

Directors approve rate increase January 1, 2026;

For most rates demand & monthly service charge increase, while energy decreases

Rate	Description	2025 service charge	2025 kWh charge	2025 demand charge	2026 service charge	2026 kWh charge	2026 demand charge
B	General service	\$60	\$0.086	\$5/kW	\$76.88	\$0.07565	\$8/kW
C	Small power	\$85	\$0.084	\$8/kW	\$98.75	\$0.08136	\$10/kW
D	Large power	\$95	\$0.083	\$8.75/kW	\$120.10	\$0.08250	\$9.75/kW
I	Interruptible	\$120	\$0.068	\$7/kW	\$120.00	\$0.07231	\$9/kW

Look at your electric bill to see your rate class. This month we explain the main rates; last month the residential rate class A was explained. A bill insert outlining these rate changes will also be included with the December 3 electric bills.

Federated’s Board of Directors approved a seven percent average rate increase, effective January 1, 2026. It will appear on the February 4 bill.

The Board reviewed the Cost of Service Study conducted by Power Systems Engineering at the September 23 meeting. Each Federated rate class was analyzed for revenue and expenses, based on sales, so each rate class pays its fair share with no subsidies among rates.

The study showed that most rate classes should have a monthly service charge increase to cover their share of the line trucks, employees, buildings and power lines to deliver the electricity to your house,” stated Scott Reimer, Federated’s general manager. “The Board wanted to bring the monthly service charge closer to the true cost of service for each rate class so the revenue covers the expenses. Plus, the demand charge increased slightly to help cover the monthly peaks, but this allowed the energy charge to drop for most of the rate classes. Keep in mind with demand you have control over when you run your farm motors, fans and appliances, so you can control this demand peak cost on your bill.”

Plus, a 10 percent rate increase from Basin Electric Cooperative, our major wholesale provider, was factored into this rate increase. Basin sees increasing costs for transmission lines, peaking plants for reliability and capital costs too.

Timing controls demand charges

Farmers can control their demand by how they use their electricity. For example, in the winter rather than run

all of the bin fans at the same time to cool down the grain, run half one day for 24 hours and then run the other half the next day. This would cut your demand in half. In addition, try to run these motors during one month and not spread out over the last day of the present month and first day of the next month, because you then pay demand for two months, instead of one. Plus, consider upgrading your fan motors to more efficient ones, instead of rewinding motors, for savings on your electric bill. Take a look at Federated’s rebates on our website to help with the energy-efficiency upgrade costs.

Limited PCA charges in 2026

The Power Cost Adjustment (PCA) passes on any wholesale power or transmission costs that vary month to month. The 2026 rate increase rolled the PCA into the kilowatt-hour (kWh). As long as the wholesale power costs or transmission costs don’t exceed the base cost of power, it’s anticipated that the PCA should not be needed in 2026.

Yard/street lighting rates consolidated

The yard/street light rate has not changed since 2012 and higher materials pricing required a rate increase. After the Alliant acquisition, the lighting rates grew to 28 different rates. These lighting rates will be consolidated down into two different rates: LED and non-LED lights. See the chart. For the handful of members with a dedicated light pole with no meter on it, this fee goes from \$4.22 to \$4.64/month. ☺

Street and yard lights (Unchanged since 2012)	2026
LED yard/street light	\$8/month
Non-LED yard/street light (white mercury vapor & orange high pressure sodium lights)	\$10/month

Demand is like...

1. A speedometer: Think of electricity like a car, the odometer measures distance traveled, much like kilowatt-hours (kWh) measure energy used. The speedometer measures the maximum speed the car can travel, much like demand (kW) measures the maximum amount of energy used at one time during the month. The car’s motor is built for the maximum speed, regardless of how many miles traveled. The same applies to electric systems.

2. A football stadium: Builders design the stadium to hold thousands of fans for a few hours. The majority of the year, the stadium sits vacant, but the seats, restrooms and parking garage remain. The electric grid is like a stadium. Federated and our wholesale power provider build the electric distribution system to accommodate the maximum amount of electricity needed, even if the members don’t use the maximum capacity 24/7. ☺