



For Immediate Release
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FREEBORN-MOWER COOPERATIVE SERVICES TO INCREASE RATES

WHAT - Our wholesale power supplier, Dairyland Power Cooperative (DPC) recently completed its 2009 budget and the result will be a substantial increase to Freeborn-Mower Cooperative Services (FMCS). Current projections show a need to increase our rates by approximately 15% to adequately recover these power cost increases.

WHY - Wholesale power costs to FMCS are increasing in 2009, due to growing global demand for coal and the rising cost to transport coal by rail and barge to DPC. These issues alone will add approximately \$30 million to the cost of fuel at DPC in 2009. DPC will recover these expense increases through the wholesale power rates that it charges distribution co-ops, like FMCS. Increased wholesale rates, in turn, create higher retail electric rates.

HOW & WHEN - In an attempt to mitigate the impact, DPC will be implementing its wholesale rate increase to FMCS in two steps. The first step, to take place in February, will see FMCS begin a pass-through of these cost increases by use of a larger Power Cost Adjustment. The second step will see a larger wholesale cost increase. FMCS will adjust its retail rates to reflect this increase effective with the June kWh consumption which will be reflected on the billing statement due in July. FMCS is conducting a comprehensive rate study to determine the exact retail rate increase.

FMCS has programs and services that can help lessen the impact of the rate increase. For instance, you can ... sign-up for a FMCS energy audit to identify opportunities to cut power usage and increase efficiency and comfort; purchase energy efficient appliances and take advantage of the Energy Star rebates while they are available; join our load management programs, such as our \$have and \$save program for central air conditioning; enroll in our budget billing program, which averages monthly costs in order to soften the cost impact to members during high-usage months.