



COST OF SERVICE STUDY

Theresa Coleman thought for a moment. **“If we didn’t have CMPAS, we’d either have to hire one or more full-time staffers or take our chances with a less-flexible, full-requirements contract with another joint action agency. Or we could buy power from an investor-owned utility or an electric cooperative.”**

“But we’re not interested any of those options. That’s why we’re members of CMPAS,” she continued.

Theresa is the former administrator for the City of Kasson and served on the CMPAS board. She brought a unique perspective to her work: she is a former public utilities commissioner in Lanesboro, where she oversaw that city’s utility.



“Small cities are stretched so thin,” she said. “We need to partner with others to attain a critical mass so we can compete with larger entities. If being part of a larger group

like CMPAS helps us better serve our customers, then why wouldn’t we be members of CMPAS?”

The City of Kasson, which serves about 2,600 customers, went a decade without performing a cost-of-service study, Theresa recalled. “We just kept adding new assumptions to last year’s assumptions. You do that for a decade, and you can lose sight of your actual costs. Are you charging customers too much? Too little? You can’t tell without a cost-of-service study, which could cost \$10,000 or more.”

Theresa asked if CMPAS could arrange for a cost-of-service study. That study, completed last year as a CMPAS member benefit, with no additional cost, allowed the City of Kasson to lower its electricity prices by 5.5 percent to large commercial customers and one percent to residential customers.

“That might not sound like a lot, but in my community, every dollar helps,” Theresa said. “The price reductions are one way we are demonstrating value to our customer-owners. Being part of CMPAS helps us do that.”