



MIDSTATE CONNECTION

Office Hours: 7:00 am-5:30 pm, Monday-Thursday
Closed Fridays & Holidays

Business Hours: 541-536-2126
After Hours Outages: 800-752-5935

Message on Rates from Jim Anderson, Midstate CEO/General Manager

Thank you for being part of Midstate Electric Cooperative. As a member-owned utility, you are not just a customer — you are an owner, and every decision we make is with your best interests in mind.

Bonneville Power Administration (BPA), our wholesale power supplier, has announced a 28% rate increase, effective October 1, 2025. Because BPA provides most of the power we distribute, this increase directly impacts our costs. It is one of the largest wholesale hikes we have ever seen, and it comes at a time when material and supply costs have also risen sharply — in some cases more than 100%.

After much discussion and careful consideration, your Board of Directors has approved a rate adjustment for all rate classes. This increase will appear on your November billing, which will include usage from October.

The new residential energy charge is \$0.0899 per kilowatt-hour (kWh). For an average household using 1,300 kWh and 10 kW a month, the bill will increase by \$16.77, or 11.36%. There are no changes to the Demand Charge or Facilities Charge.

The decision was not made lightly. The Board understands how difficult any increase is, and they carry a fiduciary responsibility to ensure the financial health of your cooperative while keeping rates fair and stable for all members.

Looking Ahead

There is some good news: Bonneville has signaled that no additional wholesale increases are expected until October 2028. That gives us a window of stability, and Midstate will work diligently to keep our new rates in place for the next several years.

Still, we must acknowledge that certain events remain outside of our control. A major wildfire, an ice storm, or other catastrophic costs in transportation and materials could force reevaluation. But our intent is clear: we will hold the line on rates unless unforeseen events make change unavoidable.

Shared Responsibility

This increase is spread across all rate classes, ensuring no single group carries the entire burden. Every member is affected, and every member contributes to maintaining the cooperative's strength.

Many of you remember the demand charge implemented in January. While not universally popular, it has proven essential in offsetting rising costs. Without it, our rates today would be approaching 12 cents per kilowatt-hour. By taking that step early, the Board helped soften the blow of this year's BPA increase.

Stewardship and Responsibility

We take very seriously the responsibility of stewardship — of our system, our finances, and our shared future. The Board must meet equity and financial goals required by our lenders, but those goals also ensure that Midstate remains strong, reliable, and resilient. Every dollar is managed with care, and every decision is made to balance today's needs with tomorrow's stability.

I know this increase will affect us all. That is the cooperative difference — we are all in this together, and your elected directors are members themselves, living in the same communities they serve.

Commitment to You

Midstate is committed to operating as efficiently and frugally as possible. From operations to administration, every effort is made to stretch each dollar and deliver safe, reliable power at the lowest possible cost. We are not driven by profits or shareholders, but by service to you — our member-owners.

We value your trust. While we cannot control wholesale power costs, we can control how we respond. That means staying proactive, being transparent, and putting the membership first in every decision.

Thank you for your continued support of Midstate Electric Cooperative.

How Much Will Rates Increase?

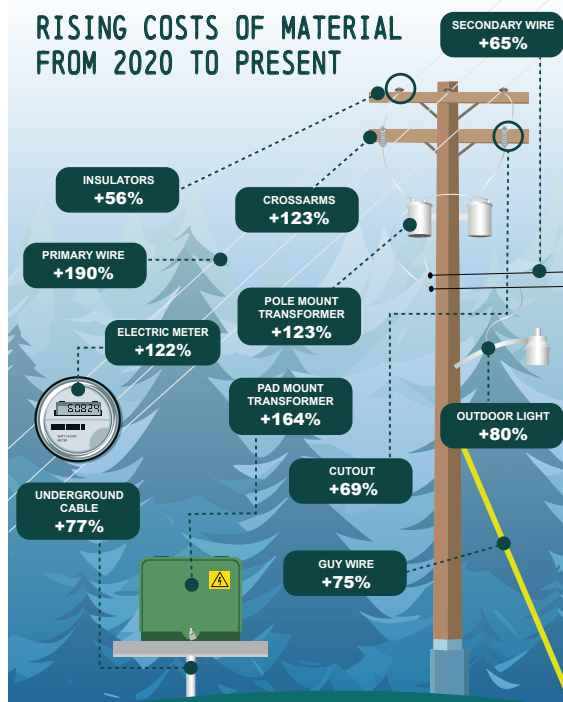
The impact on your monthly bill will depend on your rate class. Each class has an increase to the Energy Charge per kilowatt-hour (kWh). You can find the updated kWh rates for your specific class on our website: www.mse.coop/rate-increase.

For a residential member using 1300 kWh and 10kW per month, the bill will increase by \$16.77, which is an 11.36% increase.

See the example average residential bill comparison below:

Charge Type	Previous Bill	New Bill
Energy Charge (kWh)	1300 kWh x \$0.0770 = \$100.10	1300 kWh x \$0.0899 = \$116.87
Demand Charge (kW)	10 kW x \$1.25 = \$12.50	10 kW x \$1.25 = \$12.50
Facilities Charge	\$35.00	\$35.00
Total Monthly Bill	\$147.60	\$164.37

RIISING COSTS OF MATERIAL FROM 2020 TO PRESENT





Youth TOUR

Applications Open

High school sophomores and juniors are invited to apply for the opportunity to represent MEC at the Youth Tour in Washington, D.C. June 14-21, 2026. This all-expense paid trip offers an unforgettable experience for students in our service area.

Since the 1950s, America's electric cooperatives have been offering this "Trip of a Lifetime," impacting the lives of thousands of young leaders from rural communities.

This unique program gives students the chance to visit museums, tour historic landmarks, meet with elected officials, explore Capitol Hill, and learn about the vital role electric cooperatives play in their communities.

To apply, visit our website at <https://www.midstateelectric.coop/youth-tour>. For more information, call 541-536-7220.

The deadline to apply is Thursday, January 29, 2026.

October is National Co-op Month

At Midstate, we truly value our members. Your support and involvement are the reason we celebrate Co-op Month each year. If you missed our member appreciation events, you still have a chance to celebrate Co-op Month with us!

Every member can enter our Co-op Month contest for a chance to win one of FOUR \$100 bill credits. Simply scan the QR code below, or visit www.mse.coop/co-op-month to enter.

Winners will be announced on October 9, 16, 23, and 30 on our social media accounts. Don't wait—contest ends October 30, 2025!



SCAN TO ENTER.
A single entry keeps you eligible for all drawings.

13 Days of Thanksgiving Contest

This season, we're extra thankful for YOU—our amazing MEC members! To show our gratitude, we're giving away 13 Thanksgiving turkeys during the month of November.

Enter by October 30th at mse.coop/thanksgiving or by scanning the QR code to the right. We'll select one winner each business day from November 3-24 and notify them by phone.

Thank you for making our community such a wonderful place to call home.



Scan the QR code to enter to win a Turkey by October 30th!

Congratulations!

2026 MEMBER CALENDAR CONTEST WINNERS



Thank you to all who entered this year's contest. The 2026 Member Calendar will be provided to every member as an insert in November's Ruralite.

Cover (left) – Kathy Russell
January – Harvey C Barragar
February – Carl Swanson
March – Karen Maier
April – Ralph Berry
May – Carol Anderson
June – Julia Delegates
July – Theron Johnson
August – Carolyn Weissman
September – Rick Anderson
October – Matt Swack
November – Paul Evenson
December – Bonnie Edson

Incentive Program Changes Effective October 1st

Energy efficiency has never been more important. Even small changes—like adjusting your thermostat, upgrading to efficient lighting, or sealing drafts—can add up to meaningful savings on your monthly bill. These simple steps not only reduce energy use today but also provide long-term comfort and sustainability for your home.

To help members take advantage of these opportunities, Midstate offers energy efficiency incentives. These incentive amounts are determined by the Bonneville Power Administration (BPA) and may be adjusted at any time by BPA.

The following updates to our incentives, set by BPA, will take effect October 1, 2025:

- The incentive amount for a ductless heat pump conversion from electric zonal (cadet or baseboard heat) is \$920.

- The incentive amount for heat pump conversion from electric furnace is \$1,250.
- The incentive amount for conversion from electric furnace to a variable speed heat pump is \$1,560.
- A heat pump upgrade measure for a variable speed heat pump is \$600.
- The incentive to replace a resistant heat electric water heater with a heat pump hot water heater is changing. 40 gallons will be \$1,400. A 50 gallon Tier 3 is \$1,600. A 50 gallon Tier 4 is \$1,800.

If you are thinking about making improvements to your home, contact our Energy Efficiency Department at (541) 536-2126, option 5, to learn more about program requirements and incentives.