

APRIL 2022

CIRCUITS

FOR DAKOTA ELECTRIC MEMBERS

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April 11 is Lineworker Appreciation Day!

THANK YOU TO OUR LINEWORKERS!!

DAKOTA ELECTRIC
ASSOCIATION
Your Touchstone Energy Cooperative

CONTACT US

Member Service & Drive-Up Window

7 a.m. – 7 p.m. Monday – Friday
651-463-6212 or 1-800-874-3409
Minnesota Relay Service 711

Lobby Temporarily Closed

4300 220th Street West
Farmington, MN 55024

24-Hour Outage & Emergency Service

651-463-6201 or 1-800-430-9722

Underground Cable Locations

Gopher State One Call 811 or
651-454-0002 or 1-800-252-1166
<http://www.gopherstateonecall.org/>

Tree Trimming & Street Lights

651-463-6287

Dakotaelectric.com

customerservice@dakotaelectric.com

*Dakota Electric is an equal opportunity/
affirmative action employer.*

*Dakota Electric Association® and Dakota
Electric® are registered service marks of the
cooperative.*

*All programs and rebates are subject to change
without notice. Funds are limited and available on
a first-come, first-served basis.*

BOARD OF DIRECTORS

DISTRICT 1

John (Jack) DeYoe
David Jones
Gerald F. Pittman | *Chair*

DISTRICT 2

Bill Middlecamp | *Treasurer*
Clay Van De Bogart | *GRE Director*
Vacant Seat

DISTRICT 3

Kenneth H. Danner | *Secretary*
William F. Holton
Margaret D. Schreiner | *GRE Director*

DISTRICT 4

Paul Bakken | *Vice Chair*
Judy H. Kimmes
Stacy Miller | *MREA Director*

TO OUR MEMBERS



From Your President/CEO & Board Chair

This past year, our employees were up for the continued challenges that COVID-19 and its new strains brought. Many of our members struggled to pay their bills and at one point we had 19,195 members, with over \$6 million past due. Our member services representatives did a great job working with and connecting members to available assistance dollars from the state and federal governments. Since the peak of COVID-19, our delinquent accounts have gone down substantially.

Growth

New construction and electric sales growth also continued during the pandemic. Over 2,000 new services were connected last year. Most of these were residential, but Dakota Electric also saw growth in commercial accounts, which brought new jobs to our communities. Sales growth is beneficial as it helps moderate higher fixed costs for materials, labor and taxes.

Capital Credits

Dakota Electric's board has a strategic initiative to return capital credit dollars to our members on a shorter year rotation. Last year alone, Dakota Electric returned \$5.9 million back to members, and we have gone from a 28-year rotation to roughly a 23-year rotation — with a goal to achieve a 15-year rotation by 2025.

ECO Act

After four years of hard work, the Minnesota Legislature passed the Energy Conservation and Optimization (ECO) Act with 100% support from our Dakota County legislators. The new legislation will allow utilities, like Dakota Electric, to embrace beneficial and effective new technologies and evolving trends. It will also help to reduce consumers' total energy bills and provide better tools for reducing carbon emissions. Dakota Electric will work to develop new and innovative programs and services to benefit our members, and the environment, for years to come.

Power Supply

Our power supplier, Great River Energy, continues to work toward selling its coal-based power plant and connected transmission line by mid-2022, and is adding an additional 400MW of wind power in North Dakota. Great River Energy plans to achieve 50% renewable production by 2030 and they remain on track to reduce carbon dioxide emissions by more than 80% by 2025.

Thank You!

On behalf of the board and the employees at Dakota Electric Association, thank you for the privilege of serving you. We are proud of our past and look forward to our future.

— Jerry Pittman

Chair, Board of Directors

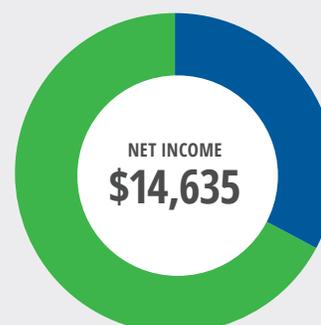
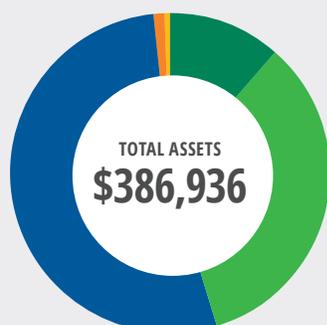
— Greg Miller

President/CEO

2021 ANNUAL REPORT

(Dollar amounts are in thousands)

OVERVIEW



Colored dots in breakdown correspond with donut charts.

BREAKDOWN

Financial information presented is summarized. Members may request a copy of the complete audited financial statements or view them online at www.dakotaelectric.com/about-us/dakota-electric-at-a-glance.

ASSETS	2021	2020
Current assets		
Cash & cash equivalents	\$197	\$141
Accounts receivable, less allowance for uncollectible accounts (2021 - \$1,644; 2020 - \$1,182)	\$35,533	\$31,278
Conservation cost and property tax recovery	\$0	\$396
Inventories, materials & supplies	\$8,103	\$9,750
Prepayments and interest receivable	\$1,924	\$1,018
Total current assets	\$45,757	\$42,583
Investments		
Total investments in associated companies & other investments	\$133,521	\$127,032
Utility plant		
Distribution system	\$302,234	\$285,450
General plant	\$36,029	\$35,601
Construction work in process	\$7,858	\$6,128
Less accumulated depreciation	(\$139,499)	(\$135,216)
Total utility plant & work in progress	\$206,622	\$191,963
Regulatory		
Total regulatory assets	\$960	\$0
Deferred charges and other		
Total deferred charges and other assets	\$76	\$80
TOTAL ASSETS	\$386,936	\$361,658

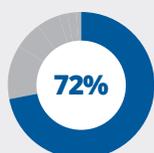
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LIABILITIES & EQUITY	2021	2020
● Current Liabilities		
Accounts payable	\$28,860	\$28,978
Notes payable	\$15,300	\$15,300
Current portion of long-term debt	\$8,559	\$7,352
Current portion of capital lease obligation	\$508	\$293
Advanced meter, conservation cost and property tax over-recovery	\$930	\$257
Customer security deposits	\$418	\$479
Accrued property & other taxes	\$4,940	\$4,742
Other current liabilities	\$9,154	\$8,317
Total current liabilities	\$68,669	\$65,718
Long-term debt	\$124,639	\$110,939
Long-term capital lease obligation	\$961	\$1,006
Post-retirement benefit obligation	\$4,864	\$4,891
Deferred credits & other liabilities	\$104	\$141
Total liabilities	\$199,237	\$182,695
● Members' equity		
Total patronage capital & other equity	\$187,699	\$178,963
TOTAL LIABILITIES & MEMBERS' EQUITY	\$386,936	\$361,658

INCOME	2021	2020
● Operating margin		
Net sales	\$217,534	\$209,661
Cost of sales	\$155,629	\$148,626
Gross margin	\$61,905	\$61,035
Total operating expenses	\$57,061	\$56,483
Net operating margin	\$4,844	\$4,552
● Other income		
Total other income	\$9,791	\$4,394
Income tax (credit) on non-regulated operations	\$0	\$10
NET INCOME	\$14,635	\$8,936

CASH FLOWS	2021	2020
Net cash provided by operations	\$14,705	\$9,522
Net cash used for investing activities	(\$23,325)	(\$20,200)
Net cash from (used for) financing activities	\$8,676	\$10,395
Cash & cash equivalents at beginning of year	\$141	\$424
TOTAL CASH & CASH EQUIVALENTS AT END OF YEAR	\$197	\$141

USES OF REVENUE



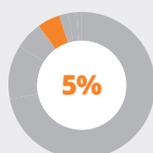
COST OF POWER



LABOR & BENEFITS



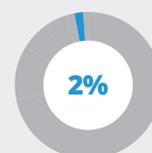
OPERATIONS EXPENSE



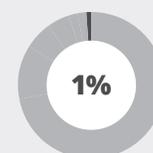
DEPRECIATION



NET INTEREST



NET OPERATING MARGIN



PROPERTY & OTHER TAX



LINeworker APPRECIATION

Monday, April 11 is Lineworker Appreciation Day! Dakota Electric lineworkers keep the lights on and they do it with a smile! Here's what a few of our lineworkers had to say about what interested them in this *line* of work and what they enjoy most about working at Dakota Electric.



Jason Albers

Powerline Specialist Apprentice

"My grandpa would tell me about his time as a lineworker, so he basically talked me into the job!"

"What I like most about working at Dakota Electric is that I get to work with a great group of people every day."

Shane Thompson

Powerline Specialist Journeyman

"I became interested in a career as a lineworker because I enjoy the outdoors and lived near DCTC where they offer an electrical lineworker program."

"I really enjoy the camaraderie we have here at Dakota Electric — everyone pitches in to get the job done."



Kyle Schafer

Powerline Specialist Crew Chief

"My aunt works in the industry, so she really got me and three of my relatives interested in the field!"

"What I like most about working in this field is the variety of work I get to be involved in. Every day is different and exciting."

SAVE ENERGY, SAVE MONEY

Take advantage of these promotional rebates! Install a qualifying, energy-saving air-source heat pump or ductless air-source heat pump and save.

The technology of today's air-source heat pumps cool and heat your home, even in sub-zero temps, providing efficient, dependable and reliable comfort year-round. A ductless air-source heat pump is a good solution for homes with non-ducted heating systems, or for room additions where installing ductwork is not feasible. Equipment must be enrolled in an Energy Wise® off-peak rate and installed by a qualified contractor to receive the rebate.

AIR-SOURCE HEAT PUMP	PROMO REBATE*
≥ 8.2 HSPF	\$1,000
≥ 9.0 HSPF	\$2,000

DUCTLESS/MINI SPLIT AIR-SOURCE HEAT PUMP	REGULAR REBATE	PROMO REBATE*
Delivered fuels	\$300	\$450*
Electric heat	\$500	\$750*

*Minimum HSPF ≥ 9.0

For more information, call the Energy Experts® at 651-463-6243 or visit www.dakotaelectric.com/promos.

**Limited funds are available and awarded on a first-come, first-served basis. Rebate amounts and programs are subject to change without notice.*



HURRY!
Promotion
available
Apr. 1 - Aug. 31



BOARD ELECTION INFORMATION

As a member of Dakota Electric, you have the opportunity to participate in our annual election and vote for the directors who serve on the board and govern your cooperative.

Due to COVID-19, the board of directors will not hold an in-person annual meeting in 2022. The 2022 annual meeting reports will be available to view after noon on April 28 on our website at www.dakotaelectric.com/about-us/annual-meeting-election.

2022 Candidates

District 1

David Jones (incumbent), Jeff Nelson, Raj Rajan

District 2

Laura Lee Berger, Terry Donnelly, Ruth Grendahl, Steven Lucas, Ray Yarwood

District 3

Bill Holton (incumbent), Aaron R. Decker, Don Vasatka

District 4

Stacy Miller (incumbent), Greg Oxley

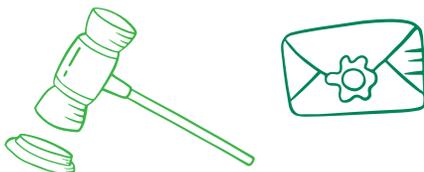
Additional candidate information will be included in your voting materials and can be found at www.dakotaelectric.com/about-us/annual-meeting-election.

Vote by Mail

Ballots must be received at Survey & Ballot Systems' office no later than noon on April 28. Ballots should NOT be dropped off or mailed to Dakota Electric's office.

Vote Online

Go to dakotaelectric.com; you will need your account number and e-signature, both of which will be included with the ballot mailed on April 11.



COLD WEATHER RULE ENDS APRIL 30

The State of Minnesota set up the Cold Weather Rule to protect residential heat-affected customers — who make and keep a payment plan — from disconnection of service between Oct. 1 and April 30.

Most Cold Weather Rule payment plans last until April 30 unless you make other arrangements with Dakota Electric. Your service could be shut off if you have a past due balance on April 30 and do not make and keep a new payment plan.

Member service representatives are ready to work with you to avoid disconnection. Contact Dakota Electric at 651-463-6212 **before April 30**.

ENERGY ASSISTANCE

For energy assistance resources visit www.dakotaelectric.com/member-services/billing-payment/financial-assistance. Contact us Monday through Friday from 7 a.m. to 7 p.m. at 651-463-6212 or 1-800-874-3409, or email customerservice@dakotaelectric.com.



EDITOR'S NOTE:

Due to the timing of printing Circuits, please visit www.dakotaelectric.com for the most up-to-date information on our wholesale power supplier, rebates and programs and energy assistance.



Your Touchstone Energy® Cooperative

4300 220th Street West
Farmington, MN 55024

UPCOMING EVENTS

- **Board Meeting**
April 28, 8:30 a.m.

Board meetings are being held virtually.

Find board meeting agendas and approved meeting minutes at www.dakotaelectric.com/monthly-board-meetings.

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U.S. POSTAGE
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DAKOTA ELECTRIC
ASSOCIATION

CONNECT WITH US!



Inside
APRIL 2022
CIRCUITS

**SAVE
THE
DATE!**

**Ride & Drive
Event**

Tuesday, May 24
4-8 p.m.
Buck Hill, Burnsville