



Co-op Advantage

Members reconnect to their co-op's "Rural Roots"

Our 87th annual meeting was held April 20 at the Braham Event Center with President/CEO Justin Jahnz and Board Chair Linda Laitala at the helm.

With "Rural Roots" as the theme, nearly 300 members were greeted with an electric vehicle showcase, an ECE Fiber informational table, plus hot appetizers and fresh-baked cookies. Justin welcomed members to his first in-person annual meeting as CEO after three years of online/hybrid meetings.



"We are here today," Justin said, "Because our deep, strong roots enable us to branch out, tethered to our foundation while daring to grow in new directions."

Mathew Viney, Executive Director of A Place for You in Pine City, MN, discussed the shelter's mission as our winner of the 2022 Touchstone Energy® Community Award. Afterward, Great River Energy President & CEO David Saggau updated members on GRE's power supply portfolio and rates, 2022 highlights, and legislative issues.

In his executive report, Justin shared challenges and successes of last year, including progress on ECE Fiber, the new Member Resource Council, and the North Branch Water & Light acquisition. He thanked outgoing directors David Deutschlander and Garry Bye for their years of service to the board, and recognized the impact that two major storms had on our members in 2022.

Prizes were announced at the end of the meeting and included STIHL® electric lawn tools, sewing machines, countertop kitchen appliances, and ten \$50 bill credits.

This year, in District 4, only one candidate was nominated by petition for the available seat on the board of directors, and voting by ballot was not necessary; Thomas Schoenecker will serve the four-year term. An election was held in Districts 2, 5, and 6. Mike Gainor was elected to a four-year term in District 2; Linda Laitala was re-elected to a four-year term in District 5; and Jim Jesok was re-elected to a one-year term in District 6. All candidates and election results were confirmed by the ECE Credentials and Election Committee and ECE's legal counsel.



The board met immediately following the annual meeting to elect officers for the coming year. Elected to their positions were Chair Joe Morley, Vice Chair Rick Olson, Secretary-Treasurer Jerry Tvedt, and Assistant Secretary-Treasurer Greg Kvasnicka. Serving on industry boards include Lonnie Johnson and Linda Laitala (Great River Energy), and Jerry Tvedt (Minnesota Rural Electric Association).

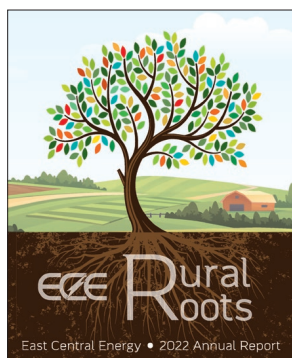
2022 FINANCIAL SUMMARY

EAST CENTRAL ENERGY

CONSOLIDATED BALANCE SHEETS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

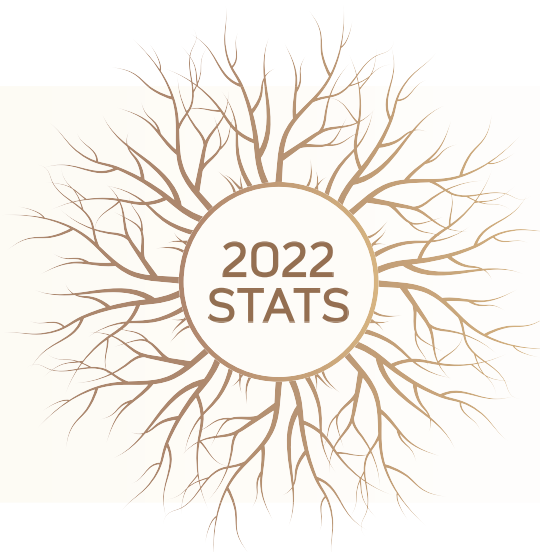
ASSETS (what we own)	2022	2021
Cost of our system	\$368,666,539	\$354,766,071
Construction work in progress	5,574,150	6,639,507
We estimate our system has depreciated	(130,951,075)	(123,327,842)
This gives our system a book value of	\$243,289,614	\$238,077,736
We have other property and investments:		
Loans to members, net of amounts due in the next year	\$1,073,928	\$1,200,816
Great River Energy capital credits	63,359,406	64,553,487
Non-utility property	2,396,771	2,396,771
National Rural Utilities Cooperative Finance Corporation		
Investments required to obtain long-term financing	2,778,675	2,787,417
Other investments in associated companies	3,213,666	3,026,836
Other	1,126,806	1,097,541
Total other property and investments	\$73,949,252	\$75,062,868
We have these current assets:		
Cash and cash equivalents	\$15,988,170	\$13,423,683
Payments due us in the next year on loans to members	437,900	538,000
Members owe us for electrical energy	19,284,620	19,142,494
Payments due us in the next year from FEMA	250,048	0
Material and supplies for line construction and maintenance	4,616,666	3,359,688
Prepayments	619,675	750,869
Interest receivable on investments	25,529	25,529
Total current assets	\$41,222,608	\$37,240,263
We have deferred debits	0	\$3,241
We have assets of discontinued operations (<i>Diversified Enterprises, LLC</i>)	\$24,900	\$24,900
TOTAL ASSETS WE OWN	\$358,486,374	\$350,409,008



A copy of the 2022 Annual Report can be found at eastcentralenergy.com.
To request a mailed copy, please call 1-800-254-7944 or email info@ecemn.com.

LIABILITIES (what we owe)	2022	2021
Long-term debt		
We owe Rural Utilities Service (RUS)	\$1,381,000	\$1,381,000
We owe Federal Financing Bank (FFB)	134,699,706	122,778,970
We owe National Rural Utilities Cooperative Finance Corporation (CFC)	6,079,819	6,575,552
We owe Great River Energy	0	121,942
We owe CoBank	36,979,986	39,882,340
We owe others	112,432	119,207
Payments on long-term debt due in the next year	(13,528,957)	(7,393,105)
Total long-term debt	\$165,723,986	\$163,465,906
We owe current liabilities for power, materials, services, taxes, payments on long-term debt due in the next year	\$33,804,580	\$34,438,539
We have deferred credits (<i>revenue, construction advances, unclaimed property, etc.</i>)	\$16,562,646	\$16,731,297
TOTAL LIABILITIES WE OWE	\$216,091,212	\$214,635,742
NET WORTH (members' equity in the cooperative)		
Your accumulated patronage capital	\$123,669,972	\$117,793,846
Other equities	18,725,190	17,979,420
MEMBERS' EQUITY IN THE COOPERATIVE	\$142,395,162	\$135,773,266
COMMITMENTS	\$358,486,374	\$350,409,008

Employees	162
Number of members	64,243
Miles of line	8,511
Members per mile	7.55
kWhs sold	979,274,556
Member equity	39.65%
Total GRE and ECE plant investment per member	\$9,688

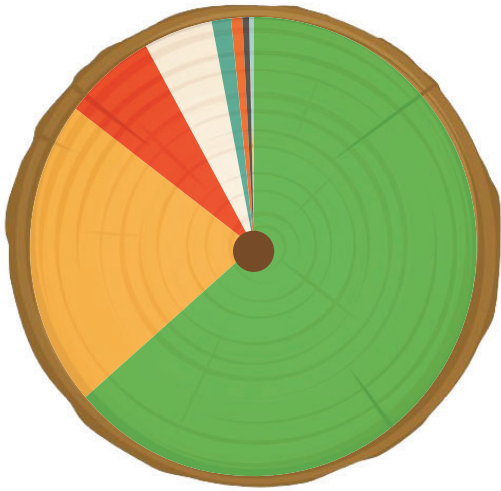


EAST CENTRAL ENERGY

CONSOLIDATED STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL

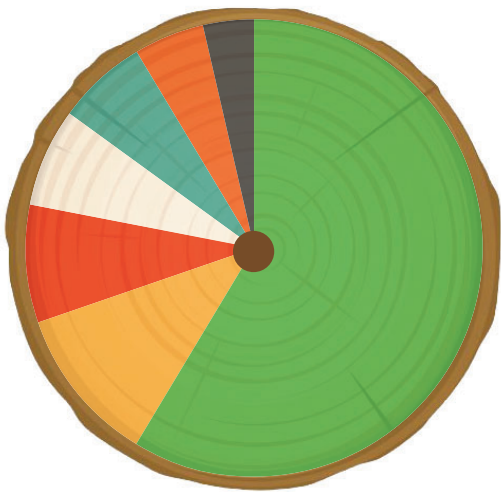
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
REVENUES:		
Sales of electric energy to members	\$132,401,699	\$126,089,239
Miscellaneous electric revenue and penalties	955,507	921,666
Subsidiary net income <i>(ECE Net, LLC and Local Access Network, LLC)</i>	18,868	231,147
Non-operating and other net income	574,370	472,575
TOTAL OPERATING AND NON-OPERATING REVENUE	\$133,950,444	\$127,714,627
EXPENSES:		
Wholesale power <i>(majority paid to Great River Energy)</i>	\$80,146,380	\$80,569,675
Other operating expenses <i>(distribution, administrative services, customer accounts and service)</i>	28,604,281	28,108,139
Depreciation of utility plant	11,340,406	10,888,649
Taxes	829,366	1,083,281
Interest	5,816,876	5,782,724
TOTAL EXPENSES	\$126,737,309	\$126,432,468
Patronage capital income before capital credits from associated cooperatives <i>(total revenue less total expenses)</i>	\$7,213,135	\$1,282,159
Patronage capital from Great River Energy and other associated cooperatives	\$2,244,329	\$5,339,445
NET PATRONAGE CAPITAL (Income)	\$9,457,464	\$6,621,604
ACCUMULATED PATRONAGE CAPITAL - beginning of year	\$117,793,846	\$117,718,796
Unallocated margins	(303,139)	(168,543)
Retirement of patronage capital	(3,278,199)	(6,378,011)
Net patronage capital (income)	9,457,464	6,621,604
ACCUMULATED PATRONAGE CAPITAL - end of year	\$123,669,972	\$117,793,846



2022 SOURCES OF REVENUE

Residential	63.37%
Commercial & Industrial (1,000 KVA or less)	21.74%
Commercial & Industrial (Over 1,000 KVA)	6.56%
Residential (Seasonal)	4.86%
Capital Credits	1.65%
Other Revenue	1.13%
Irrigation	0.39%
Public Street and Highway Lighting	0.30%



2022 USES OF REVENUE

Purchased Power	58.85%
Distribution	10.88%
Depreciation	8.33%
Margins	6.94%
Administrative Services	6.49%
Interest & Taxes	4.99%
Customer Accounts & Service	3.52%

2022 TOTAL REVENUE

Sales of electric energy to members	\$132,401,699
Miscellaneous electric revenue and penalties	\$955,507
Subsidiary net income (<i>ECE Net, LLC</i>)	\$18,868
Non-operating and other net income	\$574,370
Capital credit allocations	\$2,244,329
TOTAL REVENUE	\$136,194,773



Celebrating Arbor Day



We celebrated Arbor Day at Pine City Elementary, sharing three important features with fourth graders:

- How to plant trees properly in locations where they won't grow into power lines
- How contractors safely climb for tree work
- The importance of not playing near electrical equipment



Preparing for summer storms

Are the Memorial Day 2022 summer storms still fresh in your mind? Your co-op certainly remembers the most impactful summer storm since 2011. That multi-day event impacted over 11,000 members at its peak with around 45 broken poles. Or how about the heavy, wet snow of the mid-December storm, creating a need for 19 outside crews to help with restoration efforts? While we're hoping for a quiet 2023 storm season, we should all be prepared just in case.

Statistically, most of ECE's outages come from trees falling from outside the cleared corridor, or branches that break and fall. Check your property for hazards that include dead, dying, diseased, decayed, cracked, or uprooting/unstable trees. Also look for branches that are cracked, poorly attached, broken, dead, or overhanging conductors. Try to safely address issues before storms hit.

We approach vegetation management with a proactive mindset. In 2023, we're planning for about 860 miles of routine clearing and another 450 miles of herbicide application treatment. Our contractors only treat the tall-growing, woody plants within the powerline corridor with products that are non-toxic to pollinators. This way, the pollinator-friendly plants eventually dominate the powerline corridor and are a rich nectar source.

The efforts of our Forestry Department have been recognized by the Arbor Day Foundation, which has designated ECE as a Tree Line USA Utility for 18 years in a row! Over the years, our approach has helped to greatly reduce the number of outages caused by trees and limbs, while avoiding future expenses. Log into SmartHub to sign up for email notifications about possible clearing in your area.



Clean up with care

Once the storm has passed, it is tempting to go straight into yard clean-up mode. However, take time for safety.

Do not go outside if there is a power outage. There could be a downed power line, which could cause electrocution. Sometimes, downed lines can be covered by branches, storm debris, water, snow, or ice.

Reporting your outage

- DO report outages via SmartHub, text, or by calling 1-800-254-7944.
- DO NOT report outages on social media or by email. Neither is monitored 24/7.
- Blinks during storms are common and do not need to be reported to ECE. However, blinks on an otherwise normal day should be reported.

Pollineighbor Party at the 100 Acre Homestead



Join ECE and Great River Energy at our second annual Pollineighbor Party, scheduled for Saturday, June 17 from noon-2 p.m. at the 100 Acre Homestead (6360 60th Ave., Princeton, MN).

Help us kick off Pollinator Week with a farm-to-table food truck, free activities for the whole family—including trivia prizes, seed ball creation, farm animals, and more—plus enjoy acres of wildflowers and honey hives.

Don't forget to check out the farm's locally-crafted food and wares. For the safety of the free-range animals, please leave your pets at home.

Watch ECE's Facebook page for more information!

Residential Member Satisfaction Survey begins in June

You might not realize it, but we're not just another utility company. We are a cooperative, and that means every member has a voice. We are conducting a random telephone/online survey to explore member views about co-op programs and services.

If you are contacted for the survey, we would appreciate your participation.



Progress continues for ECE Fiber

Visit ecefiber.com for plan tiers and prices



Over the last several months, you have likely seen emails, social media posts, and articles in the Co-op Advantage referencing "ECE Fiber coming soon." Well, plans are in motion and it's full speed ahead!



We've received nearly four million feet of fiber; if you drive through downtown Braham, you might notice large rolls of orange conduit that will be used in our under-

ground applications. Construction is scheduled to start May 8 in the Dalbo area, and we will continue working through Phase 1 of our building plan throughout the remainder of 2023.

In addition to construction breaking ground, your co-op has signed a contract to purchase a new building site located in the Braham Industrial Park. The site will house employees from both our fiber and electric sides of the business.

Keep an eye on our Facebook page for more updates, and be sure to visit ecefiber.com to express your interest, check out construction zones, and view plan/pricing options!



Your Touchstone Energy® Cooperative 

East Central Energy
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Braham, MN 55006

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

1.800.254.7944

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

Emergency and outage calls are answered 24 hours a day.

Email: info@ecemn.com

The ECE Board of Directors meets monthly. Please call Executive Assistant Wendy Leibel at 763-689-8046 to confirm meeting information. Monthly board meeting highlights 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



ECE is conducting an independent cost-of-service study to determine if we are equitably recovering our costs from each of our rate classes. As the name suggests, it will look at our cost to serve each rate class and the cost components within each. Last conducted in 2017, this study also looks at your energy rate and cost of basic charge, the fixed charge on your monthly bill.

We have a responsibility to you, our members, to make sure we are collecting rates as equitably as we can. Many costs are impacted by the economic fluctuations (wires, poles, and taxes). It is important to collect enough from members to cover our costs, and adjusting rates from time

to time allows us to continue investing in our infrastructure to ensure good reliability. Energy prices also vary significantly in the wholesale market, driven by weather and capacity requirements. When prices are high, we ask everyone to conserve to reduce costs for the cooperative. You will typically see these social media requests on especially hot or cold days.

As an electric cooperative, we are a not-for-profit organization. We aren't motivated solely by revenue, and excess margins are allocated back to you as capital credits. Considering the restructure of electric rates is one of the most challenging and important tasks your board tackles. This study will guide us in protecting the integrity and financial stability of your co-op. The study will be completed this fall, and results will be shared in a future newsletter.

At your service we remain,



Never run out of gas again with a new battery-powered lawnmower!

REBATES UP TO \$100

This exclusive offer for East Central Energy members is for a limited time only. Act now!

[Visit our website for requirements.](#)

