

What is the Purchased Power Adjustment?

The cost of operating your electric cooperative has remained very stable over the last ten years, about 2.2 cents per kWh. The operation costs include wages/benefits, vehicles, office and service center buildings and depreciation of plant investment.

However, the cost of wholesale power has increased from 2.7 cents per kWh to 5.3 cents per kWh over the same time period. Wholesale power costs now constitute about 68% of your electric bill. Wholesale power costs will continue to increase over the next few years as new emissions equipment, power plant upgrades and new transmission line investments are made.

The Purchased Power Adjustment is the variable portion of your bill that is related to changes in our wholesale power bill. Over the next year you will notice some variability in this from month to month, but generally rising throughout the year. The increased power cost is passed through without any mark up from CCEC.

While we don't like to see our rates rise, the investments made by Minnkota Power Cooperative, our wholesale power supplier, are ensuring we have a stable and secure power supply for decades to come.

