

Rachel Johnson (00:18):

Welcome back to Co-op Energy Talk. I'm your host, Rachel Johnson, and you are listening to the board meeting brief for Monday, September 28th. There are five things we talked about this month that I wanted to take a second and share with you today. First, we started our board meeting with our rate hearing, and you've been kind of hearing about that for a couple months here on the podcast. But at that hearing, the board adopted our proposal to keep our availability charge the same next year, but to increase our energy charge from 13.1 cents to 13.75 cents. For our average electric user, that's about a three and a half percent increase, and the, that increase will go into effect in January. The second thing we talked through this month was a, a, a kind of a big picture update on power supply, on our power supply and kind of also the nature of power supply markets right now.

Rachel Johnson (01:07):

One of the things we wanted the board to know is that the peaking plants that Wolverine owns and operates on our behalf are running a lot right now at very high prices. And when I say high prices, I don't mean high cost to us, I mean high market prices. So they're bringing in a tremendous amount of revenue, which is great because whenever our peaking plants make money, that money helps us control your cost. They directly reduce your power costs and they also directly contribute to rate stabilization. So keeping your rates stable during a period of, of incredible volatility and incredible upward pressure on power supply markets. It's really great that our fleet is helping us manage that on your behalf, especially when we know that a lot of other utilities are seeing significant upward pressure on their rates due to their market exposure. The third thing we talk through, which is kind of also in line with this power supply discussion, was a plan to continue to stabilize our power cost throughout future years.

Rachel Johnson (02:00):

Again, just making sure we're in a good position to keep our rates as steady and stable as possible for you during a, what is very clearly becoming a period of incredible volatility. And we have a lot of tools available to us to do that. And so we wanted to make sure the board understood how we were managing that risk on your behalf. And for those of you who are listening, I just want you to know that we have a lot of good plans in place and you are in a good position, especially because of that peaking fleet that we operate on your behalf. The fourth thing we gave an update on, which will be a common theme for the podcast over the sev - next several months and, and, and years is our new headquarters building. So you remember that we broke ground on that in the summer.

Rachel Johnson (02:34):

We have also now kind of started working through all of our grading work on that site and our next step will be pouring foundations. We're on track to still get that done this fall so that we can then begin, uh, setting up structural steel. And the last thing that I'm excited to share with you that the board handled this month is our annual discussion about capital credit retirements. So as you, I think already know, we are a not-for-profit electric utility. We do not make any profits, but if we have any margins, if we have any money left over at the end of the year after we've paid for poles, wires, labor, all those things, that money goes directly back to you first in the form of an allocation, which you would have seen on your bill in June. But that's not real money, that's just your portion of the previous year's margins.

Rachel Johnson (03:12):

And then in December, if our cash flow position allows for it and our equity position allows for it, we return that directly to you in the form of cash and that cash shows up as a credit on your December bill. This year, the board has decided to retire \$600,000 in capital credits to you. So again, you will see that as a credit on your December bill. Be on the lookout for it. And, um, I'm just really proud to be in this position given the complexity of our industry right now because what it reinforces for me is that we don't

chase profits. We stay committed to cost controls and financial stability. And you see that stability in our ability to return some capital credits to you this year. So that was it for this meeting. Our next boarding meeting will be Monday, October 26th. As always, we will start with member input at 9:00 AM.

Rachel Johnson ([03:52](#)):

So feel free to swing by if you have any feedback for your board. Join us next time for more Co-Op Energy Talk.