

MCLEOD COOPERATIVE POWER NEWS

SEPTEMBER 2022



WANT TO LEARN MORE ABOUT YOUR CO-OP? JOIN US FOR OUR NEW MEMBER ENGAGEMENT SERIES “YOUR CO-OP, YOUR ELECTRICITY”

McLeod Co-op Power is excited to be offering a new member engagement series called “Your Co-op, Your Electricity” featuring a series of classes and behind the scenes experience.

This new program will give participating members a chance to learn more about the Cooperative and what makes us unique including our services, programs, and industry trends. Classes will feature educational components, refreshments, and a chance to dialogue with our team about important topics.

As a co-op we value member involvement and input. Our goal with this program is to foster good communication, create a sense of ownership and participate in meaningful conversations. We want to understand our membership better and we want you to understand your Co-op better.

The first session will be held on Thursday, October 27th from 6:30 p.m. to 7:45 p.m. at the McLeod Co-op Headquarters in Glencoe. In this Co-op 101 session participants will learn about the Co-op and how the electrical grid works from power generation to delivery at your home. A tour of the McLeod Co-op headquarters will also be included.

These sessions are free to attend, and refreshments will be provided; however, an RSVP is required due to limited seating. Each

JOIN US AND LEARN MORE

MEMBER ENGAGEMENT SERIES

CO-OP 101

OCTOBER 27
6:30 PM - 7:45 PM

MCLEOD CO-OP HEADQUARTERS
3515 11TH STREET EAST, GLENCOE
RSVP REQUIRED

member engagement series class will be limited to 36 participants (maximum of two guests per membership). Please RSVP by calling (800) 494-6272 by October 13.

Watch the newsletter for future sessions as plans are underway for the next session to be held during the Spring of 2023.

NOMINATE A COMMUNITY DIFFERENCE MAKER

Each year, McLeod Cooperative Power celebrates volunteerism and community service with the Touchstone Energy® Community Award.

One winning organization receives a \$500 cash prize and competes with winners from other electric cooperatives for statewide recognition and an additional \$1,000 cash prize.

We are now seeking nominations! Applications for the award are now being accepted and are available at www.mcleodcoop.com/touchstone-energy-community-award.

The application requires a description of the project, program or event, as well as the positive impact it brings to the community, and must be received by October 28, 2022.

Any civic organization or nonprofit in our service territory is eligible to compete for the award, which recognizes outstanding contributions to the local community.



Organizations are eligible to apply for the award themselves, or community members may apply on behalf of a deserving organization.

As a Touchstone Energy Cooperative, McLeod Co-op is a partner in a national alliance of more than 750 local, consumer-owned electric cooperatives dedicated to the values of integrity, accountability, innovation and commitment to community.

SAFETY TIPS FROM OUR EMPLOYEES

03

SCHOLARSHIP WINNERS

04

FIVE REASONS TO FOLLOW US ON FACEBOOK

1 OUTAGE INFORMATION
Get the most recent outage updates and learn how to prepare for storms and keep your family safe.

2 COOPERATIVE NEWS
Never miss important news and announcements from McLeod Co-op Power.

3 YOUR CO-OP CARES
Check out spotlight stories on how your Cooperative supports the community.

4 ENERGY SAVING IDEAS
Who doesn't like saving money? Check our page regularly for current promotions, rebates, and simple ways to save.

5 MEMBERSHIP MATTERS
One more way to connect with your Cooperative.



LIKE US ON FACEBOOK
www.facebook.com/McLeodCoop/



CEO MESSAGE

While I tend to enjoy most of the topics I write upon for our newsletter, this is one I do not. One doesn't have to listen hard to hear about increasing costs in our lives. A trip to the grocery store or gas station provides the best translation of inflation, and we are all experiencing the increasing costs of just living. Here at the Co-op, we have not been immune to this topic. We have spent a great deal of time and effort in finding ways of keeping costs under control, but I am afraid we are coming to a point that we won't be able to keep a rate increase at bay much longer.

Over the past couple of months, we have been working on a Cost of Service Study (COSS). This is the study that we use in our world that provides us strong guidance on how rates should be set. There is basically two parts to a COSS. There is a revenue model and the cost to serve model. The revenue model looks at the revenues or money that is coming into the cooperative and weighs it against various costs and financial goals, ultimately informing us whether we have the right amount of revenue coming in. Right now, we are projecting a need to increase revenue, which translates into increasing rates.

The second part of a COSS is the cost to serve. This is the part of the study that looks at all the different rate classes and what it takes to "serve" those classes. A rate class is a group of customers that use electricity similarly. For example, there can be rate classes for residential, commercial, irrigators, and industrial customers. In our COSS we have twelve different rate classes. This part of the



CEO RON MEIER

study looks at how each rate class purchases electricity from coop and how that affects our wholesale power bill from GRE while also considering how the electrical system must be designed to deliver that electricity and various other costs to the cooperative.

When we combine the revenue model with the cost to serve, this starts to inform us where there might be shortfalls for some of the rate classes and not for others. Another way to think about it is whether everyone is paying their fair share.

In the end, we are looking at a rate increase for 2023, however we are still working on what it will be and what rate classes will be impacted. In addition to reviewing the current set of rates we offer our members, we are looking at other rate designs that could offer ways for our members to reduce their bottom-line electric bill. We expect to have the work around 2023 rates finished by the end of October. With this timeframe in mind, further updates will be provided next month.

Cooperatively,
R1PL

AUGUST 2022
BOARD MEETING
HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on August 23, 2022, at McLeod Co-op headquarters. Nine board members, the attorney, CEO Ron Meier, and department managers participated in the meeting.

Highlights of the meeting included:

- Operations Manager Brady reviewed the July 2022 outage report with a total of 70 outages, affecting 2,342 consumers.
- Manager of Finance Jakel presented the Operating Statement and Balance Sheet for the month of July 2022.
- CEO Meier gave the monthly report. Staff continues to explore rate design and what is necessary to bill for Time of Use Rates.
- It was reported that the Co-op has entered into a new Electric Utility Services Agreement with the City of Arlington. The agreement includes operations and maintenance services regarding the construction, operations, and maintenance of the City's electric system.
- A motion was carried to approve Resolution 2022-08-01 Vote in favor of Connexus' GRE Membership Termination.
- A motion was carried to approve Director Hlavka to attend the Great River Energy Special Meeting on August 30 to confirm the cooperatives vote as set forth in Resolution 2022-08-01.
- A motion was carried to approve CEO Ron Meier as the Voting Delegate for Federated Election of Directors.
- A motion was carried to approve CEO Ron Meier as the Voting Delegate and Director Anderson as the Alternate Voting Delegate for CFC Director Election.



WINTER
CONSTRUCTION CHARGES

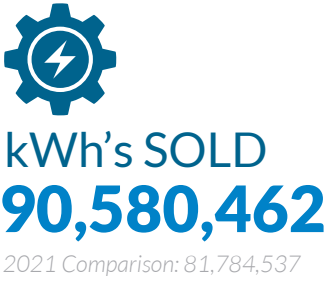
McLeod Co-op Power reminds members that additional winter chargers may apply if they are planning to run electric service to a home, outbuilding, or other facility between November 1 and April 15. Additional charges apply due to the cost of construction during winter related conditions. You can avoid winter construction charges by having your site ready for service installation and having an electrical inspection completed prior to October 15. Please contact our Engineering Department for more information at (800) 494-6272.

BY THE
NUMBERS
Q2 2022

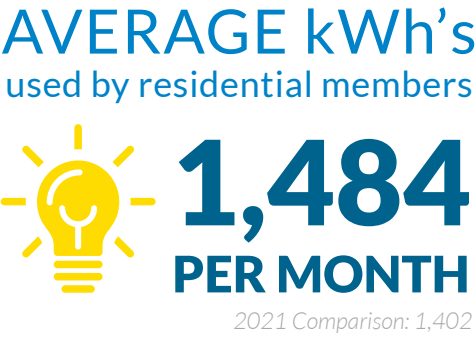
McLeod Co-op Power's leadership spends substantial time managing and providing oversight of the Co-op's operations, including ensuring that the organization remains in a strong and stable financial condition. Below is an overview of our Second Quarter Unaudited Financial Report.



	2022	2021
Cost of Purchased Power	\$7,325,972	\$6,554,277
Other Operating Expenses	\$4,066,760	\$3,986,547
Total Cost of Electric Service	\$11,392,732	\$10,540,824



	2022	2021
Operating Margins	\$188,623	\$(376,864)
Non-Operating Margins	\$113,290	\$658,581



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.

SAFETY TIPS: FROM OUR EMPLOYEES

Electricity is a powerful resource and is the backbone of our daily lives. It has become so commonplace that people sometimes forget the importance of using it safely. So this month we asked some of our employees to share what they feel are some of the most important safety tips. They're the experts after all - they practice it and rely on safety every day. Tap into their knowledge with these tips:



**ALWAYS ASSUME
DOWN OR EXPOSED
POWER LINES
ARE ENERGIZED**
*Terry Underdahl,
Line Foreman*

Down or exposed power lines are extremely dangerous. If you see a damaged power line, always assume it is energized. Avoid going near the power line or anything in contact with it as objects touching or near the power line can also be energized.

When a live wire touches the ground, electricity ripples out through the ground, similar to when a rock hits water. The minimum safe distance from a downed power line is 35 feet, but we recommend staying at least 50 feet away until help arrives. Call 911 or the electric utility provider right away, and keep others away from the area of the downed line.



**BEAWARE OF
POWER LINES
WHEN WORKING
IN YOUR YARD**
*Craig Marti,
Line Foreman*

It's so important to stay safe while working and playing outside, and to especially consider the power lines above and below you. Even simple yard work can be dangerous when done near power lines.

First make sure you look up and are aware of your surroundings especially if you are moving a ladder or cleaning gutters, working on top of a building, trimming trees or completing outside painting projects. Equipment that contacts an overhead powerline, quickly becomes dangerous as a conduit for electricity to the body. Next, make sure you always plan ahead before taking on a project that involves digging.

Whether you're planning to do-it-yourself or hire a contractor, be sure to call 811 at least two full business days before you start any digging so underground electric lines can be marked for free. Digging into an underground power line could not only disrupt electrical service for you and nearby homes, it could deliver a lethal shock!



**KEEP ELECTRIC
SAFETY A
PRIORITY ON
THE FARM**
*Ryan Schuette,
Line Foreman*

To ensure electric safety and reliability on your farm, verify that all equipment has a functioning grounding wire. This prevents the buildup of voltages that could cause an electrical accident.

Additionally, overhead powerlines are common on the farm. Exercise caution around and especially under them when moving your farm implements and machinery. Identify all the overhead powerlines on your farm and create a map that identifies the safest way to transport equipment and machinery across your acreage. If you have to go under a power line know the height of your equipment to determine clearance and always use a spotter.

ENERGY EFFICIENCY

To save energy (and money!) used for water heating, repair any leaky faucets, install low-flow fixtures and insulate accessible hot water lines. When it's time to purchase a new washing machine or dishwasher, look for models that are ENERGY STAR®-certified.

PEOPLE BEHIND YOUR POWER

**BRANDON BEHNKE
APPRENTICE LINE WORKER**

Brandon recently joined the McLeod Co-op Power's team as an apprentice line worker after working in the field with Highline Construction for the last seven years. He enjoys working outdoors on a team and that his job is different everyday.

Fun Fact: Brandon's favorite fall activities include watching football, duck hunting, and enjoying the nice weather.



WAYS TO PAY

A statement for your electric service is mailed or you receive an email notification that your bill is ready to view each month. McLeod Co-op Power offers several convenient payment options. To avoid late fees, always pay your electric bill by the due date. If you have questions about your bill please call our office at (800) 494-6272.



AUTOPAY

Payments can be made automatically on the 28th of each month through a checking or savings account. To enroll, members need to complete an authorization form (available at www.mcleodcoop.com/i-want-to/pay-options/) and attach a voided check or savings withdrawal slip.



SMARTHUB

McLeod Co-op's account management program, SmartHub, makes it easy to pay your bill online. Register online or through the app to make payments. Those enrolled can also view information on their energy usage, receive notifications, and manage their account while on the go.



PAYNOW

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



PHONE

Make secure credit card payments 24 hours a day with our automated phone payment system by calling (800) 494-6272 and choose option #2. To use the automated system, you will need to know your account number, which is located in the top right section of your bill statement.



DROP BOX

Drop off your payment in our office lobby during business hours or 24/7 in our convenient drop box at 3515 11th Street East in Glencoe on the southwest corner of the parking lot. The secure box is accessible from your vehicle.

SPECIAL PAYMENT ARRANGEMENTS

Please call our Billing department during business hours if you know you're going to have trouble meeting the billing due date. Do not wait until a late payment or disconnect notice arrives. We understand that unforeseen problems occur. Our member service representatives are ready to help you through those difficult times.

USPS 2220
PERIODICALS
POSTAGE PAID
HUTCHINSON, MN



3515 11th St. East
Glencoe, MN 55336

WWW.MCLEODCOOP.COM

The McLeod Cooperative Power News (USPS 2220) is published monthly by McLeod Cooperative Power Association, 3515 11th St. East, Glencoe, MN 55336-0070. Subscription rate: \$5.56 per year for members and \$11.12 per year for non-members.

Periodicals Postage Rate is at Hutchinson, MN, 55350 and additional mailing offices.

POSTMASTER: Send address changes to: McLeod Coop Power News, 3515 11th Street E, Glencoe, MN 55336-0070

SUPPORTING OUR YOUTH: COOPERATIVE AWARDS LOCAL STUDENTS \$500 SCHOLARSHIPS

The Ridgewater College Foundation has awarded two \$500 scholarships on behalf of McLeod Cooperative Power to students Danielle Krotzer and Stephanie Lopez Bartolon. Each year the co-op donates \$1,000 from its unclaimed capital credit fund to be used by the Ridgewater College Foundation to support local students furthering their education. Congratulations to our recipients!



RIDGEWATER
COLLEGE FOUNDATION

STEPHANIE

Stephanie Lopez Bartolon, a Buffalo-Lake Hector Stewart graduate, is a first-year entering the psychology program. As the first in her family to attend college, she hopes to become a Child Life Specialist - a role that blends her desire to make a difference and work with children.

DANIELLE

Danielle Krotzer, an Arlington resident, is studying supply chain management which she already works in. As a single mom and active volunteer in the community, she looks forward to adding to her skill set, especially after COVID-19 drastically changed her industry and hopes to become a Procurement Specialist after graduation.

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