



Moorhead Public Service Rate Hearing: 2027 Electric Rates

Tuesday, October 20, 2026

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How Are Electric Rates Determined?



- **Cost-of-Service Based**
 - 2023 Electric Rate Study – Next Rate Study 2028?
- **Long-Range (10-Year) Plan Review**
 - Purchased Power and Transmission Cost Forecasts
 - City of Moorhead Transfer Terms (TBD for 2027 and beyond)
 - Operating Expenditures
 - Capital Improvement Plans
 - Reserve Requirements
- **Annual In-Depth Review**
 - Four-Month Process
- **Rate Increase Proposal (Budget Working Group)**
- **Public Hearing (October 20, 2026)**
- **Final Approval (December 22, 2026)**

What is the Rate Increase Funding?

Capital Improvements - \$100.6 Million Over Five Years

2027 Budget Items

- \$71.8 million for substation transmission and generation master plan projects.
- \$15.5 million for plant, equipment, and facilities upgrades and replacements:
 - Replace aging fleet equipment.
 - Campus building, roof, and ground improvements.
- \$10.8 million to update, extend, and automate MPS' distribution system.
- \$2.5 million for IT, GIS, and security.

Moorhead Public Service Renewable Energy Programs



Also participates in



overseen by Missouri River Energy Services

What Rates and Fees are Changing?

Electric Rates

- Net overall rate increase of 2.5% for 2027

Projected Future Rate Increases 2028-2031

<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>
2.5%	2.5%	2.5%	2.5%

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 Energy and RRVCPA service areas.

What Rates and Fees are Changing?

2027 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."

2027 ELECTRIC SERVICE CHARGES

Type of Service	2026	Proposed 2027	Percent Increase
Electric Service Extension Surcharge (R) ¹	\$ 0.03421	\$ 0.04153	21.40%
Electric Service Extension Surcharge (X) ²	\$ 0.03848	\$ 0.02799	-27.26%
Dual Fuel Service Extension Surcharge (R) ¹	\$ 0.01374	\$ 0.01324	-3.64%
Dual Fuel Service Extension Surcharge (X) ²	\$ 0.00940	\$ 0.00890	-5.32%

2027 Proposed Rates – 2.5% Increase

Average Residential Customer will see an Average Increase of \$2.55 in Electric Charges per Month

2027 Proposed Electric Residential Customer Charge and Usage Rates

Type of Service	2026	Proposed 2027	Percent Change
Single-Phase Residential			
Customer Charge	\$ 18.00	\$ 18.85	4.72%
Energy Charge (June-August)	\$ 0.1090	\$ 0.1110	1.83%
Energy Charge (September-May)	\$ 0.0930	\$ 0.0950	2.15%

2027 Proposed Dual Fuel Electric Rates

Dual Fuel and Multiple Meter Services			
Dual Fuel	\$ 0.0460	\$ 0.0470	2.17%
Additional Meter - Single-phase (monthly)	\$ 2.20	\$ 2.20	0.00%
Additional Meter - Three-phase or Demand (monthly)	\$ 11.00	\$ 11.00	0.00%

2027 Proposed Rates – 2.5% Increase

Average Residential Customer will see an Average Increase of \$2.55 in Electric Charges per Month

Proposed Electric Rate Increase Impact to Average Residential Consumer*

	2026	Proposed 2027	Net Impact
Customer Charge	\$ 18.00	\$ 18.85	\$ 0.85
Electric Consumption	\$ 82.45 ^{**}	\$ 84.15 ^{***}	\$ 1.70
Total	\$ 100.45	\$ 103.00	\$ 2.55

Overall increase of \$2.55 per month

- Based on Residential meter charge and usage of 850 kWh per month
- ** Based on average of 3 months at \$0.109/kWh and 9 months at \$0.093/kWh.
- *** Based on average of 3 months at \$0.111/kWh and 9 months at \$0.095/kWh.

2027 Proposed Rates

2.5% Overall Net Increase

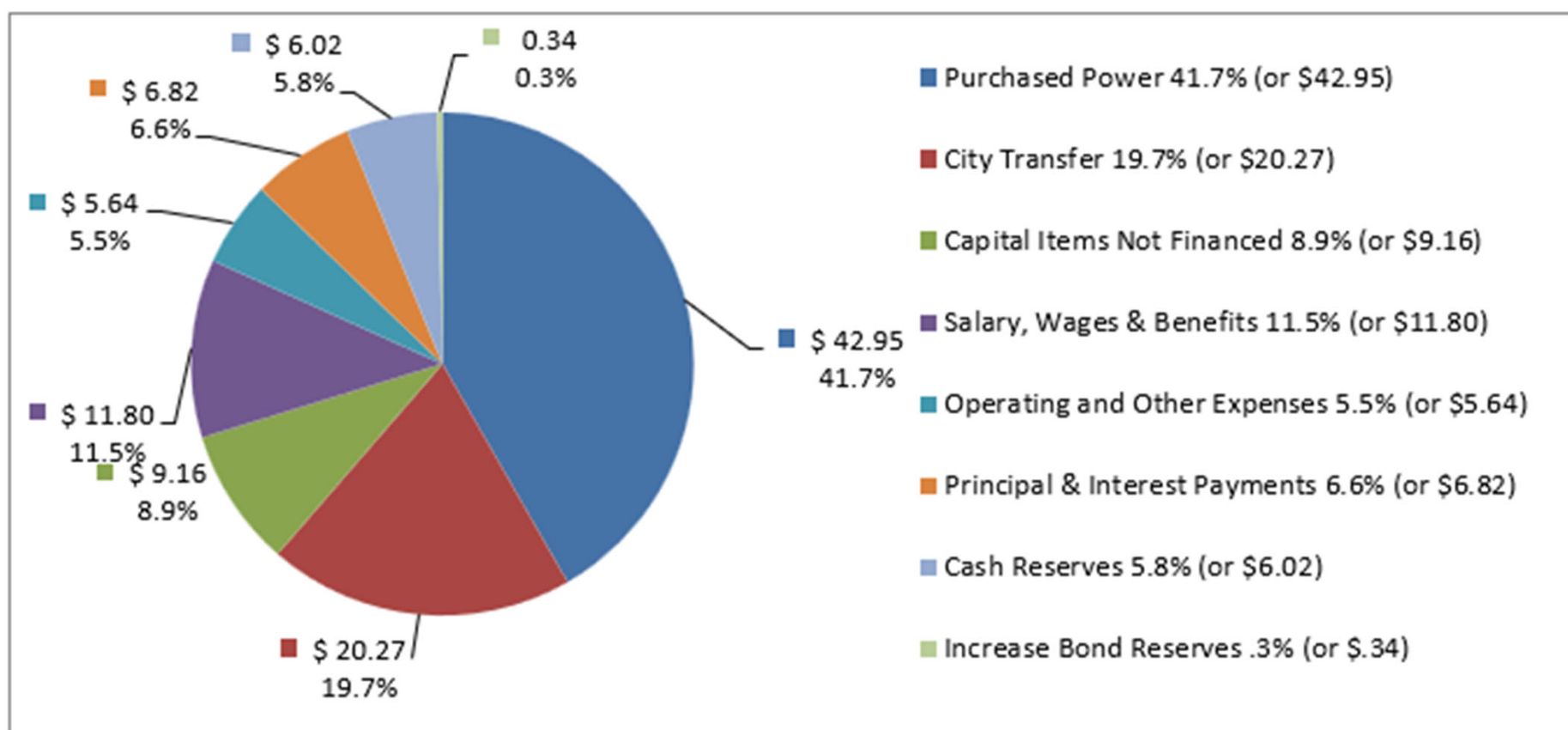
2027 Proposed Electric Non-Residential Customer Charge and Usage Rates

Type of Service	2026	Proposed 2027	Percent Change
Small General Service (average under 6,000kWh or 25kW)			
Customer Charge	\$ 26.30	\$ 27.65	5.13%
Energy Charge (per kWh) (June-August)	\$ 0.1130	\$ 0.1150	1.77%
Energy Charge (per kWh) (September-May)	\$ 0.0970	\$ 0.0990	2.06%
Excess Demand (over 25 kW)	\$ 18.40	\$ 18.40	0.00%
General Service			
Customer Charge	\$ 70.00	\$ 73.50	5.00%
Energy Charge - Primary	\$ 0.0382	\$ 0.0387	1.31%
Energy Charge - Secondary	\$ 0.0390	\$ 0.0396	1.54%
Secondary Demand (June-August)	\$ 23.10	\$ 23.45	1.52%
Secondary Demand (September -May)	\$ 19.45	\$ 19.75	1.54%
Primary Demand (June-August)	\$ 22.64	\$ 23.00	1.59%
Primary Demand (September -May)	\$ 19.06	\$ 19.35	1.52%

Where Will Your Payment Go?

Where Will the Average Monthly Electric Payment of \$103.00 Go?

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



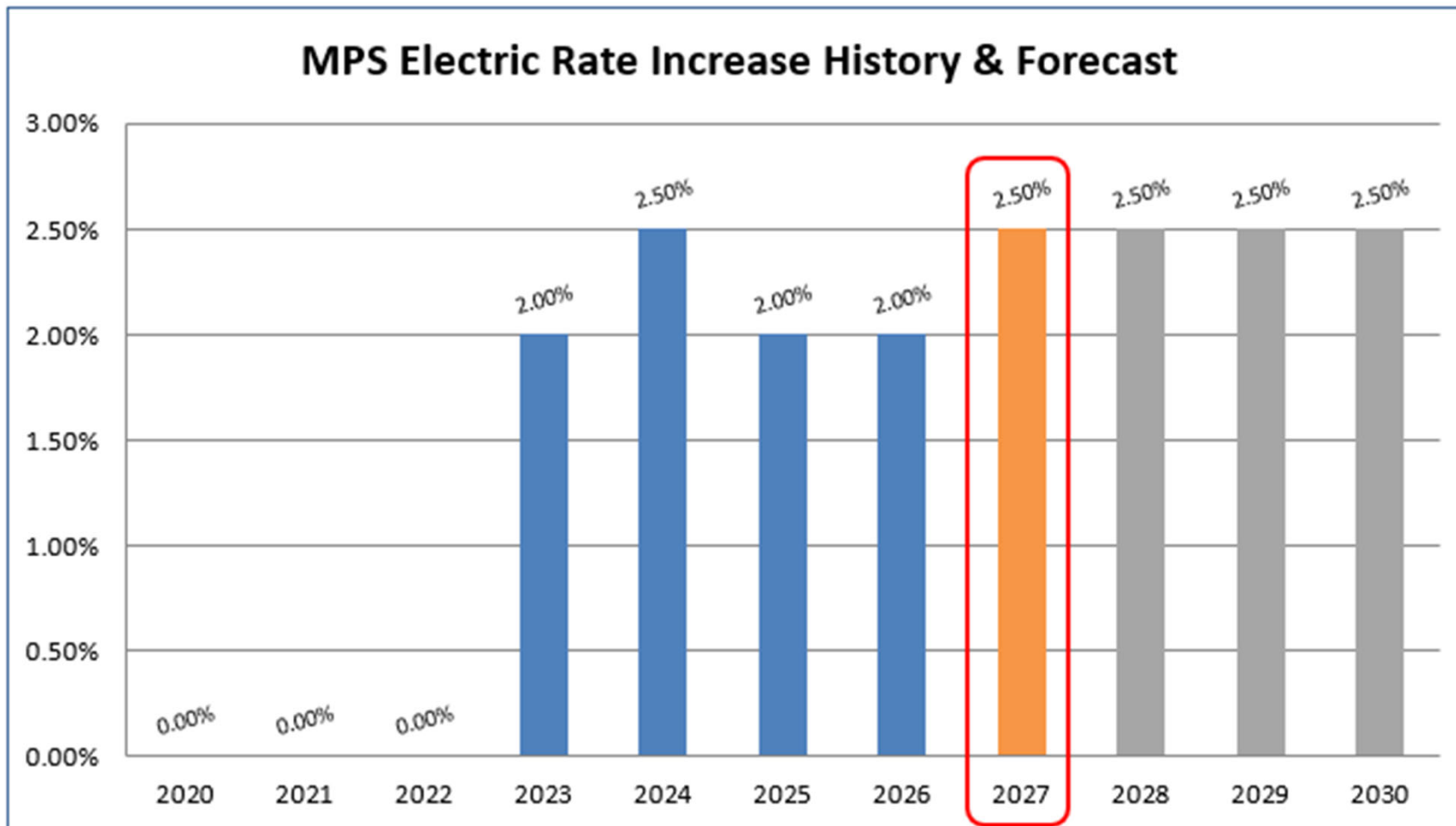
How do MPS' Rates Compare to Other Utilities?

**2026 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 2027 Rate Change Compare Historically?



2027 Proposed Rates

Overall Electric and Water Increase

Proposed Overall 2027 Utility Bill Rate Changes Impact Impact to Average Residential Consumer

MPS Charges	2026	Proposed 2027	\$ Net Impact	% Net Impact
Electric Charges	\$ 100.45	\$ 103.00	\$ 2.55	2.54%
Water Charges	\$ 53.00	\$ 56.15	\$ 3.15	5.94%
Total MPS Charges	\$ 153.45	\$ 159.15	\$ 5.70	3.71%

Electric Usage - 850 kWh (Average Residential Home/Apartment)
Water Usage - 600 cubic feet (4488 gallons) through 3/4" water meter

2027 Electric Rate Hearing

Questions?

Comments?

www.mpsutility.com

Thank you for attending.

