$1.2 million in capital credit refunds to be sent to WH members during the holiday season

Wright-Hennepin’s (WH) continuing strong operational and financial condition will again provide a capital credit refund to members on their energy bill this holiday season.

WH's board of directors recently declared a capital credit return of $1.2 million to members who purchased electricity from the cooperative during 1988, 2012 and 2013.

Capital credit refunds in the cooperative business model are similar to dividends in investor business models. Each members' share of the capital credit refund is based on their energy use during the years being retired. However, before returning these margins back to members WH uses this capital to offset the cost of debt for the construction and maintenance of the electric distribution system. This working capital represents the members' ownership equity in WH.

Per cooperative bylaws, WH's member-elected board determines the amount of margins retired each year based on the cooperative's financial condition and other considerations.

“Capital credits are the cornerstone of the cooperative way of doing business,” said WH Board Chair Chris Lantto. “The board of directors is again pleased to return margins to members, especially during the holiday season.”

Receive a free water heater by joining Wright-Hennepin’s EZ Water Heating program

Have you heard about Wright-Hennepin’s (WH) new program called EZ Water Heating? The program is specifically designed for those who need to replace their water heater, but want to avoid the up-front cost and hassle of doing so. A 15-year agreement does apply.

Whether your current water heater is gas or electric, with EZ Water Heating, you can receive a free electric water heater, along with free installation and a lifetime warranty on the tank. In return, WH will place the water heater on a program that heats the water from 11 p.m. to 7 a.m. each night. The water heater is then turned off from 7 a.m. to 11 p.m. and the water that has been stored at night is used.

If your water heater is ready to be replaced, it may be a good time to take advantage of this program. For more information and to see if you are eligible, contact a representative at (763) 477-3000.

You can receive a free water heater by joining Wright-Hennepin’s EZ Water Heating program.
Your cooperative’s plan for 2015

We’ve just wrapped up the primary planning months of the year. Beginning in September, your board of directors and management reviewed and updated Wright-Hennepin’s (WH) long range strategic plan. Based on this updated document, we then wrote and sought board approval of our annual work plans and budgets during October and November. Taken together, I consider these documents to be our road map to guide our every action throughout the year. They become the tools I use to communicate the operational priorities of your cooperative to the employees so that we all march down the same path and that we all have a clear understanding of why we are taking that path. These documents are also the scorecard I use to benchmark our progress for the board of directors and you.

In 2015, these plans comprise 86 pages of specific action items and cost projections. They are backed up by hundreds of pages of working papers, made up of historic trends, competitive intelligence, market research of WH’s membership and customer base, technology assessments, industry analysis and detailed modeling of the numbers that drive our businesses.

Your board of directors received these 86 pages of work plans and budgets on October 31 for individual study prior to the November 14 board meeting. At that board meeting, they spent another six hours as a governing body going over the plans with management and staff. It’s a thorough, transparent and intense process that I believe serves the board and staff. It’s a thorough, transparent and intense process that I believe serves the membership and cooperative well.

Below are some of the high level objectives we will seek to achieve in your behalf in 2015:

- Continue to find means to improve economies of scale for the overall benefit of the membership.
- Enhance WH’s electronic metering technology in a way that offers more automation and technology solutions for members along with greater operating efficiencies for WH.
- Determine actions that will help attract and retain the talent WH needs as the baby boomer generation begins its rapid exodus from the workplace.
- Conduct a new cost of service study to determine if present rate philosophies will address a prolonged period of low or no energy growth. If required, develop a new rate structure that will be acceptable to the members while meeting the cost recovery needs of an industry in rapid transition (WH’s residential base rates have not changed since 1983).
- Deliver consolidated financial performance from WH’s diversified businesses that again allows for the transfer of several million dollars in direct rate relief to the membership.
- Accelerate the building of community solar projects, offering $0-down financing and 20-year rate guarantees where feasible.
- Add at least two more megawatts of on-site generation at commercial accounts of WH to further manage future wholesale power costs for the benefit of the membership.
- Begin building publicly accessible electric vehicle charging stations in the WH service territory.
- Research the feasibility of offering a small commercial and home standby generator program to the membership with $0-down financing and incentive electric rates.
- Field-test residential fuel cell and battery storage technology.
- Introduce the NextGen electric boiler to the marketplace no later than first quarter, which WH won national distribution rights to in 2014.
- Offer easy financing for LED light bulb packages to WH’s residential and commercial members as a way to help them quickly achieve energy savings by transitioning to these super energy efficient bulbs.
- Accelerate the offering of LED street lighting packages to cities.
- Research “net-zero” homes and develop WH’s role in supporting them.
- Analyze new business or service opportunities to be placed into WH Holding for the benefit of WH’s members. These are just some of the customer-oriented projects that we will undertake in 2015. In pursuing the objectives listed on this page, we hope to achieve WH’s mission of delivering “the power, products and competitive pricing our members desire.”

PHOTO CREDIT: HELEN ROBERTSON

In pursing the objectives listed on this page, we hope to achieve WH’s mission of delivering “the power, products and competitive pricing our members desire.”

Community Solar Unit 3 is sold out!

We continue to be amazed at the interest and support shown in our community solar projects. Our third project is by far the largest of the solar arrays WH has built since September 2013. Members subscribed to the energy output of more than 300 panels in just weeks. Construction of that unit will begin soon after the first of the year and will be producing electricity by spring. Your board of directors has authorized the taking of subscriptions for Community Solar Unit 4, which will be built at a to-be-determined location in WH’s service territory. If you are interested please call Steve Nisbet at (763) 477-3114 or email snisbet@whe.org. Thank you for making our solar projects such a success!

Board declares a $1.2 million capital credit refund for you in 2014:

Please don’t miss the lead story on the front page of this newsletter with the news that WH’s board of directors declared a $1.2 million capital credit refund for members who purchased energy in 1988, 2012 and 2013. From November to the end of the year, 90 percent of WH’s current members will share in this distribution of margins, or “profits,” from those years. They will appear as a “capital credit refund” on your next electric statement. The return of capital credits to those who used WH energy in the years noted above is fundamental to the cooperative business model. We are pleased to have distributed capital credits to members since 1957.

Bylaw changes at the 2015 Annual Meeting:

Your board of directors will submit four bylaw changes for your consideration at the Annual Meeting scheduled for March 26, 2015. Three of the four recommendations are “housekeeping” suggestions to keep the bylaws up to date. The most important recommendation, however, is to seek your approval to allow voting for directors and bylaws by electronic means, in addition to voting by mail or in person at the annual meeting. We look forward to your guidance on this matter.

Happy Holidays!

From all of us in your WH family, we wish you and yours a wonderful and blessed Holiday Season, along with a healthy and prosperous New Year!
How to save money with space heaters

Smart use of space heaters can help you save money while keeping your home cozy this winter. Oftentimes, there are situations where you may only need supplemental heat in a small area of your home, and using a small space heater can be less expensive than turning up the thermostat and heating your whole house.

Here are some tips to help you save money with space heaters:

- If you are turning off the lights when you leave a room, remember to do the same with a space heater.
- Avoid running multiple space heaters for long periods of time.

WH offers two different types of space heaters to keep your home and garage warm and comfortable: portable garage heaters and Convectair heaters. For more information on these products, call a representative at (763) 477-3000 or visit http://goo.gl/VpL8eC.

Keep your home warm by using space heaters this winter.

Industry News

Electric cars top marks for efficiency

Although gasoline prices are falling, you still can’t beat an electric car when it comes to fuel economy. The proof: Every vehicle on the federal government’s new top ten list of the most fuel-efficient 2015 model cars is either a pure electric or a plug-in hybrid. The overall winner is the 2015 Chevrolet Spark EV, which gets the equivalent of 128 miles per gallon (MPGe) in the city and 109 on the highway, for a combined 119 MPGe.

Tied for second place are the Fiat 500e and the Volkswagen e-Golf with 116 MPGe. The Fiat does slightly better than the VW for highway driving -108 MPGe versus 105 MPGe - while the e-Golf’s 126 MPGe in the city edges out the 500e’s 122 MPGe. Close behind in third place is the Nissan Leaf with a combined 114 MPGe. Two all-electric models of the Smart tie for fourth place: The fortwo EV cabriolet and the fortwo EV coupe each get 122 MPGe in the city and 93 MPGe on the highway, for a combined 107 MPGe. After that comes the Kia Soul Electric with 105 MPGe combined.

Source: ECT.coop

European residential electricity prices increasing faster than ever

European residential electricity prices have historically exceeded U.S. prices, and the gap has widened in recent years. In 2013, average residential electricity rates in European Union (EU) countries were more than double rates in the United States. Regulatory structures - including taxes and other user fees, investment in renewable energy technologies, and the mix and cost of fuels - all influence electricity prices.

In 2013, average EU residential prices were 0.20 euro per kilowatt-hour (euro/kWh), which translates to about 26.57 cents per kilowatt hour (cents/kWh), a 43 percent increase from the average 2006 price of 18.80 cents/kWh. In that same time, U.S. prices increased only 17 percent, from 10.40 cents/kWh to 12.12 cents/kWh.

These averages mask wide differences across the European Union, ranging from 11.99 cents/kWh (Bulgaria) to 39.42 cents/kWh (Denmark) in 2013. Denmark and Germany have some of the highest prices in the region, while Bulgaria is the only country in the EU-28 with residential prices lower than the U.S. average in 2013.

The range of electricity prices across the United States is also wide. In 2013, the average residential U.S. price was 12.12 cents/kWh, with a range in the Lower 48 states of 8.67 cents/kWh (Washington) to 18.84 cents/kWh (New York). At 36.99 cents/kWh, Hawaii has the highest residential electricity prices in the United States because of the high cost of transporting generation fuel to the islands; its residential rates are near Denmark’s.

Source: eia.gov
WH offering 20 scholarships to local students in 2015

With college already on the minds of many high school seniors, Wright-Hennepin (WH) will again award 20 scholarships this spring to help local students continue their education. The following scholarships are funded through WH, WH Holding, unclaimed capital credits and local families:

WH Local Schools Scholarships
The cooperative is awarding scholarships to one student at each of the following public schools in WH's service territory: Annandale, Buffalo, Dassel-Cokato, Delano, Howard Lake-Waverly-Winsted, Maple Grove, Maple Lake, Monticello, Orono, Osseo, Rockford, Rogers, St. Michael-Albertville, Watertown-Mayer and Wayzata. WH also offers one “at-large” scholarship to students from private schools within, and schools that neighbor, WH's service territory. Each school listed has its own application deadline. The “at-large” application deadline is March 31, 2015.

Elwyn and Hazel Knickerbocker Memorial Scholarship
Elwyn and Hazel Knickerbocker played a crucial role in bringing electricity to Wright and Hennepin counties. To honor their efforts, their family began a scholarship in 2005. This $1,500 scholarship is awarded to a local individual who plans to pursue an electrical line worker career. The application deadline for this scholarship is April 25, 2015.

Edward R. Slebska Memorial Line Worker Scholarship
Ed Slebska played a leading role in bringing electricity to rural homes in Wright and Hennepin counties in 1937. He went on to become WH’s first CEO, holding the post until his retirement 40 years later in 1977. Two scholarships are awarded annually to students looking to pursue the line worker profession, each in the amount of $3,000. The application deadline for this scholarship is April 25, 2015.

Basin Electric Power Cooperative scholarship
Basin Electric Power Cooperative (BEPC) of Bismarck, N.D., one of WH's power suppliers, is offering a $1,000 scholarship to dependents of WH members. The application deadline for this scholarship is February 14, 2015.

Where and how to apply
For additional scholarship details and application forms, please visit http://goo.gl/ndWJH. If you have any questions regarding the application process, call WH Representative, Ruth Potter, at (763) 477-3046.

Accepting applications for Youth Tour

Each year, Wright-Hennepin (WH) sponsors one high school junior from its electric service territory to attend the Electric Cooperative Youth Tour program, which is held in Washington, D.C. More than 1,500 students from 43 states participate in the tour. Attendees are chosen by individual electric cooperatives across the nation.

The youth tour gives high school students a glimpse into how our nation's capital operates and a flavor for our nation's history. Students selected to participate in the program have the opportunity to travel to Capitol Hill to meet some of Minnesota's senators and representatives. Additionally, a full itinerary is planned for the students, which typically includes trips to the Jefferson and Lincoln memorials, Arlington National Cemetery, Marine Sunset Parade, Smithsonian Museum and much more.

“I definitely recommend other students to apply. It was a privilege to learn so much on the Youth Tour trip, to meet new friends and to make memories that will last a lifetime,” said Elise Loveless, who was selected to participate in last year’s Youth Tour. “I also gained a better understanding about U.S. history as well as how beneficial cooperatives are.”

High school juniors are encouraged to submit an application for a chance to be selected to attend an all-expense paid trip to Washington, D.C. from June 13-18, 2015. Applications need to be postmarked by March 6, 2015. To receive an application, please visit http://goo.gl/Y84WEU. More information can be received by visiting www.youthtour.coop.

With MyMeter you can:

» View your daily and monthly energy use
» Compare your energy use to the average for your neighborhood
» Take an “energy challenge” and set an energy-saving goal for yourself
» Access energy saving tips

This is a free service to help you understand how you are using electricity.
Members save money with WH Appliance Repair program

Bruce and Sue Hanson of Buffalo, Minn. joined the WH Appliance Repair program in February of 2014 and they are very happy to be participating.

“My husband Bruce and I are so glad to be on the program and have our refrigerator, dryer, furnace and water heater protected from expensive repairs. A few months after joining the program, our washer broke and we received unbelievable service. After calling to report the problem, a repairman came out immediately and fixed our washer the very same day. I was pleasantly surprised that immediate action was taken. I have never experienced such fast service and the whole experience was great,” said Sue Hanson.

WH Appliance Repair is a helpful program that protects you and your family from large unexpected appliance repair bills. For a low monthly fee, you will receive parts and labor coverage for your refrigerator, clothes dryer, heating system, range and water heater. If you would like to include coverage for additional appliances, they can be added to your appliance repair plan for a small fee.

For more information WH’s Appliance Repair program and to join, call a representative at (763) 477-3000 or visit http://goo.gl/RlWNm.

Wright-Hennepin now testing an electric vehicle

With ever-increasing concern about energy conservation and environmental protection, there is a fast growing interest in electric vehicles (EVs). Similar to Wright-Hennepin’s (WH) wind and solar energy projects, WH is continuing to bring new technologies into the mainstream, with EVs being one of the biggest.

To stay on the forefront with EV technology, WH’s Vice President of Renewable & Alternative Energy, Steve Nisbet, has begun driving and testing a Nissan Leaf. The EV vehicle will be used to conduct WH business, and WH will publish performance data on its website in the near future. In addition, WH will be building publicly-accessible EV charging stations in its electric service territory beginning in 2015.

For more information on EVs, call a representative at (763) 477-3000.

WH is now offering $0-down LED light bulbs...

• Bulb type: 60 watt equivalent (800 lumens)
• Pay for your bulbs over 36 months from the savings on your electric bill or pay up-front if you prefer
• Choose the quantity of bulbs to meet your needs (minimum of 6)

LEDs are very energy efficient and have a long lifespan!

To order bulbs, visit http://goo.gl/Qdh94V or call a representative at (763) 477-3000

Happy Holidays!

Wright-Hennepin’s office will be closed on December 24, 25 and January 1 in observance of the holidays.

As always, electric and security dispatchers will be available 24 hours a day even when the main office is closed.
Keep your property safe while away this holiday season

The holiday season is a time for celebrating with friends and family, but it is also a prime time for break-ins and theft. In fact, the FBI reports that nearly 400,000 burglaries occur in the United States in November and December each year. Taking precautions for a safe and secure home is important to ensure peace of mine, especially if you are traveling during the holidays. The following are easy steps you can take to help keep your property and valuables safe while you are away:

**Prepare in advance:**
Prepare before you leave on vacation by checking all doors, locks and dead bolts in your home. It is also important to store valuables in a secure place and securely lock up ladders, tools and other objects that could be used to break into your home. For extra protection, have someone you trust stop by your home periodically to make sure everything is in order. This individual should help hide the signs of vacancy to fool potential thieves. They should make your home appear occupied by picking up your mail, turning on and off lights or shoveling snow.

**Unplug appliances:**
Unplug all unnecessary appliances that are not on timers. This will help protect your home from an electrical fire or power surge while you are away. Make sure to unplug large items such as televisions and computers, as well as small appliances such as your toaster or coffee maker.

**Check your pipes:**
The cold weather can put your pipes in danger of freezing during the winter. Ask a friend to stop by and check your faucets. If he or she turns on a faucet and only a few drops of water come out, your pipes may be frozen. Take extra precautions such as making sure your pipes are properly insulated and keep your heat on at a lower temperature while you’re away. Another option is to have WH Security’s freeze sensors installed. These environmental sensors are typically centrally mounted in the home and detect if the in-home temperature drops below 43 degrees. If this situation occurs, the sensor will alert our monitoring center. For more information, call (763) 477-3664 or visit http://goo.gl/DRXxG.

**Don’t broadcast your plans on the Internet:**
An easy way to protect your home is by keeping your vacation plans undisclosed. Do not change your voicemail messages to indicate you are out of town and avoid posting information on social media websites such as Facebook and Twitter. Sharing vacation plans on the Internet will tip burglars off that you will be leaving an empty house behind. The same applies for the time while you are on vacation. You shouldn’t post photos until you are home from your trip.

**Create a detailed inventory of your valuables:**
Keep a detailed inventory of your valuable possessions, including a description of the items, original value, date of purchase and serial numbers. You should also keep a copy in a safe place away from home. Aside from burglaries, this is a good precaution in case of fires or other environmental disasters. Another option is to make a photographic or video record of valuable objects. Most insurance companies can provide assistance in making and keeping your inventory as well.

Keep a watchful eye:
WH Security offers Control My Home services powered by Alarm.com to help users keep an extra eye on their home while away. With the Control My Home interactive system, users can control their home’s thermostat, lights, locks, security system and outlets from anywhere they have an Internet connection. For example, a user can make their home appear occupied while on vacation by controlling when their lights turn on and off. They can also view the current temperature in their home at all times. For more information, call a representative at (763) 477-3664 or visit the Control My Home page at http://goo.gl/DN4qXZ.

Protect your home with low temperature sensors from WH Security

As the temperature outside continues to drop, now is the perfect time to be thinking about protecting against environmental damage to your home such as frozen pipes. To help prevent these damages, WH Security offers low temperature sensors. WH Security’s low temperature sensors are designed to notify you when your in-home temperature drops to 42 degrees. If this situation occurs, the sensor will alert WH Security’s monitoring center. Dispatchers will then inform you of the situation right away, avoiding damage caused by frozen pipes. Anyone who has experienced frozen pipes can attest to the damage, hassle and expensive repair bills that typically follow, but this can be avoided with low temperature sensors.

Low temperature sensors are great for any homeowner, but they are highly recommended for vacation properties and business spaces. Many individuals tend to forget about properties that are visited less frequently during the winter months. For additional information about WH Security’s low temperature devices, visit http://goo.gl/Yswc8s or call (763) 477-3664.

Home for the holidays...
even if you’re not

WH Security has a revolutionary wireless service that enables you to always know what’s happening at home. With alert notifications and state of the art services like video monitoring, interactive security, thermostat adjustment and light control, you’ll have confidence knowing that the people and things you love will stay safe.

Contact us today!
(763) 477-3664
www.wh-security.com
**Energy-saving tips for the holiday season**

Festive lights, full ovens and house guests are staples of the holiday season. But sometimes, all the extra fun can raise your energy consumption. Adding a few energy-efficiency habits to the list of holiday traditions can help reduce energy costs every year. Follow these simple tips to save energy during the holiday season:

- Replace your old holiday lights with LED light strings. Although they cost more initially, LEDs use a fraction of the energy of traditional holiday lights.
- Plug your indoor and outdoor lighting displays into a timer set to run during the earlier evening hours.
- Rather than adding additional lights to your Christmas tree, try enhancing the existing lighting with mirrored ornaments, tinsel or other reflective decorations.
- When using your oven, bake several holiday dishes at the same time.
- If you own a second refrigerator, unplug it and keep extra beverages and holiday leftovers cold by sealing them and storing them in your garage or on the porch if temperatures permit.
- If you are traveling during the holidays, turn off all electronics before you leave.

For more ways to save energy, visit WH’s blog at http://goo.gl/CZTMW or view WH’s energy management videos by visiting http://goo.gl/xwXGE.

**Why winter tree trimming is ideal**

Many individuals put their gardening tools away in late fall. However, they should not be retired for winter. Did you know that winter is the perfect time to trim trees? Trimming during the cold months provides a variety of benefits to your landscape.

In addition to improved appearance and growth stimulation, trimming trees in the winter is safer and healthier because they are in a dormant state. This dormant time is the best time to trim trees because it minimizes the chance of diseases occurring after the trimming. Ash, oak and elm trees especially benefit from being trimmed while they are dormant because of various diseases that can attack them. Other sensitive fruit and nut trees should be trimmed during this time as well. In addition, the dormant state means fresh wounds will only be exposed for a very short length of time before new branches and leaves start to grow.

Additionally, leaves are gone and you can see the tree’s overall appearance in the winter. Without foliage to obstruct views, structural problems are more visible, making it easier to choose which branches to remove or shorten. This also reduces damage to plants such as perennials and annuals. Without leaves, it is also easier for workers to maneuver their equipment and reach dead branches.

If you would like assistance with your tree trimming project, the professionals from WH Services can help with tree trimming, removal and lot clearing. For more information, call a representative at (763) 477-3000 or visit http://goo.gl/6SHmp.

**New bill design in early 2015**

In early 2015, WH members will notice their bill looks slightly different. You may remember a survey conducted a few months ago via a bill insert asking for suggestions to improve the billing experience. We took your feedback and have improved the way the information is presented.

Watch for the new look in early 2015.

Call WH with any questions at (763) 477-3000, or email info@whe.org.

**Board Report**

*Continued from Page 2*

- Approved the 2015-2017 strategic plan.
- Approved a 2015 cyber security plan.
- Approved 2015 board meeting dates.
- Approved a short-term resource opportunity for a portion of WH’s wholesale power needs in 2015.
- Reviewed annual write-off of bad debt.
- Heard reports from directors about recent industry meetings.
- Reviewed and filed the monthly CEO, Legal, financial, and operations reports.

**Guests included:**

- Bob Gibson, VP of Education and Outreach for the National Solar Electric Power Association, Washington D.C., gave an update on how solar power is changing the traditional utility business model.

**November Board Meeting Highlights:**

The monthly meeting of the board of directors was held November 14, 2014. A quorum of directors was present. Board action taken:

- Reviewed and approved the 2015 work plan and budget.
- Approved annual auditor engagement letters with Brady Martz.
- Approved sending director representatives to attend industry legislative rallies in Washington DC in 2015.
- Selected 2015’s delegate and alternate for the Minnesota Rural Electric Association and the National Rural Electric Cooperative Association.
- Approved a short-term resource opportunity for a portion of WH’s wholesale power needs in 2015.
- Approved the 2015-2017 strategic plan.
- Approved boundary adjustment with Xcel Energy.
- Approved Bylaw Review Committee’s recommendation for the 2015 Annual Meeting.
- Discussed audit language to address fair market value of power supplier allocations.
- Heard reports from directors on recent industry meetings.
- Reviewed and filed the monthly CEO, Legal, financial, and operations report.

**Guests included:**

- Disaster Coordinators Steve Berg (Wright County) and Eric Waage (Hennepin County) shared the counties’ readiness for ebola and other outbreaks and discussed the role utilities will play in controlling/managing any outbreak.
Fuel prices have you on a crazy ride?

While gas prices have fluctuated greatly over the past few years, the cost of electricity has remained very stable. Whether you have a cold room, or are looking for an efficient way to heat your whole home, Wright-Hennepin offers electric solutions to help save money on your home’s heating bill. And, with the stable price of electricity, you won’t have to worry about big swings in pricing – you can save those crazy rides for your next trip to the amusement park.

Off-Peak can help keep your costs level!

Plenum heaters offer you:
• Low operating costs
• 100% efficiency
• Clean operation
• Safe performance
• Unsurpassed comfort
• No odors, fumes or carbon monoxide

Featured electric heating product:

Electric Plenum Heater:
Now you have the power to control your energy bills by switching between electric heating and your existing gas, propane or oil furnace. Plenum heaters can be added to your home’s ductwork and allow you to switch fuel sources, depending on current prices. Plenum heaters qualify for Wright-Hennepin’s low-cost Off-Peak rate.

Call a representative today:
(763) 477-3000

Participate in Wright Hennepin’s holiday toy drive!

Wright-Hennepin is holding a toy drive, now through December 19. All donations go to the Rockford Fire Department. If you would like to participate, you can drop off a toy at our office Monday through Friday between 8:00 a.m. and 4:30 p.m.

6800 Electric Drive • Rockford (behind the Rockford Mall)