



## This Issue

Factors That Impact Electricity Prices **p2**

Facility Update **p3**

June Board Report **p4**



## Mark Your Calendar

Aug 15 ..... Electric Bills Due

Aug 29 ..... Board Meeting



## Find Your Account Number & Win!

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



## Factors That Impact Electricity Prices

MANAGER'S COLUMN

JEREMY HUHNSTOCK

General Manager

One of the most frequently asked questions we get here at Traverse Electric Cooperative, is what impacts electricity prices? We talked about how the daily cost of living seems to have increased across the board.

Just as inflation has impacted everything from the price of gasoline to the price of eggs, costs for the fuels required to produce electricity have also risen. This is a timely topic, so I wanted to help explain some of the factors that impact electricity prices (and energy bills) in this month's newsletter.

While there is no short answer, there are a few key elements that impact electricity prices and rates.

Some of these factor's TEC can manage, some of them you can impact and other factors are beyond our control. So, let me break it down.

There are three primary parts to your monthly electric bill: a base or facility charge, an energy consumption/ kWh charge, taxes, and some large accounts incur a demand charge. To understand your total energy costs and what impacts your bill, lets unpack one piece at a time.

The first is a fixed monthly base/ facility charge, which covers the costs associated with providing electricity to your home. This includes equipment, materials, labor and operating costs

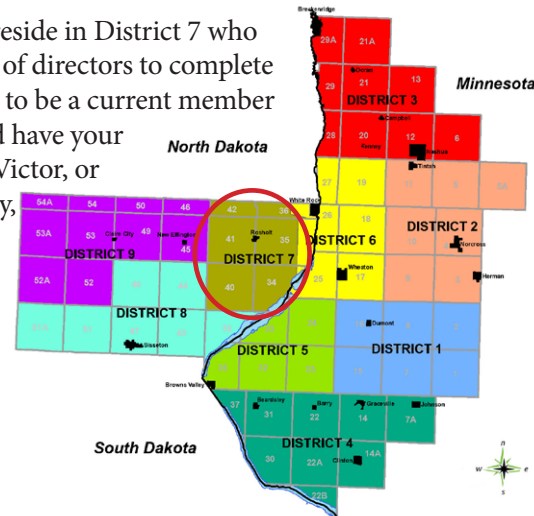
*continued on page 2*

## DIRECTOR CANDIDATES WANTED

### DISTRICT 7 DIRECTOR VACANCY NOTICE:

We are looking for members who reside in District 7 who are interested in serving on our board of directors to complete a three year term. To qualify you need to be a current member (electric account is in your name), and have your permanent residence in White Rock, Victor, or Harmon Townships in Roberts County, SD or live in Richland County, ND adjacent to and due north of White Rock Township.

If you are interested or would like more information on being a director please call our office at 800-927-5443 and ask for Jeremy.



## Factors That Impact Electricity Prices *continued from page 1*

necessary to serve each meter in TEC's service territory, regardless of the amount of energy used. In order to ensure the reliable service, you expect and deserve, we must maintain the local system, including power lines, transformers, and other necessary equipment. Like many other businesses, we've experienced supply chain issues and steep cost increases for some of our basic equipment. For example, the cost for a distribution transformer (which looks like a long metal can at the top of a power pole or a metal green box on the ground) has increased by over 60% since 2020, and wait times to receive this essential equipment are up to 60+ weeks. Because we are a not-for-profit cooperative, some of these expenses must be passed on to our members. I should note that the base/facility charge is the same for everyone in your rate schedule and the costs are shared equally across the membership.

Another component of your monthly bill is the kWh charge, which covers how much energy you consume. You've likely noticed the amount of energy you use can vary from month to month and is typically impacted by extreme temperatures. When temperatures soar or dip, your cooling and heating equipment run longer, which increases your home energy use. Regardless, energy consumption is an area that you have some control over, and you can lower your monthly bill by

actively reducing energy use. Your thermostat is a great place to start, so be sure to keep it close to 78 degrees during summer months. Call the office to inquire about our load control and other rate options.

The third component of your bill are taxes. There's only one way to control taxes; unfortunately, TEC can't control how much you are taxed for your usage. #1448

The last component of your bill, for some, is the demand charge. Demand charges are based on each member's maximum 30-minute demand on the cooperative's distribution system each month. Demand is measured in kilowatts

(kW). Members are billed according to kilowatts or kW of demand for their rate schedule.

I hope this information sheds light on some of the factors that impact electricity prices. While we can't control the weather or the rising costs of fuels, please know TEC is doing everything possible to keep internal costs down.

We're here to help you, too. Contact us if you have questions about your energy bill or for advice on how to save energy at home. ▀

### Energy Efficiency Tip of the Month

**Did you know ceiling fans can make a room feel 4 degrees cooler?** To save energy through ceiling fan use, remember to raise your thermostat a few degrees while fans are turned on. Ceiling fans can help improve comfort year-round. In the summer, operate ceiling fans in a counterclockwise direction. Reverse the direction to clockwise during winter months and set fans on a low speed so warm air can circulate from the ceiling to the lower levels of the room. Remember, ceiling fans cool people, not spaces. Be sure to turn them off when you leave the room.

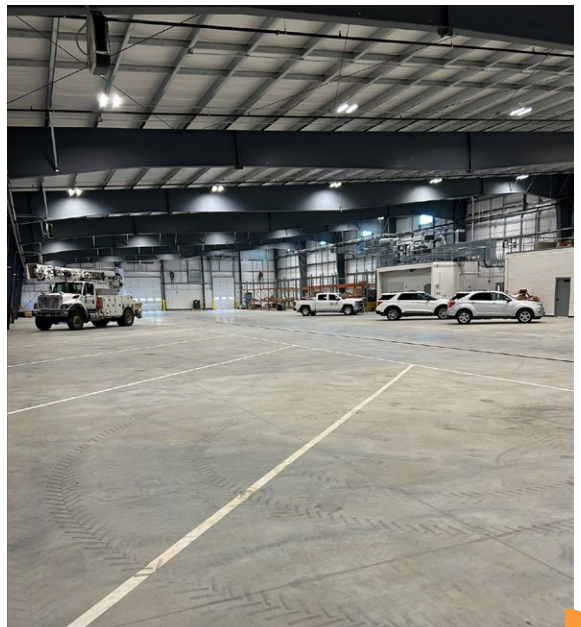
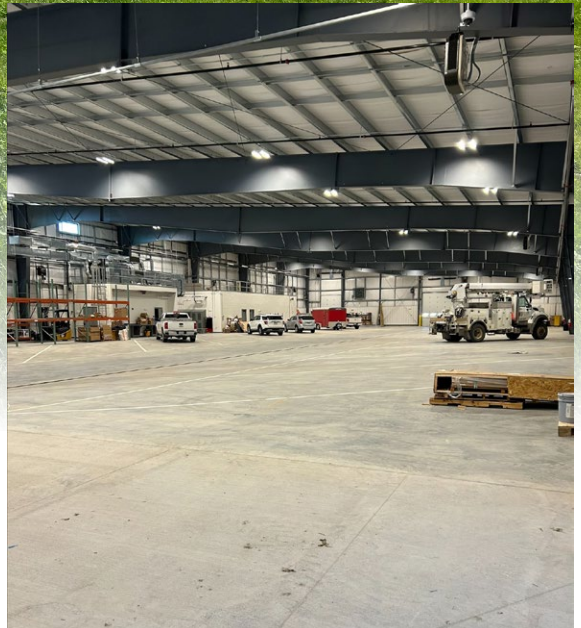
*Source: Dept. of Energy*





# FACILITY UPDATE

We moved into our brand new facility July 7th!  
Stay tuned for a member appreciation event where  
members will be able to tour the new building.



# June 2023 Traverse Electric Board Meeting Highlights

The June regular board meeting was held on Tuesday, June 27, 2023 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 May regular board meeting were approved.

The May check register was approved.

Approved the independent audit report for YE 12/31/22 & 3/31/23 as presented by CliftonLarsonAllen.

Discussed the East River and Basin video reports.

Diekmann gave an East River Board Report.

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:

- May 31, 2023 accounts receivable balances were reviewed.
- A list of new members was reviewed.

- Update on Electrical Dept. and Generator Program.

- East River power bill and Basin's financial reports reviewed.

Reviewed and approved the May 2023 Financial Report.

Schwagel presented the Operations Report per written report. Items discussed included:

- Provided a crew update.
- Reviewed upcoming and completed projects.
- Discussed Digester Services.
- Pole inspection will be completed this week.
- Annual DOT inspections on trailers are being done.
- MN DOT visit and inspections of our trucks & trailers reviewed.
- Reviewed our Safety Program.
- Outages were reviewed.

Received an update on the new facility with a planned move in date of July 7.

Discussed the District 7 vacancy on the board. Will advertise in newsletter/Facebook.

Selected Diekmann for another 3 year term as our East River Board Representative.

Executive Session.

Reviewed upcoming meetings and attendees.

Meeting adjourned. ▮

## BOARD OF DIRECTORS

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

## OFFICE PERSONNEL

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

## OPERATIONS PERSONNEL

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

Dan Urban 605-222-0143  
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, 7 a.m.–3:30 p.m.

Web site: [www.traverseelectric.com](http://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.*

## TEC June Financials

	June 2022	June 2023	YTD 2023
Total Revenue . . . . .	\$978,469.00 . . .	\$1,020,894.83 .	\$6,123,501.24
Cost of Power . . . . .	\$641,887.21 . . .	\$650,169.12 . .	\$3,530,670.10
Total Cost of Service . . . . .	\$956,449.70 . . .	\$977,584.52 . .	\$5,625,561.06
Operating Margins . . . . .	\$22,019.30 . . . .	\$43,310.31 . . .	\$497,940.18
Total Margins . . . . .	\$41,751.00 . . . .	\$71,347.78 . . .	\$641,661.17
Kilowatt-Hours (kWh) Purchased . . . . .	10,056,590 . . . .	9,915,636 . . . .	65,458,837
Kilowatt-Hours (kWh) Sales . . . . .	9,603,490 . . . .	9,400,647 . . . .	9,400,647
Line Loss . . . . .	4% . . . . .	5% . . . . .	4%