

## Final Electric Rate Increase Is Effective With Electric Use On and After June 1, 2026.

On December 31, 2024, Dakota Electric filed an application with the Minnesota Public Utilities Commission (Commission) for an electric rate increase of 11.0% annually or about \$23.8 million. An interim rate of 9.5%, or \$20.43 million, went into effect on members' electricity use in March 2025 and has shown up as the "Interim Rate Increase" on members' bill since April 2025. On June 6, 2025, parties to the Cooperative's general rate case, including Dakota Electric, the Minnesota Department of Commerce and the Office of the Attorney General, reached a settlement that resolved all issues in the case. On December 11, 2025, the Settlement Agreement was brought to the Commission for approval.

After considering information submitted by all parties, the Settlement Agreement, and recommendations from the Administrative Law Judge who presided over the case, the Commission approved a total rate increase of 9.62% or \$20.88 million in annual revenue. The Commission decision approves about 86% of the revenue increase Dakota Electric requested.

The change to your monthly electric bill will vary depending on the amount of electricity you use. Your monthly bill will also vary due to changes in the cost of wholesale power purchased by Dakota Electric Association for your use. The amount you are charged for wholesale power costs is the same amount Dakota Electric pays.

Residential members will see a \$2 increase in the monthly fixed charge and the energy charges will increase from 13.77¢ to 14.60¢ per kWh during the summer months, and from 12.38¢ to 13.20¢ during other months. The overall average increase for residential members is 8.32%. Under the Commission decision, electric rates changed for all member classes and are noted on the inside of this notice.

### Resource and Tax Adjustment (RTA)\*

While the majority of the RTA was absorbed into the standard rate, members will continue to see an RTA charge on their bill related to wholesale power in 2026. The 2026 RTA rates were not included when Dakota Electric filed its rate increase application in 2024.

\*The RTA is a periodic rate adjustment for changes in wholesale power costs, property and real estate taxes and conservation spending.

The chart below compares average interim and final electric bill increases by customer class. The monthly bill estimates below include each year's annual RTA and Advanced Metering Recovery Fee rates. With the implementation of new rates, Dakota Electric will discontinue the separate line for the Advanced Metering Recovery fee.

### Change in Monthly Electricity Costs (Including RTA)

Member	Average monthly kWh use	2024 monthly bill	2025 Interim monthly bill	2026 final monthly bill
Residential	700	\$98.91	\$118.46	\$110.30
Small General Service	1,000	\$140.57	\$168.37	\$156.40
General Service	16,000	\$2,301.21	\$2,725.70	\$2,668.18

### Energy (per kWh) and Demand (per kW) Rates

Member classification	+Previous	New
<b>Residential</b>		
Energy: Summer (June - Aug)	13.77¢	14.60¢
Energy: Other (Sept - May)	12.38¢	13.20¢
<b>Small General Service</b>		
Energy: Summer (June - Aug)	13.74¢	14.53¢
Energy: Other	12.34¢	13.13¢
<b>General Service</b>		
Energy: First 200 kWh per kW	7.80¢	8.16¢
Energy: Next 200 kWh per kW	6.80¢	7.16¢
Energy: Over 400 kWh per kW	5.80¢	6.16¢
Demand: Summer (June - Aug)	\$13.76	\$16.00
Demand: Other (Sept - May)	\$10.66	\$12.90

### Monthly Fixed Charges

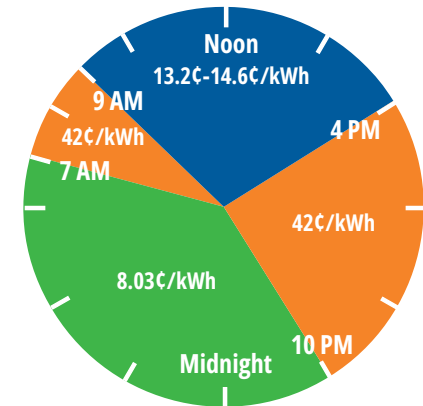
Member classification	+Previous	New
Residential	\$10.00	\$12.00
Small General Service	\$15.00	\$17.50
General Service	\$37.00	\$48.00

\*Previous rates and monthly costs are based on 2019 rates and costs, including the RTA, in effect at the time the general rate case was filed with the Commission.

### Time-of-Use Rate Change

The Commission Order also includes updates to Dakota Electric's terms of service, including time-of-use periods. The first change affects our electric vehicle (EV) time-of-use rate. Since 2012, this rate has offered lower pricing for off-peak charging. To better align with shifting peak demand, the off-peak period will shift from 9 p.m.–8 a.m. to 10 p.m.–7 a.m., Monday through Friday (excluding holidays and including weekends). A new morning peak period from 7–9 a.m. will also be added.

### Updated Time-of-Use Hours\*



\*The rates shown reflect current estimates for time-of-use pricing and are subject to change.

### Off-Peak Rate Changes

The chart below outlines the increased charges for residential members participating in interruptible and storage off-peak programs. Members on other off-peak programs can call 651-463-6243 to learn how increased rates will impact their bills.

Member classification	Previous	New
<b>Controlled Energy Storage</b>		
Energy (per kWh)	4.87¢	6.06¢
<b>Controlled Interruptible Service</b>		
Energy (per kWh)	6.31¢	6.74¢
<b>Cycled Air Conditioning®</b>		
June, July and Aug. Credit	\$13	\$13

### Resources

#### For More Information

If you would like more information about electric prices for other member rate classes, please visit [www.dakotaelectric.com/news-events/rate-case](http://www.dakotaelectric.com/news-events/rate-case).

#### Dakota Electric Member Services

651-463-6212 or 1-800-874-3409

#### Minnesota Relay Service

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# New Electric Rates Begin With This Bill

*Effective with consumption on and after June 1, 2026.*

