



**This Issue**

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## Mark Your Calendar

- Dec 15 . . . . . Electric Bills Due
- Dec 22 . . . . . Board Meeting
- Dec 25 & 26 . . . . Office Closed for Christmas Holiday
- Jan 1 . . . . . Office Closed for New Years Day



## Find Your Account Number & Win!

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



## The Theme Continues... Inflation

MANAGER'S COLUMN

JEREMY HUHNSTOCK  
General Manager

Looking back at the last couple of years, one item stands out regarding how it negatively affects Traverse Electric. It also continues to affect all of our membership, whether at the grocery store, bank, or with other essential items. That one item is inflation... Your electric cooperative is no different, as we have seen prices increase across the board. For example, some cost comparisons using "pre-COVID" costs and what TEC is paying in 2023. The most common transformer on our system is a 25kVa, which most of you have at your house, used to cost \$622; today, that cost is \$1,830 for a 194% increase. A 35-foot pole was \$216; as of August 2023, it cost \$364, for an increase of 68%. These are just some examples of the increase in prices we are dealing with.

We have been able to keep our electric rates constant since our last rate adjustment in April of 2019. In July of 2022, Traverse Electric began the process of working with STAR Energy Services, an independent consulting firm, to complete a comprehensive Cost of Service and Rate study. The purpose of this study was to provide a guide for designing rates that provides equity to all of our members by analyzing cooperative revenue requirements, cost causation, financial forecasts, and projected wholesale energy rates (which are rising). In October of 2023, the study

was completed and presented to the board of directors. The following rate adjustments are needed for the cooperative to maintain its financial strength to meet our financial objectives and ensure fairness between and within rate classes.

As of January 1st, 2024, Traverse Electric will be implementing a rate adjustment for all rate classes. With this adjustment, there was a strong focus on determining appropriate costs and designs that treat all members fairly.

As an example, we adjusted the monthly fixed charge for our general service rate from \$40 to \$50 per month, but the kWh charge remained the same. The fixed charge helps to cover some of the fixed costs of providing and maintaining the line, equipment and right of way. The cost to maintain a mile of line is about the same at most cooperatives, but the number of members per mile to share in that cost can be very different. This is why the fixed charge at urban cooperatives is typically less than the fixed charge at rural cooperatives.

It is the cooperative's responsibility to keep costs as low as realistically possible without sacrificing safety and reliability. We must also distribute the costs to those members who cause the cost so other members do not pay more than their fair share. All of us at Traverse Electric are committed

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# Traverse Electric Rate Adjustment Details

Effective January 1, 2024

General Service		Exiting Rate	New Rate
Fixed Charge		\$40 per month	\$50 per month
Energy Charge		\$0.1075 per kWh	\$0.1075 per kWh
Seasonal Service		Exiting Rate	New Rate
Fixed Charge		\$40 per month	\$50 per month
Energy Charge		\$0.1075 per kWh	\$0.1075 per kWh
General Service - Time of Use - <b>**New**</b>		Time	New Rate
Fixed Charge			\$60 per month
Energy Charge			
	Super Off-Peak	12am - 7am	\$0.0565 per kWh
	On-Peak	7am - 7pm	\$0.10 per kWh
	Off-Peak	7pm - 12am	\$0.065 per kWh
Residential-Small Commercial		Exiting Rate	New Rate
Fixed Charge		\$50 per month	\$50 per month
Energy Charge		\$0.099 per kWh	\$0.096 per kWh
Demand Charge		\$0.50 per maximum kW	\$1.00 per maximum kW
*Transformer sizes 50, 75, 100 kva			
*Demand based on maximum 30-minute monthly peak			
Multi-Phase & Large Single Phase		Exiting Rate	New Rate
Fixed Charge		\$100 per month	\$100 per month
Energy Charge		\$0.07 per kWh	\$0.072 per kWh
Demand Charge		\$16 per kW	\$16.50 per kW
*Transformer sizes over 100 kva and under 500 kva			
*Demand based on non-coincidental monthly peak			
Irrigation		Exiting Rate	New Rate
Fixed Charge		\$100 per month	\$100 per month
Energy Charge		\$0.07 per kWh	\$0.075 per kWh
Demand Charge		\$16 per kW	\$16.50 per kW
*Demand based on non-coincidental monthly peak			
Heat & Load Management		Exiting Rate	New Rate
Meter Charge		\$3 per month	\$4 per month
Energy Charge		\$0.055 per kWh	\$0.0562 per kWh
5/7 Interruptible		Exiting Rate	New Rate
Fixed Charge		\$76 per month	\$100 per month
Energy Charge		\$0.07 per kWh	\$0.075 per kWh
Demand Charge		\$18.65 per kW	\$19 per kW
(Jan., Feb., June, July, Aug., Nov., and Dec.)			
Demand Charge		None	None
(March, April, May, Sept., and Oct.)			
*Demand based on a coincidental monthly peak			
Railroad		Exiting Rate	New Rate
Fixed Charge		\$80 per month	\$100 per month
Energy Charge		\$0.1075 per kWh	\$0.1143 per kWh

# Someplace Safe

This year our Minnesota "unclaimed property funds" were donated to the five local Someplace Safe organizations. Each of the following programs received a check for \$1344.61.

- Big Stone County
- Grant County
- Stevens County
- Traverse County
- Wilkin County

Traverse Electric values the services these organizations provide to our members and their communities. ▶



#2372

## Energy Efficiency Tip of the Month

The holiday season is upon us, and that means we'll be using more energy in the kitchen. When possible, cook with smaller countertop appliances instead of the stovetop or oven. Smaller appliances like slow cookers, air fryers and Instant Pots consume less energy.

When using the oven or stovetop, match the size of the pot to the heating element and place a lid over the pot while cooking. The food will cook faster, and you'll use less energy.

Source: Dept. of Energy



## The Theme Continues... Inflation

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to providing you, the members, with safe, reliable, cost-based electricity.

Virtually all cost aspects of life are continuing to rise, TEC only considers a rate adjustment when it is deemed necessary. To maintain the quality, reliability, and integrity of the services we provide, it is necessary for TEC to adjust our rate structure. ▶

# October 2023 Traverse Electric Board Meeting Highlights

The October regular board meeting was held on Tuesday, October 31, 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 September regular board meeting were approved.

The September check register was approved.

Completed the annual general manager review.

Received information on StakeOut staking software and GPS mapping project.

Discussed the East River and Basin Electric 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:

- ▶ September 30, 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.
  - ▶ Discussed moving new facility costs to plant accounts.
- Reviewed and approved the September 2023 Financial Report.
- Schwagel presented the Operations Report per written report. Items discussed included:
- ▶ Provided a crew update.
  - ▶ Reviewed upcoming and completed projects.
  - ▶ Reported on the Digesters.
  - ▶ Discussed Big Stone County conditional use permits.
  - ▶ Reviewed our Safety Program.
  - ▶ Outages were reviewed.

Received an update on the new facility. Received an update on the old properties for sale.

Reviewed the 2024 Budget and Capital Budget drafts.

Approved revisions to Policy 114.

Approved revisions to Policy 307.

Discussed and approved rate adjustments & a new General Service Time of Use Rate effective Jan. 1, 2024.

Selected voting delegates for the Mid-West Annual Meeting.

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  
 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 – 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, 8 a.m.–4:30 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 October Financials

	Oct 2022	Oct 2023	YTD 2023
TTotal Revenue . . . . .	\$1,254,575.14 . . . . .	\$1,389,612.83 . . . . .	\$10,560,005.70
Cost of Power . . . . .	\$774,601.98 . . . . .	\$885,454.45 . . . . .	\$6,370,805.59
Total Cost of Service . . . . .	\$1,135,367.26 . . . . .	\$1,242,392.49 . . . . .	\$9,992,448.83
Operating Margins . . . . .	\$119,207.88 . . . . .	\$147,220.34 . . . . .	\$567,556.87
Total Margins . . . . .	\$133,385.04 . . . . .	\$172,005.35 . . . . .	\$834,394.45
Kilowatt-Hours (kWh) Purchased . . . . .	13,202,065 . . . . .	14,339,805 . . . . .	109,474,571
Kilowatt-Hours (kWh) Sales . . . . .	12,610,265 . . . . .	13,612,923 . . . . .	104,275,596
Line Loss . . . . .	4% . . . . .	5% . . . . .	4%