

Proud to power You!



Drive-In Annual Meeting – Friday, Oct. 7, 2022
Lake of the Woods School – Baudette, Minnesota



ENLIGHTENER | VOLUME 67 - NO. 9 | SEPTEMBER 2022 | BAUDETTE - MINNESOTA

NORTH STAR ELECTRIC COOPERATIVE, INC.
MISSION STATEMENT

To improve the lives of our member-owners by providing reliable electric energy services while maintaining the very highest standards of performance and member satisfaction.



NORTH STAR BOARD OF DIRECTORS



Steve Arnesen
District 1 (President)



Shelley Spears
District 2



Randy Bergan
District 3



Michael Hanson
District 4 (Vice President)

Serving since:

- Steve Arnesen1986
- Michael Hanson1994
- Randy Bergan1999
- Lorraine Nygaard2007
- Tom Smith2016
- Shelley Spears2017
- Douglas King2022



Tom Smith
District 5



Lorraine Nygaard
District 6 (Secretary/Treasurer)



Douglas King
District 7



ENERGY EFFICIENCY

TIP OF THE MONTH

Water heating accounts for a large portion of home energy bills. To save energy (and money!) used for water heating, repair any leaky faucets, install low-flow fixtures and insulate accessible hot water lines. When it's time to purchase a new washing machine or dishwasher, look for models that are ENERGY STAR® certified.

Source: Department of Energy

MISSION STATEMENT

To improve the lives of our member-owners by providing reliable electric energy services while maintaining the very highest standards of performance and member satisfaction.

An annual meeting is a meeting of the member-owners of the cooperative. It provides the opportunity to vote for the director of your choice and to express your opinions about the operations of your cooperative. It also provides you with the opportunity to become better informed through the reports of officers and employees. This will be a successful meeting if all who attend gain some knowledge of their cooperative. A well-informed membership is the basis of a strong cooperative.

BOARD OF DIRECTORS CANDIDATES

District 2 - Shelley Spears



Shelley Spears has lived in the Baudette, Minn., area for many years. She and her husband, Kent, are retired. Retirement allows more time for family, friends and community. They have two children

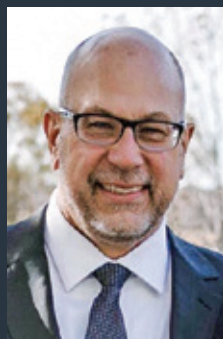
and four grandsons – two who attend Lake of the Woods School. Go Bears! Her hobbies include gardening, fishing, quilting with Wabanica Church Ladies and reading.

She said her mom was a senior in high school when rural electrification came to the farm. It changed their lives. Shelley said it's easy for her to think back 60 years to her grandparents' farm. "It's important we pay attention to the next 60 years," she said. "We cannot take our energy for granted. It's important to stay informed, and as a director I will work to keep members informed." Reliable, affordable, clean energy will remain priorities for her.

Shelley is a credentialed board member for North Star through training for new directors. Since her appointment in 2017, she has also attended Strategic Planning, Energy Issues Summit, Minnkota and Square Butte annual meetings and other training seminars.

She has a commitment to community service and would like to continue as District 2 Director. She has served on the Chamber Board, Thrivent Chapter Board and Wabanica Church Council. She feels her experience gives her the tools needed to help North Star Cooperative achieve the goals that have been set.

District 7 - Douglas King



Doug King and his wife, Ann, have lived at their current home in Ericsburg for 26 years. They raised two sons who, after attending college, both chose careers in the electrical industry.

Doug has nearly 40 years of experience in the electrical industry. He began his career working with a contractor in

Rogers, Minn., where he attained his Journeyman Electrician's license and then went on to obtain his Master Electrician's license.

After moving back to International Falls, Doug worked as a Contract Electrical Inspector for the state of Minnesota. Doug then returned to electrical construction for several years as co-owner of a local electrical contracting firm. After selling his interest in the firm, Doug accepted a position in electrical distribution at Minnesota Power, where he worked for 15 years until his retirement in the spring of 2019.

Doug has participated in numerous volunteer activities with United Way of Northeastern Minnesota, including several years as an Allocation Panelist. Doug also served on the board of Second Harvest Northern Lakes Food Bank in Duluth.

Since being appointed to the North Star board in May 2022, Doug has taken advantage of several training opportunities and began his path toward a credentialed board member of the electric cooperative by recently completing a new director orientation program.

Doug is very passionate about the electrical industry and looks forward to serving on the North Star board. "The industry is experiencing an unprecedented rate of change in both how the power is generated and how it's utilized by customers," he said. "This will create many challenges for the electric utilities." With his experience in the industry, Doug feels he can help the cooperative meet these challenges.

BOARD OF DIRECTORS CANDIDATES

District 3 - Randy Bergan



Randy Bergan is a lifelong resident of Lake of the Woods County. He and his wife, Treva, have two grown children, Gordon and Kendra, and two grandchildren. After farming all his life, Randy and Treva sold their farm and semi-retired. While farming he also worked 11 winters at GSI, which provides support services for the Bosch Testing Facility in Baudette. Randy was appointed to the North Star board in 1992

to finish out the term for Wilton Anderson. Then, in 1999 when Lee Tisdale moved from the area, he was again appointed to finish the four-year term. Randy has now served on the North Star board for 26½ years and the Square Butte board for 11 years. He has served on several other boards as well: Northern Farmer's board – 12 years; Soil and Water Conservation District board – 12 years; and the Williams Pilgrim Congregational Church board – 54 years. During his term as a director, Bergan has attended several seminars enabling him to be a credentialed board member for North Star. He has also attended the annual meeting for Minnkota Power, Square Butte and MREA on several occasions. Randy would like to continue to serve on the board out of his commitment to community service.

District 3 - Kevin Fish



Kevin Fish and his wife, Paula, have lived here in Lake of the Woods County for more than 50 years. Kevin presently co-owns and operates a logging company with his

son Cody and is the co-owner of the Wilderness Bar and Grill in Williams. In addition, Kevin has worked for more than 20 years in the power generation industry (solely nuclear) as an NDE inspector. Kevin and Paula have a son and a daughter and 10 grandchildren. His views for the future would be continued reliable energy and affordability for everyone in the area. "It would be an honor to represent the members of my district," he said. "Thank you."

WHY ARE ELECTRIC CO-OPS THE BEST?

Co-ops aren't organized to make profits, so decisions are based on what is best for consumers – not what will make the most money.

Co-ops celebrate an election year every year, and your board of directors is chosen by YOU.

Co-ops are not competitors – in fact, they pride themselves in working with each other to keep power flowing across the region.

ORGANIZATION VOTING FORM

If you plan to cast the vote of a membership held by an organization, the form shown below will need to be completed and presented before we can issue a ballot. The form must be fully completed.

The

(Name of Organization) has, at an official meeting, authorized

(Name)

to represent us at the 2022 annual meeting of North Star Electric Cooperative, Incorporated.

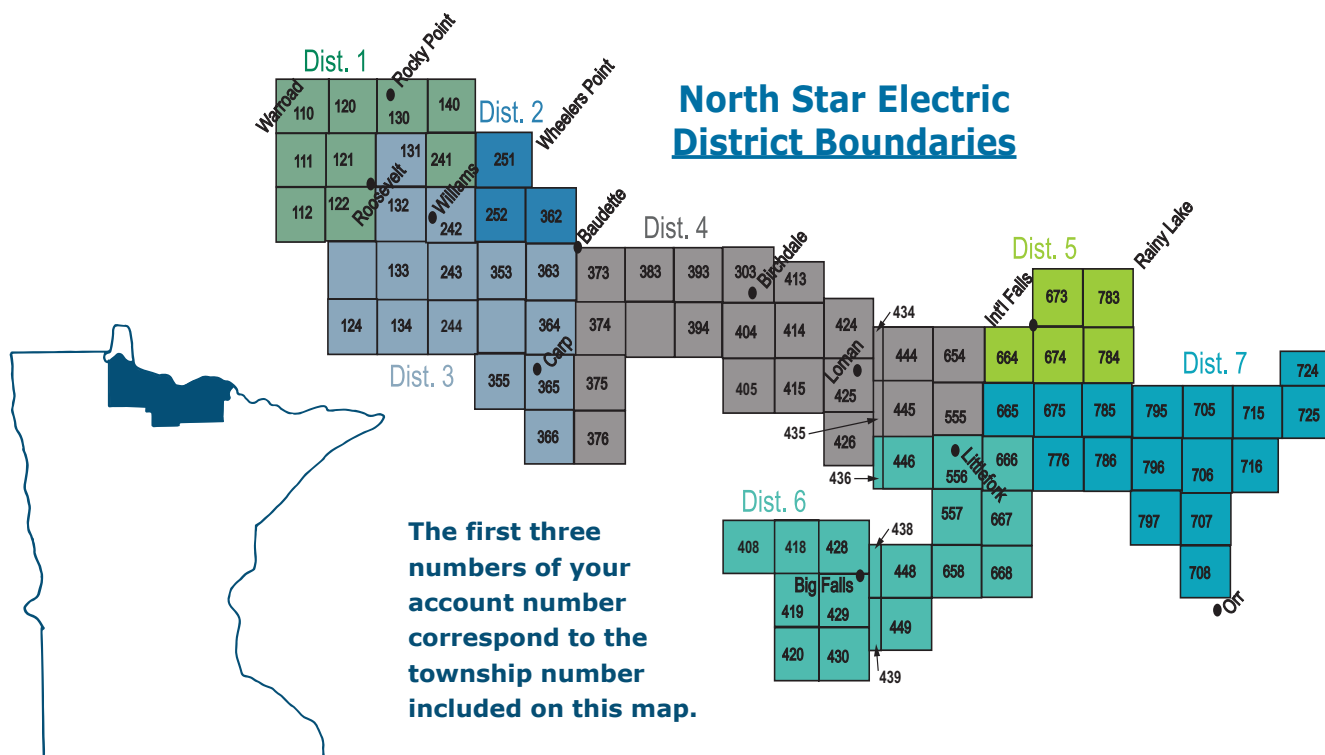
Attest _____
(Mayor, Chairperson)

Attest _____
(Clerk, Secretary)

STATEMENT OF NONDISCRIMINATION

North Star Electric Cooperative, Inc. is an equal opportunity provider and employer and does not discriminate on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202-690-7442) or email (program.intake@usda.gov).





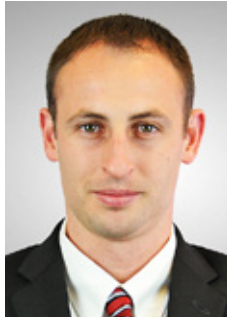
PRESIDENT & MANAGER'S REPORT

Providing safe, reliable and affordable electricity



Steve Arnesen
Board President

North Star Electric Cooperative was formed around 82 years ago. The years have passed but our core mission has remained the same as it was back in 1940, to provide our members with safe, reliable and affordable electricity. An electric cooperative and its member-owners have a special bond that many other businesses across the economy cannot match. While others strictly focus on profits and maximizing shareholder value, we're focused on member satisfaction and keeping the lights on in the most cost-effective ways possible. Our industry is and will continue experiencing a rapid transformation. As a result of recent federal legislation that has thrown billions of dollars to renewable energy



Josh Compton
General Manager

and electric vehicles, as well as changing member habits and expectations surrounding power supply resources, the next few decades will steer our electric grid in an entirely new direction.

This "new direction" can and should be exciting for everyone. As we embrace advancements in technology, we need to hold true to the core principles we've always focused on – safety, reliability and affordability. If we deviate from one or more of these principles then we're not living up to why we as electric cooperatives were formed. As it stands now, it's not possible to run a reliable electric grid without firm power resources such as coal, gas and nuclear. Perhaps one day once battery technology has advanced further and the transmission grid has been upgraded, it will be possible. However, we're not there yet and this process will take many years to come to fruition. That's why North Star has supported Minnkota's efforts to install more wind power, solar and even a carbon capture facility to enable its coal plants to stay online to provide the

- While others strictly focus on profits and maximizing shareholder value, co-ops are focused on member satisfaction and keeping the lights on in cost-effective ways.

- As it stands now, it's not possible to run a reliable electric grid without firm power resources such as coal, gas and nuclear.

- Direct pay now allows electric cooperatives to access federal dollars to deploy new energy technologies, including carbon capture, renewables and more.

firm energy we all depend on to power our homes and businesses.

Not only is our industry evolving in new and exciting ways, so is North Star. Over the past year there have been some retirements, personnel changes and promotions. From the line crews to the office staff, each employee fulfills a very important role. Your cooperative wouldn't be as strong as it is now if it weren't for the dedicated staff we have here. In business school, you always hear the phrase thrown around of operating a business "lean." What does that mean exactly? The driving principle here is doing more with less. As inflation continues to affect the economy and the pocketbooks of our members, we have made it our goal to operate your cooperative as "lean" as possible to ensure every dollar is utilized efficiently and effectively.

Weather played a large role this past year as well. We saw significant flooding issues on the eastern side of our service territory and a considerable number of summer storms roll through that caused several minor power



POWERING

Your Life With Ability



RELIABILITY
All of the above energy mix of baseload coal, wind & hydro



AFFORDABILITY
As other prices rise, electricity remains a relative bargain



SUSTAINABILITY
42% of generation capacity derived from carbon-free sources



DEPENDABILITY
24/7 workforce, weather protections, and cybersecurity



ADAPTABILITY
Demand response shields from high costs in weather events



outages. In areas of our service territory where disaster declarations were declared, we're actively documenting and tracking damaged electrical equipment to submit to FEMA (Federal Emergency Management Agency) for reimbursement.

The board has and continues to take a very forward-looking approach to your cooperative and the electric industry in general. They've held strategic planning sessions to review, update and expand on the goals and priorities of the cooperative on numerous occasions. In addition to this, they've attended several meetings with state and federal legislators to advocate for our members in St. Paul and Washington, D.C. This advocacy spans the political spectrum – just like the electric grid. No matter who you are or what your views may be, we all find common ground on the need for safe, reliable and affordable electricity.

Thanks to the continued effort from NRECA and the other electric cooperatives across America, we saw a pivotal piece of legislation passed recently – direct pay. Direct pay now allows electric cooperatives to access federal dollars to deploy new energy technologies, including carbon capture, nuclear, energy storage,

renewables and more. We're actively looking through what portions of this new legislation can be used from a distribution cooperative's standpoint and will certainly apply for whatever money could benefit our system and members going forward.

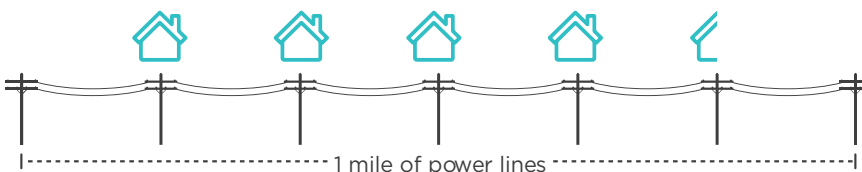
With successful, well-attended Member Appreciation Days in Littlefork and Baudette and our involvement in the local fairs and the Fourth of July parade, 2022 has felt more “normal” than the past few years. Our 2022 annual meeting will be held drive-in style at the Lake of the Woods School again this year. We hope everyone can attend, enjoy some good food and prizes, and see your fellow members on Oct. 7. It's an exciting time to be part of the energy industry and it's an even more exciting time to be a member of North Star! Stay healthy and see you soon!

*President Arnesen and
Manager Compton*

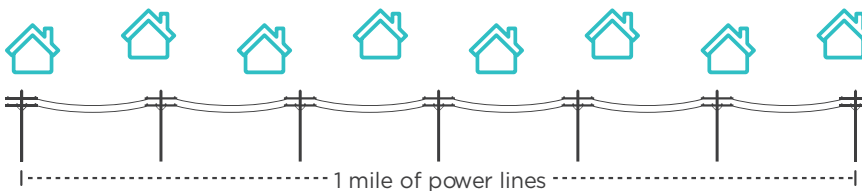
GOING THE EXTRA MILE

Electric co-ops maintain more miles of power lines per consumer than other electric utilities. Even though we power fewer consumers on our lines compared to other utilities, we'll always go the extra mile for you, the consumer-members we proudly serve.

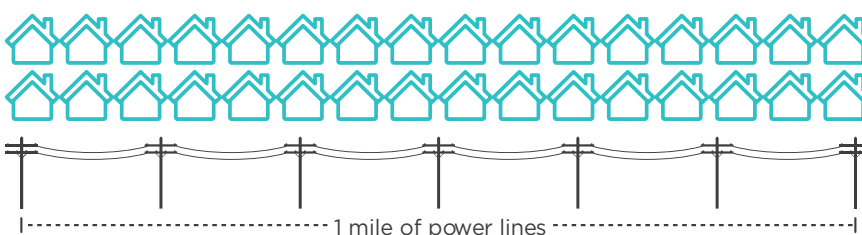
NORTH STAR ELECTRIC COOPERATIVE – Serves 4.6 consumers per mile of line



ELECTRIC COOPERATIVES – Serve 8 consumers per mile of line

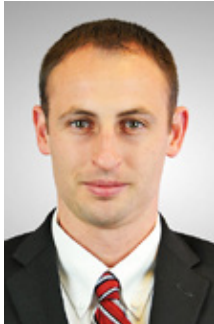


OTHER ELECTRIC UTILITIES – Serve 32 consumers per mile of line





NORTH STAR ELECTRIC EMPLOYEES



Josh Compton



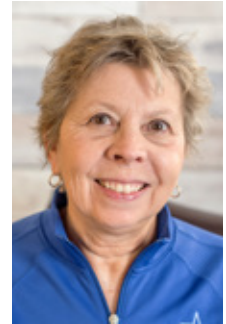
Kevin Holen



Tim Pelach



Robyn Sonstegard



Patsy Olson



Todd Thydean



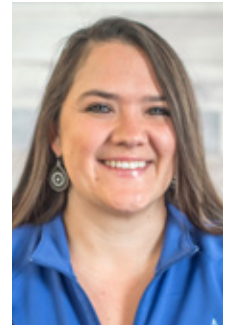
Susan Williams



Glen Marcotte



Todd Higgins



Tessa Strohl



Jesse Huot



Preston Kennedy



Brittany Hanson



Nick Horne



Nathan Zortman



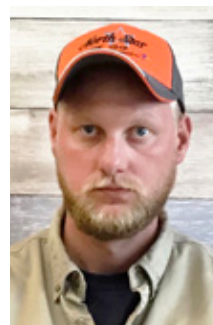
Daniel Fish



Rachel Krohn



Clayton Gubbels



Travis Pederson



Josh Hamm

EMPLOYEE YEARS OF SERVICE



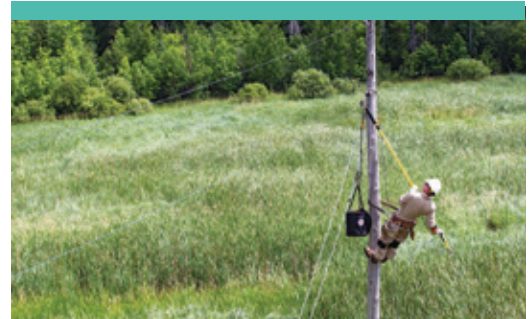
Blake Huwe



Eli Rahier



Brodie Hoffman



	<u>Position</u>	<u>Years of Service</u>		<u>Position</u>	<u>Years of Service</u>
Josh Compton	General Manager	1	Preston Kennedy	Lead Lineman	9
STAFF			Brittany Hanson	Plant Accountant	8
Kevin Holen	Member Services Manager	26	Nick Horne	Journeyman Lineman	8
Tim Pelach	Operations Manager	31	Nathan Zortman	Journeyman Lineman	7
Robyn Sonstegard	Finance Manager	15	Daniel Fish	AMI, Mapping and IT Technician	5
EMPLOYEES			Rachel Krohn	Member Services Representative	4
Patsy Olson	Billing Coordinator	46	Clayton Gubbels	Member Service Electrician	3
Todd Thydean	Line Foreman	34	Travis Pederson	Lead Lineman	2
Susan Williams	Supervisor, District Office Services	34	Josh Hamm	Apprentice Lineman	
Glen Marcotte	Work Order and Procurement Coordinator	20	Blake Huwe	Journeyman Lineman	
Todd Higgins	Line Foreman	19	Eli Rahier	Apprentice Lineman	
Tessa Strohl	Accountant	13	Brodie Hoffman	Part-Time Summer Apprentice Lineman	
Jesse Huot	Line Sub-Foreman	9			

AVOID HIGH NATURAL GAS AND PROPANE PRICES...

Go electric with these money-saving off-peak options!

AIR-SOURCE
HEAT PUMP



ELECTRIC
PLENUM



THERMAL
STORAGE



ELECTRIC
WATER HEATER



CALL YOUR CO-OP TO LEARN MORE!

POWER SUPPLY REPORT

Mac McLennan, *President & CEO, Minnkota Power Cooperative*

The electric industry is in the midst of one of the most challenging and disruptive periods in its history. As the pace of change continues to accelerate, Minnkota Power Cooperative's resiliency is being tested like never before. Extreme weather events, volatile energy markets and changing societal expectations are placing pressure on our organization. But this past year of operation was not defined by hardship and struggle. Instead, it was a success story of how our people responded to adversity with grit, determination and a steadfast commitment to our membership.

Minnkota is committed to providing its 11 member cooperatives, including North Star Electric Cooperative, with reliable, affordable and responsible electricity. To meet this goal, we utilize a diverse mix of coal, wind and hydro resources. While this power portfolio is strong, we do not operate on the electric grid alone. Utilities across the Upper Midwest

are interconnected through the larger Midcontinent Independent System Operator (MISO) grid. Challenges in other areas of this system can and do have impacts on Minnkota and its members. MISO expects to face a high risk of reliability challenges as baseload and dispatchable power plants – including coal, nuclear and natural gas – are retired without adequate replacements.

To date, we experienced limited negative impacts in the MISO market due to the reliable operation of the coal-based Milton R. Young Station, the strength of our power delivery system and the strategic use of the demand response (off-peak) program. The optimal performance of these resources in critical moments is not the result of luck or chance. Years of proactive maintenance, prudent investments, proper weatherization and boundless ingenuity helped ensure our members had electricity when they needed it most.

- Minnkota is committed to providing its 11 member cooperatives, including North Star Electric Cooperative, with reliable, affordable and responsible electricity.

- As we plan for the future, the new systems we put in place are designed to stand up to straight-line winds, blizzards, thunderstorms and other conditions.

- We are also fortifying our relationships with many of the nation's utilities, and other governmental entities, to gain understanding of cybersecurity threats.

The Young Station remains the backbone of Minnkota's current power supply mix and preserving its ability to operate provides strategic value. Major investments have been made in this facility, which have led to its strong availability and performance each year. However, we recognize that we have the potential to face a carbon-constrained or carbon-managed future through policy changes, regulatory requirements or other mechanisms. Although there is tremendous uncertainty, we are working to define our own path forward through the evaluation of Project Tundra – an effort to build the world's largest post-combustion carbon capture project at the Young Station. We have made outstanding progress in the engineering and design of the carbon capture and storage facilities, while working to refine our economic model for the \$1.4 billion project. The vast majority of the project cost will be covered through federal 45Q tax credits, which were recently enhanced by Congress following passage of the Inflation



Major investments have been made in the Milton R. Young Station, which have led to its strong availability and performance each year.



In North Star's area, we are nearly complete with a project to completely rebuild a significant stretch of 69-kilovolt (kV) transmission line from the Williams area to Baudette.

Reduction Act. We will continue to assess Project Tundra in the coming year as we anticipate making a final decision on whether to move forward with construction in 2023.

As our future power supply is coming into focus, we are also continuing our programmatic approach to upgrading and rebuilding our aging power delivery system. Addressing this decades-old infrastructure has helped improve reliability year after year, while also allowing us to add enhanced communication technologies to improve our visibility of the system and respond more quickly when issues arise. As we plan for the future, the new systems we put in place are designed to stand up to straight-line winds, blizzards, thunderstorms and other unforgiving conditions until the end of this century or longer.

In North Star's area, we are nearly complete with a project to completely rebuild a significant stretch of 69-kilovolt (kV) transmission line from the Williams area to Baudette. In 2023, we will begin work on a new substation in the Roosevelt area to improve overall reliability. These projects, along with routine maintenance, will help ensure your area has access to reliable energy well into the future.

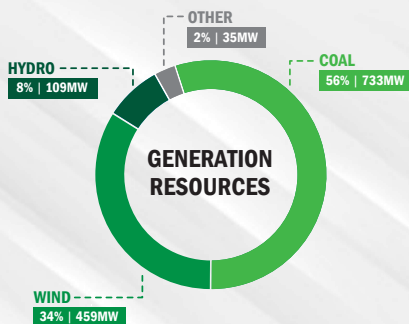
As more technology is added to the grid, cybersecurity has become an essential part of our business. We are in a continual state of assessing our network and systems as threats evolve and become more complex. But technology is only one piece of the puzzle. We are also challenging our employees to prepare for worst-case scenarios and developing processes to respond to numerous events that

could impact business continuity. We are also fortifying our relationships with many of the nation's utilities, and other governmental entities, to gain intelligence and understanding of threats before they reach our doorstep.

From a financial perspective, the strength of our balance sheet has allowed us to maintain stable rates for five consecutive years, while also carrying revenues forward to help manage future power supply decisions and challenging market conditions. Our performance so far in 2022 has also been positive, as our sales are 4.4% ahead of budget – a sign that our regional economy continues to improve following the COVID-19 pandemic.

At Minnkota, resiliency is embedded in our culture. Our people have the courage to face harsh conditions, the vision to build infrastructure that stands the test of time and the ingenuity to advance transformational technologies. But our greatest organizational strength comes from our members' trust and collective vision. We know we must be tough and determined to face the challenges ahead, but we also need to be agile and innovative. Without question, our future will be determined by our ability to work together as cooperatives with a common purpose.

WHERE YOUR POWER COMES FROM



North Star Electric Cooperative provides its membership with reliable, resilient and responsible energy. A strong generation portfolio of coal, wind, hydro and other resources from Minnkota Power Cooperative, North Star's wholesale energy provider, helps meet your 24/7 needs.

2021 INCOME STATEMENT

WHERE IT CAME FROM:

Farms and Homes	\$ 9,873,804
Small Commercial	3,656,810
Large Commercial	820,213
Seasonal	429,273
Street Lighting	30,598
Consumer Penalties & Misc. Electric Revenue	108,095
Rent from Electric Property	56,078
TOTAL REVENUE	\$14,974,871

WHERE IT WENT:

Purchased Power	\$ 8,698,818
Operations <i>(includes supervision, safety, mapping, cable locating, etc.)</i>	629,567
Maintenance of Distribution Plant <i>(includes right-of-way maintenance, outage costs, etc.)</i>	1,082,909
Consumer Accounts	345,260

Consumer Services and Information	309,524
Sales	46,172
Administrative and General	1,274,796
Depreciation	1,283,392
Interest	667,436
Taxes	69,839

TOTAL COST OF ELECTRIC SERVICE **\$ 14,407,713**

OPERATING MARGINS
(Revenue less Expense) **\$ 567,158**

Interest and Dividend Income	38,510
Misc. Nonoperating Margins	44,107
Generation and Transmission Capital Credits <i>(Minnkota Power Cooperative)</i>	177,372
Other Capital Credits and Patronage Dividends	49,974

NET MARGINS **\$ 877,121**



13¢



Driver's license test in an electric vehicle?

You've helped her through hours of practice – now it's time for her driving test. After five miles around town, the evaluator gives her the green light to a license.

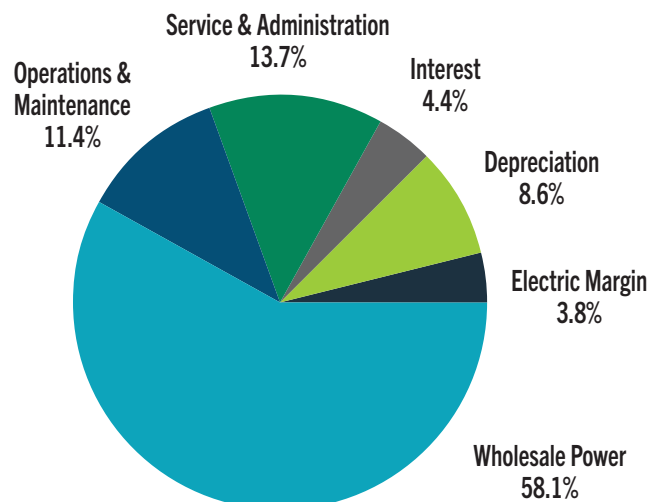
It's a powerful experience, powered by just 13 cents of electric vehicle energy.

That's the value of electricity.



HOW YOUR 2021 DOLLAR WAS SPENT

Revenue from the sale of our service amounted to \$14,974,871 as of the year ending Dec. 31, 2021.



STATEMENT OF FINANCIAL CONDITION

WHAT WE OWN:

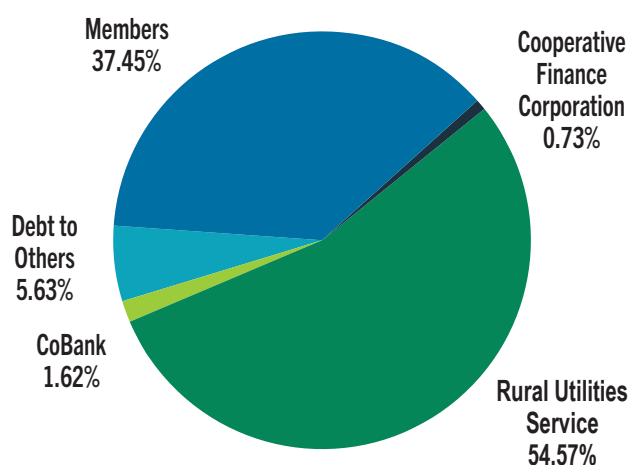
Electric Plant, Buildings and Equipment	\$ 50,583,336
Less Accumulated Depreciation	(17,937,478)
Net Plant Assets	\$ 32,645,858
General Funds	\$ 936,192
Investments	1,675,841
Temporary Investments	3,399,827
Notes Receivable Net	39,791
Receivables	1,787,342
Material and Supplies	602,457
Prepaid Expenses (includes insurance)	81,952
Other Current and Accrued Assets (accrued revenue)	3,900
Deferred Debits (includes engineering studies)	97,686
Total Other Assets	\$ 8,624,988
TOTAL OF WHAT WE OWN	\$ 41,270,846

WHAT WE OWE:

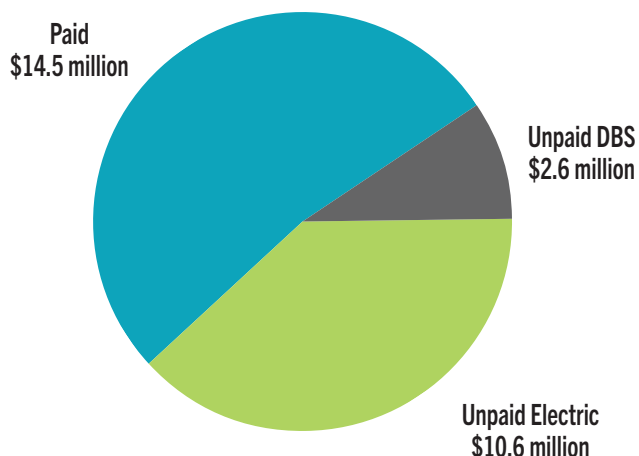
Membership Fees	\$ 27,770
Patronage Capital and Other Equities	15,427,595
Total Member Equity	\$ 15,455,365
Long-Term Obligations	\$ 22,859,254
Current and Accrued Liabilities	
(includes accounts payable, taxes, interest, deposits, etc.)	2,630,783
Deferred Credits (includes member prepayments)	325,444
Total Liabilities	\$ 25,815,481
TOTAL OF WHAT WE OWE	\$ 41,270,846

Balance Sheet for North Star Electric Cooperative as of Dec. 31, 2021

WHO OWNS WHAT



CAPITAL CREDITS (as of Aug. 2022)

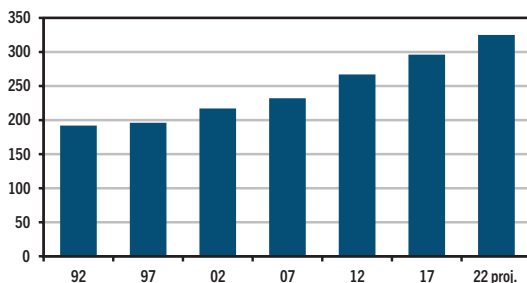


COMPARATIVE OPERATING STATISTICS

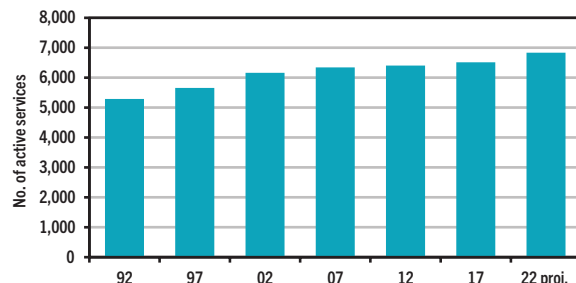
	2017	2018	2019	2020	2021	2022 proj.
Revenues	\$14,713,050	\$15,318,619	\$15,518,647	\$15,187,703	\$14,974,871	\$15,626,223
Cost of Wholesale Power	8,742,381	9,087,856	9,210,217	8,763,420	8,698,818	9,107,961
Operating Expenses	3,344,276	3,754,563	3,307,368	3,802,849	3,688,228	4,016,686
Depreciation	1,315,363	1,218,479	1,297,878	1,249,865	1,283,392	1,324,408
Taxes	77,704	73,428	75,703	79,358	69,839	66,883
Interest	856,583	850,529	861,465	675,582	667,436	639,405
TOTAL EXPENSES	\$14,336,307	\$14,984,855	\$14,752,631	\$14,571,074	\$14,407,713	\$15,155,343
OPERATING MARGIN	\$376,743	\$333,764	\$766,016	\$616,629	\$567,158	\$470,880
kWh Purchased	112,629,479	117,733,425	118,463,330	113,317,173	110,423,269	119,244,886
kWh Sold	105,527,407	109,236,049	111,159,290	106,410,124	102,907,919	112,119,809
Miles of Line	1,442	1,444	1,449	1,452	1,459	1,464
Connected Members	6,513	6,549	6,597	6,655	6,746	6,825
Average Residential Usage*	1,128	1,157	1,153	1,083	1,021	1,092
Average Residential Bill*	158.63	162.83	162.42	157.40	152.46	158.16
Average Residential Rate/kWh* (excludes seasonals)	0.141	0.141	0.141	0.145	0.149	0.145
Average Wholesale Cost to North Star per kWh Sold	0.0828	0.0832	0.0829	0.0824	0.0845	0.0812

* Monthly billed residential accounts

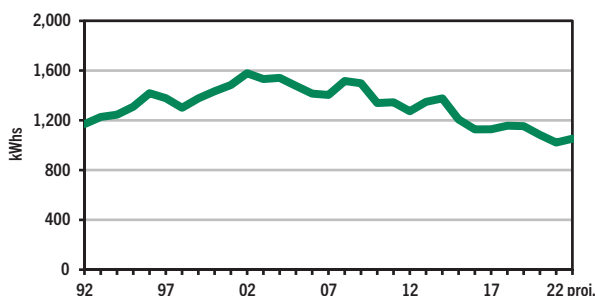
ACCOUNTS PER EMPLOYEE



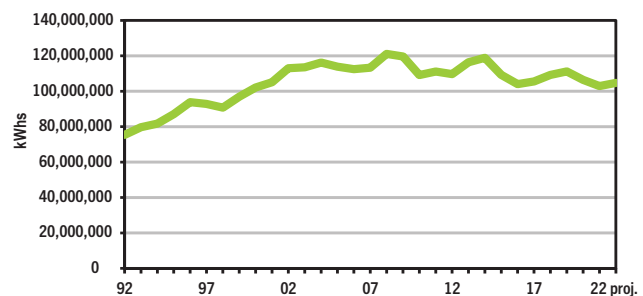
TOTAL ELECTRICAL ACCOUNTS



ELECTRICITY CONSUMED PER RESIDENCE



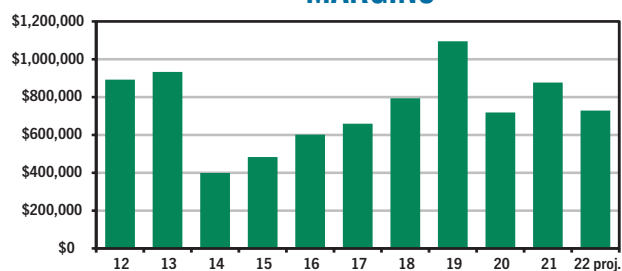
ELECTRICITY CONSUMED CO-OP TOTAL



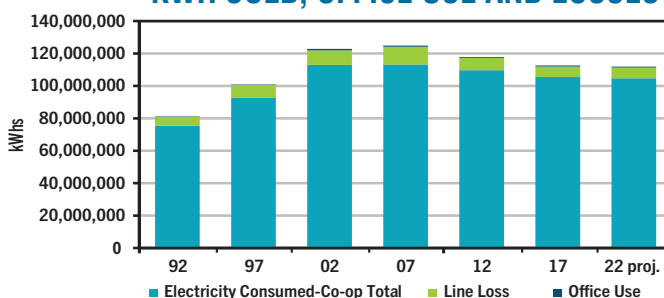
OPERATING COMPARISONS

	New Services	Retired Services	Connects	Disconnects	Net Gain	Sec. Lights Installed	Sec. Lights Removed
2007	69	27	112	189	-8	35	49
2008	62	52	126	188	0	33	45
2009	57	34	119	171	5	35	43
2010	44	70	130	153	21	24	50
2011	41	25	93	133	1	17	48
2012	63	30	97	137	23	21	40
2013	38	20	92	133	-3	18	26
2014	46	26	109	134	21	15	40
2015	65	36	80	112	33	22	32
2016	58	37	87	104	41	17	23
2017	82	58	78	104	56	29	31
2018	100	54	75	116	59	23	23
2019	54	36	88	117	25	16	20
2020	89	43	81	75	95	10	21
2021	119	23	75	87	107	14	21

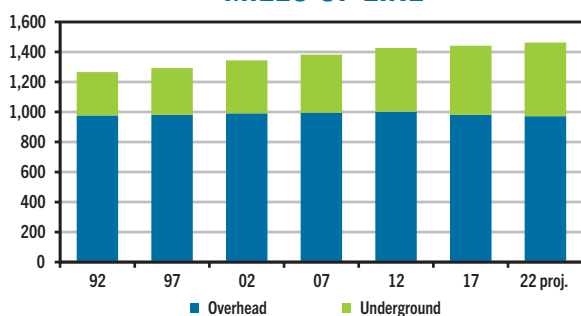
MARGINS



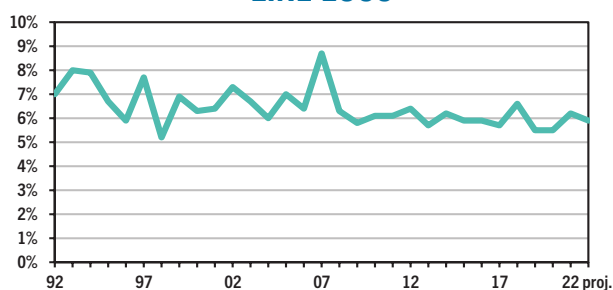
KWH SOLD, OFFICE USE AND LOSSES



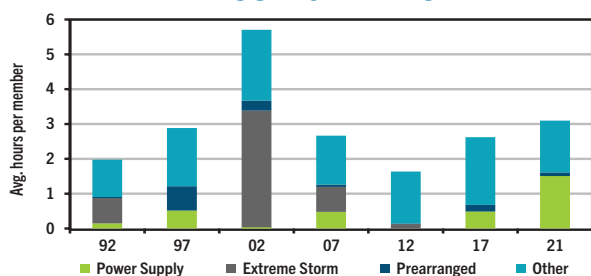
MILES OF LINE



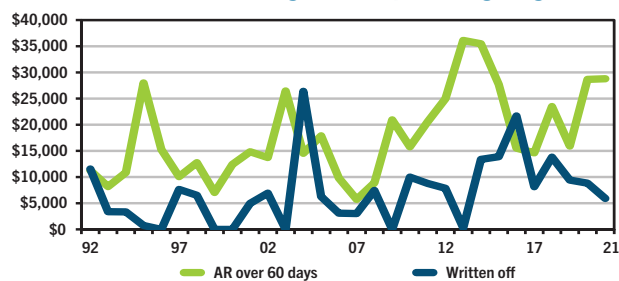
LINE LOSS



OUTAGE TYPES



BAD DEBTS AND WRITE-OFFS



2021 ANNUAL MEETING MINUTES



Annual meeting of the members of North Star Electric Cooperative, Inc., Oct. 1, 2021

The Drive-In Annual Meeting of the members of North Star Electric Cooperative, Inc., was held at the Lake of the Woods School parking lot in Baudette, Minn., on Friday, Oct. 1, 2021, pursuant to the notice of the meeting published in the cooperative's newsletter.

The meeting was preceded by the registration of the members. A pulled pork dinner was served by the West of Border food truck.

President Steve Arnesen welcomed the members to their 81st annual meeting, called the meeting to order at 4:45 p.m., led the meeting attendees in the Pledge of Allegiance and gave the invocation.

President Arnesen reported the number of registered members as 130, which exceeded the minimum requirements of 50 for a quorum.

President Arnesen reviewed a portion of the bylaws stating that district

boundaries are reviewed annually and may be re-aligned to remain equitable. Each director represents approximately 780 members and no boundaries were adjusted this year.

President Arnesen called for a motion to waive the reading of the Notice of the 2021 Annual Meeting and Affidavit of Mailing.

A motion was made, seconded and unanimously carried to approve waiving the reading of the Notice of the 2021 Annual Meeting and Affidavit of Mailing.

President Arnesen called for a motion to waive the reading of the 2020 annual meeting minutes.

A motion was made, seconded and unanimously carried to approve waiving the reading of the minutes of the 2020 annual meeting as presented.

President Arnesen introduced Attorney Sam Schmitz to conduct the election for the directors in District 5 and District 6. Attorney Schmitz introduced the two unopposed candidates, Tom Smith as the only candidate for District 5, and Lorraine Nygaard as the only candidate for District 6.

Attorney Schmitz explained that if a motion was made to cast a unanimous ballot for the reelection of the unopposed candidates in Districts 5 and 6, there would be no need to conduct an election.

A motion was made, seconded and unanimously carried to cast a unanimous ballot for District 5 candidate Tom Smith and District 6 candidate Lorraine Nygaard.

President Arnesen addressed the membership and introduced General Manager Josh Compton.

A request for old business to be presented in writing ahead of time was posted in the Enlightener. There was no old business.

A request for new business to be presented in writing ahead of time was posted in the Enlightener. There was no new business.

Prizes drawn were one \$500 energy credit, an Apple iPad, a FitBit Versa 2 and one \$100 check for a children's coloring contest:

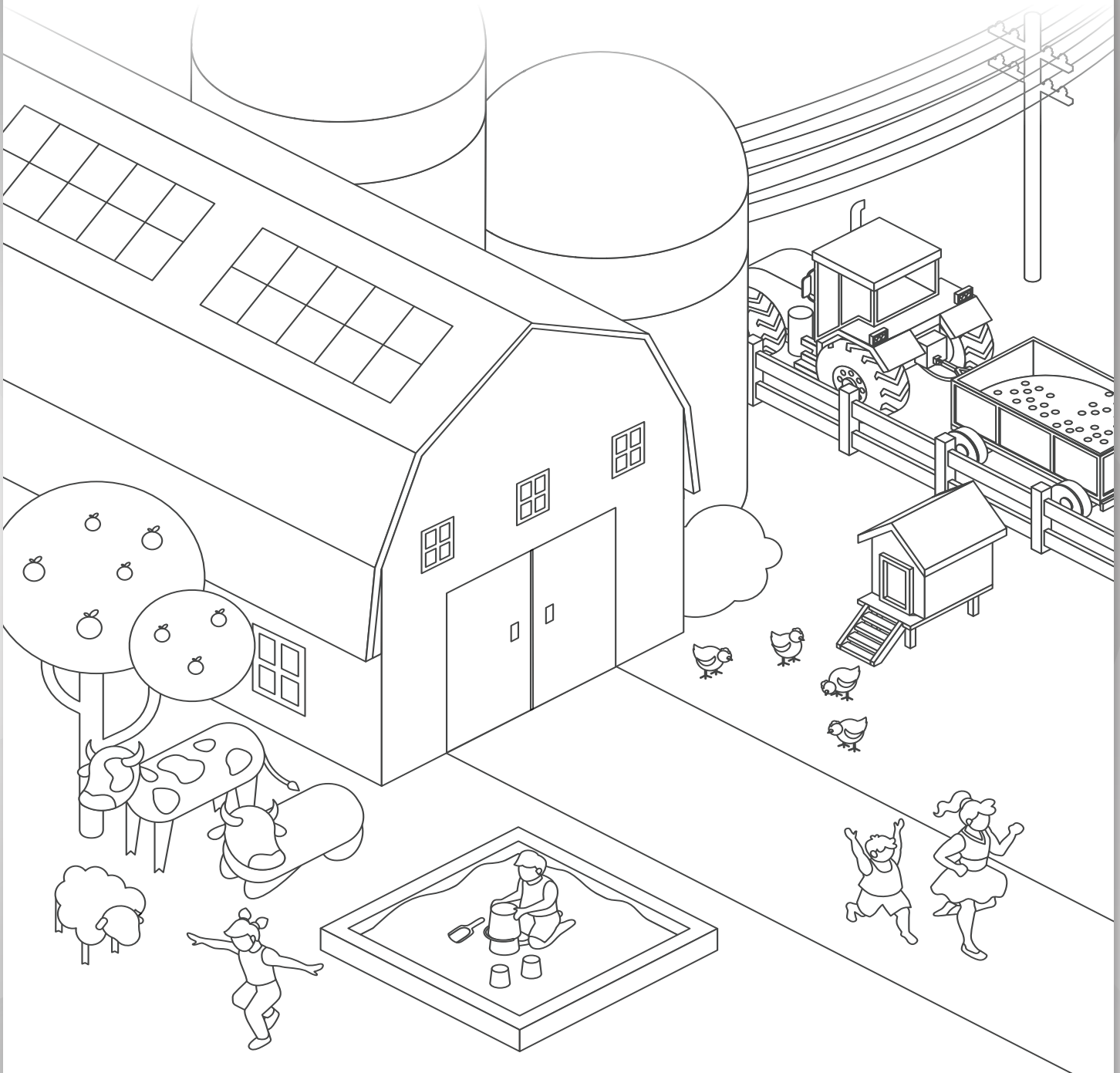
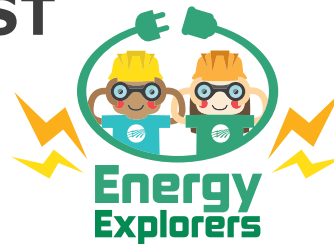
- **\$500 Energy Bill Credit** – Tammy Harris
- **Apple iPad** – Linda Hansen
- **FitBit Versa 2 Smartwatch** – Roger and Eileen Cordrary
- **\$100 Check** – Grady Onstad (son of member Kyle and Joanna Onstad)

There being no further business, a motion was made, seconded and unanimously carried to adjourn the meeting at 4:57 p.m.

KIDS' COLORING CONTEST

Farm Safety and Health Week

Farm Safety and Health Week is Sept. 18-24! Whether you live on a farm or in the city, always play it safe near power lines and other electrical equipment.



Child's name

Parent's name



EPA CANNOT USE GENERATION SHIFTING TO REGULATE CO₂

In a landmark decision, the U.S. Supreme Court ruled June 30 that the Environmental Protection Agency (EPA) cannot require “generation shifting” as a method to regulate carbon dioxide (CO₂) emissions from coal-based power plants.

Under the 6-3 ruling, the court determined that Congress did not give EPA the explicit authority under Section 111(d) of the Clean Air Act to set emissions caps at a level that would force a nationwide transition away from the use of coal to generate electricity. This concept of generation shifting would have

required a reduction of coal-based generation in favor of resources that produce fewer emissions, such as wind and solar.

The case – West Virginia vs. EPA – was prompted by the Clean Power Plan, which set broad emissions reduction targets for the power sector in 2015 but was stayed by the Supreme Court before it took effect. The rule would have had significant operational and financial impacts on Minnkota and its membership. EPA still retains the authority to regulate CO₂ emissions from coal-based power plants, and it is anticipated that a new proposed rule

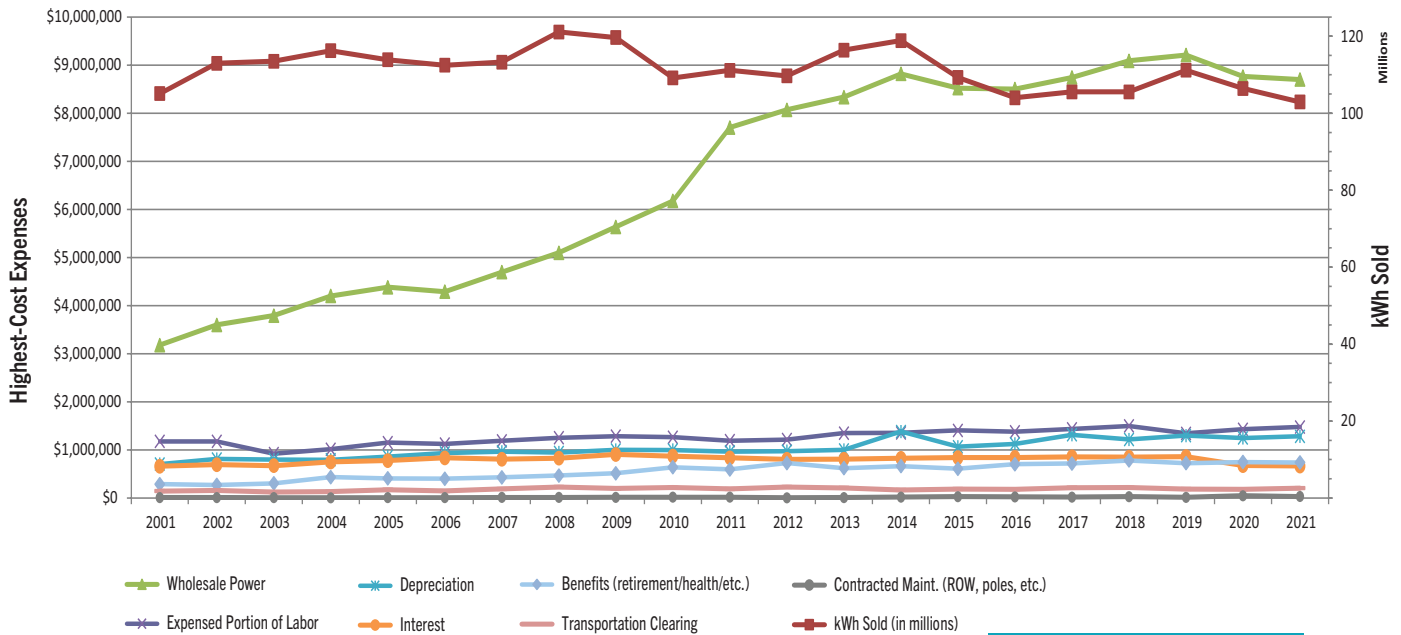
will be released in March 2023. Based on the Supreme Court’s decision, the proposal will most likely focus on the best system of emissions reduction at each individual source.

“Minnkota Power supports the Supreme Court’s decision,” said Mac McLennan, Minnkota president and CEO. “Coal remains a vital part of our energy mix and it has become increasingly important during times of grid instability. We recognize the potential of living in a carbon-managed world and remain committed to supporting technology development to help us reduce our carbon footprint.”



HIGHEST-COST EXPENSES *(compared to kWh sold)*

These lines represent our largest expenses for the last 21 years. Cost of power is the quickly climbing line despite the fact that the number of kWh sold were rather unchanged since 2002. Wholesale power, per kWh, stabilized in 2013 and 2014. The lines along the bottom include labor, depreciation, interest, benefits and transportation.



2021 Average Residential Electric Rates (cents per kilowatt-hour; data shows year-to-date rates as of December 2021)

**2022 North Star
Electric Rate
(projected)
14.25¢**

West North Central

12.21

Iowa	12.75
Kansas	12.93
Minnesota	13.42
Missouri	11.49
Nebraska	10.85
North Dakota	10.83
South Dakota	12.25

Mountain

12.08

Arizona	12.55
Colorado	13.13
Idaho	10.18
Montana	11.25
Nevada	11.50
New Mexico	13.62
Utah	10.50
Wyoming	11.20

Pacific Contiguous

18.01

California	22.85
Oregon	11.33
Washington	10.09

East North Central

14.10

Illinois	13.24
Indiana	13.46
Michigan	17.53
Ohio	12.78
Wisconsin	14.55

New England

21.51

Connecticut	21.86
Maine	17.03
Massachusetts	22.91
New Hampshire	19.86
Rhode Island	22.30
Vermont	19.27

Middle Atlantic

16.49

New Jersey	16.37
New York	19.44
Pennsylvania	13.79

South Atlantic

12.24

Delaware	12.56
District of Columbia	13.13
Florida	12.01
Georgia	12.60
Maryland	13.14
North Carolina	11.50
South Carolina	13.18
Virginia	12.14
West Virginia	12.16

East South Central

11.83

Alabama	13.08
Kentucky	11.51
Mississippi	11.73
Tennessee	11.15

West South Central

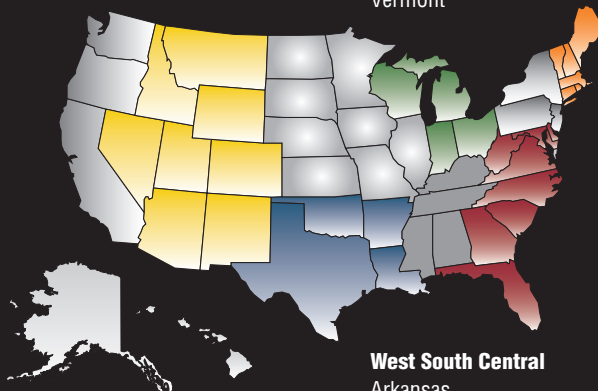
11.89

Arkansas	11.32
Louisiana	11.04
Oklahoma	12.27
Texas	12.06

Pacific Noncontiguous

28.80

Alaska	22.58
Hawaii	33.30



Source: Energy Information Administration

This is your Express Registration ticket. Please bring it to the meeting.



2022 ANNUAL MEETING AGENDA

Lake of the Woods School | Baudette, Minn. | Friday, Oct. 7, 2022

- 4-4:45 p.m.** 1. – Drive-up registration, receive gift and takeout dinner
(Express registration lane for those bringing this addressed page of the Enlightener)
– Park in school parking lot and face the school
– Tune radio to 94.5 FM
– Kids complete \$100 activity drawing
- 4:45 p.m.** 2. – Flag raise signals beginning of meeting
3. – Welcome and call to order..... Steve Arnesen, *President*
(Kids' activity pages collected by employees)
4. – Approve minutes of the 2021 annual meeting
5. – Introduction of board candidates
6. – Election of directors
(Districts 2 and 7 are uncontested. District 3 is contested.)
7. – Financial report..... Robyn Sonstegard, *Finance Manager*
8. – Guest speaker Sam Schmitz, *Minnkota Legal Counsel*
9. – Manager's report..... Josh Compton, *General Manager*
10. – President's report Steve Arnesen, *President*
11. – Old and new business
(If there is something you would like addressed, please submit it in writing before meeting)
12. – Prize drawings (must be present to win)
Greenworks electric pressure washer, Apple iPad, \$200 energy credit, \$100 kids' coloring contest
13. – Adjourn



Annual meeting gift for ALL attending members –

Bucket with North Star Electric Cooperative logo



ANNUAL MEETING PRIZES

GRAND PRIZE

Greenworks Electric Pressure Washer

1 – Apple iPad (Silver, 64 GB and 10.2")

1 – \$200 Energy Credit

1 – \$100 Kids' Coloring Contest

Thank you for participating in YOUR annual meeting!

OFFICE HOURS | 7:30 A.M. - 4 P.M. | MONDAY - FRIDAY

Baudette 218-634-2202 or 888-634-2202 | **Littlefork** 218-278-6658 or 888-258-2008

For credit card payment 855-874-5354 | **Online billing** info available via SmartHub app

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E-mail us at nsec@wiktel.com | **Visit our website at** northstarelectric.coop

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Like your cooperative for outage updates during autumn storms and other useful info.

 /northstarelectric

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