

# ECE Co-op Advantage

## Board approves new rates

We all know the economic climate has been shifting for years. Like other industries, costs in the energy sector continue to rise and our current fixed monthly charge is falling short of recovering expenses.

We have not increased residential rates since 2018, but ECE has experienced increasing costs, and we are currently facing a rate realignment. We don't take this lightly and have done everything possible to minimize its impact on our members, who are already feeling an economic squeeze. However, to preserve the stability of the co-op, we must implement a cost-of-basic change that will take effect starting January 1, 2024, for bills due in February.

Though the new monthly residential cost of basic service will be \$45, most members will experience lower electric energy charges during the summer months because, rather than having higher summer electric energy charges, we will shift to one lower year-round kWh rate of 12 cents. The power cost adjustment (PCA) will continue to be zero, and the load management meter charge will increase to \$3.

President/CEO Justin Jahnz explains, "Most of our costs for delivering safe, reliable electricity are fixed; they exist no matter how much energy we sell. Inflation and supply chain issues are having a direct impact on the cost of goods and services."

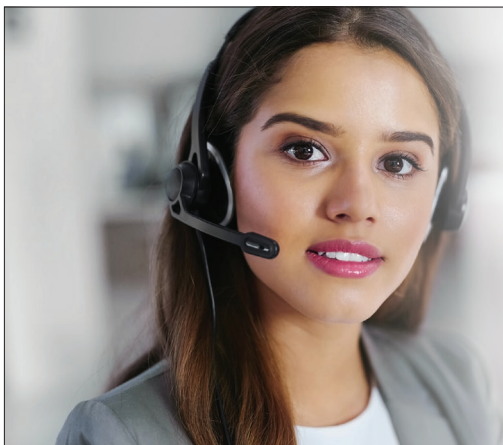
ECE is a not-for-profit cooperative and exists to serve our members. For those who are struggling, please reach out as soon as possible to take advantage of the many resources available, including budget billing to stabilize monthly bill amounts, the free SmartHub app to view and better control energy use, Auto Pay to avoid postage costs and potential late fees, and rebates to increase energy efficiency. Energy assistance is also available for those who qualify.

As your neighbors, we understand that any time we realign rates, it impacts our members. We encourage you to share with us directly at [info@ecemn.com](mailto:info@ecemn.com), to offer suggestions and share your concerns. You're a member of our co-op family, and we're here for you.

### ELECTION

**Interested in becoming  
a board member?  
Director nominations  
are open in Districts  
1, 3, and 6.**

**IMPORTANT  
ELECTION INFORMATION  
ON PAGE 2**



## We're here to help

Having trouble paying your electric bill?  
Help may be just a phone call away.

Call 1-800-254-7944 or visit  
[eastcentralenergy.com](http://eastcentralenergy.com) > Residential > Assistance Information.

# Choose leadership & get involved

## Help ECE thrive as a member-driven organization

Your electric co-op is a unique entity that operates on principles of member ownership and democratic control. At our heart lies a dedicated group of individuals who serve on the board of directors. These directors play a crucial role in the continuing alignment with our mission, ensuring its financial health, and representing your interests.

Are you an involved member of your local community? Do you have a passion for serving your neighbors and friends? If you're open to new ideas and can connect with people from all generations, consider joining ECE's Board of Directors.

Director nominations are now open for members who live in Districts 1, 3, and 6. Directors whose four-year terms expire in April 2024 are Greg Kvasnicka in District 1, Rick Olson in District 3, and Jim Jesok in District 6.

Directors have many duties, including strategic goals, annual audits, policies, bylaws, rates, budgets, work plans, and overseeing the President/CEO. Directors are also expected to stay updated on legislative, local, and industry issues.

If you live in an eligible district and are interested in becoming a nominee, visit our website for a wealth of information at [eastcentralenergy.com](http://eastcentralenergy.com) > Your Cooperative > Director Election. Please consider joining us for a Nominee Information Session at 1 p.m. on January 25, virtual or in person. Director nomination packets must be completed and returned by 10 a.m. February 13, 2024, after which all nominees will be notified regarding the status of their candidacy.

*We retain the services of Survey and Ballot Systems to conduct the election. The entire election process is overseen by co-op members who serve on the Credentials and Election Committee.*

## DISTRICT MAP

(Visit [eastcentralenergy.com](http://eastcentralenergy.com) for a detailed map)

### District 1

Serving all or part of the following areas in Minnesota:

Ar lone, Ar na, Atkinson, Barry, Birch Creek, Blackhoof, Bremen, Bruno, Clear Creek, Clover, Danforth, Dell Grove, Finlayson, Fleming, Hinckley, Holyoke, Kerrick, Kettle River, New Dosey, Nickerson, Norman, Ogema, Park, Partridge, Pine Lake, Sandstone, Silver Brook, Sturgeon Lake, Twin Lakes, Wilma, Windemere, and Wrenshall, including the cities of Bruno, Denham, Finlayson, Hinckley, Kerrick, Rutledge, Sandstone, Sturgeon Lake, and Willow River.

Serving all or part of the following areas in Wisconsin:

Amnicon, Bennett, Blaine, Dairyland, Frog Creek, Gordon, Hawthorne, Highland, Lakeside, Minong, Oakland, Parkland, Solon Springs, Summit, Superior, and Wascott.

### District 3

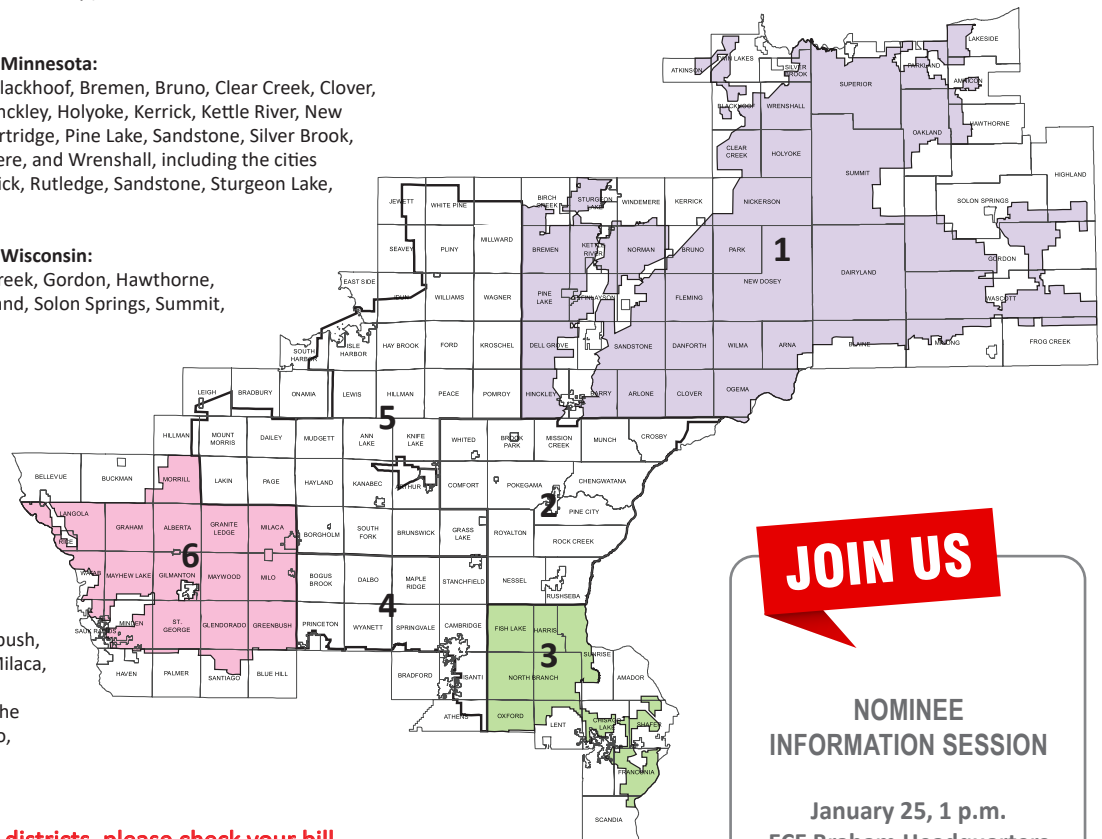
Serving all or part of the following areas:

Amador, Chisago Lake, Fish Lake, Franconia, Lent, New Scandia, North Branch, Oxford, Shafer, and Sunrise, including the cities of Chisago City, Center City, Harris, Lindstrom, North Branch, Scandia, and Shafer.

### District 6

Serving all or part of the following areas:

Alberta, Blue Hill, Buckman, Gilmanston, Glendorado, Graham, Granite Ledge, Greenbush, Haven, Langola, Mayhew Lake, Maywood, Milaca, Milo, Minden, Morrill, Palmer, Sauk Rapids, St. George, Santiago, and Watab, including the cities of Foley, Foreston, Gilman, Glendorado, Milaca, Pease, Rice, Ronneby, Royalton, Santiago, Sauk Rapids, and St. Cloud.



**JOIN US**

### NOMINEE INFORMATION SESSION

January 25, 1 p.m.  
ECE Braham Headquarters

Learn director expectations  
and tips to help with the  
nomination process.

Attend in person or online!  
Call 1-800-254-7944,  
ext. 8046, for details.



1-800-254-7944  
[eastcentralenergy.com](http://eastcentralenergy.com)



Member Name(s) JOHN PUBLIC

Account: 123456700  
Board District: 4  
Bill Type: Bank Draft





## Students, win a FREE trip

Meet other teens from across the country during the six-day, all-expense-paid Electric Cooperative Youth Tour to Washington, D.C., which is scheduled for June 18-23, 2024.

Spend an exciting day on Capitol Hill, explore historic landmarks and sites, and learn how electric cooperatives power communities just like yours. Don't miss out on this opportunity, as ECE covers the entire cost of the trip, including airfare!

The Youth Tour is open to high school sophomores, juniors, and seniors whose parent or guardian is an ECE member.

Applications are available on [eastcentralenergy.com](http://eastcentralenergy.com) > Community > Youth Tour. Students may also request an application by emailing [desiree.cuda@ecemn.com](mailto:desiree.cuda@ecemn.com) or calling 1-800-254-7944, ext. 8031. Completed applications and essays are due February 26, 2024.



## STRINGING UP THE LIGHTS?

Nothing says Christmas like a beautiful holiday light display. Safety Administrator Pete Leibel cautions, "Before using any holiday decoration, inspect it for missing or broken bulbs and plugs, or sockets that are cracked or damaged, wires that are loose or bare, and any other type of damage."

Pay special attention to how many strings of lights you plug in together in a row, because wattage loads can add up quickly. Only use outdoor-approved extension cords and decorations for outside decorating. "And remember," Pete adds, "The last person that goes to bed at night should make sure all decorations are turned off."

## Nature's obstacle course *IVM safeguards power supply*

To promote reliability and control vegetation near electrical conductors, we employ the industry-best practice known as Integrated Vegetation Management (IVM), which offers better right-of-way access for our crews. It also helps prevent outages and keeps lineworkers, arborists, and the public safe.

By promoting desirable, stable plant communities that will resist invasion by tall-growing tree species, IVM consists of a blend of manual, mechanical, chemical, and cultural control of unwanted vegetation. The result is a thriving ecosystem of low-growing plant species, which is beneficial to wildlife, pollinating insects, and butterflies.

We work with line clearance contractors and typically conduct maintenance on a six-year cycle; regrowth is treated two to three years after. Split between 18 projects, we've scheduled about 700 miles of line for clearing in 2024. Interested in where we'll be working? Check out our detailed map at [eastcentralenergy.com](http://eastcentralenergy.com) > Trees & Lines > Vegetation Management Plan.



Watch for changes  
mid-January 2024.

The online version of SmartHub, our free account management tool, is getting a refresh! Though major changes are not expected, the online version will better mirror the mobile app to become more user-friendly.



**SAVE THE DATE**  
**April 18, 2024**

**ECE**  
**Annual Meeting**

Watch our website for details!





If you've read page one of this newsletter, you know ECE is undergoing a rate adjustment effective in January. Rather than repeat what that article mentions, I want to ensure every member understands how your co-op develops those changes. We never take rate adjustments lightly and we make sure to study every facet and every possibility before moving forward.

How do rate realignments work? It all starts with a cost-of-service study, which is performed with the support of a nationally recognized rate design consultant and can be broken into three distinct components.

**Revenue Requirement:** A revenue requirement is the amount of revenue needed to pay for wholesale electricity, the maintenance of the electric system, plus interest, taxes, and other financial obligations we anticipate in the coming months or years. While we don't have a crystal ball, we can use past experiences to predict future costs.

**Cost Allocation:** Once the total revenue requirement for the organization is known, we assign that revenue across many classes of members. Large commercial, small commercial, and residential make up most of our energy sales, but there are dozens of rate classes in total. Based on how these groups use energy and contribute to ECE's costs, we allocate portions of the overall revenue requirement to every rate class. Once this is done, we know how much we will need to collect from each class.

**Rate Design:** Rate design is the methodology we use to collect the cost allocation for each class. For example, in the residential rate class we all pay a fixed charge each month, regardless of energy use, and a rate for each kilowatt-hour (unit of energy) we use for the month. Large commercial accounts are charged a similar fixed charge, but they pay a lower energy charge along with demand charge for the largest peak of their energy use during the billing cycle. These rate designs are intended to assign costs to individual members based on their energy use and their costs to ECE.

Afterward, the board of directors discusses the cost-of-service study and approves the rates for the cooperative. Our staff and the board recognize the impact rates can have on members and we do not adjust rates without considerable thought. As your neighbors and friends, we understand our obligation to provide safe and reliable energy and have a desire to keep that energy as affordable as possible.

Please know that we are committed to communicating these changes with transparency. If you have any questions, please do not hesitate to reach out.

At your service we remain,



Your Touchstone Energy® Cooperative 

**East Central Energy**  
PO Box 39  
Braham, MN 55006

**Braham Service Center**  
Monday-Friday, 8 a.m.-4:30 p.m.

**1.800.254.7944**

General business calls are answered Monday-Friday, 8 a.m.-5 p.m.

Emergency and outage calls are answered 24 hours a day.

**Email:** [info@ecemn.com](mailto:info@ecemn.com)

The ECE Board of Directors meets monthly. Please call 1-800-254-7944 and ask to talk to our Executive Administrator to confirm meeting information. Monthly board meeting minutes and board operating policies can be found on SmartHub.

The Co-op Advantage newsletter is published by East Central Energy, your not-for-profit, member-owned, local electric cooperative.

ECE is an equal opportunity provider and employer.

**Website:**  
[eastcentralenergy.com](http://eastcentralenergy.com)



FROM OUR FAMILY TO YOURS



*Merry Christmas and Happy New Year!*



Our offices will be closed December 25 & January 1



# Help support your **COMMUNITY!**

For less than \$1 per month, you can support local organizations  
by rounding up your bill  
to the next dollar.



*ECE is an equal opportunity provider and employer.*



1.800.254.7944  
eastcentralenergy.com