MCLEOD COOPERATIVE POWER
NEWS
NOVEMBER 2026



MCLEOD CO-OP POWER RETURNS $347,000 IN CAPITAL CREDITS TO MEMBERS

This year, McLeod Co-op Power is returning approximately $347,000 to our members through capital credit retirements. If you were a member in 2007 or 2025, part of that money is yours.

It's one of the best parts of being served by a cooperative. We don't have outside stockholders. At the end of the year, any remaining revenue belongs to you, the members who use our service.

WHAT ARE CAPITAL CREDITS?

Capital credits are your share of the co-op's leftover revenue that exceeded our costs for the year. We set our rates to cover the cost of keeping the lights on. After all the bills are paid for the year, whatever remains is called a "margin".

Instead of keeping those margins, we divide it among members based on how much electricity each of you purchased that year. The more you used, the larger your share. This is called your "allocation".

Often, as we did this year, we retire a portion right away. The co-op holds onto it for a while and uses it to build and repair lines, poles, or substations. This reduces the amount we borrow, which helps keep rates lower for everyone.

When the co-op is financially healthy, the board of directors votes to pay some of that money back. That's called "retiring" capital credits.

WHO GETS MONEY BACK THIS YEAR?

This year's retirement of approximately $347,000 covers two years:

- **2007:** We're paying back the remainder of the margins allocated to members that year. If you were a member in 2007, the rest of your 2007 credits are being paid in full.
- **2025:** We're paying back 20% of last year's margins. The other 80% stays with the co-op for now and will be returned in the future.

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OFFICE CLOSED

McLeod Co-op Power's office will be closed Thursday, November 26, and Friday, November 27, in observance of Thanksgiving.

For outages or emergencies, please call our 24-hour outage line at 1-800-927-5685.

We wish our members and their families a safe and happy Thanksgiving!

HOME HEATING SALES TAX EXEMPTION

If electricity is your home's primary heating source (50% or more), you may qualify for a Minnesota sales tax exemption during the heating months of November through April.

If you have already submitted an exemption certificate, you do not need to reapply unless your primary heating source changes.

Not sure if you qualify or have a certificate on file? Contact McLeod Co-op Power at 320-864-3148 for more information.

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McLEOD CO-OP POWER
Your Touchstone Energy® Cooperative

CAPITAL CREDITS CONTINUED...

Paying some older credits and some recent credits is a balanced approach. Long-time members get their earlier investment back, and newer members see a return sooner, too.

HOW WILL YOU RECEIVE IT?

Current members will see their capital credit retirement as a bill credit in December. No action is needed; the credit will appear on your bill automatically.

Former members who were on our lines in 2007 or 2025 will receive a check that is mailed to the last address we have on file. If you've moved, please contact the cooperative at (320) 864-3148 so we can update the address on file. Unclaimed capital credits can eventually be turned over to the state, so a quick call helps make sure the money reaches the right person.

If a member has passed away, their estate may be eligible to claim their capital credits. Contact our office to learn how.

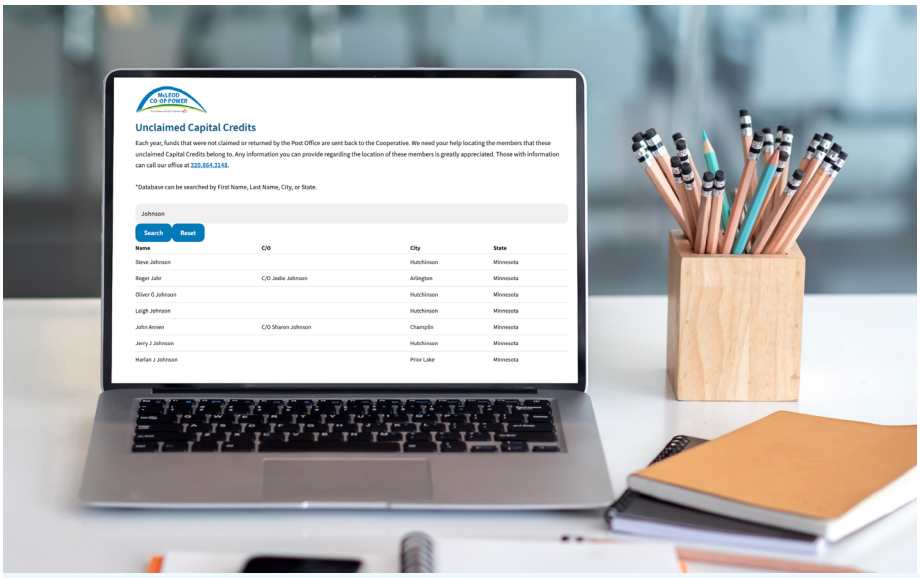
A LONG TRADITION OF GIVING BACK

Since 1935, McLeod Co-op has returned more than $20.8 million in capital credits to the members we serve. That money has gone back to local homes, farms, and businesses right here in our community.

It's a simple idea that has worked for over 90 years: when you're a member of a co-op, you're not just a customer, you're an owner. Thank you for being part of it.

QUESTIONS

Questions about your capital credits? Give us a call at (320) 864-3148.



UNCLAIMED CAPITAL CREDITS

Do you know someone who used to be a McLeod Co-op Power member but has since moved out of our service area? They may have unclaimed capital credits waiting for them.

Each year, funds that were not claimed or returned by the post office are sent back to the cooperative.

To see if your name, or the name of someone you know, appears on the list of unclaimed capital credits, visit www.mcleodcoop.com/about/capital-credits/.

HOW CAPITAL CREDITS WORK

1. You Use Electricity

Members pay their electric bills, helping cover the cost of providing reliable service.

2. Margins Are Allocated

Money remaining after operating expenses is allocated to members as capital credits, based on their electricity purchases.

3. Funds Are Reinvested

The co-op uses allocated capital credits to help fund equipment, power line upgrades and system improvements, reducing the need to borrow money.

4. Capital Credits Are Returned

When finances allow, the Board of Directors approves a retirement, returning capital credits to members through bill credits or checks.

CEO MESSAGE

A Few Extra Chairs

At many Thanksgiving tables this month, there will be a moment to share what we're thankful for. Family or one's health comes up, then somebody usually mentions the food.

I suspect electricity doesn't make many of those lists. I'm okay with that. When nobody thinks about the lights, it usually means they came on when they were supposed to. But this year, I'd like to pull up a few extra chairs and thank the people who make that happen.

The first chair belongs to you, our members. You own this cooperative, and you've acted like it. This year, many of you called, emailed, or stopped in, and we've had many conversations about your bills, ways to save, and what we're doing to keep the lights on. I appreciate every one of them. Many of you came out to the Annual Meeting in July, and I suspect most of you slow down and move over when you pass our crews on the side of the road. Thank you for all of it.

The next chair goes to our board of directors. They're your neighbors, elected by you. They shop in the same stores and pay the same electric bills. They spend many evenings reading reports and weighing decisions about budgets, rates, and the future of our cooperative. Those aren't easy calls, and they don't come with much applause. I'm grateful for their time and judgment, and for the members who serve on our Nominating Committee to make sure those seats are contested.

Our employees need more than one chair. This has been a year of change at McLeod Co-op. Long-time employees have retired, others have taken on new roles, and new faces have joined us.



CEO RON MEIER

Through it all, the work kept getting done. Crews restored outages and built new services. In the office, people answered your calls, processed your bills, and planned improvements years in advance. Most of that work goes unnoticed, which usually means it was done well.

The final chair is for our partners. The electricity that reaches your home passes through many hands before it gets to our lines. We get your electricity from Great River Energy and the Western Area Power Administration (WAPA). WAPA sends electricity generated from their dams, while GRE gets it from a mix of fuel sources. No matter what is happening, they generate and deliver electricity to your doorstep. We can't do this alone, and we're grateful for them, too.

So, when you go around your table this year, I won't be offended if electricity doesn't make your list. It will make mine, along with the people behind it.

From all of us at McLeod Cooperative Power, Happy Thanksgiving.

Cooperatively



OCTOBER 2026 BOARD MEETING HIGHLIGHTS

The Regular Meeting of the Board of Directors of McLeod Cooperative Power Association was held on October 27th, at McLeod Co-op's headquarters in Glencoe. Nine of the board members, CEO Ron Meier, and department managers participated in this meeting.

Highlights of the meeting included:

- Operations Manager Bryon Stilley reviewed the September 2026 outage report, which included a total of 43 outages, affecting 201 consumers.
- Stilley reported that the Hook Lake substation is moving along with Rickert Excavating doing the dirt work. Foundations and fencing are expected to be installed in the next month.
- CEO Ron Meier reviewed October energy audits and TODD inquiries received from members. Efforts to increase SmartHub enrollment were discussed.
- Manager of Finance Steph Jakel reviewed the September financials.
- The Audit Committee reviewed the September expenditure.
- A motion carried to approve Policy 5-33 Technology Resource use.
- A motion carried approving September General Fund Checks, Transfer of Patronage Capital & Refund of Patronage Capital to Estates, September New & Rescinded Memberships, and Accept Special Equipment.
- A motion carried to approve Policy 1-19 Political Action Plan and Policy 4-5 Member Deposits.
- CEO Ron Meier reviewed the GRE 2027 rate impact to MCPA. Discussion was held regarding TODD days.
- A motion carried to approve Directors Susan Anderson, Jeff Kosek, and Kirk Newman to attend NRECA's PowerXChange on February 12-17, 2027 in San Diego, CA.



YOUR HOLIDAY ENERGY BREAKDOWN

Cooking, Cleaning, Heating and Hosting:
How holiday activities impact electricity demand.

The holidays bring plenty of activity into our homes. Between preparing family meals, washing extra dishes, welcoming overnight guests, and keeping everyone comfortable, energy consumption can climb without us giving it much thought.

While these activities are part of making the season special, understanding when your home uses electricity can help you manage energy usage and demand.

WHERE DOES THE EXTRA ENERGY GO?

- **Cooking:** Ovens, stovetops, slow cookers, and other kitchen appliances work overtime when preparing holiday meals. Using several appliances at once can create a temporary spike in electricity demand.
- **Dishwashing:** More guests often mean more dishes and additional dishwasher cycles, especially after large family gatherings.
- **Heating:** Opening doors for arriving guests, heating additional rooms, and colder outdoor temperatures can increase the workload on your heating system.
- **Overnight Guests:** Extra showers, laundry, and general household activity can all contribute to higher electricity use.

SPREAD OUT YOUR ENERGY USE

Electricity demand isn't about how much energy we use, it's about when we use it.

When many homes and businesses use large amounts of electricity at the same time, it creates periods of peak demand. These peaks can affect the cost of providing electricity across the cooperative's system.

A few thoughtful adjustments can help:

- Run the dishwasher after cooking is finished rather than while multiple kitchen appliances are operating.
- Prepare side dishes or desserts ahead of time to reduce simultaneous appliance use.
- Use programmable thermostats to maintain comfortable, consistent temperatures.
- Turn off unnecessary lights and electronics when rooms aren't in use.

You don't need to change your holiday traditions to make a difference. Simply spreading out electricity-intensive activities throughout the day can help reduce demand on the electric system.

A little planning can go a long way toward a more energy-conscious holiday season.

EARLY HOLIDAY DECORATING? KEEP ELECTRICAL SAFETY IN MIND

Twinkling lights, illuminated decorations and beautifully decorated Christmas trees help make the holidays feel magical. But as you bring out the decorations this season, take a few extra minutes to make electrical safety part of your traditions.

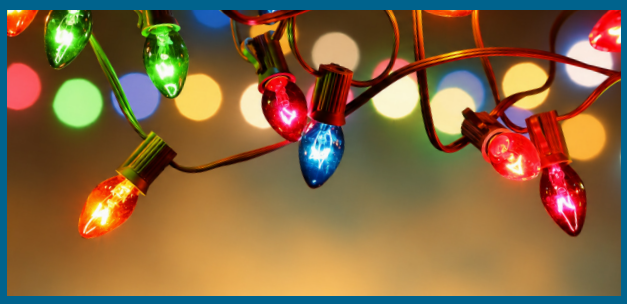
YOUR HOLIDAY DECORATING SAFETY CHECKLIST

- **Inspect before plugging in.** Check light strands, extension cords and decorations for frayed wires, cracked sockets or damaged connections. Replace anything showing signs of wear.
- **Choose the right lights.** Use decorations specifically rated for indoor or outdoor use, depending on where they'll be displayed. Look for a recognized electrical safety certification.
- **Avoid overloaded outlets.** Plugging too many decorations into one outlet can lead to overheating. Follow manufacturer instructions for connecting multiple light strands.
- **Use extension cords safely.** Select cords rated for their intended use and electrical load. Never run cords beneath rugs, through doorways or under heavy furniture.
- **Keep decorations away from heat.** Maintain at least three feet of separation between decorations and fireplaces, space heaters or other heat sources.
- **Take care of your Christmas tree.** Keep live trees watered to prevent drying, and position them away from heating equipment.
- **Turn lights off when unattended.** Unplug or switch off electrical decorations before going to bed or leaving home. Timers can make this easier.
- **Be cautious outdoors.** Keep electrical connections protected from moisture and use ground-fault circuit interrupter (GFCI) protection for outdoor decorations.

Taking these simple precautions can help reduce the risk of electrical shocks and fires, allowing you to enjoy the season with greater peace of mind. The best holiday decorations are the ones that keep your home and family safe.



HOW MUCH ELECTRICITY DOES HOLIDAY LIGHTING REALLY USE?



From rooftops lined with colorful lights to Christmas trees glowing in living room windows, holiday lighting is one of the season's favorite traditions. But how much does all that extra sparkle really add to your electric bill?

The answer depends on the type of lights you use, how many you display and how long you leave them on.

LED VS. TRADITIONAL HOLIDAY LIGHTS

LED technology has made holiday decorating significantly more energy-efficient. According to ENERGY STAR, certified LED light strands use approximately 70% less electricity than traditional incandescent strands.

CALCULATE YOUR COST

Want to estimate the cost of your display? Use this simple formula:

$$\frac{\text{Watts X Hours Per Day X Days}}{1{,}000} \text{ X Rate Per kWh}$$

KEEP THE SPARKLE, REDUCE THE COST

A few small changes can help you enjoy holiday lighting without unnecessary electricity use.

- **Make the switch to LEDs.** They use less energy, last longer and produce less heat than traditional incandescent bulbs.
- **Use automatic timers.** Set displays to turn on at dusk and off at bedtime rather than leaving them running all night.
- **Choose your display wisely.** Focus on favorite areas of your home rather than adding more lights every year.
- **Check the wattage.** Compare packaging when purchasing new strands to better understand their electricity use.

REPORT CARD SEASON AT THE COOPERATIVE



STEPH JAKEL

It's the end of the school quarter, and the envelope shows up in the mailbox: the envelope, addressed to your parents from the school. The single sheet of paper inside holds your foreseeable future.

Would it mean more chores, or a dinner of your choice? Lost phone privileges, or a little extra cash for your next night out with friends? Your mind goes back and forth, wondering which way it will go.

One quick glance at that report card, and the whole story of your quarter is right there in black and white.

THE REPORT CARD LOOKS A LITTLE DIFFERENT NOW

I'm no longer in school, but that same feeling still finds me every month and at the end of every year here at MCPA. Only now, the report card is the budget compared to the actual numbers.

Truth be told, the homework was never a problem for me. Some people hear "hours of discussion and analysis" and start looking for the exit. Me? I grab a fresh cup of coffee and get to work.

The department managers and I dig into past expenses, decide which costs can wait for another year, and decide which equipment and software are due for an upgrade. Our shared goal is to keep your power reliable and your service efficient.

Along the way, plenty of tricky questions come up and plenty more get a close look, but that's the gist of it.

HISTORY: THE TRICKY SUBJECT

Didn't we all have one subject that gave us the most anxiety, or at least the occasional yawn during the lesson? For me, it was history.

It was my most challenging class in high school, and it's still the hardest part of the budget. To plan for the cooperative's future, we lean on the past: how many kilowatt-hours members have used and what the weather was doing at the time.

The trouble is that history isn't repeating itself the way it used to. Seasons are less predictable, and you, our members, keep getting smarter about energy. You're sealing up drafty windows, adding insulation, and upgrading to more efficient equipment.

That's great news for your monthly bill, but it means using the averaging of past years doesn't tell the whole story anymore. Strategic thinking is where it's at.

MATH: MY FAVORITE SUBJECT

Now, on to my favorite subject: math! As you might guess from my career choice, this is my cup of tea.

Just like a good math problem, every dollar in the budget must add up, and each one connects to something real: poles and wire, trucks, technology, maintenance, and the people who keep the lights on.

Because we are a cooperative, we answer to you, the members who own it, not distant shareholders. That's why we sweat the details. It's where we do most of our analysis and make sure the big picture is something we'll be proud of.

SO, WHO GRADES THE REPORT CARD?

Every month, our board of directors checks how the budget measures up against the day-to-day reality of running the cooperative. We're expected to learn from the past, and big differences need an explanation.

Still, the numbers are only part of the story.

When the year wraps up, the grade that matters most is yours.

Are your lights on when you flip the switch? Can you count on being provided with service through a Minnesota winter? Those are the marks we work toward every single day.

While I may still get a few butterflies when the "report card" is revealed, I'm proud of the homework our team puts in. And the best part about being a grown-up? Nobody needs to sign it before I turn it in.

Stay tuned... the yearly report card — aka the Annual Report — comes out each spring.



LOCAL STUDENT HONORED WITH COOPERATIVE SCHOLARSHIP

McLeod Co-op Power is pleased to congratulate Grace Lipke of Brownton on being selected as a recipient of the 2026 Jay A. York Scholarship. Grace is one of seven students awarded a $500 scholarship this year through a program supported by participating electric cooperatives and Great River Energy.

A graduate of Glencoe-Silver Lake High School, Grace is currently a senior at Minnesota State University, Mankato, where she is majoring in Exercise Science – Practitioner. Following graduation, she plans to continue her education by attending graduate school to pursue a career in physical therapy.

Grace's educational goals reflect her interest in health, wellness and helping others. Her chosen career path will allow her to work with individuals as they recover from injuries, improve mobility and maintain active lifestyles. Outside the classroom, Grace enjoys staying active herself and spending time with friends.

HONORING A LEGACY OF COOPERATIVE LEADERSHIP

The Jay A. York Scholarship was established to honor the first Minnesotan to lead the National Rural Electric Cooperative Association (NRECA). York was a respected leader in the rural electric cooperative industry for nearly 30 years. In 1964, he was elected to the Nobles Cooperative Electric Board of Directors, beginning a



legacy of leadership recognized for his dedication to rural communities and the cooperative movement.

This year, eight distribution cooperatives, including McLeod Co-op Power, joined Great River Energy in contributing to the scholarship fund. The program recognizes students pursuing higher education while honoring York's commitment to cooperative values and service.

McLeod Co-op Power is proud to support opportunities that help local students further their education and prepare for meaningful careers.

Congratulations, Grace! We wish you continued success as you complete your undergraduate degree and pursue your future in physical therapy.

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McLeod Cooperative Power is an equal opportunity employer and provider.



ENERGY EFFICIENCY

If you don't participate in the Co-op's Storage Water Heating program, adjust your water heater settings to save energy. As cooler weather arrives, your water heater may be working harder to keep up with longer, hotter showers. Check its temperature setting and consider lowering it to 120°F, which the U.S. Department of Energy recommends for most households. Lowering the temperature can reduce energy use while also helping prevent scalding. Always check the owner's manual before making adjustments.

McLEOD CO-OP POWER
Your Touchstone Energy® Cooperative

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DON'T MISS YOUR 2026 REBATES!

Made an energy-efficient upgrade this year? You could have money coming back your way! McLeod Co-op Power offers rebates on a variety of qualifying purchases and improvements, including:

- **ENERGY STAR® Appliances:** Washers, dryers, dishwashers, and dehumidifiers
- **Heating and Cooling:** Heat pumps and HVAC tune-ups
- **Water Heaters:** Qualifying electric and heat pump water heaters
- **Electric Yard Equipment:** Lawnmowers, chainsaws, trimmers, leaf blowers, and snow blowers
- **Recycling:** Refrigerators and freezers

DEADLINE: DECEMBER 11, 2026
Don't miss your opportunity to save! Submit your completed rebate applications and required documentation by Friday, December 11. Rebates are available on a first-come, first-served basis, and eligibility requirements apply.

View rebate details and download applications at www.mcleodcoop.com/products/rebates.

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Includes 1 motion sensor and 3 door sensors when you agree to 3 years of monitoring.
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