

MCLEOD COOPERATIVE POWER NEWS

DECEMBER 2022

WINTER SAFETY: PREPARING FOR OUTAGES



From celebrating holidays to curling up by the fire and enjoying hot chocolate, winter is a beautiful time of the year. However, the beautiful snowy season comes with challenges. Winter storms bring freezing rain, sleet, and high winds, damaging power lines and equipment. That's why you should prepare for dangerous situations ahead of time, especially prolonged power outages during these harsh months.

BEFORE THE POWER GOES OUT

Assemble an emergency preparedness kit. Maintain an easily accessible kit with the following items: flashlight, batteries, three days' supply of nonperishable food and bottled water, battery-powered radio, first-aid kit, warm clothing, blankets, emergency phone numbers and any other necessities such as prescription medication. It's a good idea to keep a kit at home and in the car.

Have a plan. When a storm hits, you and your family may not be gathered in the same place. It's important that everyone knows where to go, what to do and how to communicate with each other if there's an emergency. Choose a person outside of your area or state to be a main of point of contact for the group. It may be easier to reach this designated person with updates, rather than each other, if local cell towers and phone lines are down.

Fill your pantry. Keep your pantry supplied with a manual can opener and plenty of nonperishable food for you, as well as your pets if you have them.

Gas up your car. When the electricity goes out, you will likely not be able to pump gas at a service station, so you'll want to make sure your vehicle has plenty of fuel ahead of a storm warning. Now is also the time to ensure your car is up to date with preventive maintenance.

Get familiar with your garage door. If you have an electric garage door opener, know where the manual release is and how to use it.

WHEN THE POWER GOES OUT

Turn off, unplug. Switch off all lights, except one — so you'll know when the power comes back on — and unplug electronic devices like computers or TVs, which can be damaged by power surges when electricity is restored.

Keep refrigerator and freezer doors closed. During a power outage, limit how often you access your refrigerator and freezer. According to the CDC, a freezer can keep food safe for 24-48 hours, depending on how full it is. A refrigerator can keep food safe for up to four hours if the door remains shut. Throw out any refrigerated medication if the power is out for more than 24 hours, unless the medication's label directs otherwise.

Wisely use generators. Generators can be a helpful tool to have on hand when the power goes out. But if they are not installed or operated properly, they can be hazardous to your household as well as utility workers. Operate portable generators at least 20 feet away from your home. Avoid connecting a generator directly to the main circuit panel.

Never heat your home with an oven or gas range. Leaving a gas range lit or your oven on with the door open releases carbon monoxide into the air, which can be fatal. To safely stay warm during a power outage, keep sleeping bags and heavy blankets on hand. Fireplaces or wood stoves can be used as long as they are up to code.

Exercise caution while driving. If you must leave your home during a power outage, be vigilant on the road. Road conditions may be hazardous, traffic signals are likely to be out and power lines may have fallen. If you come across a downed power line, do not go near it. Call 911 or your local utility company immediately.

LEAVING FOR WARMER WEATHER?

SNOWBIRDS ARE ENCOURAGED TO NOTIFY THE COOPERATIVE

McLeod Co-op Power members saying goodbye to the cold and the snow this winter for sunny skies are encouraged to notify the Co-op before leaving. While your meter will continue to be automatically read each month, it is helpful to discuss and decide on your preferred payment arrangement during your absence.



OPTIONS INCLUDE:

- Advance payment
- Forwarding your mail
- Automatic payments from a checking or savings account
- Credit card payments over the phone
- Bill pay through your financial institution

Be sure to call the Co-op during business hours at (800) 494-6272 to make your billing arrangements.

HOW ELECTRICITY GETS TO YOU

03

COMMUNITY AWARD WINNER

04

Happy Holidays!

The McLeod Co-op Power office will be closed on Friday, December 23, and Monday, December 26, 2022, in observance of Christmas and Monday, January 2, 2023, in observance of the new year. Please call (800) 927-5685 in the event of an outage or emergency.

Calendars Available

McLeod Cooperative Power 2023 calendars are now available featuring scenic landscape photos from our service territory! Stop by the office to pick up a copy today. Calendars are available on a first-come, first-serve basis while supplies last. In addition to our office, members on the west side of the service territory can pick one up at Country Wide Lumber in Hector.



MANAGER MESSAGE

With the rise in prices in many areas of our personal lives such as gas and groceries, budgeting is more than likely becoming a more common exercise within the household. The same holds true for the cooperative. Budgeting is an annual practice that we use but this year it's taking on even more importance as we, too, are seeing inflation pressures and supply chain delays.

How do we know what to budget for? The simplest way to achieve this goal, especially with as many expenses that come in throughout a year, is to have the expenses broken into departments. Each manager will then determine what costs are expected to be incurred throughout the next year. After each manager has collected, examined, and submitted their potential expenses, the information gets compiled together to determine what the forecasted income statement will be at the end of the next fiscal year. After much discussion and review, the staff will then present this information to your Board of Directors at the November board meeting. At this time, the board will ask questions and express any concerns before they vote on approving the budget.

What does 2023 budget look like? We are expecting positive margins at the end of the fiscal year. Sixty three percent of the cooperative's expenses is the cost to purchase



FINANCE MANAGER
STEPH JAKEL

power from Great River Energy (GRE). GRE has increased our cost for purchasing power in 2023, but we are planning on absorbing the increase for the time being.

You might be asking how we are able to absorb the increases without raising rates across the board for all members? Well, we have had some deferred revenue from past years. Fortunately, the cooperative has been able to defer unexpected revenue from the past to be used today and into future years. We are looking at recognizing a large portion of this revenue in 2023 and as a result this has helped with keeping majority of our rates from seeing an increase.

Our Cooperative is expecting another positive year for 2023. The dedicated group of employees are eager to continue serving its members as we see the year unfold. On behalf of the employees and the Board of Directors, I want to wish you a Merry Christmas and we hope that your New Year is filled with health and happiness.

Cooperatively,

NOVEMBER 2022
BOARD MEETING
HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on November 22, 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:

- The outage report for the month of October was reviewed with a total of 59 outages, affecting 123 consumers.
- A motion was carried to approve another 3-year term (2023-2026) for two Operation Round Up Board Trustees.
- Manager of Finance Steph Jakel presented the Operating Statement and Balance Sheet for the month of October 2022.
- A motion was carried to approve Policy 3-7 Financial Management as amended.
- A motion was carried to approve Resolution 2022-11-03 The Board of Directors Adopting the Amendment and Restatement of the 125 Plan.
- Finance Manager Steph Jakel also reviewed the 2023 proposed budget with the Board. A motion was carried to approve the 2023 budget.
- A motion was carried to amend Rate 21 Industrial Service with Firm Standby Service, to include a pass through from GRE, effective January 1, 2023.
- A motion was carried to amend Rate 25 United Farmers' Cooperative to include a pass through from GRE, effective January 1, 2023.
- A motion was carried to amend Rate 3 Interruptible & Storage Energy Service effective February 1, 2023.

MEMBER NOTICE

The energy rate for Rate 3 (load management rate) will be increasing on February 1, 2023. The new rate increases from 6.12¢ per kWh to 6.58¢.

CONNECT WITH YOUR CO-OP ONLINE



FACEBOOK

Efficiency tips, photos from the field, outage information, and more updated regularly.



CO-OP WEBSITE

All the Co-op's information, news, and resources at your finger tips 24-7.

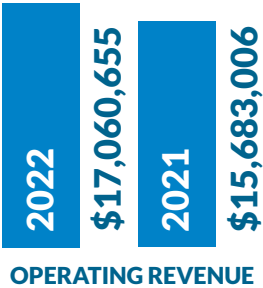


SMARTHUB

Easy account access online. Pay your bill, check your usage, report outages and more.

BY THE
NUMBERS
Q3 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 Third Quarter Unaudited Financial Report.



	2022	2021
Cost of Purchased Power	\$11,175,568	\$10,340,107
Other Operating Expenses	\$6,179,795	\$5,973,868
Total Cost of Electric Service	\$17,355,363	\$16,313,975



kWh's SOLD
134,145,270

2021 Comparison: 124,932,757



TOTAL MARGINS
\$(77,745)

2021 Comparison: \$97,472

	2022	2021
Operating Margins	\$(294,708)	\$(630,969)
Non-Operating Margins	\$216,963	\$728,441



6,987
MEMBER SERVICES
BILLED

2021 Comparison: 6,956

AVERAGE kWh's
used by residential members



1,404
PER MONTH

2021 Comparison: 1,361

CAN MY POWER BE TURNED OFF IN THE WINTER? YES

Some members find it hard to pay their utility bills in the winter. The State of Minnesota set up the Cold Weather Rule (statute 216B.097) to protect residential members who are unable to pay their utility bills from disconnection of service between October 1st and April 30th if the disconnection affects their primary heat source.



AVOIDING DISCONNECTION

The Cold Weather Rule does not forbid winter shut off. If you receive a disconnect notice this winter, you must act promptly and call McLeod Co-op Power at (800) 494-6272.

The law says that a person must be making regular payments or have set up a payment plan and be honoring those arrangements to avoid being disconnected. It is your responsibility to understand the Cold Weather Rule and the personal responsibilities that come with the protections it provides. Meeting these obligations is important to avoid disconnections as McLeod Co-op Power will be doing disconnects this winter in accordance with the law.

It is up to the member to make payment arrangements or seek assistance to avoid disconnection. Please do not wait. The sooner you contact us, the greater the chance you will have electricity all winter long. Call today at (320) 864-3148 or (800) 494-6272 to make a reasonable payment arrangement.



ENERGY EFFICIENCY

Blocked air vents force your heating system to work harder than necessary and increase pressure in the ductwork, which can cause cracks and leaks to form.

Make sure all air vents are unobstructed from furniture, drapes or other items to ensure sufficient circulation throughout your home.



HOW ELECTRICITY GETS TO YOU

Whenever you flip a switch, charge your smart phone or store food in the freezer, you're relying on the grid to bring you reliable electricity.

At a basic level, the electric grid is a set of interconnected wires connecting places where energy is produced to where it is used. Over time, the grid has become smarter, more dynamic, and increasingly interconnected due to advancements in technology along with additional wind and solar energy resources.

Great River Energy is the wholesale power supplier to McLeod Co-op Power and uses the grid to move energy and information to ensure reliable electric service and quick response times when there is an issue on the electric system.

But how does the grid work?

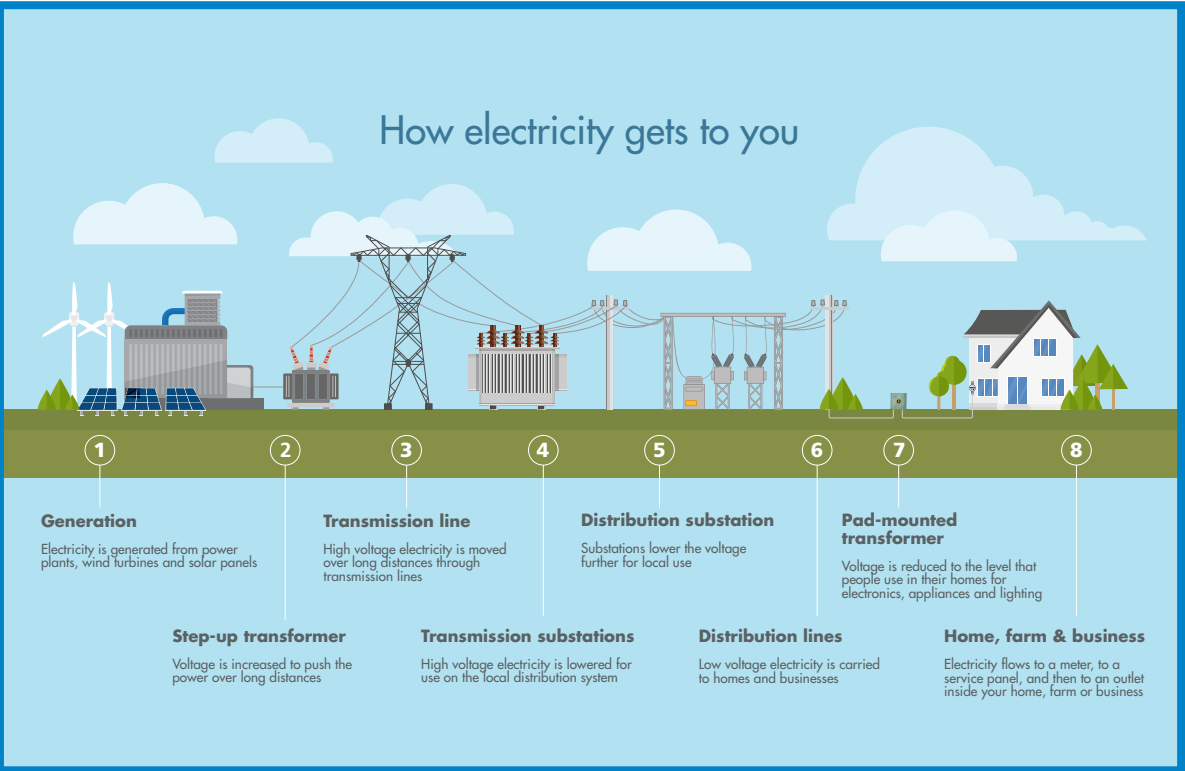
Electricity is made by huge spinning turbines at generating stations using coal, wind, natural gas or water. Electricity from these generators, located at places like power plants and wind farms, is pushed along high voltage transmission lines to substations

where the voltage can be “stepped down” to lower, more usable levels. Then, it is sent along smaller distribution lines, like those owned by McLeod Co-op Power, to be delivered to neighborhoods.

From there, smaller transformers reduce the voltage again to make the power safe to use in homes, schools, farms and small businesses. These smaller transformers may be mounted on poles or sitting on the ground (they're the big green boxes called pad-mounted transformers).

Electricity then runs underground from the transformer to your house and passes through a meter that measures how much each home or business uses. Then, it goes to a service panel where breakers or fuses protect the wires inside your house from being overloaded. Electricity then travels through wires inside the walls to the outlets and switches that we use every day in homes and businesses.

That's how reliable power gets to you in our increasingly power-dependent world.



IS ELECTRICITY YOUR PRIMARY HEATING SOURCE?

If you use electricity to heat your home, you may qualify for a Minnesota sales tax exemption. Members with electric heat as their primary heating system are exempt from sales tax, or only pay partial sales tax, from November through April.

With the start of another heating season, we would like to remind members who have electric heat as a primary heat source that their heat is exempt from Minnesota sales tax November through April. The exemption only

applies to electricity used as your primary fuel for residential heating. Electricity from lights, appliances, etc. is not tax-exempt, only the portion of electricity used to heat your home.

To qualify members must complete an exemption form, available from the Cooperative. To request this form please contact the Co-op at (320) 864-3148 or (800) 494-6272. If you completed this form in the past, you do NOT need to send it in again.

2022 TOUCHSTONE ENERGY COMMUNITY AWARD WINNER ANNOUNCED

McLeod Cooperative Power is honored to award its 2022 Touchstone Energy Community Award to the McLeod Food Shelf. This annual award recognizes a local business or community group that made a positive impact within the Co-op’s service territory during the past year.



Visit www.mcleodemergencyfoodshelf.org/mobile-outreach for route and program information.

This year’s winning organization, McLeod Food Shelf (MFS), is being recognized for its Mobile Outreach Program. The vehicle brings needed food and other supplies to those in need twice a month at seven locations throughout the county. This past year the program provided enough food to provide over 43,000 meals.

Community members support the program through donations, but also by volunteering to stock the bus, drive it to the various locations, and assist those that utilize the mobile program. The mobile program is now responsible for 25% of MFS’ total service to McLeod County.

As this year’s award winner, McLeod Food Shelf receives a \$500 donation from McLeod Co-op Power. Additionally, they will contend for the statewide Touchstone Energy Community Award with the statewide winner receiving an additional donation of \$2,000. The statewide award winner will be recognized at the Minnesota Rural Electric Association annual meeting in 2023.

“McLeod Food Shelf is thrilled to have been awarded the 2022 Touchstone Energy Community Award for its mobile outreach program, Driving Away Hunger. The award will be used purchase groceries for distribution across McLeod County,” said Lennie Albers, MFS Executive Director. “Since its launch in 2020, the mobile outreach vehicle has brought groceries for over 81,000 meals to households experiencing transportation and mobility barriers. Thank you, McLeod Co-op, for supporting our mission!”

We received a total of 4 nominations for this year’s Touchstone Energy Community Award. Thank you to everyone that submitted nominations. We also applaud these groups and all the others that are working tirelessly to improve their communities. Thank you for your service!

The Minnesota Touchstone Energy Cooperatives are part of a national alliance of more than 750 electric cooperatives in 46 states that adhere to the values of integrity, accountability, innovation, and commitment to the community.

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PERIODICALS
POSTAGE PAID
HUTCHINSON, MN

MERRY CHRISTMAS AND HAPPY HOLIDAYS

TO YOU AND YOURS FROM MCLEOD CO-OP POWER



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WWW.MCLEODCOOP.COM

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