

## WH is giving back more than \$3 million to members this holiday season!

To cap off 2018, Wright-Hennepin's (WH) Board of Directors is proud to announce a capital credit refund of \$3.05 million to members! This is WH's third largest general retirement in the history of the cooperative.

### Capital credit refunds

This marks the 38th consecutive year WH has returned capital credits to members. Members who purchased electricity from WH in 1995, 1996 or 2017 will receive a capital credit refund.

Members will receive a check in the mail if their refund is \$5 or more unless they have opted to receive a bill credit. Members whose refund is between \$1.00 and \$4.99 will automatically receive a bill credit.

### Capital Credits 101

WH is a not-for-profit cooperative – collectively owned by members like you – whose mission is to provide electric power at the cost of service. Any remaining margins are returned to you, the member-owner, in the form of capital credit refunds.

Before returning them back to members, WH uses the capital to offset the cost of debt for the construction and maintenance of the electric distribution system. This working capital represents your ownership equity in WH.

"Capital credits are one of the most fundamental ways to show our members their ownership of the cooperative," said WH Board Chair Erick Heinz. "The board is proud to return another record-breaking return of capital credits to members during this holiday season."

## CAPITAL CREDITS 101

1

WH tracks the amount of electricity you use and pay for throughout the year.



2

At the end of the year, WH determines if there is excess revenue, called margins.



3

Based on how much electricity you've used, WH then allocates the margins as 'capital credits' to you.



4

When WH's financial condition permits, your board of directors decides to pay, or retire, the capital credits.



5

WH will notify you when you will receive your capital credits.



## In this issue...

- 2 A message from the CEO
- 3 Scholarships
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- 5 Operation Round Up
- 6 Holiday help from WH Security
- 7 Toy drive
- 8 Member events



From left to right: Board Chair Erick Heinz, District 9; Chris Lantto, District 5; Mike Tieva, District 6; Kenneth Hiebel, District 7; Casey Whelan, District 8; Secretary-Treasurer Dale Jans, District 4; Vice Chair and Chair of WH Holding Timothy Young, District 1; Burton Horsch, District 3; and Duane "Butch" Lindenfelser, District 2.

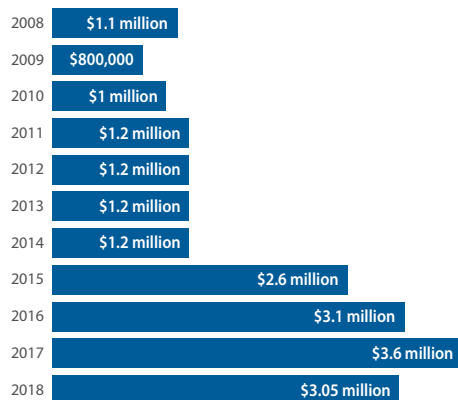


# CEO's Memo

Tim Sullivan, WH President and CEO

## Capital credit refunds demonstrate the WH difference

Think about it: given the dozens of product and service companies with whom you regularly transact business, how many ever send you a check or refund? If you're like most consumers, you can probably count them on a couple of fingers. So, getting money back is one more reason to feel proud of being a Wright-Hennepin (WH) member. In fact, our members have received a refund for 38 consecutive years.



HISTORY OF WH CAPITAL CREDIT REFUNDS

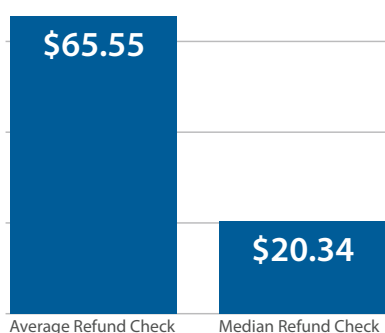
This year, the WH Board of Directors voted to return \$3.05 million—our third largest capital credit refund in history—trailing only refunds in 2016 and 2017. This return comes thanks to the strong financial condition of your cooperative. Those who earned a check of \$5 or more received it last week. Those receiving a bill credit will see it applied to their December statement. (You will automatically receive a bill credit if your capital credit refund was between \$1.00 and \$4.99.)

### Cooperative model

If you're new to the cooperative, you may wonder: why do I receive a check or bill credit at all?

It's the result of the unique financing structure of cooperatives, built in part around the idea of rotation of equity. Members pay in and allow the cooperative to use their capital for a period of time to finance operations. In time, when revenues exceed expenses, they receive a portion of those funds back via capital credit refunds.

For example, in 2018, members who contributed capital in 1995, 1996 and 2017 had a share of it returned to them in a refund. In all, 90 percent of the membership received a refund with an average check of \$65.55 and median check of \$20.34.

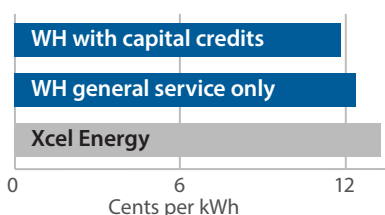


CAPITAL CREDIT REFUND CHECKS

At WH, we build a budget to meet all expenses while retaining a slight margin to cover the unexpected. In our business, the unexpected can be a summer storm that destroys part of our distribution system or serious volatility in wholesale power costs. The margin shields our members from the monthly push and pull of rapidly changing conditions. But at year end, when we do have excess margins, your Board of Directors has traditionally voted to return capital to you.

### Capital credit benefit

But capital credit refunds are more than just the result of a financing mechanism. They're a powerful, concrete and compelling reminder of the value of your cooperative membership.



2018 ANNUAL PROJECTED RATE COMPETITIVENESS

How big is this benefit? Well, in 2018 our residential members' bills competitive advantage over Xcel is projected to be 4.8 percent. But, when capital credits are

factored in, that competitive advantage almost doubles, swelling to 8.6 percent.

### Refund options

I sometimes get the question: why send a check? Doesn't this cost a little more?

We send checks because, given the pace of modern life, many members understandably don't look at every individual line item on their bill. Consequently, a bill credit often gets missed. In contrast, a capital credit check demonstrates your cooperative's value to you and understanding this value is an important part of being an informed and engaged member-owner.

That said, WH is happy to accommodate individual member preferences whenever possible. So, in the future, if you would like to receive a bill credit rather than a check, please visit our website at: <http://goo.gl/QssMzg>.

### Capital credit retirement

What can you expect in the future? Well, your Board of Directors has a plan to reduce the capital credit rotation from what is now 23 years to 20 years. So, in the not-too-distant future, you are likely to receive your capital credit refunds even sooner!

Of course, WH must always respond and adjust to the pressing financial circumstances of the times. After all, the Board's first responsibility is to ensure stable financial management of the cooperative. But given the nearly four-decade history of uninterrupted capital credit refunds, the evidence is clear that your Board of Directors seeks to return money whenever possible.

So please—when you go to the bank to cash your check—remember it's just one more way WH delivers value to you. In turn, we hope your co-op brought you a just little extra holiday cheer (perhaps for gifting another) in the process.

As always, thank you for your business!



# Apply now for 2019 scholarships



*Pictured above are the 2018 scholarship recipients. High school seniors may now start applying for WH scholarships. Learn more information on our website at <http://goo.gl/GP4mSq>.*

Winter break is a great time to get a head start on scholarship applications. Wright-Hennepin (WH) is once again offering scholarships to students in cooperative member households.

The following scholarships are awarded and funded on behalf of WH and Wright-Hennepin Holding Company (WH Holding) through unclaimed capital credits and a contribution from WH Holding!

## WH local school scholarships

WH will award a scholarship to one student whose parent or guardian is a cooperative member at each of the following schools in WH's service territory: Annandale, Buffalo, Dassel-Cokato, Delano, Heritage Christian Academy, Howard Lake-Waverly-Winsted, Maple Grove, Maple Lake, Monticello, Orono, Osseo, Rockford, Rogers, St. Michael-Albertville, Watertown-Mayer, Wayzata and Wright Technical Center (Buffalo).

WH also offers one "at-large" scholarship to students and cooperative members' students from private or home schools within, and schools that neighbor, WH's service territory. Each school listed has its own application deadline. The "at-large" application deadline is April 1, 2019.

## Edward R. Slebiska Memorial Line Worker scholarship

Each year, WH awards two \$3,000 scholarships to students pursuing the line worker profession to honor the memory of Ed Slebiska, the cooperative's first CEO. This scholarship is open to high school seniors or older living within a 30-mile radius of Rockford. Enrollment in a Power Line Technical College is required.

The application deadline for this scholarship is April 15, 2019.

## Basin Electric Power Cooperative scholarship

Basin Electric Power Cooperative of Bismarck, ND, will award a \$1,000 scholarship to dependents of WH members or descendants of employees who work at the cooperative. Basin is one of WH's power suppliers. The application deadline for this scholarship is February 8, 2019.

For additional scholarship details and application forms, please visit <http://goo.gl/GP4mSq>. If you have any questions regarding the application process, call WH representative, Ruth Potter, at (763) 477-3046 or email her at [rpotter@whe.org](mailto:rpotter@whe.org).

Applications can be mailed to: Wright-Hennepin, Attn: Ruth Potter, P.O. Box 330, Rockford, MN 55373.

## Enter for a chance to win a trip to D.C. for high school juniors

As a member, if your child is currently a high school junior enrolled within Wright-Hennepin's (WH) service territory, they are eligible for an all-expense paid trip to Washington, D.C., June 15-20, 2019, with the cooperative Youth Tour program. Electric cooperatives across the nation send more than 1,500 students from 43 states to participate in the tour.

Eligible students are encouraged to submit an application for a chance to be selected. Applications need to be postmarked by **March 2, 2019**, and sent to Wright-Hennepin, Attn: Ruth Potter at P.O. Box 330, Rockford, MN 55373. Applications are available at <http://goo.gl/eEsWRq>. More information can be found by visiting [www.youthtour.coop](http://www.youthtour.coop).

## How do I use a kilowatt hour?



See how your usage of kilowatt hours changes day after day using Energy Markers™ when an appliance or light fixture is replaced. Or plot usage in comparison to your historic data, and local temperature. There are many ways to track your kilowatt data.

Sign up at [mymeter.whe.org](http://mymeter.whe.org) or call (763) 477-3000.





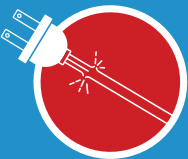
# Co-op Connections featured deal of the month

**The Wood Shed, Delano**  
15% off a \$50 purchase.

For more information, visit <http://www.connections.coop/>. Lost your card? No problem. For a free replacement or to sign up your business, call (763) 477-3000. For more deals, visit <http://www.connections.coop>, or use the Co-op Connections app on your mobile device to find all your local deals and more!



## Holiday lighting safety tips



Carefully inspect all electrical decorations before you use them. Damaged sockets and loose or exposed wires can cause serious shock or start a fire.



Consider using LED lights for all your decorating needs this holiday season. LEDs use less energy and run cooler than traditional incandescent lights.



Stringing lights this holiday season? Never mount or support light strings in a way that might damage the cord's insulation.



Always unplug electrical decorations before replacing bulbs or fuses.



Turn off all indoor and outdoor electrical decorations before turning in or leaving home.

## A charged tablet for a year



**\$150**

**Electricity continues to be a great value courtesy of your electric cooperative**

## PURPA policy information available upon request

The Public Utilities Regulatory Policies Act (PURPA) of 1978 states that Wright-Hennepin (WH) is obligated to interconnect with and purchase electricity from co-generators and small power producers. WH will provide information on its PURPA policies to all interested persons free of charge upon request. Any disputes over interconnection, sales and purchases are subject to resolution by WH. If any member has questions regarding PURPA policies, contact WH at (763) 477-3000.



## October Operation Round Up donations

Wright-Hennepin members who participate in Operation Round Up (ORU) donated grants totaling **\$59,200** in October of 2018.

ORU participants allow their electric bills to be rounded up to the nearest dollar. The rounded amount is then used for donations to fund local programs.

Organizations that received October donations include:

- \$750 to **Ambassador Company** to support "My Favorite Book" distribution to local school and church programs.
- \$5,000 to **Annandale Youth First Inc.** to provide student-to-student mentorship programs.
- \$4,000 to **Buffalo Area Timber Bay/ Youth Investment Foundation** to replace a vehicle for the youth they serve with transportation needs to activities, camps and mentoring programs.
- \$5,000 to **Community Toys for Tots of Monticello** to purchase toys and gifts for children 0-17 years of age.
- \$7,500 to **MN Adult and Teen Challenge** to support the "Know the Truth" drug prevention program.
- \$5,000 to **Toys for Tots of Buffalo** to purchase toys and gifts for children 0-17 years of age.
- \$3,000 to **Angel Bears of Love** to support the gift of an Angel Bear to children and adults with life threatening diseases.
- \$5,000 to **Angel Foundation** to support financial assistance program for adult cancer patients.
- \$2,500 to **Helping Paws Inc.** to support training service dogs.
- \$1,500 to **French Lake Sunshine Club** to support local outreach to assist families in need and to celebrate the birthdays of the residents of Annandale Care Center.
- \$5,000 to **Hope Chest for Breast Cancer** to provide emergency assistance grants for those with breast cancer.
- \$800 to **Monticello Special Olympics** to offset expenses for facilities, equipment, uniforms and competitions.
- \$2,500 to **Society of St. Vincent de Paul** to provide assistance to support families in financial crisis.
- \$10,000 to **True Friends** to install heating and air conditioning in three cabins in the Woodland side of Camp Courage.
- \$500 to **True Friends Auxiliary** to defray costs of dinner for annual fundraiser.

## ORU donations help make the season bright!

In 2018, Wright-Hennepin members donated another \$5,000 to Toys for Tots of Buffalo through Operation Round Up.



*The 2017 Toys for Tots of Buffalo team.*

"We use Wright-Hennepin's Operation Round Up donation to purchase books, games and gifts," said Jean Carlson, Coordinator of Toys for Tots of Buffalo. "We give every child a new book and every family gets a new game. A large portion of the donation is spent purchasing gifts for the older children. Last year we provided toys to 220 families and 575 children."



*Left: Tables filled with 2017 Toys for Tots donations.*

*Right: Showing off giant stuffed animals donated for the 2017 Buffalo Toys for Tots drive.*



## Energy-saving tips for the holidays



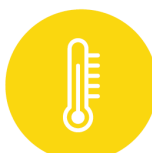
### Lighting

Use your decorations as the primary light source during the holiday season.



### Unplug

Unplug TV's, DVDs, computers and other electronics when leaving for vacation.



### Heat

Use body heat, blankets, cooking and natural sunlight to help heat your home.



### Appliances

Use your appliances efficiently by cooking and baking more than one dish at a time.



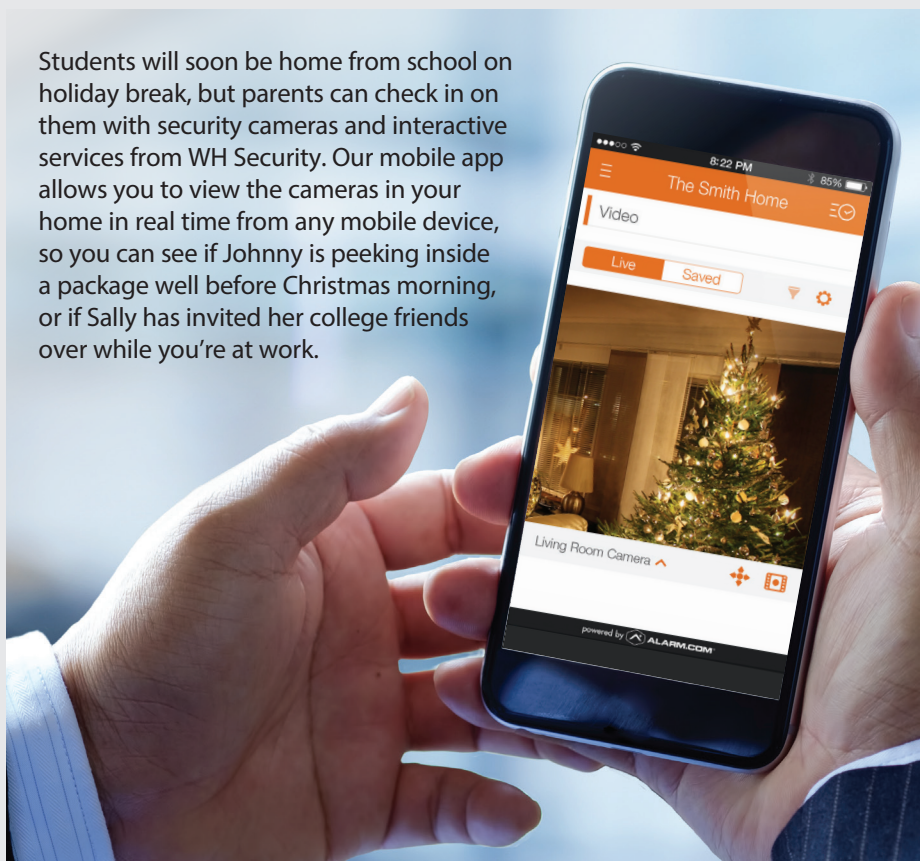
### Cleanup

Wash full loads in the dishwasher and air dry the dishes after to save energy.



# Holiday help from WH Security

Students will soon be home from school on holiday break, but parents can check in on them with security cameras and interactive services from WH Security. Our mobile app allows you to view the cameras in your home in real time from any mobile device, so you can see if Johnny is peeking inside a package well before Christmas morning, or if Sally has invited her college friends over while you're at work.



If you're going away for the holidays, you can check in on your home remotely with security cameras and use interactive services to control your lights and thermostat. The easy-to-use mobile app allows you to set lighting schedules to make it appear as if someone is home even when you aren't. And you can control your thermostat remotely too, so you can cool the house down when you're not there and warm it back up on your way home.

To learn more about interactive video, visit [wh-security.com](http://wh-security.com) or call 763.477.3664.

## WHSECURITY

**WH Appliance**  
Repair



## Quick fix. Fast service. Fair price.

Help avoid unexpected repair bills with the WH Appliance Repair plan that handles service request calls 24 hours a day.

Covered appliances include:

- ✓ Refrigerator
- ✓ Clothes Dryer
- ✓ Heating System
- ✓ Range
- ✓ Water Heater

Packages Start At

# \$18<sup>75</sup>

month

Additional appliance coverage also available. No deductible or trip charge. Certain restrictions apply.

(763) 477-3000 • [whe.org/services-products.html](http://whe.org/services-products.html)

## CREATE A WARM OASIS



## ANYWHERE IN YOUR HOME

Take the chill off cold floors anywhere in your home. Our innovative and energy efficient STEP Warmfloor system will work under tile, carpet and even wood floors. Get started today and be slipper free this winter!

Contact us for warm floors  
[info@heatmyfloors.com](mailto:info@heatmyfloors.com)  
(800) 785-8738  
[www.heatmyfloors.com](http://www.heatmyfloors.com)

HEATMYFL<sup>ORS</sup>.COM.



## Solar Winners

### tenKsolar Winner



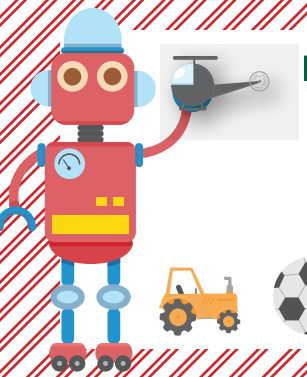
**GOPAL SHENOY** of Maple Grove wins a credit for 193 kWh, September's output from WH's tenKsolar panel array.

**LEE LUEBKE** of Hamel wins a credit for 118 kWh, October's output from WH's tenKsolar panel array.

### Solar Winner



Please note Wright-Hennepin is performing maintenance on this solar array. As a result, we do not have any winners for September and October.



# TOY DRIVE

**Monday through Friday 8:00 a.m. – 4:30 p.m.  
November 28 – December 14**

WH will be accepting new, unused toys and/or monetary donations at our office, 6800 Electric Drive in Rockford. The donations will go to Wright County communities.

## Board Report: Meeting highlights

### October Board Meeting:

The Wright-Hennepin (WH) and WH Holding monthly Board of Director meetings were conducted October 23, 2018. A quorum of directors was present. Items discussed or Board action taken:

- Declared a general capital credit retirement of \$3,050,000 during the upcoming Holiday Season. Those with refunds above \$4.99 will receive a check. Those whose refund totals \$1.00 to \$5.00, or for those who have requested it will receive a credit on their electric bill.
- Approved 2019 board meeting dates and strategic planning dates.
- Approved authorization of an Option Agreement to purchase a parcel of property for the Brooks Lake Substation.
- Approved the 2019-2021 Construction Work Plan.
- Approved returning \$550,000 beyond budget in capital credits for a portion of 1996 allocations in the 2018 general retirement and returning \$550,000 as a special retirement in 2019 for a portion of the 2018 allocations.
- Approved line of credit, "uncommitted" line of credit and redocument loans with one of WH's lenders.
- Approved resolution authorizing transfer of electric service territory to the City of Buffalo.

- Selected delegates to attend the 2019 Washington DC visits with the Minnesota Rural Electric Association (MREA) and the National Rural Electric Cooperative Association (NRECA).
- Reviewed annual write-off of bad debt.
- Heard reports from directors on recent industry meetings.
- Reviewed and filed the monthly CEO, Legal, financial, and operations reports.

### November Board Meeting:

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted November 20, 2018. A quorum of directors was present. Items discussed or Board action taken:

- Approved 2019 work plan and budget.
- Approved annual auditor engagement letters with Brady Martz.
- Selected 2019 delegates and alternates for business meetings of the Minnesota Rural Electric Association and National Rural Electric Cooperative Association.
- Heard third quarter 2018 Balanced Scorecard results.
- Heard reports from directors on recent industry meetings.
- Reviewed and filed the monthly CEO, Legal, financial and operations reports.

**CHECK  
us out on  
SOCIAL  
MEDIA!**

Facebook: @WrightHennepin

Twitter: @WrightHennepin

Instagram: wrighthennepin

YouTube: WrightHennepin



## Keep in touch with your cooperative!

### Member call center:

(763) 477-3000 or (800) 943-2667

### To report an outage:

Dispatchers are available 24/7

Call: (763) 477-3100 or (888) 399-1845

### WH Security monitoring:

Security dispatchers are available 24/7

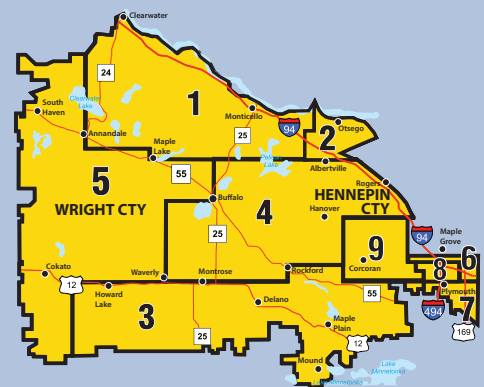
Call: (763) 477-4275 or (800) 858-7811

Website: [www.whe.org](http://www.whe.org)

Email: [info@whe.org](mailto:info@whe.org)

Facebook: [www.facebook.com/WrightHennepin](http://www.facebook.com/WrightHennepin)

Twitter: @WrightHennepin



### Board of Directors:

District 1: Timothy Young, Annandale  
District 2: "Butch" Lindenfelser, Monticello  
District 3: Burton Horsch, Howard Lake  
District 4: Dale Jans, Buffalo  
District 5: Chris Lantto, Annandale  
District 6: Mike Tieva, Maple Grove  
District 7: Kenneth Hiebel, Plymouth  
District 8: Casey Whelan, Maple Grove  
District 9: Erick Heinz, Corcoran

**WH President and CEO:** Tim Sullivan

**WH CFO:** Angie Pribyl

**WH Holding COO:** Wendy Youngren

**Our office will be closed in observance of the holidays on December 24–25 and January 1.**

*This cooperative is an equal opportunity provider and employer.*

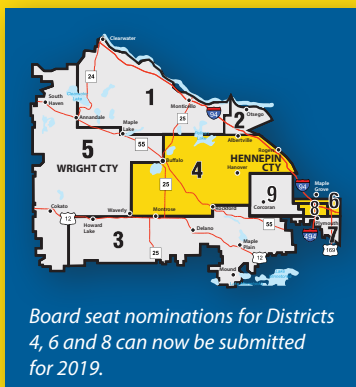
## Apply now for 2019 board seats

Wright-Hennepin members can now submit nominations to vie for a seat on the cooperative's board of directors in Districts 4, 6 and 8. Members elected to these positions will begin their term immediately after the 2019 Annual Meeting on April 11, 2019. Your board district (BD) number is shown on the second line of the mailing label, just above your name.

Members in these districts who would like to compete in the election need to file a director nominee application form by **Feb. 20, 2019**. To apply, print, complete and sign the form found on WH's website by visiting <http://goo.gl/yGZTjN>.

Mail in the form along with a resume to:

**Wright-Hennepin Cooperative  
Electric Association  
Attn: Erick Heinz, Board Chair  
P.O. Box 330  
Rockford, MN 55373**



## Mark your calendar!

Wright-Hennepin's (WH) 82nd Annual Meeting will be held at WH on **Thursday, April 11, 2019!**

Keep an eye out for more information on our social media channels, website and newsletters.



A Touchstone Energy® Cooperative

6800 Electric Drive  
Rockford, MN 55373

Periodicals

## Hotline Update

*December News for Wright-Hennepin members*

### Co-op Month events success!

October was Co-op Month and to celebrate Wright-Hennepin (WH) held two events. The WH Member Appreciation Lunch was held on Tuesday, October 23. More than 150 members enjoyed delicious food and entered a drawing to win a \$100 bill credit. The WH Fall Festival was held on Thursday, October 25. More than 70 children and approximately 150 people enjoyed decorating pumpkins, face painting, fall treats, bounce houses and more! Check out our social media for more photos and a video.



More than 150 WH members and employees enjoyed a fun night at WH's Fall Festival.



Patiently waiting to see the end product!



The WH Member Appreciation Lunch had more than 150 members attend.



Exploring a WH line truck!

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### Meet Santa and Mrs. Claus at WH!



Santa and Mrs. Claus will be visiting Wright-Hennepin again!

**Tuesday, December 18** from 2 – 6 p.m.

FREE! Learn more at [www.whe.org](http://www.whe.org).