh) (September-May)	\$ 0.0930	\$ 0.0940	1.08%
Excess Demand (over 25 kW)	\$ 17.35	\$ 17.50	0.86%
General Service			
Customer Charge	\$ 55.00	\$ 55.00	0.00%
Energy Charge - Primary	\$ 0.0353	\$ 0.0353	0.00%
Energy Charge - Secondary	\$ 0.0360	\$ 0.0360	0.00%
Secondary Demand (June-August)	\$ 21.20	\$ 21.90	3.30%
Secondary Demand (September -May)	\$ 18.00	\$ 18.70	3.89%
Primary Demand (June-August)	\$ 20.78	\$ 21.46	3.27%
Primary Demand (September -May)	\$ 17.64	\$ 18.33	3.91%

Where Will Your Payment Go?

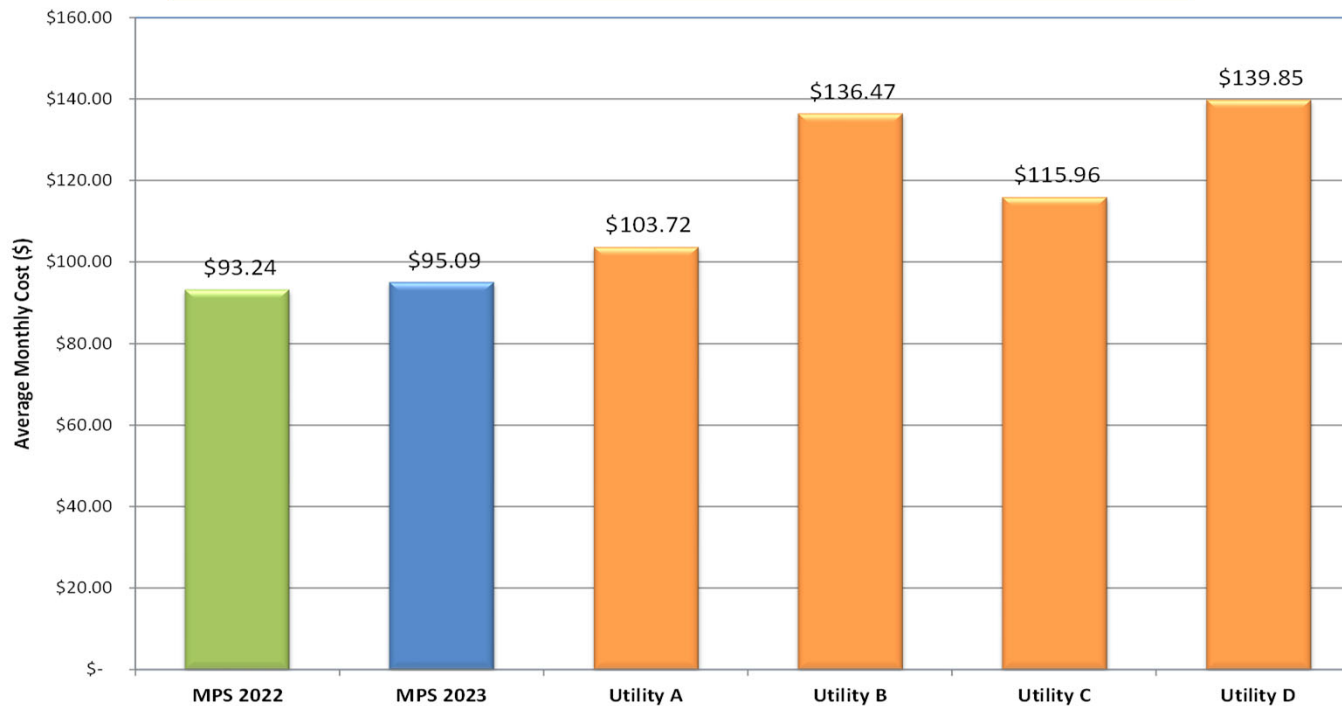
Where Will the Average Monthly Electric Payment of \$95.09 Go?

(Assumes average monthly usage of 850 kWh per month plus monthly charge)



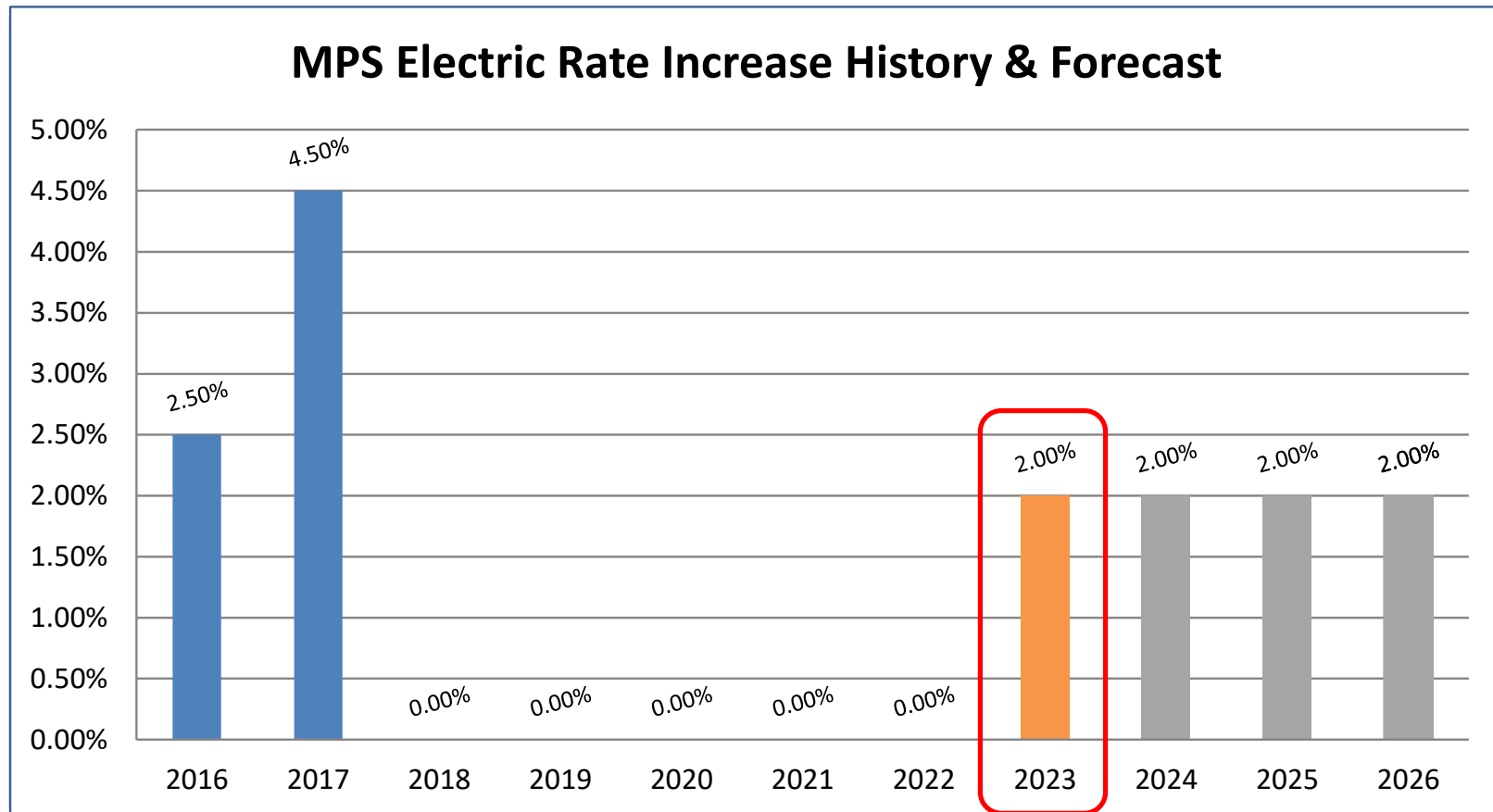
How do MPS' Rates Compare to Other Utilities?

**2023 Residential Electric Service Average Monthly Cost Comparison
MPS and Other Local Utilities
Using 850 kWh Per Month**



Values reflect rates and adjustments at time of graph preparation.
Values include monthly meter charges, other resource adjustments and interim rates as may apply.

How Does the 2023 Rate Change Compare Historically?



2023 Proposed Rates

Overall Electric and Water Increase

Proposed Overall Moorhead Public Service Electric and Water Rates Impact Impact to Average Residential Consumer

	2022	Proposed 2023	\$ Net Impact	% Net Impact
Electric Charges	\$ 93.24	\$ 95.09	\$ 1.85	1.98%
Water Charges	\$ 43.09	\$ 45.14	\$ 2.05	4.76%
Total	\$ 136.33	\$ 140.23	\$ 3.90	2.86%

Electric Usage - 850 kWh (Average Residential Home/Apartment)

Water Usage - 600 cubic feet through 3/4" water meter

2023 Electric Rate Hearing

Questions?

Comments?

www.mpsutility.com

Thank you for attending.

