

Merry Christmas!



Energy that Powers Our Lives

December 2023

Newsline

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- Economic impact of co-ops

BOARD MEETINGS December 21 ■ January 30 (9:30 am at Cohasset Service Center. Members welcome)

\$72 million and counting

\$1.5 million credit to benefit members this month

Members will see a special credit printed on their December billing statements this month. Lake Country Power's board of directors approved a \$1.5 million capital credit retirement during the monthly October board meeting.

Of this amount, \$1 million is from Lake Country Power's regular retirement of capital credits. Another \$500,000 is from Great River Energy, LCP's wholesale power supplier, which will be retired to LCP members as well. This is the fifth consecutive capital credit retirement from GRE to its 27 member-owner distribution cooperatives.

Benefits of Membership

Co-op capital credits are a membership benefit of being served by a cooperative like Lake Country Power. The co-op allocates all appropriate margins to Lake Country Power members based on the annual amount of electricity a member purchases.

Here's how the 2023 capital credit retirement will work, based on the LCP capital credit portion and the GRE portion. An individual member's general retirement is from one, or all, of the following calculations listed below.

- The remaining \$85,000 will be retired on a percentage basis to all former and current members.

GRE Portion (represents \$500,000):

- Members from 2001 will receive 100% of their unretired Great River Energy capital credits for those years.
- The remaining \$170,000 will be retired on a percentage basis to all active and inactive members.

Active members will see a credit applied to their December 2023 billing statement. Inactive members (those who have moved off the co-op system) will be mailed a check to their last known mailing address if the payment amount is \$10 or greater.

Between Lake Country Power and its three predecessor cooperatives, more than \$72 million in capital credits have been returned to members through the years. ■

Two Part Process

LCP Portion (represents \$1 million):

- Members from 2000 will receive 75% of their unretired credits for that year.

Did You Know?

Electric cooperatives have retired \$20 billion to members since 1988 - \$1.4 billion in 2021 alone.

Because electric co-ops operate at cost, any excess revenues (called margins) are allocated and retired to members in the form of capital credits.

Source: National Rural Utilities Cooperative Finance Corporation



Why do co-ops issue credits?

Unlike for-profit companies, co-ops do not operate to build shareholder wealth. Member equity, also called capital credits, is created when any earnings (revenues minus expenses) are left over at the end of each year. This creates a margin. At the end of each year, the co-op assigns each member's account a share of the margin, known as an allocation.

Before returning these margins back to members, electric cooperatives use the capital to help offset the cost of debt for equipment and materials used for the construction and maintenance of the electric distribution system. This helps lower financing needs.

To learn more about capital credits, or to review our list of unclaimed capital credits, visit our website at lakecountrypower.coop.

LCP uses state ECO funds to help communities prosper

The Energy Conservation and Optimization Act (ECO) signed into law in 2021 builds upon the existing conservation improvement program that requires electric utilities in Minnesota to spend a certain amount of dollars toward energy efficiency in their respective service territories.

These funds go to various initiatives such as rebate programs, energy audits, and energy efficiency education. While these programs often work toward lowering our members' electric bills, occasionally, opportunities come up to go beyond energy savings alone.

The Bois Forte Band of Chippewa and Lake Country Power recently partnered on a project utilizing a vacant building to create a new homeless shelter. Weweni Bimaadizing (Bravery House) will operate 24/7, facilitating shelter for up to 30 days, and help provide mental health services for tribal members.

LCP was able to utilize ECO funds to facilitate the installation of a new high efficiency air source heat pump



By Dan
COOPER
Key Accounts
and Business
Development
Manager

and electric water heater. These appliances will help provide cost-effective heating or cooling in the home throughout the year and a constant source of hot water.

Basic amenities can make a huge impact on someone who is struggling with homelessness, and I am proud to know our electric cooperative was able to help contribute to a safe environment for those in need and that we truly are helping our communities prosper. ■



New study reveals Minnesota electric cooperatives contribute nearly \$20 billion to the state's economy

A newly released economic impact analysis reveals the substantial contributions electric cooperatives make to Minnesota's economy. Between 2018 and 2022, electric cooperatives injected a staggering \$19.6 billion into Minnesota's economy, fortifying the state's financial landscape and supporting an average of 20,800 jobs each year.

In a new study, the National Rural Electric Cooperative Association and the National Rural Utilities Cooperative Finance Corporation partnered with Strategen Consulting to unveil the remarkable economic impact of electric cooperatives in Minnesota and across the nation.

"This study's findings underscore the indispensable role electric cooperatives play in our state's economic vitality," Darrick Moe, CEO of the Minnesota Rural Electric Association, said. "We are proud to power our communities, provide meaningful careers and give back to our neighborhoods. As consumer-owned non-profits, our focus is on helping bring a brighter, more prosperous future to the places we call home."

The nationwide survey analyzed economic data between 2018 and 2022. The analysis found electric cooperatives support nearly 623,000 jobs in the United States with \$51 billion in pay and benefits each year. Furthermore, electric cooperatives contributed a staggering \$554 billion to U.S. Gross Domestic Product over the five-year period.

Some highlights of the Minnesota Cooperatives economic impact analysis include:

- \$27.3 Billion in capital investments
- \$377 Million in capital credits paid to member-owners
- \$9.2 Billion in labor income
- \$1.4 Billion in federal taxes
- \$3.8 Billion in state & local taxes

Article via Minnesota Rural Electric Association

Director election process underway

The nomination process for Lake Country Power board of director positions begins January 26, 2024. The three-year board terms for District 1 (Jason Long, incumbent), District 5 (Robert Bruckbauer, incumbent) and District 9 (Larry Anderson, incumbent) are expiring.

Any Lake Country Power member who has voting rights in Districts 1, 5 and 9, and is interested in seeking nomination for the board of directors should follow these procedures:

1. Call to request a nomination packet or pick one up at LCP's service centers, and then complete a qualification questionnaire confirming you meet all qualifications for director as described in Article III, Section 2 of the Bylaws of Lake Country Power.
2. Submit a nomination petition signed by 15 Lake Country Power members. If a husband and wife have a joint membership, it will be counted as one signature.
3. Submit a board candidate biography of no more than 180 words in length.

Nomination packets will be available at all three service center locations beginning January 26. The deadline for submitting nomination materials is 4:30 p.m., February 15, at the Cohasset Service Center.

The notice of the annual meeting will be mailed to all members of Lake Country Power between April 6 and



April 10. Members in Districts 1, 5 and 9 will receive a ballot for electing directors.

The annual meeting will be held Thursday, April 25 at Merritt Elementary School in Mountain Iron, MN. Registration begins at 5:00 p.m. with the meeting to follow at 6:30 p.m. An evening meal will be served during registration. If you have questions regarding director elections, contact Tami Zaun at 800-421-9959, ext. 7152. ■

New LCP Vision, Mission and Values

OUR VISION

To exceed our member-owners' expectations.

OUR MISSION

To enhance our communities by providing safe, reliable, and affordable energy services to our members.

LAKE COUNTRY POWER VALUES

SAFETY – We provide the tools and knowledge to safely deliver reliable service while protecting our employees, our members, and our communities.

COMMUNICATION – We maintain open and honest dialogue among all stakeholders by sharing knowledge and information including “what, when, who, where, how” and most importantly “why.”

EXCELLENCE - We strive to excel in every aspect of our business and will focus on continuous improvement.

INTEGRITY – We deliver honest and trustworthy services, enabling others to rely on our word.

RESPECT – We treat everyone as we would like to be treated; with courtesy, dignity, and honor.

TEAMWORK – We have a team environment in which all players are committed to contributing toward the safe achievement of a common goal.

Lake Country Power's board of directors recently approved a new vision, mission and values set to reflect the goals and expectations of the cooperative and its members.

High school seniors: Scholarship applications open January 1, 2024

Graduating high school seniors whose parents or guardians are LCP members are invited to apply for the Les Beach Scholarship. The scholarship application process opens January 1, and must be completed electronically from the co-op's website by 11:59 p.m., January 31.

To complete the electronic application and submit electronic letters of recommendation, go to www.lakecountrypower.coop > My Cooperative > Community > Scholarships.

Scholarship recipients may qualify for up to \$4,000 over four years to help pay for college or technical education. Scholarships are renewable for up to eight semesters, and students must maintain a grade point average of 2.5 or higher. They must have a full-time enrollment status at a technical school, community college or university.

Lake Country Power offers scholarships to more than 30 high schools in the LCP



service area. Scholarships are also offered for home-schooled students and to students who qualify in the "at-large" category, as defined on LCP's website. Scholarships are funded entirely by unclaimed capital credits as allowed by state law.

Letters of recommendation from mentors will be accepted via the online link through February 15, but all other student-submitted materials must be complete by January 31. ■



Q: Do you have a new appliance and are curious to see how it's impacting your bill? Or would you like to know when your "peak usage" happens?

A: Check out SmartHub, specifically "My Usage." With the "Usage Planning" tool, you can create a marker for a specific point in time, such as when the new item was installed or removed, to help track any differences in energy usage. Using the 'Usage Explorer' you can look at monthly, daily, or even hourly data.

2024 Board meetings are open for member attendance

Members of Lake Country Power are welcome to attend the monthly board meetings to engage with their elected directors and stay current on co-op matters. The meetings begin at 9:30 a.m. and are typically held on the last Tuesday of the month, with a few exceptions. Dates are noted below. No need to RSVP!

Dates:

January 30	May 21	September 24
February 27	June 25	October 26
March 26	July 30	November 29
April 30	August 27	December 19

RECIPE CORNER SNICKERS SALAD



From the Kitchen of:
Linda Nordstrom,
Woodbury



- 16 oz container of Cool Whip
- 1 large pkg instant vanilla pudding
- 1 cup milk, for pudding
- 1 bag fun size Snickers or 3 super-size Snickers, cut into small pieces
- 3 medium size Granny Smith apples, or another type, cut up into small chunks

In a large bowl, mix pudding and milk, then combine with Cool Whip. Add candy and then apples.

Note: Cut apples after you have mixed other items so they do not brown when you add them. Double recipe for a large crowd.

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

No rate change projected for 2024

I am pleased to announce that Lake Country Power member rates will remain unchanged in 2024. Although our wholesale power costs will increase by approximately 2.4%, we will not need to pass this through to our membership next year.

Favorable conditions this year will allow us to use unexpected power cost adjustment credits to offset the need for a 2024 rate increase. Furthermore, our recent Cost-of-Service Study (COSS)

concludes that our rates are adequate to meet our obligations and no significant adjustments are necessary.

Another thing to note is the cost of materials and lead times for essential equipment has leveled off and we are restocking our inventory. The good news is that things are stabilizing, the bad news is that they are holding at current high prices. It is yet to be seen if prices will ever come back down to pre-COVID numbers, or even come down at all.

We will continue to be optimistic and work for you in this challenging environment while remaining ever conscious of our mission to provide safe, reliable and affordable electric service. ■



By Mark
BAKK
General Manager

Great River Energy sets 2024 budget

The board of directors for Lake Country Power's wholesale power provider recently met to determine its budget and wholesale electric rates in the year ahead.

Great River Energy's average 2024 wholesale rate is projected to increase by an average of 2.2% from the 2023 budgeted rate.

"Our rates remain nearly 20% below the regional



weighted cost of wholesale electricity, though we are certainly experiencing cost pressures due to supply chain issues and inflation," said Great River Energy Vice President and Chief Financial Officer Michelle Strobel.

Many of the local distribution cooperatives that purchase wholesale electricity from Great River Energy continue to face cost pressures due to supply shortages and inflation.

"Thoughtful budgeting is critical to serving our member-owners with energy that is safe, reliable, environmentally responsible and affordable," Strobel said.

Great River Energy is budgeting for revenue and expenses of approximately \$1 billion in 2024. As a not-for-profit cooperative, Great River Energy collects just enough revenue to cover its costs, with a small margin to operate the business. All margins are returned to the membership over the long term. ■



HOLIDAYS OBSERVED
LCP will be closed December 25 and 26 for Christmas and January 1 for New Year's Day. If you experience a power outage, use SmarHub or call 800-421-9959. Register for SmarHub at lakecountrypower.coop.



September 26, 2023 • Regular Monthly Meeting

THE FOLLOWING REPORTS WERE GIVEN:

President Olson reported that he, General Manager Mark Bakk and Director Brian Napstad attended the National Rural Electric Cooperative Association (NRECA) Regional Meeting in Des Moines, Iowa on September 13-14. The next Regional Meeting will be held in the Twin Cities in 2024.

General Manager Bakk reported that he was elected to represent District 2 on a newly-formed Minnesota Rural Electric Association (MREA) Communications & Legislative Advisory Committee (CLAC). He also reported that a Great River Energy (GRE) Member Manager Group met at Fortune Bay in September and were able to see operating and maintenance challenges in LCP's distribution system.

THE FOLLOWING ACTIONS WERE TAKEN:

Approved a request from an Education Improvement Program grant recipient to use grant funds for an outdoor classroom structure after they initially requested funds for weather-resistant tables and seating for the classroom.

Approved a \$6,000 total donation: \$2,000 each to the United Way of Northeastern Minnesota (Mountain Iron area), United Way of 1,000 Lakes (Cohasset area) and United Way of Carlton County (Kettle River area).

Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a printed copy.



► Karen Lucachick of Cohasset took this photo of a red pine tree with a pretty new seedling growth

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 colson@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 service, billing, outages or other service-related matters should call 1-800-421-9959.

Newsline

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ENERGY EFFICIENCY TIP OF THE MONTH

Get smart with a better way to heat and cool your home! Smart thermostats are Wi-Fi enabled and automatically adjust heating and cooling temperature settings in your home for optimal performance. Smart thermostats learn your temperature preferences and establish a schedule that adjusts to energy-saving settings when you're asleep or away. For maximum energy savings, look for smart thermostat models with the ENERGY STAR® label. Source: energy.gov

BY THE NUMBERS | SEPTEMBER 2023

Lake Country Power is committed to responsibly managing resources to ensure financial stability of the cooperative. 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."



	2023	2022
Cost of Purchased Power	\$40,335,426	\$45,011,200
Other Operating Expenses	\$35,325,503	\$34,829,667
Total Cost of Electric Service	\$75,660,929	\$79,840,867



YTD kWh SOLD
520,035,623

2022 Comparison: 548,342,689

TOTAL MARGINS
\$8,632,455

2022 Comparison: \$2,166,395

	2023	2022
Operating Margins	\$7,732,600	\$1,202,267
Non-Operating Margins	\$899,855	\$964,128

51,243
ACTIVE SERVICES

2022 Comparison: 50,973

Utility Plant (Net)



\$295,013,684

2022 Comparison: 280,957,307