MCLEOD COOPERATIVE POWER

OCTOBER 2021



Like any bill, our electric bills are not always fun to pay but it is a crucial one to keep your everyday life going. This month we are reviewing the three major areas of your electric bill to ensure members have a good understanding of what makes up your bill.

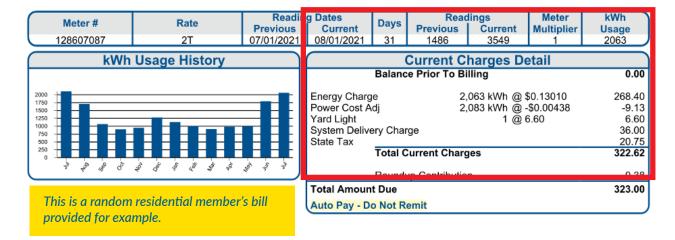
- 1. ENERGY CHARGE = This is what a member pays for the energy they use for the month. It is calculated by taking the energy used and multiplying it by the per kilowatt hour rate.
- 2. POWER COST ADJUSTMENT (PCA) = This is a charge or credit that is spread throughout the entire membership based on the power cost adjustment that was passed through from our power supplier, Great River Energy (GRE). Power cost adjustments allow the power supplier to have rates that are closer to real time costs and are passed onto GRE's 28 member owners as a cost or credit.
- 3. SYSTEM DELIVERY CHARGE (SDC) = This charge is the cost for the cooperative to get power to you. Regardless of whether a member uses electricity or not, this is a fixed amount that occurs on each electric bill. The amount covers the equipment you see each day like wire, poles and other line equipment used to safely power your home, farm, or business as well as billing, customer service, communication, tree trimming & outage restoration expenses.

McLeod Co-op Power has an average of less than 4 members per mile of line compared to higher density utilities or municipalities that average around 48 members per mile. When there are more people per mile hooked to the electric lines, more

people are helping to cover those fixed costs of that equipment. Therefore, comparing the McLeod Coop system delivery charge with these higher density cooperatives or municipalities is comparing apple to oranges. Instead, we can compare our cooperative to neighboring cooperatives that are like McLeod Co-op's size. These neighbors charge between \$35-44/month for their SDC.

TAKEAWAYS: Out of the three billing components, the energy charge is most influenced by the member's own electrical usage. At the current time, focusing on energy efficiency strategies, continues to be the best approach for lowering your electrical bill. Examples include using a smart thermostat that can adjust your homes temperature, using cold water for washing clothes, and changing out old lights with LED lights. The Department of Energy is a source for energy saving tips. You can find other tips by following us on Facebook or checking our website. We also have rebates for energy efficiency efforts you might be considering. We know energy efficiencies strategies are always evolving and we're looking at other ways for members to find savings.

LOOKING AHEAD: In 2022, we will be taking an in depth look at our current rate design. This will include studying new rate structures with the goal of allowing our members to better control the cost of their bill. One example is Time of Day rates, where consumers can save on their electric bills by shifting their electricity usage to key times of the day when costs lower. This upcoming study is one example of how we're working tirelessly to make electricity as affordable as possible. More information will be shared with our membership as we work through the study.



Cyber Security Tips To Keep You Safe

03

Pole Inspections Taking Place This Fall

04

Stored Water Heating and Storage Heat Control Period Changes This Winter

For the winter season, the electric thermal storage schedules for water heating and space heating are controlled from 6:00 a.m. to 10:00 p.m. from October 1, 2021, through April 30, 2022.

Is Your Dual Fuel System Winter Ready?

If you have a Dual Fuel Heating system, now is the time to be sure your back-up heating system is prepared and that you have adequate fuel supply.

PAYMENT OPTIONS

Beginning in July, several new payment options were made available to Cooperative members. Some of these changes were made to ensure we are compliant with Payment Card Industry security standards. Others, like SmartHub and our online Pay Now platform, are for the convenience of our members as we attempt to make paying bills as easy as possible.

McLeod Co-op Power offers the following payment options for our



AUTOPAY

Payments can be made automatically through a checking or savings account. The enrollment form is available on our website. www.mcleodcoop.com/i-wantto/pay-options/



ONLINE

SmartHub: Register online or through the SmartHub app to make payments. This includes an option to set up reoccurring payments. Those enrolled can also view information on their energy usage, receive notifications, and manage their account while on the go.

Pay Now: One-time payments can be made without a SmartHub account by clicking on the "Pay Now" button at the top of our website.



BY PHONE

Payments over the phone are now being made through an automated phone system by entering the account holder's information. This service is available both during and after hours by calling the office at (320) 864-3148 and pressing #2 or call the payment line directly (844) 937-1645.



BY MAIL

Payments can be mailed to: McLeod Co-op Power, 3515 11th Street East, Glencoe, MN 55336.



DROP IT OFF

Office: Pay in person at 3515 11th Street East, Glencoe, MN. Normal lobby hours (excluding holidays) are 8:00 a.m. to 4:00 p.m.

Drop Box: There's a drop box located in the SW corner of the MCPA parking lot and is accessible from your vehicle. Remember to use a sealed envelope.



CEO MESSAGE

There is a lot happening in October starting with our Member Appreciation Open House which is happening this month. It has been a long time coming and we hope to see you here on Wednesday, October 13th. Besides having small group tours of the new facility, we will have various vendors that we work with in attendance to help you with your needs when it comes to energy usage and security. If you haven't already, please call and let us know you are coming by calling (320) 864-3148.

October is also cooperative month. We celebrate what makes us different than other business models. It's a good time to remind all of us why we are a coop. In addition to our vision & mission statement, our values are guided by the 7 cooperative principles.

- Voluntary and open membership: We are open to all who can use our services. Everyone who gets their electrical service from us can become a member.
- Democratic member control: We are controlled by our members. The members are represented by our board of directors who are elected by the membership. The board sets policies and makes decisions. They are accountable to the members. Each member has equal voting rights; one member, one vote.
- Member economic participation: Our members contribute equitably to the capital of the cooperative.
- Autonomy and independence: We are self-help organizations controlled by our members. We pride ourselves on being locally controlled by our members.



CEO RON MEIER

- Education, training, and information: We put a focus on education and training for members, elected representatives, and employees. We constantly inform everyone about the nature and benefits of cooperation.
- Cooperation among cooperatives: While we pride ourselves on autonomy, we also realize we are better working together locally, nationally, regionally, and internationally.
- Concern for community: We know that there is more we can do for our communities than just providing electric service, it is why we also work for the sustainable development of our communities.

These 7 guiding principles are what make up the foundation of who we are. It is what makes us unique and allows us to continue to be successful.

Cooperatively,

RIPL



SEPTEMBER 2021 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on September 28, 2021, at McLeod Co-op headquarters. All nine board members, the attorney, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

- The outage report for August 2021 was provided with a total of 107 outages, affecting 414 consumers.
- The Board completed an annual review of Policy 1-9 Safety, with no suggested changes.
- A report was provided on the recently passed ECO Bill reviewing its impacts on the Coop's Conservation Improvement Program.
- Due to recent changes to the MN Cold Weather Rule (extended dates October 1 through April 30) Policy 4-4A Disconnection of Service during Cold Weather Months and Policy 4-4 Payment of Accounts were amended.
- Amanda Seger, Regional Vice President with National Rural Utilities Cooperative Finance Corporation reviewed the 2020 Key Ratio Trend Analysis for McLeod Co-op Power.
- Manager of Finance, Steph Jakel, reported that work has begun on the 2022 Budget. The Operating Statement and Balance Sheet for August 2021 were also reviewed.
- The General Retirement of Capital Credits schedule was reviewed. A motion was carried to approve Resolution 2021-09-01 General Retirement of Capital Credits.
- A motion was carried to approve the compensation package for the CEO effective October 1st, 2021.



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MN COLD WEATHER RULE REMINDER

The Minnesota Cold Weather Rule protects residential utility customers during the cold winter months. Under this rule, McLeod Cooperative Power will not disconnect your electricity from October 1 through April 30 if you meet the Cold Weather Rule requirements.



In order to qualify for winter shut-off protection, you must meet all of the following conditions:

- Your total household, not individual, income is less than 50% of the state median income.
- You contact the Co-op, set up a payment arrangement, and are reasonably current with scheduled payments.

It's important to understand that the Cold Weather Rule still allows electricity to be shut off for non-payment. You will only be protected if electricity provides your primary source of heat and you meet the conditions above.

Before disconnecting service to a residential member during the cold weather months, McLeod Co-op will provide a disconnect notice, statement of member rights and responsibilities, a list of local energy assistance providers, and available payment plans or options to the affected member. Inability to pay forms are available upon request.

At McLeod Cooperative Power our members are important. We would rather work with you to set up a plan to pay your bill than disconnect your service. If you are worried about paying your electric bill this winter, reach out to us at (800) 494-6272 before the due date of your bill. Winter will be here soon. Let's work together to keep everyone safe and warm.



We lead internet-connected, digital lives. From our desks and homes to on the go, we work, learn and play online. Even when we are not directly connected to the internet, our critical infrastructure—the vast, worldwide connection of computers, data, and websites supporting our everyday lives impacts everyone. October is National Cybersecurity Awareness Month, so this month we connected with our Manager of Information Services Eric Sell for some tips to stay safe online.

"At a time when we are more connected than ever, being "cyber smart" is of the utmost importance," shared Sell. "At McLeod Co-op Power we take cyber security seriously and mitigate as many risks as possible through advanced technology and employee training." It's easy to see in the headlines this year that cyber-attacks are becoming more common and sophisticated, including the high-profile attacks on the Colonial Pipeline and other critical infrastructure. "Luckily, there are several steps that we can take on a daily basis to reduce risks and limit exposure."

Sell shared these tips for staying safe online:

ENABLE MULTI-FACTOR AUTHENTICATION.

Multi-factor authentication adds that necessary second check to verify your identity when logging in to one of your accounts. By requiring multiple methods of authentication, your account is further protected from being compromised, even if a bad actor hijacks your password.

USE STRONG PASSPHRASES/PASSWORD

MANAGER. This may seem obvious, but all too often securing strong passphrases or password managers is overlooked. Using long, complex, and unique passwords is a good way to stop your account from being hacked. An easy way of keeping track and remembering your passwords is by using a password manager.

PERFORM SOFTWARE UPDATES. When a device prompts that it's time to update the software, it may be tempting to simply click postpone and ignore the message. However, having the latest security software, web browser and operating system on devices is one of the best defenses against online threats. So, don't wait - update.

DO YOUR RESEARCH. Common sense is a crucial part of maintaining good online hygiene, and an intuitive step to stay safe online is to do some research before downloading anything new to your device, such as apps. Make sure that it's safe by checking who created the app, what the user reviews say, and if there are any articles published online about the app's privacy and security features.

CHECK YOUR SETTINGS. Be diligent to double-check your privacy and security settings and be aware of who can access your documents.

"Being cyber smart is the best way to protect yourself and others from cyber attacks. No single tip is fool proof but taken together they can make a real difference for taking control of your online presence," said Sell.



Scams can also happen over the phone. Scammers will often make calls threatening immediate disconnection if payment is not made. Please know that we follow a precise schedule and processes for our collections/ disconnections for past due accounts. Don't release personal banking information over the phone if someone calls you and pressures you for payment. When in doubt, hang up and call us at (800) 494-6272 to verify that a call or request is legitimate.



ENERGY EFFICIENCY

Old, uninsulated, and improperly installed exterior doors can waste energy and money. Shut the door on wasted energy by weather stripping and sealing all exterior doors. If you have an old exterior door, consider replacing it with a newer, energy-efficient model.



DID YOU KNOW THAT SMARTHUB CAN SEND OUTAGE ALERTS?

SmartHub is a powerful communication tool. First and foremost it allows you to stay up to date during power outages. It can also provide notifications regarding information on your account, cooperative news and events, as well as alerts when you are using more electricity than you planned to help stay on top of your energy costs. Notifications are available by email or text - you get to decide.

Learn more at www.mcleodcoop.com!

AS THE SEASON CHANGES, ELECTRIC SAFETY IS IMPORTANT

Don't fall into the trap of disregarding electrical safety during the fall season! Check out our tips to keep your autumn as safe and enjoyable as possible.

TIPS FOR AROUND THE HOME

Each season of the year brings changes to the weather and our activities. Therefore, the type of electrical hazards you may be likely to encounter changes with the seasons. This fall it is important to stay focused on electrical safety around the home to keep your family safe and comfortable.



- Use space heaters carefully. Space heaters can be quite a safety hazard if you don't use them safely. Always make sure that there's nothing flammable within three feet of your space heater and never plug your space heater into an extension cord.
- Inspect all of your extension cords. Check your extension cords for damage and make sure that any extension cords you use outdoors are weather-rated.
- Check cold weather tools. Any electrical tools, such as leaf blowers, should be

checked for any unusual wear and tear. Be sure to check their power cords and to replace or repair any that show damage.

- Sweep dry leaves away from any outdoor outlets, light fixtures, and power cords. Dry leaves can easily catch fire if hit with a spark of some kind.
- Be careful about using electrical devices outdoors. Make sure that any electrical devices used outside are weatherproof. If you have outdoor electrical outlets, then they should be covered GFCI outlets.
- Test your smoke alarms. Make sure that all of your smoke alarms are in working order. This ensures that if an electrical fire breaks out, you and your family will be properly warned before the fire grows out of control.

TIPS FOR AROUND THE FARM

The culmination of a season of hard work can be an exciting and exhausting time. However, the rush to harvest can also yield tragic outcomes. Each year, dozens of farmworkers are killed and hundreds are injured in accidents involving power lines and electrical equipment. Farmworkers should take these steps to ensure a safer harvest season.

Maintain a 10-foot clearance around all utility equipment in all directions.



- Use a spotter and deployed flags to maintain safe distances from power lines and other electrical equipment when working in the field.
- If your equipment makes contact with an energized or downed power line, contact 9-1-1 immediately and remain inside the vehicle until the power line is de-energized. If your vehicle is on fire, jump out and away from the vehicle so that no part of your body touches the equipment and the ground at the same time. Continue jumping away from the vehicle with your feet together, downhill if possible, until you are well away from the vehicle.
- Consider equipment and cargo extensions of your vehicle. Lumber, hay, tree limbs, irrigation pipes, and even bulk materials can conduct electricity, so keep them out of contact with electrical equipment.

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MAINTENANCE IS KEY TO RELIABILITY: POLE INSPECTIONS TO TAKE PLACE THIS FALL



McLeod Co-op Power takes pride in the reliability of the electric service that we provide to our member-owners. A portion of this achievement can be attributed to an aggressive system-wide maintenance program that includes annual pole inspections.

As part of this routine maintenance, we have contracted with Star Energy Services, to conduct inspections of our distribution poles in the area surrounding our Winthrop Substation. Townships impacted include Bismarck, Dryden, Transit, Round Grove, Graton, New Auburn, Penn, Collins, Moltke, and Sumter. This work will begin in October and take approximately one month to complete.

Our members', the general public, and employee safety is a priority at McLeod Co-op which can only be achieved through hazard recognition. Identifying poles in need of replacement is the purpose of this inspection process. Those deemed inadequate will be replaced in a timely manner to ensure both electric service reliability and safety. If you have questions or concerns in regards to pole testing, please contact our office at (800) 494-6272.



Glencoe, MN 55336

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