

**RATE CHANGE EFFECTIVE AUGUST 1, 2025**

Clearwater-Polk Electric is implementing rate changes effective August 1, 2025, following a thorough review and alignment process. A cost of service study conducted by the National Rural Utilities Cooperative Finance Corporation (CFC) was completed on April 30, 2025, providing a detailed analysis of the cooperative’s revenue needs and equitable cost allocation among members.

These changes also respond to a wholesale rate increase of 8.3% from Minnkota Power Cooperative, Clearwater-Polk’s power supplier, which took effect earlier this year. In addition, the cooperative continues to face increased costs for materials, equipment, and contracted services—driven by inflation, supply chain challenges, and evolving regulatory requirements.

After careful consideration of all these factors, including the findings of the cost of service study, the Board of Directors has approved adjustments to the cooperative’s rate structure to ensure long-term financial stability, maintain service reliability, and fairly distribute costs among members.

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**DEMAND CHARGE**

One of the most noticeable changes for members is the implementation or revision of demand charges across the rate classes.

**What is a demand charge?**

Demand refers to the rate at which electricity is used at a single point in time, measured in kilowatts (kW).

Because Minnkota Power bills Clearwater-Polk based on five different demand-based components, which together account for about **50%** of our monthly wholesale power bill, incorporating demand charges into member rates is a necessary and equitable step. Meters enrolled in load control contribute to the cost of three of these five demand components, while all other meters contribute to all five.

**Effective August 1, 2025, demand charges will be as follows:**

Rate Class	Current Demand Charge	New Demand Charge
Rate 1: Single-Phase Services	\$0.60/kW	\$1.75/kW
Rate 1C: Single-Phase Generator	Not Applicable	\$1.00/kW

Rate Class	Current Demand Charge	New Demand Charge
Rate 3C: Multi-Phase Generator	Not Applicable	\$1.00/kW
Rate 3: Multi-Phase – Small Commercial	Included in Access Charge	\$10/kW
Rate 5: Multi-Phase – Large Commercial	= Minnkota rate/kW	\$10/kW

## ENERGY CHARGE

The energy charge covers the amount of electricity used over time, measured in kilowatt-hours (kWh). Each rate class also includes a per kilowatt-hour Power Cost Adjustment (PCA), which fluctuates monthly and is based on actual wholesale power costs from Minnkota.

### New energy charge rates (excluding PCA):

Rate Class	Current Rate	New Rate
Rate 1: Single-Phase	\$0.115/kWh	\$0.114/kWh
Rate 1C: Single-Phase Generator	\$0.079/kWh	\$0.089/kWh
Rate 3C: Multi-Phase Generator	\$0.079/kWh	\$0.089/kWh
Rate 3: Multi-Phase – Small Commercial	\$0.120/kWh	\$0.105/kWh

## ACCESS CHARGE

The access charge is a fixed monthly fee that helps recover the basic costs of providing electric service—such as poles, wires, transformers, metering, billing, system upgrades, and customer service. These costs exist regardless of how much electricity is used.

Historically, Clearwater-Polk’s access charge structure included a base rate plus additional charges based on transformer capacity. To simplify billing while preserving fairness, we are moving to flat-rate access charges based on transformer size.

**Effective August 1, 2025, access charges will be as follows:**

<b>Service Type</b>	<b>Current Access Charge</b>	<b>New Access Charge</b>
Single-Phase ( $\leq 25$ kVA)	\$43	\$50
Single-Phase (26–75 kVA)	\$43 + \$1.25/kVA over 25	\$55
Multi-Phase (26–75 kVA)	\$43 + \$1.25/kVA over 45	\$55
Multi-Phase (76–112.5 kVA)	\$110 + \$1.25/kVA over 45	\$110 (Flat)
Multi-Phase (113–150 kVA)	\$110 + \$1.25/kVA over 45	\$125 (Flat)
Multi-Phase (151–499 kVA)	\$110 + \$1.25/kVA over 45	\$175 (Flat)
Multi-Phase ( $> 499$ kVA)	\$110 + \$1.25/kVA over 45	\$225 (Flat)
Off-Peak (each additional meter) \$3		\$5

## **OFF-PEAK SERVICE**

A key change in Off-Peak rates is the elimination of seasonal pricing. Both long-term and short-term off-peak energy charges will now have a consistent, year-round rate.

<b>Service</b>	<b>Current Rate</b>	<b>New Rate</b>
Long-Term Off-Peak (Sept–May)	\$0.064/kWh	
Long-Term Off-Peak (June–Aug)	\$0.074/kWh	\$0.068/kWh (Year-Round)
Short-Term Off-Peak (Sept–May)	\$0.078/kWh	
Short-Term Off-Peak (June–Aug)	\$0.088/kWh	\$0.080/kWh (Year-Round)
Access Charge (all Off-Peak)	\$3	\$5

These changes are necessary to align with Clearwater-Polk’s wholesale power costs, maintain a fair and cost-reflective structure, and ensure long-term system reliability for all members.

For questions about how these changes may affect your bill or for help understanding your rate class, please contact Clearwater-Polk Electric’s office at (218) 694-6241.