



Wright-Hennepin
Cooperative Electric Association

A Touchstone Energy® Cooperative

Hotline Update

News for Wright-Hennepin members

May 2019

Lineworker Appreciation Day

This year, National Lineworker Appreciation Day was celebrated on April 8. Wright-Hennepin's (WH) line crew works hard to ensure more than 50,000 consumers have power 24/7/365. We appreciate the amazing work they do and know you join us in thanking them for all their hard work!



Back (L to R): Rich Horman, Keith Burandt, Tony Ross, John Stueven, Tony Jude, Jon Lee, Mike Kronquist, Kyle Kreuger, Ben Sillerud, Steve Logeais, Jim Rohlin, Nick Mattson, Jake Wurm, Troy Driscoll, Jeff Hofford Front: Karl Nordberg, Reid Nelson, Vince Hofford, Noah Haaland, Lars Erickson, Dave Mundahl, Gary Ross, Sheldon Moe, Steve Schallock, Scott Gearey, Mitch Zehringer and Dan Morris. (Not pictured: Brett Hack and Dale Walcheski)



Lineworker replacing a security light with a new LED efficient light.



Lineworker installing new poles in preparation for a new substation.



Lineworker inspecting underground electric lines in a pad-mounted transformer.

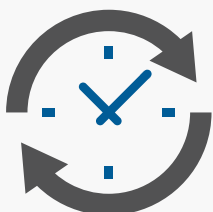
How WH lineworkers help ensure reliable power

28 People



MAKE UP THE
WH LINE CREW

57,314 Hours



WORKED IN 2018

KEPT POWER ON FOR
AN AVERAGE OF



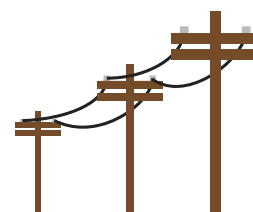
99.99%
OF THE TIME IN 2018

449 Years



OF COMBINED
EXPERIENCE

4,053 Miles



OF LINE SERVICED

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CEO's Memo

Tim Sullivan, WH President and CEO

WH's value proposition is competitive rates *plus* cash back

As a consumer, you've undoubtedly been the recipient of countless credit card appeals, some stressing low monthly rates and others emphasizing points and cash back. If you carry a balance, perhaps the low monthly rate is your best option. If you regularly pay off your card, then perhaps a card with points and cash back are your best fit. But in any case, it's usually difficult to find a card that delivers *both* an extremely competitive rate and returns cash.

Well, when it comes to electric service, Wright-Hennepin (WH) is the equivalent of the credit card that delivers both a competitive rate and gives you cash back – and that's a pretty powerful value proposition for our members.

WH's competitive advantage

Consider this: on rates, WH residential bills were almost 5 percent lower than Xcel in 2018 and are on track to beat Xcel again in 2019. WH maintains this competitive advantage despite regulatory requirements for Xcel to provide bill credits to their consumers thanks to the company's windfall under 2017's Federal Tax Reform.

When it comes to cash back, consider that WH returned more than \$3 million in capital credits to you in December 2018 and then delivered another \$1.6 million refund in March 2019. Between these two returns, WH members averaged just over \$100 in cash back.

So, if you consider the competitive rate advantage and capital credit returns together, WH members enjoy a *full 9 percent advantage* when compared to Xcel. Even better, your board of directors

has moved to speed the return time of capital credits. Over the next four years, our goal is to cut this capital credit "rotation" period from 23 years to 20.

2019 rate structure

So, it is against this backdrop of competitive rates and cash refunds that you'll see a few rate changes on your May bill based on your April usage.

RATE CHANGES	Basic Charge	Energy Charge per kWh	Power Cost Adjustment per kWh
Residential Rate 10 Effective May 1, 2018	\$12.95	\$.094/kWh	\$.02445/kWh \$.03775/kWh June – Sept
Residential Rate 10 Effective May 1, 2019	\$15.50	\$.094/kWh	\$.02195/kWh \$.03500/kWh June – Sept

Basic charge

One change is a modest increase in the basic charge. What is the basic charge? It's the portion of your bill that pays for maintenance of our distribution grid – things like poles, wires and transformers. After all, WH's grid needs to be fully in place before we can deliver a single electron to you. Even with this modest adjustment, WH's electrical rates are still in the lowest fifth of electric cooperatives in Minnesota.

Energy charge and the Power Cost Adjustment (PCA)

There is no increase in the energy charge, and we're simultaneously lowering the PCA portion of your bill. What is the PCA? It's the portion of your bill that allows

for monthly fluctuations in the cost of wholesale power supply. And, despite an overall increase in wholesale power costs, this portion of your bill is being reduced for the third straight year. The upshot? For most consumers, the net effect will be a roughly flat bill from the one you saw in 2018.

Off-peak rate

Discounts for metered energy savings programs will be slightly reduced. However, these rates continue to be much lower than standard cost energy and reduce energy during the most costly time.

A look ahead

In a new development, we also anticipate the return of significant Generation and Transmission (G&T) capital credits, including more than \$850,000 in 2019! WH returns these G&T capital credits when we receive them from our power suppliers. In the end though, while individual rates and rate components will change over time, we know that for most consumers, the bottom line is really WH's total value proposition. And as with your favorite credit card, for the foreseeable future we anticipate both competitive rates and timely cash back.

As always, thank you for your business!



Celebrate the next 30 years with us!

Now is the best time to get custom security for your home.

From a simple phone line connected system to home automation linked to your smart device, we have changed with the times — and make the promise to continue that tradition. Make sure to check our website and Facebook page throughout the month of June when we will celebrate our past 30 years of business with special offers.

WHSECURITY
Trusted. Local.

763.477.3664 • wh-security.com

Solar Winners

tenKsolar Winner



KELLY LARSEN of Buffalo wins a credit for 122 kWh, January's output from WH's tenKsolar panel array.

CLINTON GRAUNKE of Buffalo wins a credit for 80 kWh, February's output from WH's tenKsolar panel array.

Solar Winner



KEVIN ERICKSON of Plymouth wins a credit for 189 kWh, January's output from WH's solar panels.

MARYLOU ODDEN of Buffalo wins a credit for 101 kWh, February's output from WH's solar panels.

Board Report: Meeting highlights

February Board Meeting:

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted February 14, 2019. A quorum of directors was present. Items discussed or Board action taken:

- Conducted CEO's 2018 performance review.
- Heard 2018 business accomplishments and Balanced Scorecard results.
- Approved allocating 2018 margins to the membership for future capital credit retirements.
- Approved a \$1.6 million Special Capital Credit refund for March 2019.
- Approved current auditing firm for an additional year.
- Approved updated rate and tariff policies.
- Approved resolution accepting annual Cogeneration reports and filings.
- Approved new Cogeneration/Distributed Energy Equipment policy.
- Approved updated Small Power Production Rider.
- Approved notice of the 2019 Annual Meeting, draft agenda and director ballots.
- Approved pork chop Request for Proposal letter and mailing list for the upcoming annual meeting meal.
- Discussed WH's 2019 Legislative Work Plan.
- Per the CORP-20 Capital Credit Policy, "there shall be no special retirement of capital credits in excess of \$10,000 per member unless Board approved." Board approved the special retirement of capital credits at a discount for a member leaving WH's lines.

- Directors reported on industry meetings they attended on behalf of the cooperative.
- Heard year-end reports and reviewed and filed the monthly CEO, legal, financial, and operations reports.

March Board Meeting:

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted March 8, 2019. A quorum of directors was present. Items discussed or Board action taken:

- Accepted auditor's report on an unqualified ("clean") opinion for fiscal year 2018. WH was congratulated by the firm of Brady Martz for its strong internal controls and overall financial condition.
- Heard reports on permanent equity, consumer deposits and cushion of credit.
- Heard report on WH's Vegetation Management Improvement Plan and approved updated Tree Clearing and Spraying Policy.
- Due to the upcoming retirement of current CFO, Board approved documentation appointing new CFO, Brian Swanson, effective March 15, 2019 for Wright-Hennepin Electric, WH Holding and diversified businesses.
- Selected directors to attend the Wright County Dairy Princess program.
- Selected directors to attend local school award events.
- Approved Cooperative Network's dues.
- Reviewed and filed the monthly CEO, legal, financial, and operations reports.
- Directors reported on industry meetings they attended on behalf of the cooperative.

Keep in touch with your cooperative!

Member call center:

(763) 477-3000 or (800) 943-2667
Hours: 7:30 a.m. – 6 p.m.

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

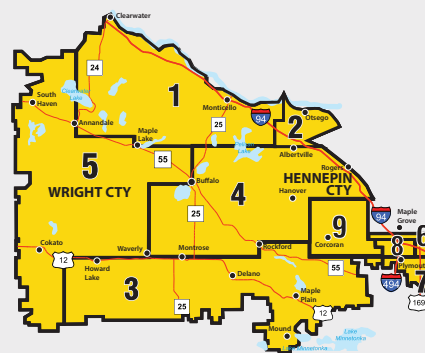
Call: (763) 477-4275 or (800) 858-7811

Website: whe.org

Email: info@whe.org

Facebook: @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: Brian Swanson

WH Holding COO: Wendy Youngren

Summer office hours start

Tuesday, May 28: 7:30 a.m. - 4 p.m.

Our office will be closed May 27 in observance of Memorial Day.

This cooperative is an equal opportunity provider and employer.

Distributed generation and small power production

In compliance with WH adopted rules relating to small power production, WH is obligated to interconnect with and purchase electricity from small power producers who satisfy the conditions as a qualifying facility. WH is obligated to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any dispute over interconnections, sales and purchases are subject to resolution by WH. Interested members should contact Wright-Hennepin or call (763) 477-3000.

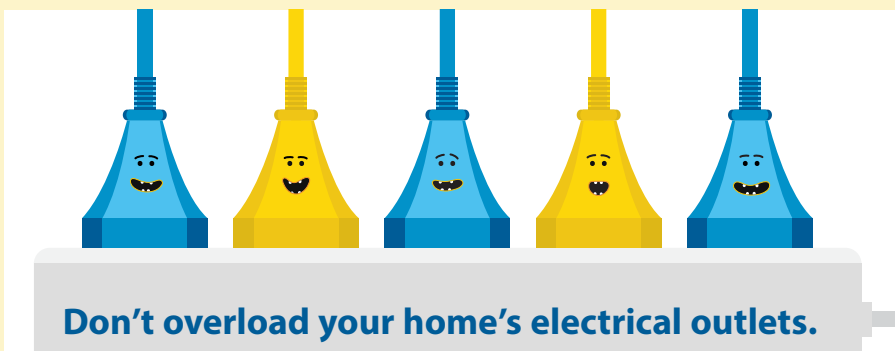
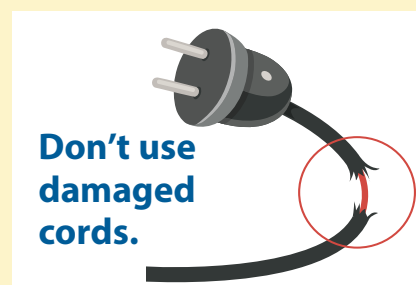
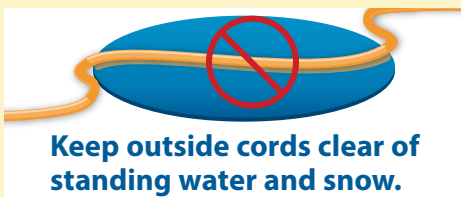
6800 Electric Drive
 Rockford, MN 55373

Hotline Update

May News for Wright-Hennepin members

National Electrical Safety Month

May is National Electrical Safety Month! It's important to remember that electricity can be dangerous and should be handled with care. Here are some tips to help keep you and your family safe.



Look for WH this summer in your community!

July 4

Annandale Parade
 10 a.m. start

Delano Parade
 10:30 a.m. start

July 10-14

Maple Grove Days
 • Big Truck Show
 • Parade
 • Business Expo

July 24-28

Wright County Fair
 • Booth
 • Evening events sponsor

August 6

Maple Grove National Night Out
 11 a.m. start

August 11

Rockford River Days Parade
 12 p.m. start

whe.org

Bookmark our events calendar and check back for events throughout the year!



Hotline Demos

WH's Energy-Use Consultants conduct about 50 Hotline Demonstrations each year at local schools and community events. The demos teach children and adults about electrical safety and practices.