



Announcement: Upcoming Rate Adjustment

Todd-Wadena Electric Cooperative's (TWEC) Board of Directors recently approved a rate adjustment, effective for September 1st usage. The rate adjustment will be reflected on members' October billing statements.

There are several driving forces that contributed to the need for additional revenue. Over the past few years, the Cooperative has incurred increased costs related to wholesale power costs, long-term interest rates, depreciation, material costs, and other inflationary costs.

"A rate adjustment is never desirable, but this adjustment is necessary for the Cooperative's financial stability," explains TWEC CEO Dan Carlisle. "We recognize that some of our members may be facing difficult times. As your trusted energy partner, we try to absorb as many of the increased costs as possible. However, as Todd-Wadena's recent *Cost of Service Study* displayed, the Cooperative is unable to absorb all of these costs. We will continue to do all we can to assist our members with energy efficiency, load management programs, conservation, and rebates."

Per the cost of service study, TWEC needed an average 11% revenue adjustment. The exact change to each member's monthly bill will depend on that member's energy use and rate classification.

The adjustment will include changes to Todd-Wadena's *facility charge* and *kWh energy charge*. Changes were made to both components to better align costs for distribution expenses such as poles, wires, and transformers to the facility charge versus the kWh energy charge. These distribution costs are incurred by the Cooperative whether or not energy is being used at a service. This not only gives TWEC improved rate stability, it also allocates costs more fairly across all users – whether they have a seasonal property or a large family home.

This is the first rate adjustment TWEC has made since 2015. That change only included a few of the Cooperative's rate classes. The last adjustment that affected all rate classes took place in 2011.

As with all decisions made by the Cooperative, the choice to implement a rate adjustment was made in the best interest of all our members and for the long-term future health of the Cooperative. This rate adjustment is necessary to ensure Todd-Wadena has adequate revenue to cover costs and to position itself to provide members with safe, reliable, and affordable power into the future.

Rates Going Into Effect on September 1st, 2023

General Service		
	Existing Rate	New Rate
Facility Charge	\$23.00/mo	\$38.00/mo
Energy Charge (<i>Summer Months</i>)	\$0.1140/kWh	\$0.13172/kWh
Energy Charge (<i>Other Months</i>)	\$0.1040/kWh	\$0.11672/kWh
Base PCA	\$0.01156/kWh	\$0.00

All other rates listed on page 3.

WHAT ARE FACILITY CHARGE, ENERGY CHARGE, AND PCA?

Facility Charge: Each member's share of the fixed cost to distribute electricity (*which includes poles, wires, transformers, construction, meters, etc.*). It covers the cost of owning, maintaining, and supporting these facilities.

Energy Charge: Metered amount of kWh used during the billing period.

PCA (Power Cost Adjustment): This is a direct pass through of charges or credits TWEC receives from our wholesale power supplier, Great River Energy, to account for fluctuations in the energy market.

Cost of Service Study

A large benefit of being a member of a cooperative like Todd-Wadena Electric Cooperative (TWEC) is that our mission revolves around you. TWEC's mission statement is to "be a trusted partner providing safe, reliable, and affordable energy options to our members."

Our community has weathered many storms over the last few years. From severe storm damage to inflation and increased power costs, TWEC has encountered increased costs in every facet of our business. Inflation has touched everything we do – from filling our trucks up with fuel to buying poles and transformers. Please see the chart below demonstrating the increases in material costs for some of the material required for one mile of line.

The Cooperative has also seen an increase in its wholesale power costs from Great River Energy (GRE) and Western Area Power Association (WAPA). In 2022, unplanned power cost adjustments by GRE were passed on.

As we weathered these storms, it became apparent to TWEC's Board of Directors that our operating expenses were more than TWEC's revenue collected through our rates. The board decided to do a formal Cost of Service Study (COSS) conducted by Power Systems Engineering out of Madison, Wisconsin. The study examined TWEC's costs to serve each rate class and the cost

components within rate classes. The COSS then allocated these costs to determine the revenue requirements by each rate. The COSS works to ensure that TWEC's rates are adequate to maintain financial stability, provide necessary revenue for delivery of reliable electric service, avoid subsidization between rate classes, and remain as affordable as possible for our members.

After an extensive review of Power System Engineering's Cost of Service Study, TWEC's Board of Directors participated in a strategic planning session focused solely on the COSS results. While TWEC has been able to keep members' rates low (and through effective cost-conscious decisions has not needed to implement any rate changes since 2015), the COSS highlighted the need for additional revenue. Please refer to page 1 for details on the recent rate adjustment approved by TWEC's Board of Directors.

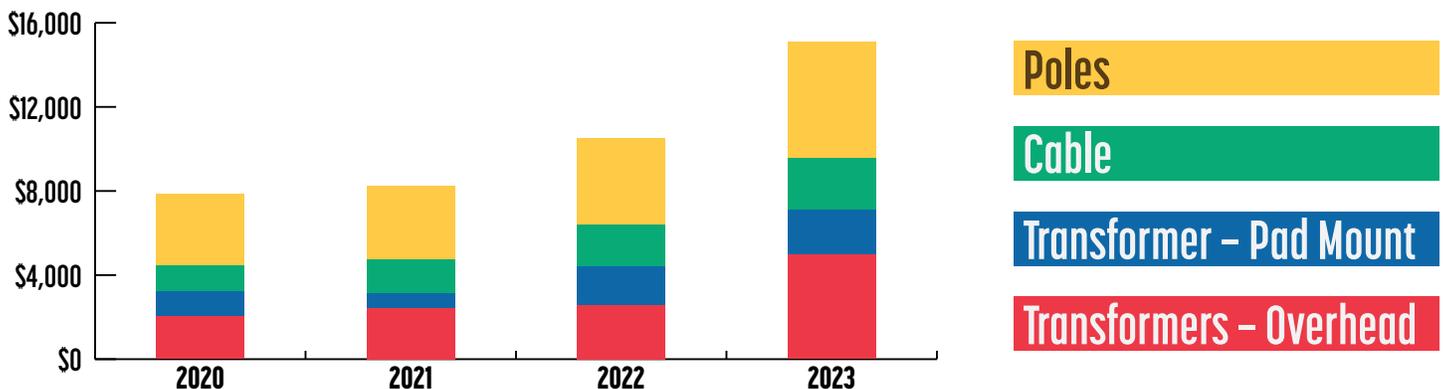
Setting your electric rates is one of the most challenging and important tasks your member-elected cooperative board tackles and TWEC's directors take this job very seriously. By approving this adjustment, we are ensuring the Cooperative is well-positioned to continue providing you with the reliable service you have come to expect.



Daniel Carlisle
President/CEO & General Counsel

Inflation Demonstrated by One Mile of Line

Note: this example demonstrates recent *inflation* for some of the basic materials Todd-Wadena Electric Cooperative needs to build a mile of line. It doesn't factor in all the materials or any construction costs.



Upcoming Rate Adjustment (Continued from page 1)

	Existing Rate	New Rate
Three-Phase Service		
Service Charge	\$50.00/mo	\$80.00/mo
Energy Charge		
Summer Months	\$0.1187/kWh	\$0.13200
Other Months	\$0.1017/kWh	\$0.12200
PCA	\$0.01156/kWh	\$0.00
Large Power Service		
Service Charge	\$70.00/mo	\$100.00/mo
Demand Charge	\$10.50/kW	\$11.50/kW
Energy Charge	\$0.0560/kWh	\$0.06350
PCA	\$0.01156/kWh	\$0.00
Irrigation Service		
Service Charge (6 months)	\$50.00/mo	\$80.00/mo
Demand Uncontrolled	\$22.50/kW	\$22.50/kW
Demand Controlled	\$5.05/kW	\$6.50/kW
Energy Charge	\$0.0700/kWh	\$0.07530
PCA (uncontrolled)	\$0.01156/kWh	\$0.00
Large Power – Peak Alert (Full/Partial Interruptible)		
Service Charge	\$100.00/mo	\$100.00/mo
Coincidental Demand		
Summer Months	\$25.70/kW	\$22.50/kW
Winter Months	\$19.52/kW	\$18.50/kW
Other Months	\$13.33/kW	\$14.50/kW
Non-Coincidental Demand	\$5.00/kW	\$5.35/kW
Excess Demand	\$5.00/kW	\$5.00/kW
Energy Charge	\$0.0440/kWh	\$0.05100
Off-Peak Space Heating		
Service Charge	\$2.00/mo	\$2.00/mo
Storage Heat	\$0.043/kWh	\$0.045/kWh
Auto-Backup	\$0.051/kWh	\$0.058/kWh
Wood Backup	\$0.056/kWh	\$0.058/kWh
PCA	\$0.01156/kWh	\$0.00
Yard Lighting (Rental only)		
LED	\$9.70/mo	\$10.00/mo
Off-Peak Water Heating		
Qualified Storage Credit	(\$8.00 credit)/mo	(\$8.00 credit)/mo
Qualified Single Credit	(\$4.00 credit)/mo	(\$4.00 credit)/mo
Electric Vehicles		
Storage Rate		
11 PM–7 AM (7 AM–11 PM not available)	\$0.043/kWh	\$0.045/kWh
Time-of-Use Rate		
10 AM–3 PM / 10 PM–5 AM	\$0.0695/kWh	No Change
3 PM–10 PM / 5 AM–10 AM	\$0.30/kWh	

Board Minutes

Highlights from the April 28th, 2023, regular board meeting:

- CEO Dan Carlisle attended the CEO Spring Conference, where he was part of the Service Territory Panel. He, along with two municipal representatives and one other cooperative CEO, discussed and answered questions on Minnesota statutes, conflicts, and partnership opportunities between cooperatives and municipals. He also highlighted a few other areas of the conference with the board.
- Board Member Mike Thorson gave the Great River Energy (GRE) report. March's margins were ahead of budget. Thorson will be attending the CFC Forum and Annual Meeting on behalf of GRE.
- Lisa Graba-Meech, CFO, presented the March financials to the board. Monthly kWh sales were 10 percent over budget. Energy revenue was 7 percent over budget. March's purchased power expense was 1 percent over budget. Tier is 0.65 and Equity is 40.57.
- Member & Energy Services Manager Allison Fredrickson recapped TWEC's 2023 Annual Meeting. This year 18.71% of the membership placed their vote in the directors' election. Directors provided feedback and discussed ideas for future meetings.
- Graba-Meech updated the board on collection procedures as the Cold Weather Rule protection expires on April 30th. Crisis funding increased from \$1,500 to \$3,000.
- Board Member Dale Adams gave the STAR Energy report. The STAR Board reviewed 2022 year-end financials, as well as first quarter numbers. STAR ended 2022 with equity of 72%.
- Board Chair Miles Kuschel gave a legislative update. Some parts of the Omnibus Bill, if passed, will greatly impact the Cooperative. These include, but are not limited to, the change to registration vehicle tax, paid family leave, property taxation on cooperatives, and load control receivers.
- Shaurice Moorman, Power System Engineering (PSE) presented PSE's findings for TWEC's Cost of Service Study. Moorman presented a few different options to adjust the fixed charge and rates to satisfy the required 13% increase in each scenario. The board will utilize this information and focus on rates at the May Strategic Planning session.

Cooling System Tune-up Rebate

The best way to ensure efficient operation of your central air conditioner or air source heat pump (ASHP) is by having it tuned-up every two years. A tune-up by a service expert can improve your unit's efficiency by as much as 20 percent, extend its life, and help protect our environment. Todd-Wadena offers a \$25 rebate for central air conditioner and ASHP tune-ups! See if you qualify for this opportunity to keep your equipment running at top level!



Contact a local HVAC contractor and follow these steps to receive a \$25 rebate:

- 1) Hire the contractor (members qualify for a tune-up rebate every 2 years).
- 2) After completing the tune-up, have your contractor fill out the *contractor portion* below.
- 3) Complete the *member portion* of the application.
- 4) Return the coupon to Todd-Wadena, along with a copy of the **contractor invoice** within 90 days of purchase.

Member Information

Member name: _____
Account number: _____
Address: _____
City: _____ State: _____ Zip: _____
Contact phone number: _____

I certify that the items for which I am claiming a rebate are qualifying items and are installed at the address listed above and that this address represents a valid Todd-Wadena Electric Cooperative account.

I have attached a copy of the contractor's invoice with rebate coupon.

Member signature: _____

Mail to: Todd-Wadena Electric Cooperative
ATTN: Mary Williams
P.O. Box 431
Wadena, MN 56482

Contractor Information (to be filled out by HVAC tech)

Equipment brand: _____
Model number: _____
Serial number: _____
Approximate age of unit (years): _____
SEER rating: _____

I certify that I have completed the following on this unit:

- | | |
|---|--|
| <input type="checkbox"/> Clean condenser coil | <input type="checkbox"/> Test all controls |
| <input type="checkbox"/> Check coolant level | <input type="checkbox"/> Check indoor furnace filter |
| <input type="checkbox"/> Check coolant pressure | <input type="checkbox"/> Check belt, if needed |
| <input type="checkbox"/> Blow out drain lines | <input type="checkbox"/> Lube motor, if needed |
| <input type="checkbox"/> Visually inspect entire system | <input type="checkbox"/> Educate homeowner on system operation |

Contractor signature: _____

Contractor company: _____



To qualify for the tune-up rebate:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Tune-up must be completed where electricity is supplied by Todd-Wadena Electric Cooperative. | <input checked="" type="checkbox"/> Program is subject to change or cancellation without notice. Call TWEC to verify rebate status. |
| <input checked="" type="checkbox"/> The central air conditioner or ASHP must be in operating condition, over three years of age, and have not had a tune-up in the last two years. | <input checked="" type="checkbox"/> Program is for tune-ups only; it does not cover the cost for repairs of the central air conditioner or air source heat pump. |
| <input checked="" type="checkbox"/> Rebate submittal must follow the guidelines as listed. | <input checked="" type="checkbox"/> Rebate credits under \$100 will be applied to the member's account. |

Todd-Wadena Electric Cooperative is an equal opportunity provider and employer.

TAKE ADVANTAGE OF THESE HOT PROMO REBATES

WHEN YOU INSTALL A QUALIFYING, ENERGY-SAVING AIR SOURCE HEAT PUMP!

Ducted Air Source Heat Pump	Regular Rebate	Promo Rebate
≥ 8.2 HSPF*	\$500	\$1,000
≥ 9.0 HSPF*	\$700	\$1,300

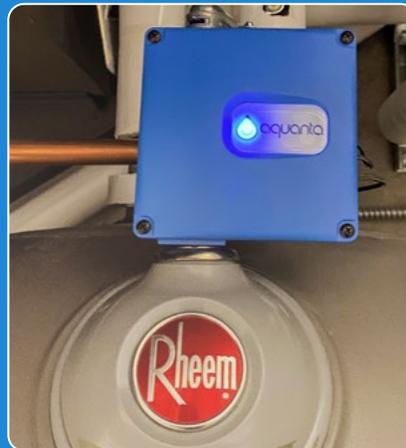
Rebate amounts and programs are subject to change without notice. **Promotion runs May 1st-July 31st, 2023.**

Ductless/Mini Split Air Source Heat Pump	Regular Rebate	Promo Rebate
HSPF ≥ 8.2**	\$300	\$600

* Ducted Air Source Heat Pump must be installed by a quality installer to qualify for TWEC rebate. A list of QI installers can be found at www.toddwadena.coop.
** Must be Energy Star rated

Notice to Water Heater Only Accounts

If you are on the **Peak Shave Water Heating** program, we may be contacting you to install an Aquanta water heater controller. The Aquanta controller works as it attaches to your electric water heater. The co-op is able to send a signal to the unit when a load control event is initiated by our power supplier, Great River Energy. With the load control events, electricity to the water heater is controlled up to several hours when electric use and the cost is very high. By avoiding the use of non-essential electricity during peak times, Todd-Wadena and its members save money. Your electric water heater is currently controlled with a Comverge demand response receiver; this system that we use will reach

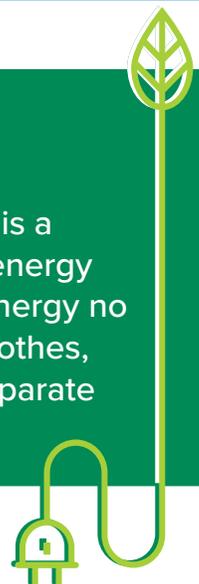


end of life in January 2026. Due to supply chain issues, the power line carrier demand response receivers that we ordered are still not available. We are able to use the Aquanta system for our water heater only accounts. With the Aquanta water heater controller, you can also adjust your water heater through an app. By monitoring and managing your water heater usage, Aquanta offers cost savings and intelligent controls in the palm of your hand. The Aquanta controller is no cost to members as it is a TWEC equipment upgrade. Our technicians will need to have access to your water heater/utility room and electrical panel for installation.

Energy Efficiency Tip of the Month

Looking for additional ways to save energy this summer? Your laundry room is a great place to start. Wash clothes with cold water, which can cut one load's energy use by more than half. Your washing machine will use the same amount of energy no matter the size of the clothes load, so fill it up when you can. When drying clothes, separate the heavier cottons. Loads will dry faster and more evenly if you separate heavier cottons like linens and towels from your lightweight clothing.

Source: www.energy.gov



Welcome, Lucas Hubbard!

Lucas Hubbard is Todd-Wadena Electric Cooperative’s newest Energy Management/Meter Technician. Lucas started at TWEC on March 6th, 2023. Lucas has over 21 years of experience as an electrician; prior to Todd-Wadena, he worked for Lennes Brothers out of Alexandria. His job duties include metering, load management programs, and Demand Response Unit and Aquanta installs — just to name a few.

Lucas and his wife Lisa live near Clarissa with their four daughters, Emma, Elizabeth, Hannah, and Madelyn. When Lucas isn’t working, he enjoys spending time with his family at his sister’s campground near Bemidji. Lucas also enjoys hunting and fishing, and going to all of his daughters’ school and extra-curricular activities.

Lucas looks forward to getting to know the members, and enjoys working with the crew at Todd-Wadena. Lucas will be busy this summer with changing out equipment that is tied to the water heater program, so many members will get to interact with Lucas. *Welcome, Lucas!*



DRIVE-THROUGH CO-OP STRONG LUNCH

THURSDAY
JULY 20

Serving lunch from 11 a.m. to 1 p.m. • Memorial Forest Park & Campground • South of Menahga on Highway 71



We appreciate our members! Bring your family and friends, enjoy some delicious food, and celebrate our shared commitment to our members. We’ll be serving roast beef sandwiches, chips, and cookies.

TODD-WADENA ELECTRIC COOPERATIVE IN PARTNERSHIP WITH WEST CENTRAL TELEPHONE ASSOCIATION AND LAKES COMMUNITY COOPERATIVE



Todd-Wadena Electric Cooperative will be closed on July 4th for Independence Day. Have a safe, happy 4th of July!



Thank You to Our Dairy Farmers

June is *Dairy Month* and we want to take this opportunity to thank our dairy farmers, from the largest operations to the smallest. We want to honor our dairy farmers who work hard 365 days a year to provide us with safe, nutritious dairy products.

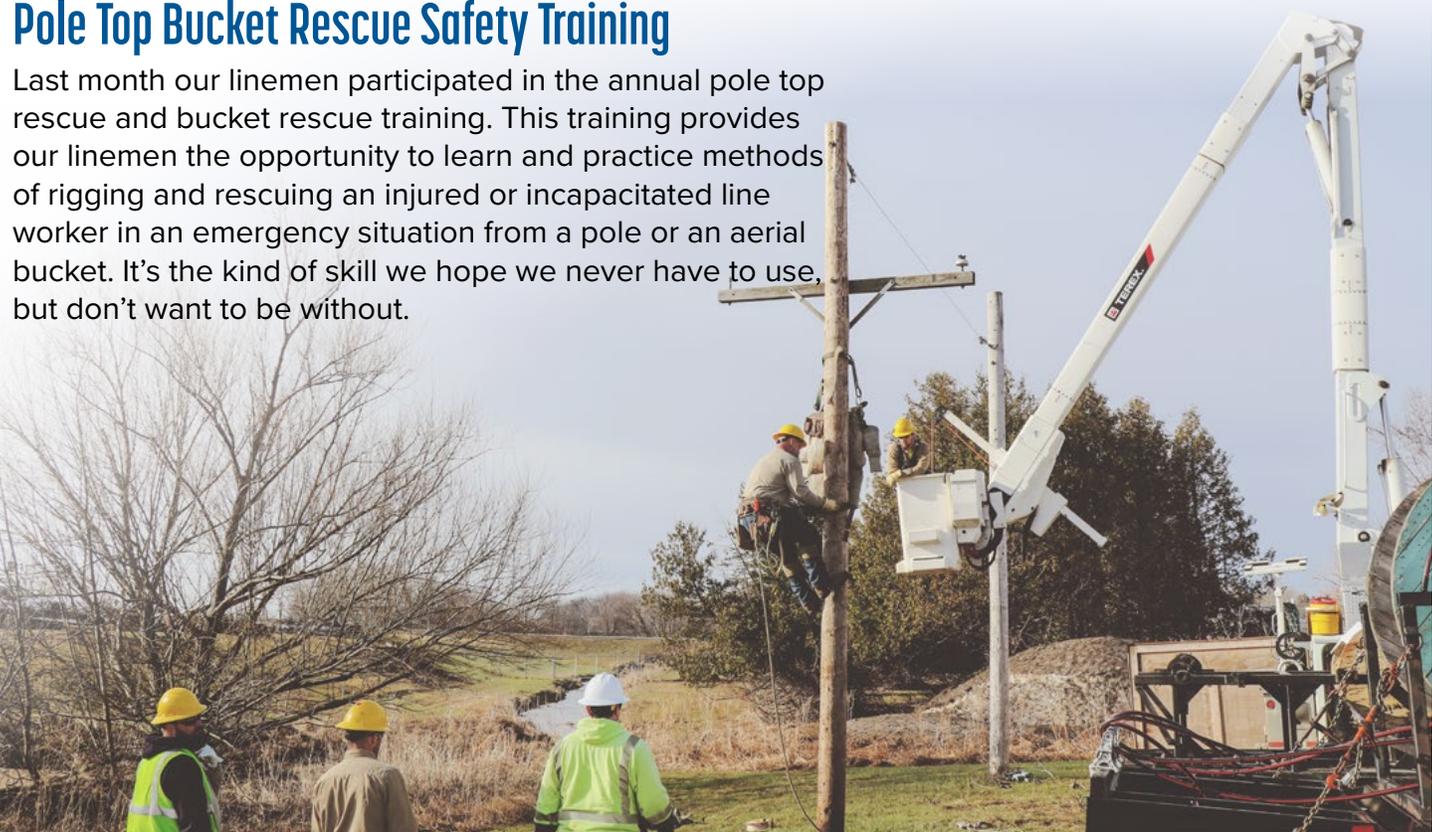
School Electrical Safety Demos

This year, Lineman/Staking Technician Luke Wilhelmi and Marketing & Communications Specialist Kallie Van De Venter traveled to seven area schools to present on electrical safety.



Pole Top Bucket Rescue Safety Training

Last month our linemen participated in the annual pole top rescue and bucket rescue training. This training provides our linemen the opportunity to learn and practice methods of rigging and rescuing an injured or incapacitated line worker in an emergency situation from a pole or an aerial bucket. It's the kind of skill we hope we never have to use, but don't want to be without.



Pine to Prairie News

A monthly publication for members & friends of



Todd-Wadena
ELECTRIC COOPERATIVE

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Monday - Friday

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Adam Sorensen (320) 304-3927

District 5 (Todd County):

Mark Hunter (320) 616-5574

District 6 (Wadena County):

Sheldon Monson (218) 689-3260

If your electric power goes out:

First, make sure the problem is not on your side. (Members may be billed for service calls if the problem is caused by their own equipment.) Check fuses and circuit breakers in your home and by the meter pole. (Call us for help, if necessary.)

Second, check with your neighbors to see if they have power. Then call Todd-Wadena to report the problem. Give your name and account number. Then report any tree branches, twisted wires, broken poles, and whether or not your neighbors are also out of power.

Before digging call:
Gopher State One-Call
811 or (800) 252-1166

Find us on  

www.facebook.com/toddwadenaelectriccooperative
www.instagram.com/twec.coop

Todd-Wadena Electric Cooperative

P.O. Box 431

Wadena, MN 56482

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June Reader's Contest

1. The best way to ensure efficient operation of your central A/C or ASHP is by having it tuned up every ____ years.
2. Wash clothes with ____ water, which can cut one load's energy use by more than half.
3. Todd-Wadena Electric Cooperative traveled to ____ area schools to present on electrical safety this spring.



Name:

Your TWEC Account Number:

<input type="text"/>	<input type="text"/>
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For your chance to be entered in a drawing to win a \$10 credit on your bill, correctly answer the questions and include with your TWEC bill. Mail to TWEC, P.O. Box 431, Wadena, MN 56482. Or email the answers to mbrservices@toddwadena.coop with the subject line "Reader's Contest". Be sure to include your name and TWEC service address. Entries must be received by June 25th.

Mark Colden of Starbuck was the winner of our May Reader's Contest.



Our summer office hours are 7 a.m. to 3:30 p.m., Monday through Friday, from Memorial Day through Labor Day.