

REA Wishes You and Your Family a Very Happy Thanksgiving!

REA will be closed November 28 and 29.

To report a power outage or an emergency, call (800) 473-1722. We have a 24-hour answering service to take your call.

During this time when we have so much for which to be thankful, we want to thank you for your business!

NEWSLINE

November 2024

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Tour Highlights: Fun on the Road with REA

When you try something new, you never know how it will turn out. Well, we can confidently say the REA Membership Bus Tour was a big hit, and we look forward to offering it again!

The day began with tours at Central Specialties road construction company, Country Blossom Farm with yummy treats from their bakery, the Lake Mina Substation, a drive-by of an osprey nesting platform west of Lake Latoka, and a pit stop at Lake Brophy County Park. Following a tour of the Carlos Creek Winery bottling facility, the group enjoyed a delicious lunch at 22 Northmen Brewing. The next steps included visiting Lake Carlos State Park and Lakes Area Graphics & Signwork's banner, fabric & flat sign production facility. They are a custom sign, banner, and graphics company. A HUGE thank you to these great businesses and organizations for hosting our group!

"The bus tour was a great opportunity to introduce members to businesses they may not be familiar with," said Al Haman, REA CEO. "The tour also reminded everyone of the beautiful destination Carlos State Park is and revealed some of the cutting-edge innovations that are happening within REA's member businesses."

Watch for details for the next tour in 2025!



Shane Carlberg, safety manager, giving a tour of their tar plant and gravel pit at Central Specialties



Michelle Bredeson, owner, giving a tour of their wine production area at Carlos Creek Winery.



Troy Heald, owner, giving a tour of their production area at Country Blossom Farms.



Al Haman, REA CEO, giving a tour of the Lake Mina Substation.



Al Haman
CEO

A Note from the CEO

Wholesale electricity prices on the rise

October is the time we begin the budget process for the next calendar year. In addition to setting construction, operations, and maintenance budgets, we also forecast the volume of sales and our wholesale power costs.

Once sales are projected, we apply the estimated rates provided to us by Great River Energy (GRE), our power supplier. GRE also completes an annual budget that involves a wholesale power market analysis and forecast.

Unfortunately, they estimate that REA's 2025 wholesale rates will increase by 7.6%. This is significant, so I am writing to give advance notice and offer some explanation for the reasons behind the increase. GRE rate increase drivers include:

Margin

Like Runestone, GRE is a cooperative and margins play an important role with cooperatives. GRE's 2025 margin will increase to strengthen the balance sheet during a period of increased capital spending and to enhance GRE's ability to meet financial obligations and pay member patronage capital.

Staffing

New positions are included in the 2025 GRE budget to support the expanding complexity of the industry,

regional transmission projects, and evolving generation portfolio. New positions in information technology will support an increased focus on cybersecurity, integration of information systems, and project management.

Transmission project ownership costs

Ownership costs are increasing for capital projects undertaken to maintain and improve area reliability and replace aging transmission lines. The cost to build transmission lines has increased dramatically due to inflation and supply chain delays.

Power supply

GRE forecasts increased rates due to higher market prices and additional short-term purchases to hedge against higher winter and summer prices.

Financing

GRE is budgeting for increased debt and associated interest expense (at higher interest rates) to support increased capital spending on construction projects. A one or two-percent increase in interest rates is a big deal when you are talking multimillion-dollar loans.

As we move forward with our planning, we will look for ways to control internal expenses. An increase in wholesale power rates will most certainly require us to pass the expense through to members in a rate increase. We will know more about how much is needed and when the increase will be implemented in December.

Big Stone South-Alexandria-Big Oaks Project Approved

The Minnesota Public Utilities Commission has approved the Certificate of Need for the Big Stone South-Alexandria-Big Oaks project. Work on the eastern segment from Alexandria to Becker will begin in 2025 with completion planned by the end of 2027. A second 345 kV circuit will be added to the existing CapX2020 project, mostly along I-94. Xcel Energy will be the lead utility on the project.

Completion of the route permit for the western segment from Milbank, SD, to Alexandria is planned for late 2024, with a 12 to 18-month review process. Otter Tail Power & Missouri River Energy Services will be the lead utilities, with completion anticipated by the end of 2031.



REA Board of Director Meeting Highlights - September 2024

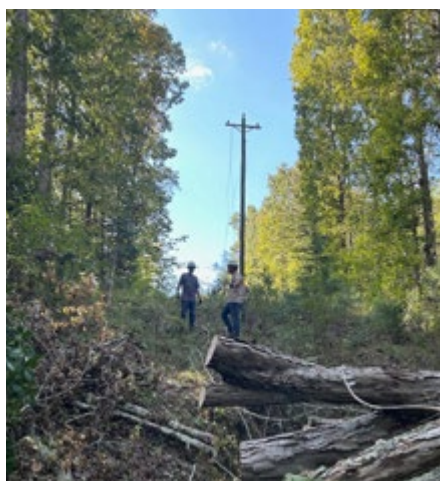
- » Reviewed the August Disbursement Report. The August Financials will be available at the October Board Meeting.
- » Reviewed meeting with West Central Research and Outreach Center to discuss current and future projects under development at the University of Minnesota - Morris campus.
- » REA Energy Services & Business Development Manager Ryan Rooney was selected for an open seat on the West Central Initiative Foundation Board for a three-year term and a maximum of two terms. Mr. Rooney will also participate on a residential program panel discussion at the Electrify MN - Beneficial Electrification League event on October 21.
- » Approved changes to the Schedule of Charges, including a price increase for storage water heaters sold by REA and updates to the Air Source Heat Pump Quality Install Program.
- » **The regular November Board Meeting will be Tuesday, November 26, 2024 at 9:00 a.m.**

Always Ready to Help

After Hurricanes Helene and Milton blew through the south, REA provided mutual aid help to Laurens Electric Co-op, with headquarters in Laurens, SC, and Peace River Electric Co-op in Wauchula, FL.

“We are proud to have a civic service-minded employee group that will pitch in to help others when called upon,” said Al Haman, REA CEO. “Making a small part of REA’s resources available to those in need is part of the cooperative business model.”

“It was a great experience!” said Ross King, REA Journeyman Lineman. “It’s amazing to see linemen from all over the country come together to restore power to everyone affected by the hurricanes. People were so appreciative of us being there. Many thank yous, handshakes, and waves from the community members made the long days worth it.”



Trees and more trees needed to be cleared in Northwest South Carolina (above). On the left, REA crews worked along citrus groves restoring power in Central Florida.



REA Linemen Kyle Blade, Kolby Goff, Will Hergott and Ross King left for South Carolina on October 3 and returned from Florida on October 17.



Correcting Stray Voltage Conditions



As a member of Runestone Electric Association, you should feel free to call us anytime with concerns related to your electric service. One area that can be a concern, particularly for livestock farms, is stray voltage.

Although stray voltage is present on all distribution systems, humans usually do not notice it. However, livestock - especially dairy cows - are particularly sensitive. The goal is to keep the voltage level low enough that it will not cause a problem on the farm. Stray voltage can also result from deteriorating and improper wiring, faulty equipment, or improper grounding. Because of high electric use, high humidity, silage acids, and manure, a dairy farm is not the ideal environment for electrical wiring.

REA offers stray voltage investigations at no charge.

The Minnesota Stray Voltage Guide outlines the steps farmers, electricians, utilities and their advisors can take to discover and resolve stray voltage concerns on livestock farms. When farmers and utility companies work together, stray voltage concerns are more likely to be satisfactorily resolved. To download the Guide, visit www.minnesotastrayvoltageguide.com.



let it GLOW

REA'S CHRISTMAS LIGHT CONTEST

Let's light up the countryside! REA is hosting a Christmas light contest to recognize the members that put hard work into their light displays AND to let our communities know where to look for these spectacular lights. Check out the details below.

Categories and Prizes:

- Best Large Display (\$100 REA bill credit)
- Best Small Display (\$100 REA bill credit)
- Most Creative Display (\$100 REA bill credit)

Registration:

Online registration form at www.runestoneelectric.com or call REA at 800-473-1722. Submit a photo with an address so that the public will know where to go to check out the holiday displays.

Details:

- Display must be served by Runestone Electric Association (REA)
- Deadline for contest entry is 12/12/24
- Map of participating displays will be available at www.runestoneelectric.com after 12/16/24
- Judging of the lighting displays will take place between 12/13 - 12/15
- Winners will be notified on 12/19/24

NEWSLINE

The official monthly publication of Runestone Electric Association.

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In Case of a Power Outage

- » Please call 800-473-1722 for 24-hour service. Please report any tree branches in lines, twisted wires, broken poles and if your neighbors are also out of power.
- » Be sure to have a corded phone or a charged cell phone in the house, because cordless phones won't work when the power is out.
- » Program the number above into your cell phone for easy access.
- » Never assume we know you are without power. Always call to report an outage.

REA will use reasonable diligence to furnish adequate and dependable electric service, but it cannot and does not guaranty continuous and uninterrupted service

This institution is an equal opportunity provider and employer

LOOK UP & LIVE

Before you climb that ladder to string outdoor lights, check for overhead power lines nearby. Make sure tree limbs are not growing among power lines, since they can also become energized. Remember to keep at least 10 feet away from overhead lines at all times.

Have a safe and happy holiday season!