

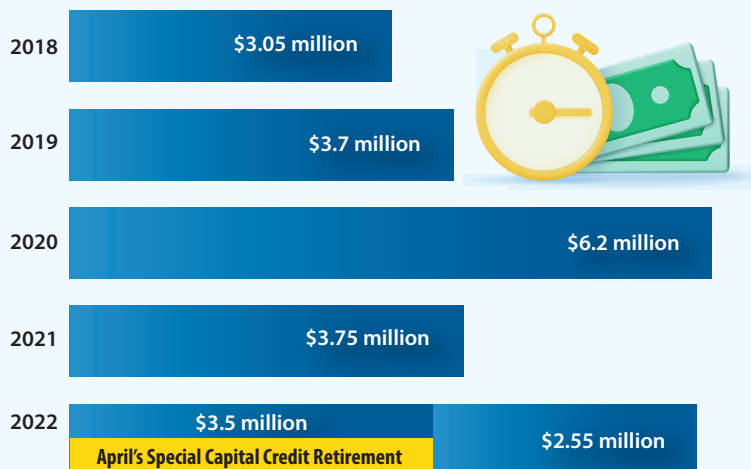
WH members receive \$4.55 million in capital credits this month

Wright-Hennepin's (WH) Board of Directors is proud to announce that this holiday season, members will receive a capital credit refund of \$4.55 million! This total includes \$2.55 million from WH and \$2 million from Great River Energy (GRE), one of WH's power providers. This refund is from margins of prior years. Margins are collected dollars that are returned to you, the member-owners of the cooperative, after expenses are paid, for purchasing electricity during the years being retired. This is just one of many benefits of being a part of an electric cooperative!



Wright-Hennepin's Board of Directors. Back, from left to right: Pat Bakeberg, Duane "Butch" Lindenfelser, Vice Chair Tim Young, John Reynolds, Chair Erick Heinz, Mike Tieva. Front, from left to right: Chris Lantto, Mark Skinner, Kenneth Hiebel.

HISTORY OF CAPITAL CREDITS WH RETURNED FOR THE PAST 5 YEARS.



Your refund comes from one or both of these sources:

WRIGHT-HENNEPIN

WH is returning \$2.55 million based on energy purchased during 2001, 2002 and portions of 2020 and 2021. This refund is possible due to WH's excellent operating performance in 2022 and your cooperative's continued strong overall financial condition. In April 2022, WH returned \$3.5 million to members as part of a special capital credit retirement.

GREAT RIVER ENERGY

GRE also returns capital credits. Membership in WH also entitles you to a share of this year's \$2 million return based on the energy purchased during the years 1991 and 1992.

CAPITAL CREDITS 101

WH is a not-for-profit cooperative—collectively owned by members—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 the money, WH uses member capital to offset the cost of debt for construction and maintenance. This working capital represents your ownership equity in the cooperative.



CEO's Memo

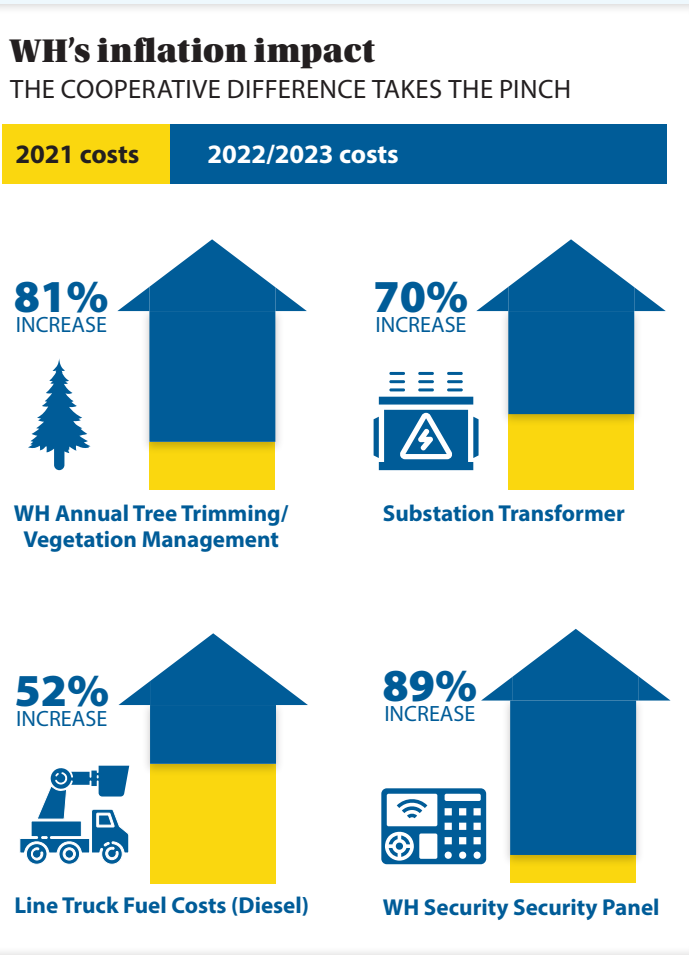
TIM SULLIVAN
WH PRESIDENT AND CEO

Inflation's big impact — *and what we're doing about it!*

“Core US Inflation Rises to 40-Year High, Securing Big Fed Hike”
~Bloomberg
October 13, 2022

Consumers know all about inflation's big bite on the family budget. We need do no more than fill up our gas tank or our grocery cart to see its outsized impact on everyday life.

In fact, as noted in the headline above, U.S. inflation is at a 40-year high. At Wright-Hennepin (WH) we recognize higher energy prices are a key component of inflation. As a member-owned organization, we are especially sensitive as to how this translates into the cost of delivering safe, reliable and affordable energy and home security services. Let me share a few specifics with you. Consider the graphic below, which highlights the rising cost to WH (and to our members!) of providing these common products and services:



In fact, setting aside the cost of power, WH is staring at a 9% increase in operating and fixed costs between 2022 and 2023. As the graphic shows, the single biggest driver for WH is the higher cost of tree trimming and vegetation management, where our annual budget jumped from \$1.7 million to \$3 million in a year, an 81% increase! Similarly, the costs for transformers, cable, vehicles and equipment of every type have escalated, on average, 10% over the past year.

And as both consumers and businesses know, these price shocks don't capture the full picture. In addition to higher prices, WH is experiencing long lead times, equipment shortages and supply chain challenges that effectively mean we pay more and receive less. In some cases, the delays in materials aren't just measured in weeks or months but in years. In fact, for perhaps the first time in our history, WH is, by necessity, placing orders for equipment and materials which may not be delivered until 2025!

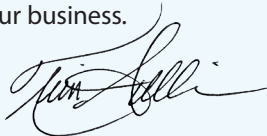
How does this shake out in your monthly electric bill? As you've noticed, bills are higher than a year ago. The typical monthly residential bill is \$145.14 in 2022, up from \$133.04 in 2021. We anticipate bills will increase on average by a little less than 5% in 2023. And while any increase is less than welcome, WH is able to protect our members against much higher exposure by clamping down hard on costs we can control and by leveraging reserves. In fact, WH's 2023 increase is a full third less than the nationwide average. Specifically, the Wall Street Journal reported in September that, "the residential price of electricity will average 14.8 cents per kilowatt-hour in 2022, up 7.5% from 2021."

It's important to note this is due in no small part to the explosion in natural gas prices. Natural gas, which is increasingly used to generate electricity, has soared a whopping 176% from 2020 and 23.68% since 2021.

But whatever the outside pressures, WH's job is to mitigate the impacts on our members and to continue to deliver great value for the money, especially compared to competitors. In 2023, we anticipate the typical residential member bill will be more than 9% less than a customer of Xcel.

The upshot? WH is turning what would be double-digit increases into single digits. We are converting what would be extraordinary energy price increases into more modest, manageable ones. Because as a member-owned organization, WH isn't built to deliver profits or a return on investment. Our sole focus is delivering safe, affordable, reliable, increasingly clean energy to the consumers we serve — no matter the economic conditions (including high inflation!) in which we operate.

As always, thank you for your business.



Apply now for 2023 scholarships

WH is proud to offer scholarships to local students in the spirit of “Concern for Community,” one of the seven Cooperative Principles. It’s another benefit of being a member of a cooperative!

LOCAL SCHOOL AND AT-LARGE SCHOLARSHIPS

Scholarships are funded through unclaimed capital credits and a contribution from the WH Holding Company owned by WH. WH awards one scholarship 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, Parnassus Preparatory School, Rockford, Rogers, St. Michael-Albertville, Watertown-Mayer, Wayzata, and Wright Technical Center.

Applications for these scholarships are submitted directly to the school. Each school selects their scholarship winner and has varying application deadlines. For a specific school’s deadline, please check with the school guidance counselor.

WH also offers one at-large scholarship to one member’s student who attends a private school, a school that neighbors WH’s service territory, or is home schooled.

The application deadline is April 3, 2023.

EDWARD R. SLEBISKA MEMORIAL LINEWORKER SCHOLARSHIP

Each year, WH awards two \$3,000 scholarships to students pursuing a career as a lineworker to honor Ed Slebiska, the cooperative’s first CEO. This scholarship is open to those who are 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 is April 15, 2023.

BASIN ELECTRIC POWER COOPERATIVE SCHOLARSHIP

Basin Electric Power Cooperative, one of WH’s wholesale power suppliers, awards scholarships annually to its distribution cooperatives’ members, and descendants of employees who work at those cooperatives. **The application deadline is February 3, 2023.**



Apply for the Youth Tour!

High school juniors are encouraged to apply for the annual Electric Cooperative Youth Tour. Every year, WH sponsors one high school junior from our service territory whose family is a member to attend the Youth Tour at no expense to them. The Youth Tour brings together more than 1,900 high school students from across the nation.

For one week in June, these students travel to Washington, D.C. and visit the nation’s capital and monuments. Students learn about American history and their role as citizens by meeting with state representatives and senators to learn about issues that affect electric cooperatives across the country.

To apply for an opportunity to travel to Washington, D.C. on the all-expense-paid trip, high school juniors should fill out and **submit an application by March 3, 2023.**

The selection process begins with a review of applications and ends with face-to-face interviews for the finalists. To apply, visit: <https://bit.ly/WH-Youth-Tour>.

Please visit <https://bit.ly/WH-scholarships> for more details and application forms. If you have questions about the application process, contact Katie Durnin at (763) 477- 3046 or kdurnin@whe.org.

SEND SCHOLARSHIP AND YOUTH TOUR APPLICATIONS:

Wright-Hennepin Cooperative Electric Association
Attn: Katie Durnin
PO Box 330
Rockford, MN 55373

Transformer inspections begin in January

WH will begin inspecting padmount transformers in January. Members in the Howard Lake, Waverly, Montrose, Delano, Maple Lake, Annandale, South Haven, French Lake, Lyndale, and Clearwater area may see lineworkers inspecting the green transformers found in yards.

What will they do? Lineworkers will access and open padmounted devices such as transformers, switches, fuse cabinets and transition cabinets. The inspection process helps prevent and minimize outages. Lineworkers look for rust on the device or corrosion on the connections inside the device, as well as damage to the device or pad. They also look for potential issues in accessing the device, such as trees or bushes.

What is a padmount transformer? These devices are the large green boxes found in yards and are a major part of the system that brings electricity to homes.

What do I need to do? Members don’t need to do anything. WH lineworkers may be in your yard where the transformer is. These inspections are normally performed by WH or their representatives and take about 10 minutes to complete. If you have any questions, call (763) 477-3000.



Co-op Connections deal of the month

ANYTIME FITNESS – in Monticello

No enrollment fee with new membership!

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



Member donations support local organizations through Operation Round Up



More than 90% of WH members participate in Operation Round Up (ORU), rounding their monthly bill to the nearest dollar, in turn providing funding to local charities and organizations. More than \$4.7 million has been donated by ORU since the program began in 1994. This year our community's food shelves received \$34,467.



True Friends

True Friends is a nonprofit organization providing life-changing experiences that enhance independence and self-esteem for children and adults with disabilities. With programs including camp, respite, therapeutic and adaptive riding, retreats and team building, True Friends provides individualized care and outdoor recreation for people with physical, developmental and learning disabilities.

"Our camps offer specialty features and multiple program amenities along with resident cabins, dining halls, lakefronts and sport courts. Keeping infrastructure in optimum shape is essential, and this grant is supporting a project to upgrade a cabin at Camp Courage. We are so grateful to Wright-Hennepin Electric Trust and your members for this Operation Round Up grant and for their long-time support," said John LeBlanc, President & CEO.



Love In the Name of Christ Heartland

Love In the Name of Christ Heartland (Love INC Heartland) is a non-profit organization that helps people struggling financially within Twin Cities West Metro communities. The ORU grant will go towards their Fresh Start Program, a series of classes that encourages independence through gaining valuable life skills.

Fresh Start empowers people to see their self-worth and promotes positive, lasting life transformation. As people participate in the classes and work with a mentor, Love INC Heartland helps supplement their income with food, gas vouchers, clothing, diapers, and more so they can focus on paying bills and paying off debt.

"We are very thankful for the financial support we received from Wright-Hennepin Electric ORU," shares Jim Holmlund, Executive Director of Love INC Heartland. "We will use this money to get involved in the lives of those struggling in the communities we serve. Our mission is to help people in need with transformational change. We help them restore hope, see their God-given potential, and write a new life story."

2022 MEMBER CONTRIBUTIONS

The list below is a summary of donations of \$6,000 and above. For a full listing of 2022 ORU donations, visit whe.org.

Donations of \$10,000 awarded to:

Buffalo Rotary supported needy families with grocery and fuel cards.

Community Action Partnership of Hennepin County provided low-income people with energy assistance.

Love, INC Heartland supported the Fresh Start Program.

Society of St. Vincent de Paul (St. Michael-Albertville Chapter) supported families in need.

True Friends supported capital upgrades of exterior improvements of cabins at Camp Courage.

WeCan provided the needy with emergency assistance.

Donations of \$6,000 or more awarded to:

MN Adult and Teen Challenge supported the "Know the Truth" drug prevention program.

Senior Community Services supported the HOME program in Wright County.

Angel Foundation provided financial assistance for low-income adults with cancer.

Hope Chest for Breast Cancer Foundation provided financial assistance to breast cancer patients.

Can Do Canines supported assistance dogs.

Community Toys for Tots supplemented the toy donations received in age groups that are short.

WH adds two electric vehicles to fleet

WH recently added a Tesla Model Y and a Ford F-150 Lightning to its fleet. These are the fourth and fifth EVs that WH has owned, representing a commitment to members as we learn more about EVs in daily use and encourage members to consider one themselves. The vehicles will be available for members to see at future events, making them beneficial not just for WH but for our members. Education is a cornerstone of the cooperative business model.

The average transaction price for an EV is higher than a traditional internal combustion engine (ICE) vehicle¹; however, maintenance and repair costs are lower per mile with an EV, at \$0.061 cents per mile vs an ICE vehicle at \$0.101.²

Fuel costs for an EV also average to about \$4,000 less than an ICE vehicle over seven years.³

These lower expenses save WH money, and those costs savings benefit all members.

1. <https://cnb.cx/3l1xmcg>
2. <https://bit.ly/hotline-update-maintenance>, page 114
4. <https://bit.ly/hotline-update-fuelcosts>



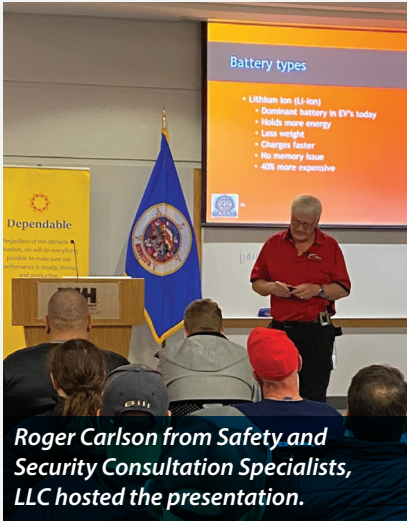
DO YOU HAVE QUESTIONS ABOUT CHARGING AN EV AT HOME?
Contact WH at (763) 477-3000 to learn more about charging programs and rebates!

WH hosts EV training for first responders

WH hosted an EV safety training event for first responders on November 10. The class taught 60 participants from 16 agencies about types of EVs, EV crash and fire response tips, how to shut down or disable an EV, and emergency responder safety. It also helped dispel certain common EV incident response myths.



A room full of first responders learned more about responding to EV emergencies.



Roger Carlson from Safety and Security Consultation Specialists, LLC hosted the presentation.



KEEP AN EYE ON YOUR PACKAGES

It is that time of year when you may have more packages than usual delivered to your home. If you aren't home or are unable to answer your doorbell, security cameras, including doorbell cameras from WH Security, can be installed to keep an eye on your porch or entryway 24/7 to deter thieves and alert you to a delivery.

WH Security's doorbell cameras detect motion and recognize when people approach. When a package is delivered, the doorbell camera will send an alert to your smart device and offer a live view of outside your door. You will know when your packages are delivered so you can be sure they make it into your home safely. WH Security cameras also have night vision, which allows you to see a delivery even after dark.

WH Security offers customizable security systems and cameras to meet your needs. If you are interested in learning more about the cameras we offer and to get a free quote, please contact us at 763.477.3664 or visit our website at wh-security.com.

WHSECURITY
Trusted. Local.

**Quick fix.
Fast service.
Fair price.**



The WH Appliance Repair plan helps you with unexpected repair bills. The plan includes **your choice** of 5 appliances.*

Popular options include:

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

Packages Start At

\$18⁷⁵ month

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

(763) 477-3000

whe.org/services-products.html

WH Appliance
Repair

Trimmed trees are safe trees!

Safely have your trees trimmed by our expert tree care specialists.

Services include:

- Pruning and shaping
- Emerald ash borer treatment
- Tree removal
- Aerial bucket truck work
- Storm damage clearing

Schedule your service today!

(763) 477-3000 | whe.org



Solar Winners

tenKsolar Winner



MARK AHMANN of Otsego wins a credit for 151 kWh, September's output from WH's tenKsolar panel array.

JAY S. DORNFELD of Maple Grove wins a credit for 115 kWh, October's output from WH's tenKsolar panel array.

Solar Winner



JESSIE ALTRINGER of Hamel wins a credit for 250 kWh, September's output from WH's solar panels.

MIKE PALMER of Rogers wins a credit for 216 kWh, October's output from WH's solar panels.

Learn more at <http://bit.ly/2re3mGN>

Board Report: Meeting highlights

OCTOBER BOARD MEETING

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted October 11, 2022. A quorum of directors was present. Items discussed or Board action taken:

- Approved a general capital credit retirement of \$2.55 million during the upcoming Holiday Season.
- Board was informed that WH received a check from Great River Energy (GRE) for the retirement of 1991-1992 capital credits. Board approved disbursement with WH's general capital credit retirement.
- Approved resolution accepting new Cogeneration Reports.
- Heard report on the Advanced Metering Infrastructure (AMI) project.
- Reviewed annual write-off of bad debt.
- Heard report on current state of the labor market.
- Reviewed and filed the monthly CEO, legal, financial, and operations reports.
- Directors reported on industry meetings they attended on behalf of the cooperative.
- Guests:
 - » GRE Representatives Rodney De Fouw and David Ranallo provided an overview of GRE's Electric Vehicle Programs and how they benefit WH.
 - » Matthew Blackler of ZEF Energy provided a business update.

NOVEMBER BOARD MEETING

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted November 17, 2022. A quorum of directors was present. Items discussed or Board action taken:

- Approved 2023 work plan and budget.
- Approved auditor engagement letters with Eide Bailly.
- Per the CORP-20 Capital Credit Policy, "there shall be no special retirement of capital credits in excess of \$25,000 per member unless Board approved." Board approved the special retirement of capital credits at discount for a member leaving WH's lines.
- Selected 2023 delegates and alternates for business meetings of the Minnesota Rural Electric Association (MREA) and National Rural Electric Cooperative Association (NRECA).
- Selected delegates to attend MREA's Winter Washington D.C. visit.
- Heard report on the Advanced Metering Infrastructure (AMI) project.
- Reviewed and filed the monthly CEO, legal, financial and operations reports.
- Directors reported on industry meetings they attended on behalf of the cooperative.

The WH office will be closed for holiday observances on December 23 and 26, and January 2, 2023.

Keep in touch with your cooperative!

Member call center:

(763) 477-3000 or (800) 943-2667
Hours: 7:30 a.m. – 5 p.m.
Monday – Friday

To report an outage:

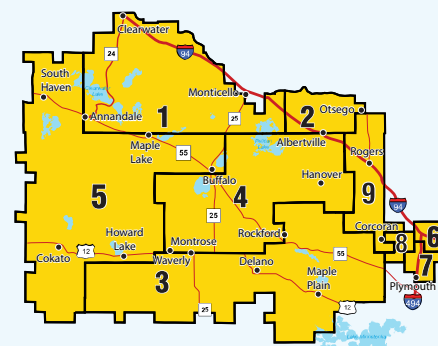
Dispatchers are available 24/7
Call: (763) 477-3100 or (888) 399-1845

WH Security monitoring:

Security dispatchers are available 24/7
Call: (763) 477-4275 or (800) 858-7811

Website: whe.org

Email: info@whe.org



Board of Directors:

District 1: Timothy Young, Annandale
District 2: "Butch" Lindenfelser, Monticello
District 3: Pat Bakeberg, Waverly
District 4: John Reynolds, Buffalo
District 5: Chris Lantto, South Haven
District 6: Mike Tieva, Maple Grove
District 7: Kenneth Hiebel, Plymouth
District 8: Mark Skinner, Maple Grove
District 9: Erick Heinz, Corcoran

WH President and CEO: Tim Sullivan

WH CFO: Brian Swanson

WH Holding COO: Wendy Youngren

This cooperative is an equal opportunity provider and employer.

PURPA statement

The Public Utilities Regulatory Policies Act (PURPA) of 1978 states that 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.

6800 Electric Drive
 Rockford, MN 55373

Hotline Update

DECEMBER NEWS FOR WRIGHT-HENNEPIN MEMBERS

Members celebrate National Co-op Month with WH

In October, WH celebrated National Co-op Month with a member appreciation lunch and Fall Festival at our headquarters in Rockford. WH is proud to be a part of the communities it serves. The member appreciation lunch offered a hot dog or bratwurst, along with chips, potato salad, and a cookie, as well as the opportunity to win one of two \$50 bill credits. At the Fall Festival, members enjoyed activities such as pumpkin decorating, balloon animals, a giant slide and a magician!



WH happily hosted a hot dog lunch for Co-op member-owners!



Hot dogs with friends.



Trying on lineworker gloves.



WH employees at the member lunch.



Children enjoyed balloon animals at the Fall Festival.



Showing off decorated pumpkins.



Families decorated pumpkins together.

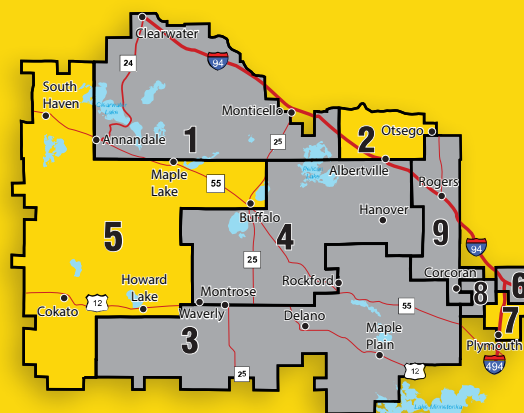


Annual Meeting

You are invited to WH's Annual Meeting on April 20, 2023!

Members can file for board seats

WH members can now submit nominations to vie for a seat on the cooperative's board of directors in Districts 2, 5, and 7. The board seat for District 7 will be open. Elections will take place at WH's 2023 Annual Meeting on Thursday, April 20, 2023. Your board district (BD) number is shown on the second line of the mailing address, just above your name. Members in these districts who would like to run in the election need to file a director nominee application form. Learn more at <https://bit.ly/WH-Director-Election>.



To apply, print, complete, sign and submit the form found at <https://bit.ly/WH-Director-Election> by March 1, 2023.

MAIL IN THE FORM ALONG WITH A RESUME TO:

Wright-Hennepin Cooperative Electric Association
 Attn: Board Secretary Michael Tieva
 PO Box 330
 Rockford, MN 55373