

New Prague, Minnesota

A Tradition of Progress



NEW PRAGUE UTILITIES COMMISSION 2026 PROPOSED ELECTRIC BUDGET REPORT

TABLE OF CONTENTS

Contents

2026 MANAGEMENT STATEMENT & FORECAST	1
2026 PROPOSED ELECTRIC BUDGET.....	3
PROJECTED ELECTRIC REVENUE & EXPENSE CHART	4
SMPA PURCHASED POWER	5
RESIDENTIAL AND COMMERCIAL RATE HISTORY	6-10
10-YEAR CAPITAL PROJECTS	11
PROPOSED 2026 RATES.....	12

MANAGEMENT STATEMENT

The overall management goal of the New Prague Utilities Electric Department is to provide safe, reliable, and economical public electric service with a focus on customer needs, infrastructure enhancements, growth, and responsible resource management. 2025 was a very busy year starting out with finishing the final section of the NE residential overhead to underground conversion. This included removing 10 blocks of overhead primary lines and installing new streetlighting. The utility also worked with several commercial customers upgrading or installing new services.

2025 also brought on a new challenge with the Commission approving the building of a new power plant to be located near the West Substation. This will be a nearly three-year project with projected cost of 18 to 20 million. This expansion of generation is a joint venture between Southern Minnesota Municipal Power Association (SMMPA) and the New Prague Utilities with revenues from a 20-year capacity contract to be used to make the bond payments.

FORECAST

The 2026 Electric Department budget is projected to forecast the financial operation of the New Prague Utilities Commission. Southern Minnesota Municipal Power Agency (SMMPA) is predicting that wholesale energy cost will fluctuate throughout the next several years with both declining and increasing rates of 10 to 15 percent each year. Starting in 2026, management and the Commission will create a rate stabilization account to balance out these fluctuations in the future, the targeted amount to set aside in 2026 is between \$600k-\$700k.

REVENUE

The 2026 Revenue budget reflects a 2% increase on residential and Commercial rates. These increases are primarily driven by escalating labor, material and equipment cost and the ongoing operational cost of building and maintaining an electric distribution system that is both reliable and capable of serving future growth.

EXPENSES

Personnel Costs:

- Wages Full-Time and Part-Time – Reflects implementation based on a recommendation through a compensation study completed in 2025.
- Health Insurance –17% increase in health insurance premiums for 2026. HSA contributions remain the same 2,250 family and 1,125 single.
- Dental Insurance –Premiums for 2026 remain the same as 2025.
- Life, Long-Term Disability, Short-Term Disability and Paid Family Medical Leave Act (PFMLA) is a reduction of 15.1% change in 2026. PFMLA is effective January 1, 2026.
- The Life and Disability rates effective January 1, 2026 have a two year rate guarantee.
 - Note: Insurance providers will change effective Jan. 1, 2026 from The Hartford to MetLife. This change is due to bid results completed in 2025.

Operating Expenses:

- Purchased Power cost decrease 9% compared to 2025
- Capital improvement costs increase \$17k compared to 2025 and are based on planned SMMPA projects.

2026 KEY BUDGET AND OPERATIONAL INFLUENCES

2026 continues our work to maintain and provide reliable and affordable electric service to its current and new customers.

- Continued work on future expansion of New Prague's generation facilities to meet continued growth and to meet base load requirements of New Prague's power supplier (SMMPA) it is anticipated that this project will cost an estimated 18 million dollars and take nearly 3 years to complete. This expansion will provide New Prague residents with reliable generation backup for the next 20 years and be paid for by a 20-year contract with New Prague's wholesale power provider (SMMPA)
- Distribution replacements and upgrades to our distribution system and the extension of underground distribution lines to keep moving toward our goal of having all residential distribution lines underground by the end of 2026 by adding an additional 20,000' of new underground conductors and related equipment.
- Continued refinement and development of energy programs that are offered to new and existing customers to promote energy sales and cost efficiency.
- Strengthen current and future workforce and career development needs so that the utility can retain a skilled labor force and be prepared for future workforce retirements.

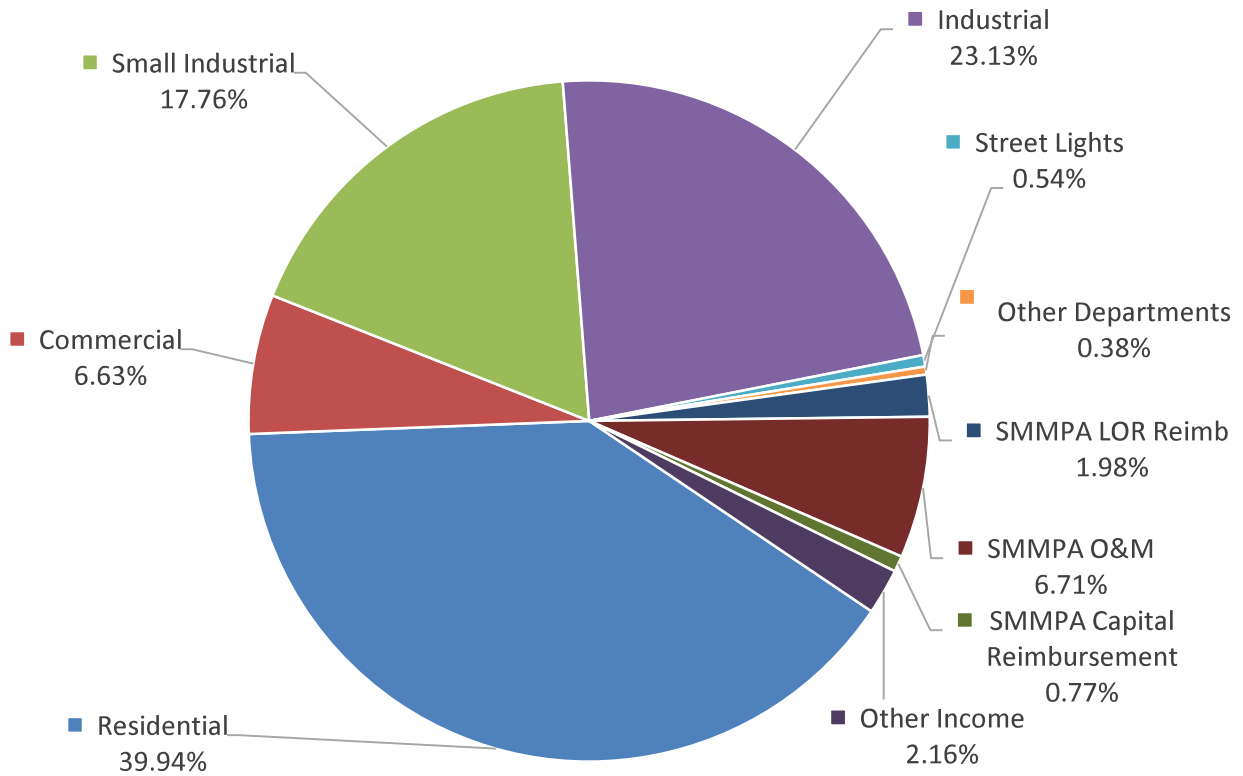
2025 NPUC KEY ACCOMPLISHMENTS

- Installed 22,000 feet of new underground distribution conductor, 4 commercial services and 5,000' of fiber optic duct.
- Installed commercial services to Mayo Hospital, 2 If By Sea Tactical, Bevcomm, Hartland Credit Union and Great River Energy.
- Installed sewer and water to the new West Side Energy Station along with the installation of a new distribution duct system in preparation for building construction in the spring of 2026.

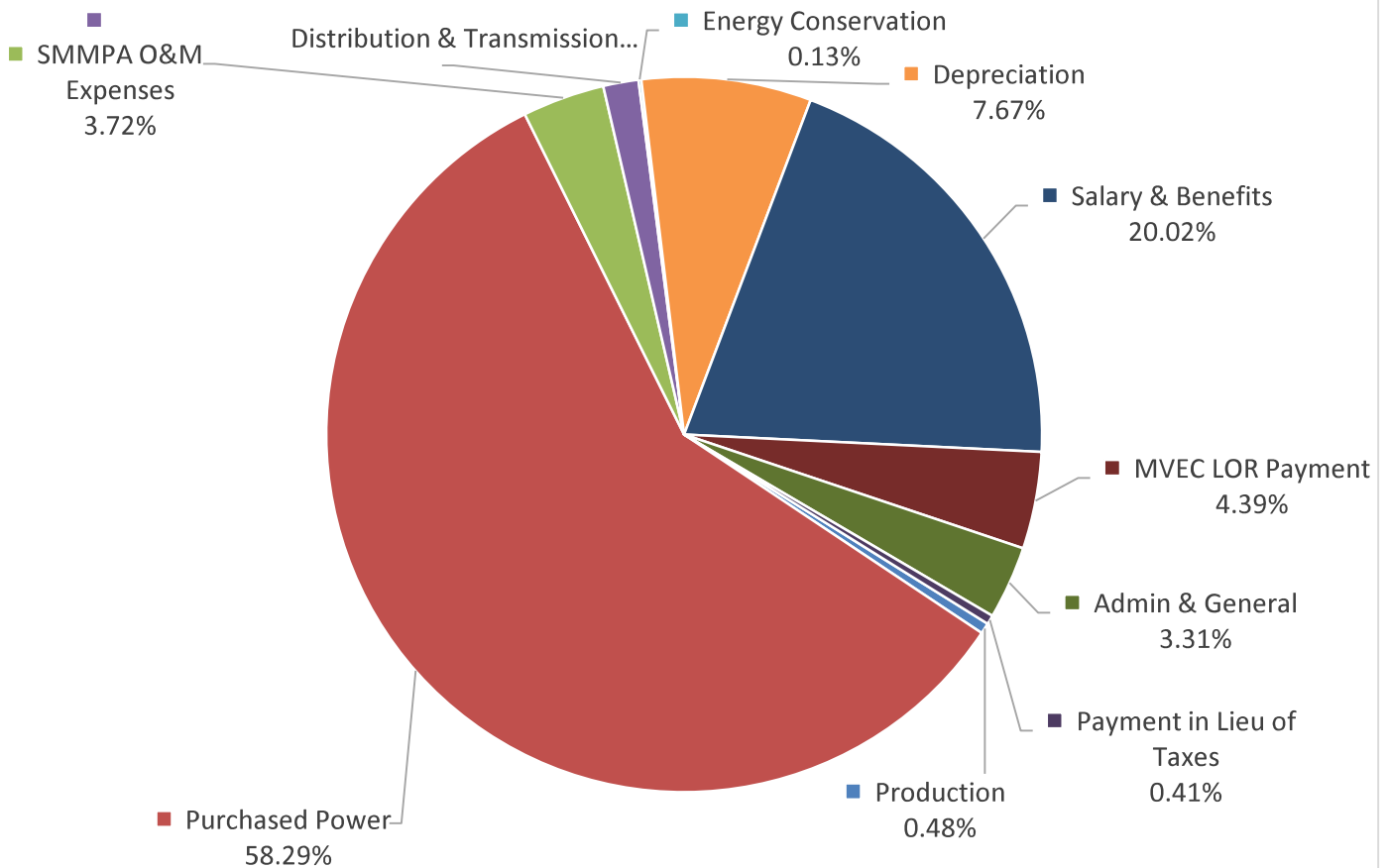
NEW PRAGUE UTILITIES COMMISSION
PROPOSED ELECTRIC BUDGET
As of 9/30/2025

	2024	2025	2025	2026	2025-2026	
	ACTUAL	Y-T-D ACTUAL	CURRENT BUDGET	PROPOSED BUDGET	\$ DIFFERENCE	% DIFFERENCE
REVENUES						
Unbilled Accounts Receivable	\$ 31,671.17	\$ (209,979.74)	0	\$ -	\$ -	0.00%
Residential	\$ 4,204,675.26	\$ 3,388,335.70	\$ 4,186,223.00	\$ 4,269,950.00	\$ 83,727.00	2.00%
Commercial	\$ 668,320.66	\$ 587,856.67	\$ 628,951.00	\$ 725,602.00	\$ 96,651.00	15.37%
Small Industrial	\$ 1,892,282.16	\$ 1,487,730.37	\$ 1,861,047.00	\$ 1,898,268.00	\$ 37,221.00	2.00%
Industrial	\$ 2,489,544.23	\$ 1,894,826.17	\$ 2,424,913.00	\$ 2,473,410.00	\$ 48,497.00	2.00%
Large Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Streetlights	\$ 53,587.97	\$ 42,527.50	\$ 63,443.00	\$ 57,814.00	\$ (5,629.00)	-8.87%
Other Departments	\$ 130,545.10	\$ 28,714.15	\$ 160,583.00	\$ 61,199.00	\$ (99,384.00)	-61.89%
SMMPA LOR Reimbursement	\$ 206,080.87	\$ 119,599.55	\$ 205,075.00	\$ 212,185.00	\$ 7,110.00	3.47%
SMMPA O&M Revenue	\$ 912,195.75	\$ 532,791.08	\$ 676,033.00	\$ 717,500.00	\$ 41,467.00	6.13%
SMMPA Capital Reimbursement	\$ -	\$ -	\$ 65,000.00	\$ 82,000.00	\$ 17,000.00	26.15%
Other Income	\$ 609,782.14	\$ 256,352.42	\$ 133,800.00	\$ 193,500.00	\$ 59,700.00	44.62%
TOTAL REVENUES	\$ 11,198,685.31	\$ 8,128,753.87	\$ 10,405,068.00	\$ 10,691,428.00	\$ 286,360.00	2.75%
EXPENSES						
Production	\$ 13,591.33	\$ 31,873.84	\$ 26,000.00	\$ 46,000.00	\$ 20,000.00	76.92%
Purchased Power	\$ 6,297,476.63	\$ 3,650,649.82	\$ 6,401,508.00	\$ 5,638,135.00	\$ (763,373.00)	-11.92%
SMMPA O&M Expenses	\$ 474,223.98	\$ 258,327.74	\$ 486,740.00	\$ 360,000.00	\$ (126,740.00)	-26.04%
Distribution/Transmission	\$ 44,521.63	\$ 89,546.93	\$ 114,000.00	\$ 153,000.00	\$ 39,000.00	34.21%
Energy Conservation	\$ 16,183.30	\$ 24,586.70	\$ 12,500.00	\$ 13,000.00	\$ 500.00	4.00%
Depreciation	\$ 750,697.00	\$ 438,515.17	\$ 680,160.00	\$ 741,656.00	\$ 61,496.00	9.04%
Salary & Benefits	\$ 1,415,389.66	\$ 1,200,220.19	\$ 1,697,681.00	\$ 1,936,420.00	\$ 238,739.00	14.06%
MVEC LOR Payment	\$ 412,161.68	\$ 239,373.50	\$ 357,793.00	\$ 424,370.00	\$ 66,577.00	18.61%
Admin & General	\$ 288,796.32	\$ 216,528.31	\$ 260,278.00	\$ 320,000.00	\$ 59,722.00	22.95%
Payment in Lieu of Taxes	\$ 40,000.00	\$ 30,000.01	\$ 40,000.00	\$ 40,000.00	\$ -	0.00%
TOTAL EXPENSES	\$ 9,753,041.53	\$ 6,179,622.21	\$ 10,076,660.00	\$ 9,672,581.00	\$ (404,079.00)	-4.01%
EXCESS REVENUES OVER EXPENSES	\$ 1,445,643.78	\$ 1,949,131.66	\$ 328,408.00	\$ 1,018,847.00	\$ 690,439.00	210.24%

2026 Electric Revenue Budget



2026 Electric Expense Budget



**ELECTRIC DEPARTMENT
SMMPA PURCHASE POWER**

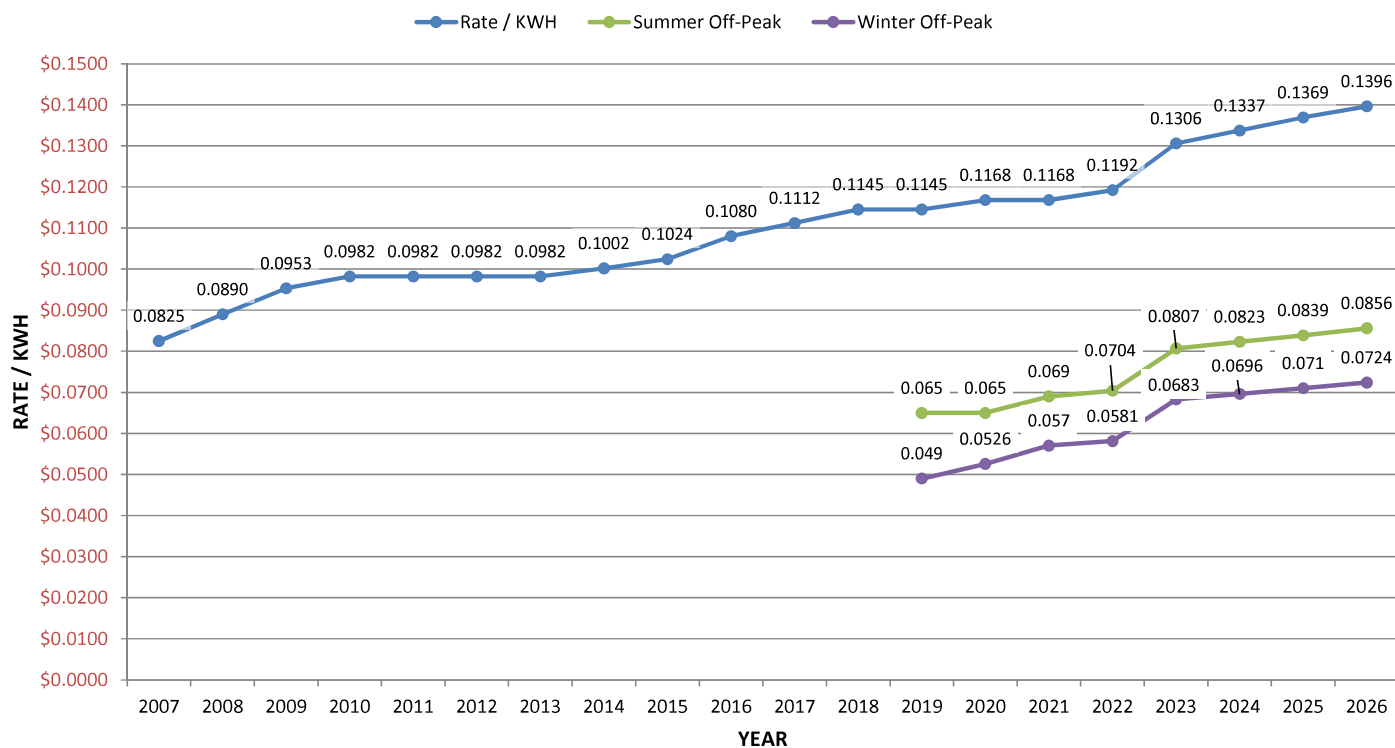
The 2026 purchased wholesale net power rate is projected to be \$0.0786 per kilowatt-hour (kWh).

The budget projects the energy purchase to be 71,732,000 kWh for New Prague.

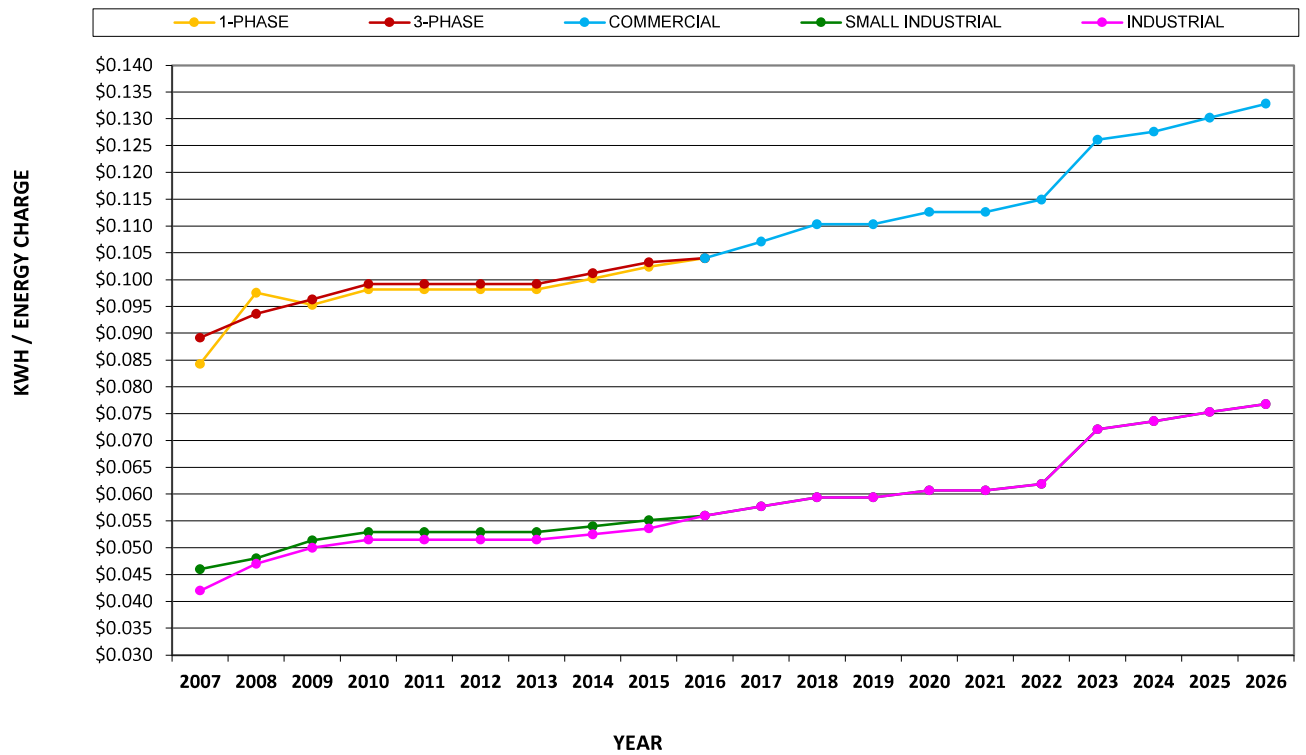
	Purchased kWh	Cost kWh	Total Cost
*2026	71,732,000	\$0.0786	\$5,638,135
*2025	72,407,625	\$0.0849	\$6,149,579
2024	70,729,666	\$0.0890	\$6,297,476
2023	72,260,959	\$0.0861	\$6,221,565
2022	72,086,211	\$0.0753	\$5,427,726
2021	72,006,211	\$0.0754	\$5,427,727
2020	61,433,726	\$0.0847	\$5,200,945
2019	77,305,672	\$0.0744	\$5,752,796

* Represents projections

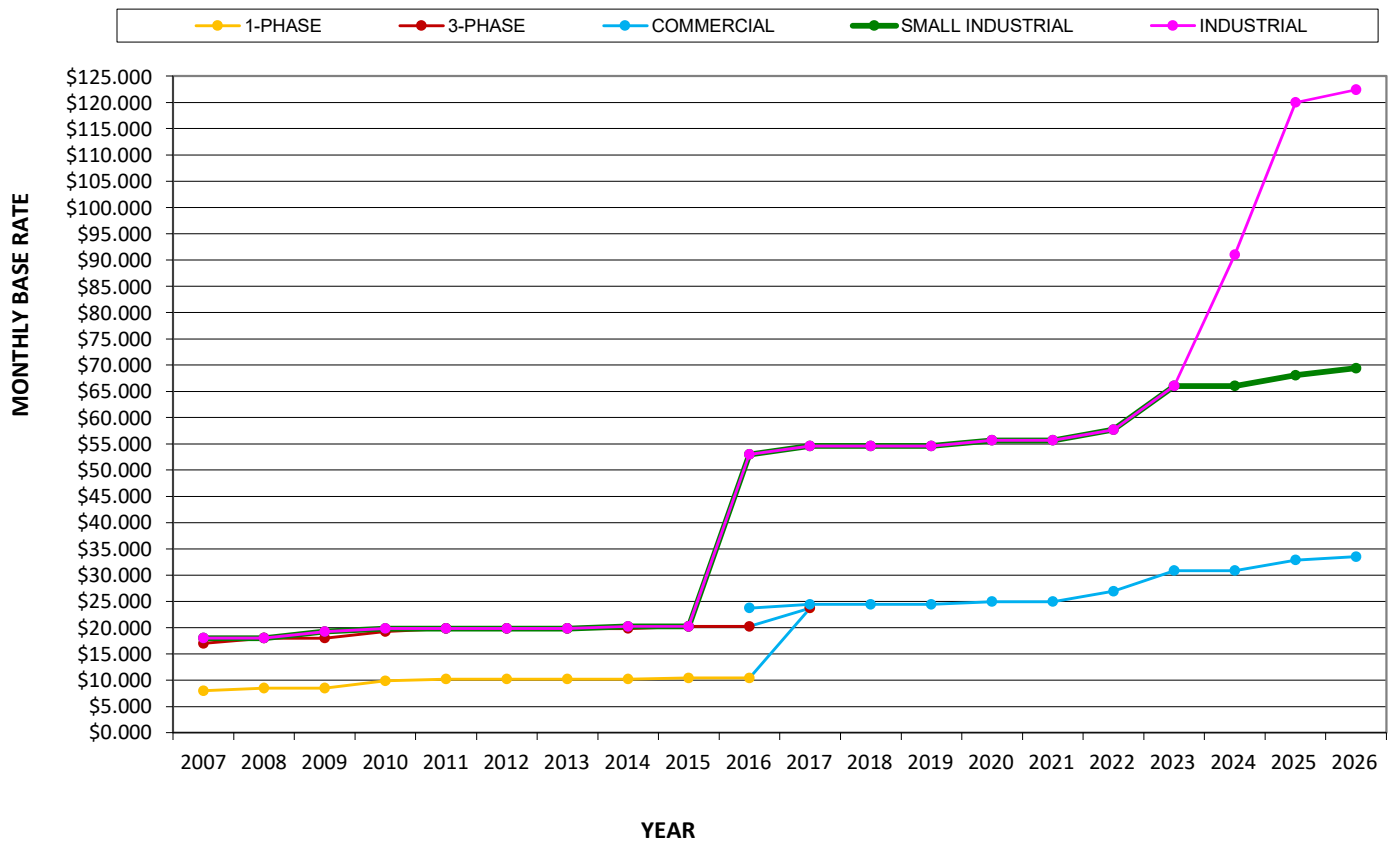
NEW PRAGUE UTILITIES COMMISSION RESIDENTIAL ELECTRIC RATES (2007 - 2026)



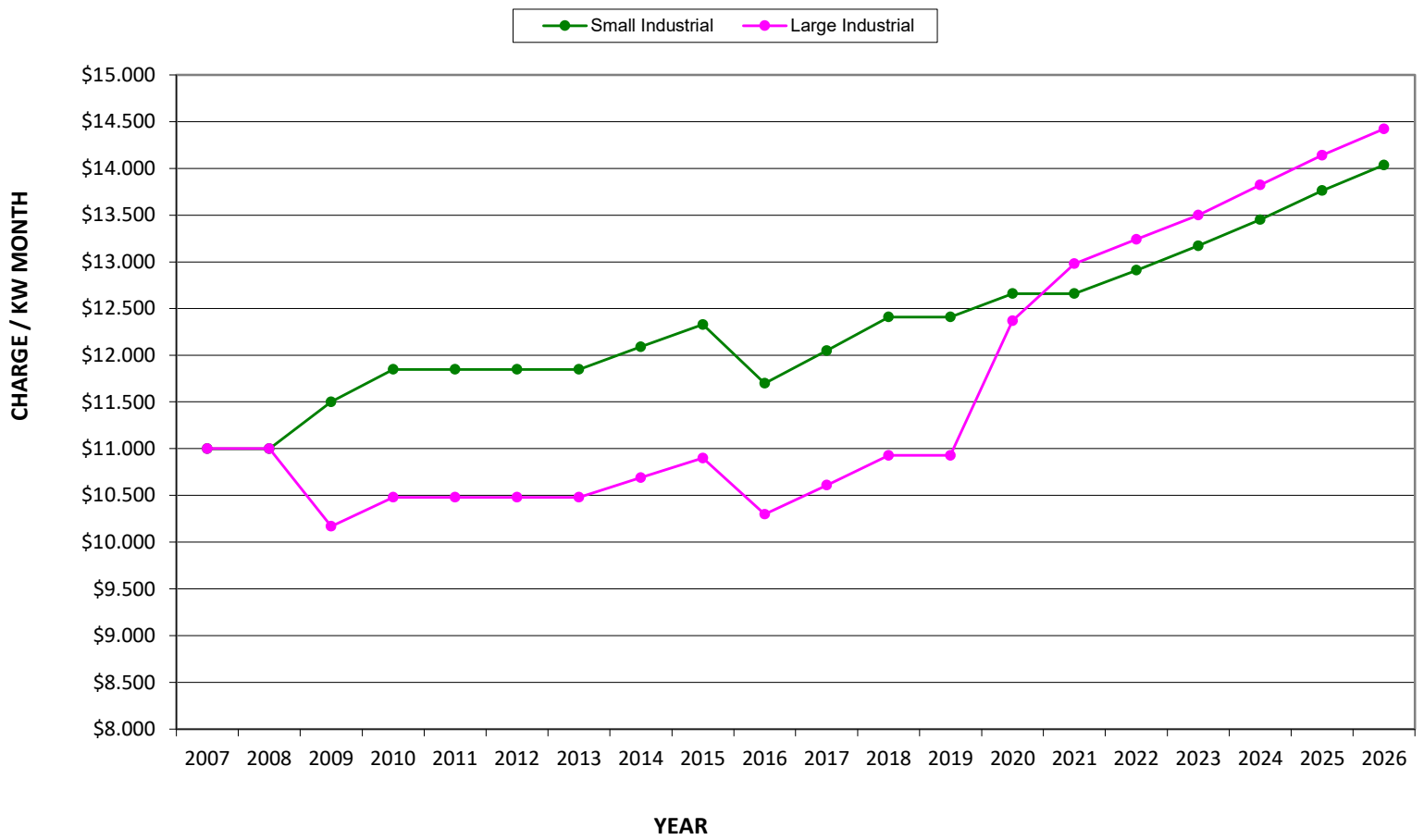
NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC RATE INFORMATION (2007 - 2026)



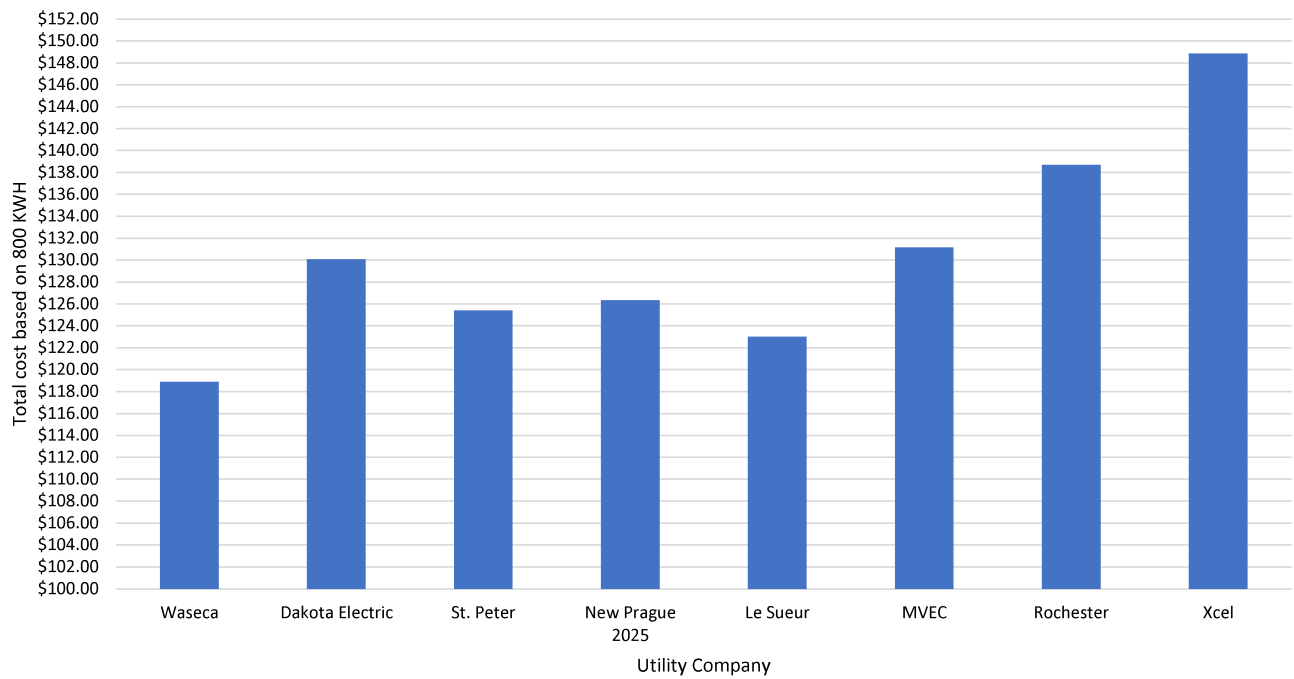
NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC BASE RATE INFORMATION (2007 - 2026)



NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC DEMAND RATE INFORMATION (2007 - 2026)



New Prague Utilities Commission
2025 Summer Rate Comparison



Sum of Amount	Years										
Funding Sources	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Grand Total
Electric	5,882,000	14,188,000	794,000	626,000	589,000	606,000	734,000	652,590	661,677	65,000	24,798,267
#5 Generator Replacement		300,000									300,000
Air Compressor										20,000	20,000
Bucket Truck	150,000	150,000									300,000
Directional Drill			150,000								150,000
Dump Truck Replacement			65,000								65,000
Future Distribution CIP	463,000	477,000	491,000	506,000	522,000	537,000	553,000	569,590	586,677		4,705,267
Future Generation	5,000,000	13,000,000									18,000,000
Mini Excavator Backhoe (2/3 Cost)										45,000	45,000
Miscellaneous Equipment	29,000	31,000	33,000	35,000	37,000	39,000	41,000	43,000	45,000		333,000
SCADA/ Switch Gear	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000		270,000
Service Truck Replacement	60,000	50,000		55,000			60,000				225,000
Skid Loader Replacement								10,000			10,000
Tractor Backhoe			25,000								25,000
Trencher/Plow		150,000									150,000
Vac Machine Replacement							50,000				50,000
West Substation Upgrade - Controls/Gear	150,000										150,000
Grand Total	5,882,000	14,188,000	794,000	626,000	589,000	606,000	734,000	652,590	661,677	65,000	24,798,267

10/14/2025

Proposed 2026 Rates

	2025			2026	
	Rate	BASE FEE		Rate	BASE FEE
RESIDENTIAL	\$ 0.1369	\$ 16.82		\$ 0.1396	\$ 17.16
OFF PEAK SUMMER (JUNE - SEPT)	\$ 0.0839			\$ 0.0856	
OFF PEAK WINTER (OCT - MAY)	\$ 0.0710			\$ 0.0724	
RESIDENTIAL - SOLAR / Grid Access	\$ 0.1369	\$ 4.50		\$ 0.1396	4.59 / KW
RESIDENTIAL - SOLAR BI-DIRECTIONAL	\$ (0.1369)			\$ 0.1396	
RESIDENTIAL -SOLAR BI -DIRECTIONAL OFF-PEAK				\$ 0.1126	
TIME OF USE - AM (CAR)	\$ 0.2507			\$ 0.2557	
TIME OF USE - PM (CAR)	\$ 0.0806			\$ 0.0838	
LOAD CONTROL CREDITS		\$ (5.00)		\$ 5.0000	
COMMERCIAL	\$ 0.1302	\$ 32.86		\$ 0.1328	\$ 33.52
SMALL INDUSTRIAL	\$ 0.0753	\$ 68.04		\$ 0.0768	\$ 69.40
SMALL INDUSTRIAL - DEMAND	\$ 13.7600			\$ 14.0532	
INDUSTRIAL	\$ 0.0753	\$ 120.00		\$ 0.0768	\$ 122.40
INDUSTRIAL - DEMAND	\$ 14.1400			\$ 14.4228	
PEAK ALERT	\$ 0.0797	\$ 138.60		\$ 0.0813	\$ 141.37
PEAK ALERT - DEMAND	\$ 4.4100	\$ -		\$ 4.4982	
INTERRUPTABLE	\$ 0.0945	\$ 32.86		\$ 0.0964	\$ 33.52
LARGE INDUSTRIAL	\$ 0.0753	\$ 140.00		\$ 0.0768	\$ 142.80
LARGE INDUSTRIAL - Demand	\$ 17.2000			\$ 17.5400	
INTERDEPARTMENT SALES	\$ 0.0945	\$ 32.86		\$ 0.0964	\$ 27.48
INTERDEPARTMENT SALES	\$ 0.1302	\$ 32.86		\$ 0.1328	\$ 27.48
METERED STREET LIGHT - LED	\$ 0.2500	\$ 12.60		\$ 0.2550	\$ 12.85
METERED STREET LIGHT -NON LED	\$ 0.1469	\$ 12.60		\$ 0.1498	\$ 12.85
SECURITY LIGHTS		\$ 12.60			\$ 12.60