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Mark Your Calendar

- Nov 11 Closed- Veterans Day
- Nov 15. Electric Bills Due
- Nov 26 Board Meeting
- Nov 28 & 29 Closed for Thanksgiving



Find Your Account Number & Win!

TEC has hidden an account number in this newsletter. If you find your account number, notify us by April 1st and you will get a **\$10 bill credit**.



Rate Adjustments & the Road Ahead

JEREMY HUHNSTOCK
General Manager

Electric utilities nationwide, including those here in the Tri-State region, are grappling with increasing rate pressures, and Traverse Electric Cooperative is no exception. Every year Traverse Electric is provided with an estimated load forecast that we calculate our estimated purchase power cost for the year. The difference between 2024 & 2025 is around \$838,000.

As mentioned in the October “Watt Matters” newsletter, Traverse Electric Cooperative is part of a 3-tiered wholesale power source between our power producers, Basin Electric Cooperative and Western Area Power Administration, and East River Electric Cooperative, who delivers the power to our substations.

Basin Electric has experienced rapid growth across its nine-state service territory, which has allowed

them to spread increasing operating costs over a larger volume of energy sales, helping to keep wholesale power rates stable. However, due to the combined pressures of increased demand, necessary capital investments, and inflation, Basin Electric has announced the need to increase wholesale power rates as early as January 2025. Unfortunately, similar rate pressures are being felt by many other generation and transmission cooperatives and utilities due to inflation and higher interest rates. Additionally, the Western Area Power Administration (WAPA) has announced a nearly 14% rate adjustment over the next two years. As Traverse Electric receives these rate increase from our power suppliers, they are passed onto our membership.

Understanding the factors that are behind rate adjustments is a key piece, as they play a significant role in shaping our electricity costs. Purchased power cost is roughly 60% of Traverse Electric’s cost throughout the year. Several key factors that play into rate adjustments from our wholesale providers are:

- ▶ **Growing Demand for Electricity:** As demand continues to rise, investments in power generation and transmission become necessary to meet the growth.
- ▶ **Capital Investments:** Basin Electric is planning significant



Rate Adjustments & the Road Ahead

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investments in new generation and transmission facilities, with a forecast of approximately \$7 billion over the next ten years. A couple notable projects are Pioneer Generating Station IV and a \$2 billion 1,400MW natural gas-fired power plant that's projected to be completed by 2030.

- ▶ **Impacts of Inflation:** Inflation affects everything from operational costs to the prices of materials and equipment.
- ▶ **Increased Market Volatility:** Fluctuations in the power markets contribute to the uncertainty and variability of wholesale costs.

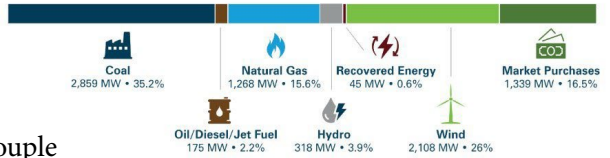
Traverse Electric's Board of Directors and staff are diligently working with STAR Energy Services to come up with the best available options to move forward with these increases. We are committed to doing everything we can to control our distribution costs, however, the increase in power supply costs is unavoidable.

The proposed rates adjustments have not been approved by East River or Traverse Electric Cooperative's Board of Directors as of this newsletter. A special flyer will be mailed out with the rate adjustments as soon as they are approved. ▶

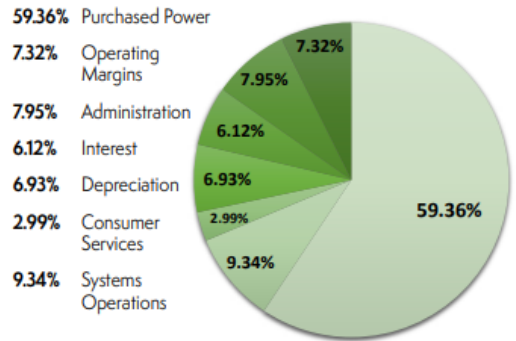
**YEAR
2000**
2,839 MW
MAXIMUM WINTER
GENERATING CAPACITY



**YEAR
2023**
8,112 MW
MAXIMUM WINTER
GENERATING CAPACITY



What Do Your Dollars Pay For?



Make sure that electric heat submeters are powered up when electric heaters are turned on this fall.

ENERGY EFFICIENCY TIP OF THE MONTH

If you're heading out of town during the holiday season, remember to set your home to vacation mode. You can save energy while you're away by lowering your thermostat a few degrees or creating an "away" schedule with a smart or programmable thermostat. Newer water heaters include a vacation mode setting to help you save on water heating costs, or you can simply lower the temperature manually.

Small actions can also stack up to energy savings. Unplug devices that consume energy when they're not in use, including phone chargers, toothbrush chargers, TVs and gaming consoles.



Having Trouble Paying Your Winter Utility Bill?

Energy Assistance programs may be able to help you.

To learn more about the EAP program or to apply for assistance:

MINNESOTA:

- Visit the Minnesota Department of Commerce Energy Assistance website, <https://mn.gov/commerce/consumers/consumer-assistance/energy-assistance/>, for more details and to access the application portal.
- Contact your county EAP service provider for additional information and assistance.
- For Wilkin, Traverse, Grant, Stevens Counties: West Central MN Communities Actions, Elbow Lake, MN. Email: eap@wcmca.org, 800-492-4805, <https://wcmca.org/program-area/energy-assistance/>
- For Big Stone County: Prairie Five Community Action, Montevideo, MN. Email: eap@prairiefive.org, 800-292-5437 or 320-839-211 (Ortonville Office), <https://prairiefive.org/programs/energy-assistance/>

SOUTH DAKOTA:

- Visit the South Dakota Department of Social Services Energy and Weatherization Assistance website, Energy and Weatherization Assistance (sd.gov), Pierre, SD. 800-233-8503. Email: DSSHeat@state.sd.us.

Unclaimed Capital Credits Donated to Area Volunteer Fire Departments

Traverse Electric is proud to support our area volunteer fire departments that provide a valuable service within our territory by donating our 2024 unclaimed capital credits. In total, \$8,559.52 was donated to five fire departments in South Dakota and ten fire departments in Minnesota. ▶



September 2024 Traverse Electric Board Meeting Highlights

The September regular board meeting was held on Tuesday, September 24, 2024 at 8 AM.

Absent: None.

Staff members present were General Manager, Jeremy Huhnstock, Dale Schwagel, and Karen Lupkes.

President Diekmann called the meeting to order.

The agenda was approved.

The minutes of the August regular board meeting were approved.

The August check register was approved.

Discussed the Basin Electric video report and the NRECA training video: Methods of Nominating Director Candidates.

Diekmann gave an East River Board Report.

Marks, Monson, and Rudolph reported on the East River Annual Meeting.

Marks reported on the NRECA Region 5 & 6 Meeting.

Huhnstock presented the General Manager's Report, which included:

- ▶ Provided a Basin Electric update.
- ▶ Provided an East River update.
- ▶ REED Fund review.
- ▶ NRECA update.
- ▶ MREA and MN legislative update.
- ▶ SDREA and SD legislative update.

Lupkes gave the Office Manager's Report, which included:

- ▶ August 31, 2024 accounts receivable balances were reviewed.

- ▶ A list of new members was reviewed.
- ▶ Update on Electrical Dept. and Generator Program.
- ▶ Reported on Wind and Waste Recovery RECs sold in the Basin Marketing Pool.
- ▶ East River power bill and Basin's financial reports reviewed.

Reviewed and approved the August 2024 Financial Report.

The Operations Report was presented per written report. Items included:

- ▶ Provided a crew update.
- ▶ Reviewed upcoming and completed projects.
- ▶ Digester service update.
- ▶ 1600 coded work orders need to be completed and submitted to RUS by Dec 1.
- ▶ Reported that our contractors will work on upgrading 5 miles of underground coming out of the Dumont sub.
- ▶ Reported that our new line truck should arrive during the 1st quarter of 2025.
- ▶ Federated Insurance will conduct their annual review and inspection in October.
- ▶ Reviewed our Safety Program.
- ▶ Outages were reviewed.

Received an update on the new facility.

Received an update on the old properties for sale. ▶

#2536

TEC September 2024 Financials

	Sep 2023	Sep 2024	YTD 2024
Total Revenue	\$926,775.75	\$1,001,315.14	\$9,677,806.81
Cost of Power	\$620,062.86	\$639,278.00	\$6,007,048.12
Total Cost of Service	\$1,085,321.23	\$982,516.84	\$9,850,502.49
Operating Margins	\$(158,545.48)	\$18,798.30	\$(172,695.68)
Total Margins	\$(140,576.43)	\$50,992.61	\$38,088.43
Kilowatt-Hours (kWh) Purchased	9,433,037	9,726,968	98,358,805
Kilowatt-Hours (kWh) Sales	8,979,107	9,290,708	93,862,920
Line Loss	5%	4%	4%

BOARD OF DIRECTORS

President: Doug Diekmann, Beardsley, MN
 Vice-President: Tom Frisch, Dumont, MN
 Secretary: Matthew Glynn, Sisseton, SD
 Treasurer: Michael Marks, Norcross, MN
 Stacy Ehlers, Wheaton, MN
 Michael Gaulrapp, Breckenridge, MN
 Jared Hamling, Rosholt, SD
 Terry Monson, Veblen, SD
 Bradley Rudolph, Dumont, MN

OFFICE PERSONNEL

Jeremy Huhnstock – General Manager
 Karen Lupkes – Office Manager
 Dale Schwagel – Operations Manager
 Melissa Przymus – Accountant
 Stacie Johannsen – Billing Clerk

OPERATIONS PERSONNEL

Richard Davis – Foreman
 Lonnie Tekrony – Journeyman Lineworker
 Joe Gahlon – Journeyman Lineworker
 Austin Reinke – Journeyman Lineworker
 Justin Lundblad – Journeyman Lineworker
 Isaac Callens – Journeyman Lineworker
 Tayden George – Apprentice Lineworker
 Chris Falk – Facility/Staking Technician
 Robert Groebner – Facility Technician

GENERAL MANAGER'S CONTACT INFORMATION

Jeremy Huhnstock
 Cell: 320-349-9901 | Direct: 320-563-1055
 jhuhnstock@traverseelectric.com

MEMBER SERVICE REP/ MASTER ELECTRICIAN

Steve Powers 320-808-9104
 Connor Bartz
 – Journeyman Electrician 320-287-0009

ELECTRICAL INSPECTORS

MINNESOTA
 Brandon Lennox 320-808-5309
 Big Stone County Grant County
 Stevens County Traverse County
 Rodney Schaffer 701-235-2840
 Wilkin County

NORTH DAKOTA
 Mark Moderow 701-226-3779
 Richland County

SOUTH DAKOTA
 Seth Warner 605-500-9020
 Marshall County Roberts County

In case of a power outage, call
(800) 927-5443

6590 State Highway 27
 P.O. Box 66

Wheaton, MN 56296 USA

Toll-free phone: (800) 927-5443

Local phone: (320) 563-8616

Hours of Operation

Monday through Friday, 8 a.m.–4:30 p.m.
 October 1 – April 30

Web site: www.traverseelectric.com

This institution is an equal opportunity provider and employer.

Our Mission: To provide dependable service at the lowest possible rates, consistent with sound business principles.