



ELECTRIC CO-OPS: FOCUSED ON PEOPLE, NOT PROFITS

SEPTEMBER 2026

Capital Credits: Your Share of the Cooperative Advantage

It's important to give credit where credit is due. As a member-owner of Lake Country Power, you contribute to the cooperative's success, and capital credits are one way the co-op recognizes your contribution.

Lake Country Power operates on an at-cost basis rather than generating profits for outside shareholders. Revenue collected from members is used to provide reliable electric service, maintain infrastructure and support daily operations.

At the end of each year, any revenue remaining after expenses is proportionally allocated to members as capital credits based on the amount of electricity they purchased that year.

Rather than being returned immediately, these funds are reinvested in the cooperative to help finance power lines, transformers, trucks, equipment and system improvements. This reduces the need for additional borrowing and helps support reliable, affordable service.

When financial conditions allow, the board of directors determines how much of previously allocated capital credits can be retired, or returned, to members. Current members typically receive a bill credit, while former members receive a check by mail.

Capital credits are a unique benefit of cooperative membership. Instead of benefiting outside shareholders, excess margins are ultimately returned to the people who helped create them: you, our members.

HOW CAPITAL CREDITS WORK

Electric co-ops are not-for-profit and operate at cost. Capital credits are a financial benefit of co-op membership.



1. Members pay their electric bills, and we track their business with us each month.

2. The co-op pays operating expenses throughout the year and allocates any leftover operating revenue as capital credits.



3. When financial conditions permit, the co-op board votes to retire (pay) capital credits to the members.

4. We send members their share of capital credits as a bill credit or check.



Electricity Brings Everyday Value

When it comes to electricity, we rarely think twice when we flip on a light switch, brew coffee in the morning, charge our phones or adjust the thermostat. We simply expect the power to be there, and that's how it should be because you are a member of Lake Country Power.

Many families across our local communities are feeling the impact of rising costs for everyday expenses. And because of that, LCP understands that every household is carefully considering where each dollar goes.

The average U.S. residential electric bill is about \$150 a month or roughly \$5 a day. It's about the cost of a specialty coffee, yet electricity powers nearly every moment of our daily lives. In fact, many typical purchases cost more than a day's worth of electricity. A fast-food meal averages about \$9, a movie ticket can cost around \$13.

For about \$5 a day, your refrigerator keeps food fresh around the clock. Your heating and cooling system helps keep your family comfortable through the seasons. When you think about everything electricity makes possible, it's one of the greatest values in the average household budget.

If you're looking for ways to lower your energy use, Lake Country Power is here to help. Whether you need efficiency advice from our energy advisors, information about co-op rebates and efficiency programs or answers to questions about your monthly bill, the cooperative team is always available.

Thank you for being a Lake Country Power member and trusting the co-op to power your home and your life.

Jason Long was elected by members in Lake Country Power District 1. He can be reached at jlong@lcp.coop and 218-240-9611.



Sincerely,
Jason Long,
District 1 Director

A Little Cost. A Lot of Life.

For about \$150 a month, electricity keeps the average household comfortable & connected.



720 HOURS
of refrigeration



20+ LOADS
of clean clothes

Hundreds of hours
of heating/cooling.



15+ home
cooked meals



Numerous
devices charged

90+ HOURS
of lighting



Countless connections to work, school and entertainment.

30
DAYS OF
COMFORT



Board Meeting Highlights: June 30, 2026

REGULAR MONTHLY MEETING

The Following Reports Were Given:

President Olson reported on receiving several member calls about outages due to a storm that went through the LCP service area on June 29.

General Manager Bakk reported on the June board meeting of Great River Energy (GRE). He also reported on a meeting with utility leaders about economic development in the region, including future power generation.

The Following Actions Were Taken:

Approved \$40,000 for a water treatment system and conduit for security cameras at the Saginaw outpost. It was noted the water quality in Saginaw was very poor.

Approved changes to Policy 419 on charges for custom work and Policy 300 on personnel.

Editor's Note: These board minutes have been condensed. To view a complete copy, visit www.lakecountrypower.coop under "My Cooperative." A SmartHub account is required. To request a printed copy, call (800) 421-9959.

UPCOMING BOARD MEETINGS: SEPTEMBER 29 | OCTOBER 27 (9:30 am at the Cohasset Service Center, Members Welcome)

DID YOU KNOW?

Lake Country Power now offers a texting option for outages? Visit www.lakecountrypower.coop/outage-texting



Vote in the Co-op Calendar Contest



Lake Country Power's 2027 co-op calendar contest is officially open on Facebook for voting. The field of photo entries has been narrowed. Help determine the 12 winning photos at www.facebook.com/lakecountrypower.

Simply cast your vote with a 'like' for the photo(s) you'd like to see in the calendar. There are four photo albums – one for spring, summer, fall and winter – so be sure to look through each album when casting your 'likes.'

The deadline to vote is 9:00 a.m. on Tuesday, October 6. Any 'likes' after this time and date will not count toward final photo selections.

Any variations from the contest guidelines and/or ties will be determined by the committee. Winners will be notified in October if their photo was selected. The printed 2027 calendars will be available in December. Good luck, and let the voting begin!

Cold Weather Rule Effective October 1

The Cold Weather Rule, Section 216B.097 of the Minnesota State Statutes, provides that from October 1 through April 30 an electric cooperative cannot disconnect a residential customer for nonpayment of service, if the disconnect affects the primary heat source and all of the following conditions are met:

1. The customer declares an inability to pay and completes the Inability to Pay form; and
2. Household income of the customer is at or below 50 percent of the state median income. Income may be verified on forms provided by LCP or by the local energy assistance provider with whom the customer has applied for energy assistance; and
3. The customer enters into and makes reasonably and timely payments under a mutually agreeable payment plan, that considers the financial resources of the household; and
4. A customer receives from LCP referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

The law does allow for LCP to disconnect when it is necessary from October 1 to April 30, so please act promptly. LCP works with members during the Cold Weather Rule period, just as we do throughout the year. We don't want to interrupt service to any member, but in a cooperative, all members suffer when any bill remains unpaid. If bills remain unpaid, this amount must be absorbed by members who faithfully pay their bill each month. LCP would rather work with members to establish and maintain adequate payment schedules of their past due bill. A statement explaining the payment plan to secure continued service, a Payment Arrangement letter, will be provided.

Before disconnecting service to a residential customer from October 1 to April 30, the cooperative must provide the following information:

- notice of proposed disconnection (disconnection notice); and
- statement explaining customer's rights and responsibilities (Inability to Pay form); and
- list of energy assistance providers (Inability to Pay form); and
- forms available for customer to request cold weather disconnect protection (Inability to Pay form).

If you receive a disconnection notice this winter, you must act promptly. If you do not meet all the conditions of the Cold Weather Rule, mutually acceptable payment arrangements can be set up to prevent interruption of an electric service. Please contact Lake Country Power at 800-421-9959 if you have any questions about the Cold Weather Rule.

Energy Assistance Providers

AEOA: 800-662-5711
AEOA Virginia: 218-735-6839
AEOA Duluth: 218-623-3011
Aitkin County Social Services: 800-328-3744
Bi County CAP: 800-332-7161
Bois Forte Tribal: 800-221-8129
Carlton County Social Services: 800-642-9082
Cass County Social Services: 218-547-1340
Fond Du Lac Tribal: 800-365-1613
Itasca County Social Services: 800-422-0312

Kootasca: 877-687-1163
Lake County Social Services: 218-834-8400
Lakes & Pines: 800-832-6082
Leech Lake Tribal: 866-864-8668
Mille Lacs Band Tribal: 320-532-7880
Pine County Social Services: 800-450-7263
Salvation Army Office (Heat Share Programs): 800-842-7279
St. Louis County Social Services: 800-450-9777

Lake Country Power Opens Education Improvement Grants for Area Schools



Lake Country Power will again offer area school districts an opportunity to receive up to \$100,000 for projects that improve education and benefit their communities through the cooperative's Education Improvement Program (EIP).

Applications for the 2026 grant cycle open Sept. 1 and must be submitted online by Nov. 30. Grants will be awarded the following spring or summer after selected applicants present their projects to Lake Country Power's Board of Directors.

The EIP uses unclaimed capital credits — money originally allocated to former cooperative members who could not be located to receive their refunds. Minnesota law allows electric cooperatives to use those abandoned funds for qualifying non-profit purposes, allowing Lake Country Power to keep the money local and reinvest it in communities throughout its service territory.

Since the program began awarding grants in 2023, Lake Country Power has distributed approximately \$2.1 million to area school districts. State statute does not allow these funds to be used for any operational purposes, so LPC chooses to support education.

When reviewing applications, Lake Country Power's board considers the project's benefit to the school district and broader community, community support, the school's ability to complete the project and whether the results can be evaluated.

Applications must come through eligible school districts within Lake Country Power's service territory.



**SCHOOLS INTERESTED IN APPLYING
OR LEARNING MORE CAN VISIT**

[www.lakecountrypower.coop/
education-improvement-program-grant](http://www.lakecountrypower.coop/education-improvement-program-grant)

Preparing Your Dual Fuel System for Winter

The crisp evenings have arrived in the Northland and, if you haven't already turned it on, it's time to start thinking about your heating system this fall.

For dual fuel members at Lake Country Power, that means it's a good time to check your primary electric heating and backup heating systems before the winter doldrums return.

Dual fuel is a load management program where a home's primary heating system is electric and can be interrupted during peak time control events. An alternate non-electric, typically a fossil fuel or qualifying ETS (electric thermal storage) heating system, is the backup that heats your home during the control times.

It also provides great value to LCP members, saving hundreds of dollars a year in heating costs on a typical home and operates at a reduced energy rate. Its cost efficiency is because electric rates are more stable compared to propane and fuel oil.

Existing dual fuel members can also check their systems with four practical tips to ensure a warm home when it's needed:

1. Operate the electric heating equipment to be sure the system responds to a "call for heat" from the thermostat.
2. Operate the backup heating system (oil or propane) also to be sure the system responds to a "call for heat" from the thermostat. Have your gas or oil furnace/boiler checked periodically by a professional HVAC contractor.
3. Get notified directly, by email or text alerts, when dual fuel is being controlled by signing up for load control notifications in SmartHub. Don't have SmartHub yet? Visit lakecountrypower.coop > My Account > Sign In, to get started.
4. If you wish to monitor the control periods of dual fuel throughout the heating season, visit lakecountrypower.coop, then from our home page click on Today's Load.

Lake Country Power members not on dual fuel can call our offices during business hours at 800-421-9959, and press 6 for a member service representative if they have questions or are interested in dual fuel or other load management programs.



SAVE IT BEFORE YOU NEED IT.

Did You Get Our August 3rd Welcome Text?

It was really from Lake Country Power — not spam or a scam.

Save This Contact: 1-844-677-2354

Add it to your phone now so you'll recognize it when an outage happens.

10,400+ Invalid Cell Numbers

More than 10,400 cell phone numbers associated with member accounts were found to be invalid during the rollout.

Is yours up to date?

Check your Lake Country Power account and make sure your current cell phone number is on file.

Accidentally Opt Out?

If you texted the word STOP to the welcome text on August 3 but you now have a better understanding of what this free service is all about, you can text the word UNSTOP from the same cell phone to 1-844-677-2354.

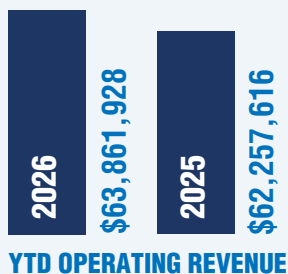
Don't Wait For an Outage

Save the number. Update your account. Stay connected.



By The Numbers | June 2026

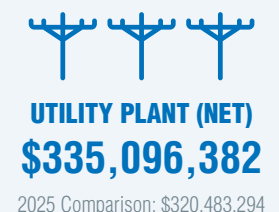
Lake Country Power is committed to responsibly managing resources to maintain the Cooperative's financial stability. Below is a snapshot of the year-to-date unaudited financial report. A complete set of financial statements can be viewed at www.lakecountrypower.coop under "My Cooperative."



	2026	2025
Cost of Purchased Power	\$33,068,344	\$31,730,166
Other Operating Expenses	\$27,803,358	\$26,248,025
Total Cost of Electric Service	\$60,871,702	\$57,978,191



	2026	2025
Operating Margins	\$2,990,226	\$4,279,426
Non-Operating Margins	\$708,428	\$794,278



Co-op Contacts

Mark Bakk, General Manager
800-421-9959 | mbakk@lcp.coop

Jason Long, District 1
218-240-9611 | jlong@lcp.coop

Michael Forsman, District 2
218-365-5789 | mforsman@lcp.coop

Steve Raukar, District 3
218-966-0298 | sraukar@lcp.coop

Jeff Sheldon, District 4
218-398-6104 | jsheldon1@lcp.coop

Robert Bruckbauer, District 5
218-290-8729 | rbruckbauer@lcp.coop

Daniel Kingsley, District 6
218-259-7366 | dkingsley@lcp.coop

Craig Olson, District 7
218-393-2276 | olson@lcp.coop

Brian Napstad, District 8
218-485-1528 | bnapstad@lcp.coop

Larry Anderson, District 9
218-428-2722 | landerson@lcp.coop

Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care that an ordinarily prudent person in a like position would exercise under similar circumstances.

Directors set policy, approve strategy and are charged with fiduciary responsibility of the cooperative. Directors do not oversee day-to-day LCP operations. Administration of maintenance, electric service and operations are the responsibility of employees and staff.

Members with questions or concerns about services, billing, outages or other service-related matters should call 1-800-421-9959.

Newsline

Published monthly by Lake Country Power
8535 Park Ridge Drive, Mountain Iron, MN, 55768
Editor: Jerry Burnes | jburnes@lcp.coop
Designer: Amanda Groethe | Sartell, MN

Lake Country Power Service Centers:
Cohasset • Kettle River • Mountain Iron
800-421-9959 • www.lakecountrypower.coop

Lake Country Power

An equal opportunity provider and employer.

Minnesota Cooperatives Sign Ratepayer Protection Pledge

The Minnesota Rural Electric Association recently joined utilities, elected officials and businesses across the country in signing the White House's Ratepayer Protection Pledge, an initiative focused on ensuring the costs associated with new data center development are not shifted to existing electric consumers.

The pledge calls for large energy users to pay for the power generation and infrastructure needed to serve their facilities while supporting reliability, affordability and economic growth. It also aligns with long-standing electric cooperative principles that large new loads should cover the costs associated with serving their electricity needs and should not shift costs onto existing consumer-members.

"As locally owned and governed utilities, electric cooperatives are uniquely positioned to balance economic development with the needs of the communities they serve," said MREA President and CEO Darrick Moe. "Our priority is simple: ensuring cooperative members continue to receive reliable, affordable electricity while being protected from unnecessary rate increases."

The Ratepayer Protection Pledge includes commitments for data center developers and technology companies to build, bring or buy the new power resources needed to serve their facilities, pay for new transmission and distribution infrastructure required to connect those facilities, negotiate rate structures that ensure they pay for dedicated resources whether they use the electricity or not, invest in local communities and workforce development, and coordinate with grid operators to support reliability and grid resilience.

The pledge reaffirms MREA's position that data center development can be a positive for local communities when done properly and that existing consumers should not be asked to subsidize the costs of serving new facilities.

Crustless Quiche

Submitted By: Linda Larsen, Grand Rapids

1 Tbsp butter	3/4 tsp salt
2 Tbsp chopped onion package frozen	1/2 tsp black pepper
chopped spinach, thawed, drained	1/4 tsp nutmeg
and squeezed dry (or one bag of fresh	1/2 cup shredded Swiss cheese
works too)	(optional)
3 large eggs	1/4 cup of cooked bacon or sausage
1 1/2 cups whipping cream or half &	(optional)
half (or I have also used whole milk)	

DIRECTIONS:

Preheat oven to 375°F. Grease a 9-inch pie pan or 9 x 9-inch baking dish. Melt 1 Tbsp. butter in a skillet over medium heat. Add onion and cook until softened. Stir in spinach and cook until wilted, if using fresh. Spread mixture evenly in the prepared pan. In a large bowl, whisk together eggs, whipping cream, salt, pepper and nutmeg. Pour over the spinach mixture. Top with bacon or sausage, if desired, and sprinkle with cheese, if using. Bake until set and golden brown. About 25-30 minutes. Let cool for 5 minutes.

Submit your recipe to Lake County Power, Attn. Editor, 8535 Park Ridge Drive, Mountain Iron, MN 55768, or email jburnes@lcp.coop. If your entry is printed in the Newsline, you'll receive a \$5 credit on your electric bill. Entries must include name, address, and phone number of your account.