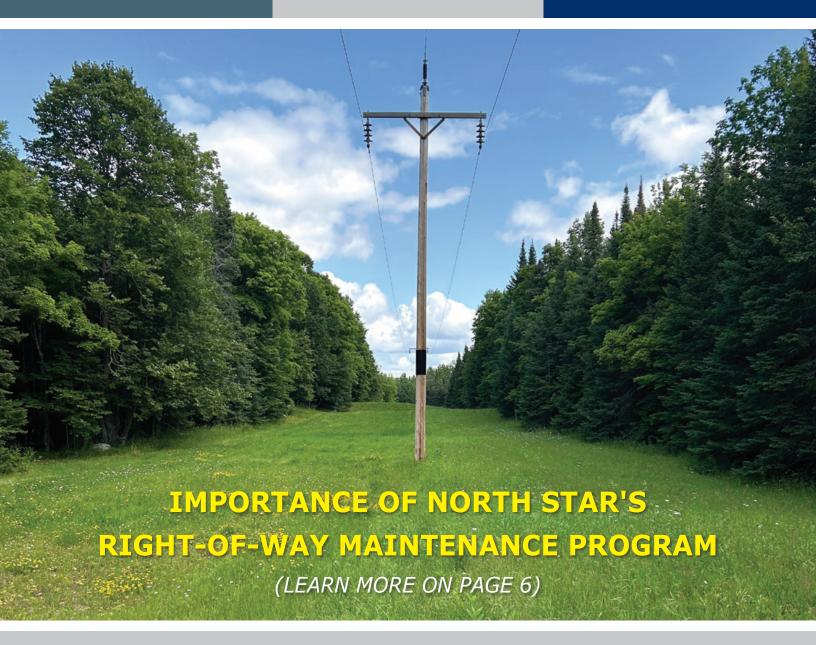
BAUDETTE | MINNESOTA

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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.



REPORT FROM YOUR GENERAL MANAGER 2025 RATE ADJUSTMENTS – EFFECTIVE APRIL 1, 2025



Kevin Holen General Manager

North Star Electric Cooperative's board of directors approved an overall rate increase of 7.8% at the January 2025 board meeting. This was necessary to address the impact of Minnkota Power Cooperative's wholesale

rate increase of 8.6% and the rising costs of electrical distribution equipment.

For the last six months, North Star has taken an extensive look at all rate classes with outside consultants and our management team. We have not had a detailed rate review performed since 2008. Needless to say, many things have changed since then. Whether it's the cost of a dozen eggs or a pound of hamburger, everything has been impacted, and your electric cooperative is not immune to these increases.

Growing economic pressure

We do not take rate increases lightly. That's why Minnkota and North Star Electric Cooperative work together to ensure rate adjustments are thoroughly vetted and assessed before action is taken by the member-governed boards.

Minnkota has worked alongside its membership to keep electric rates stable since 2017, even as prices on the materials to generate and transmit power began to skyrocket. Since 2020, the cost to build a mile of 69-kilovolt power line has risen 40%, and we've seen a 67% increase in the cost of transformers. And that's just the start. Some material costs have risen more than 200%. For the sake of our members, we found efficiencies to ease that extra burden through the most volatile times. However, Minnkota has reached the point where a rate increase is the only way they can balance reliable service and financial responsibility.

North Star and Minnkota aren't alone in facing supply chain and inflationary pressures. Many utilities in our region and across our nation are considering or implementing rate increases to recover the higher cost of materials, equipment and services.

- Many utilities in our region and across our nation are considering or implementing rate increases to recover higher costs.
- We are driven by service, not profit. We only raise rates when necessary to be able to continue to provide quality service to you.

North Star remains a competitive power supplier, and we are well positioned to continue providing safe, reliable and sustainable electricity.

As your general manager, I will always remember that we are driven by service, not profit. We only raise rates when necessary to be able to continue to provide quality service to you, our memberowners. We will continue providing more details on the changes.

As always, our commitment to transparency continues. Feel free to contact your cooperative with any questions.

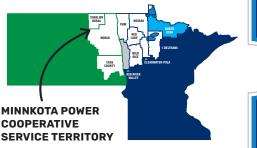
Stay safe, Kevin

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YOU'RE A PART

OF A BIGGER

SYSTEM.



As a member-owner of North Star, you have a voice in how the cooperative works to keep the lights on. But you're not just part of your local electric cooperative – you are a part of a much larger system. Minnkota Power Cooperative is your wholesale electric supplier owned by North Star and 10 other distribution cooperatives in eastern North Dakota and northwestern Minnesota.

HOW ARE MINNKOTA AND NORTH STAR DIFFERENT?

Generation & Transmission vs. Distribution - Minnkota generates the electricity and sends it to substations in our region. North Star sends that power to individual homes and businesses.

Ownership - While YOU own North Star, Minnkota is owned by 11 electric cooperatives. **Board of directors -** North Star's board is made up of members like you! Minnkota's board is comprised of board directors from each of its cooperatives within the system.

WHAT MAKES THEM THE SAME?

Same end goals and shared values – Minnkota and North Star work with the same goals in mind and share the same cooperative values to safely deliver the most reliable and affordable electricity.

HIGHLIGHTS FROM THE BOARDROOM

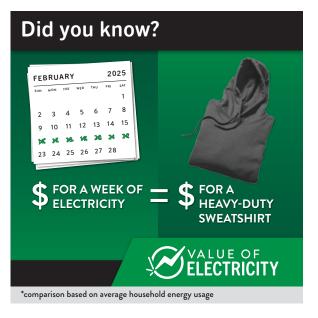
These are the highlights from the Dec. 11, 2024, regular board meeting. All board members were in attendance (413-32-006-01, Mike Otis). In addition to approving routine actions, the board voted to set the date for the next annual meeting for Oct. 3, 2025, to approve RUS agreements and forms pertaining to the new construction loan application, to approve the 740C cost estimates and loan budget for the 2024-2027 construction work plan, and to appoint Richard Ferguson as director of District 6 until

the next election at the 2025 annual meeting.

Staff reports included the safety report, the review of the 2025 budget, the monthly financial report, work plan projects for 2025, work order inspections, pole testing, rightof-way spraying, Littlefork digger truck replacement, the NISC staking class attended by line foremen, outages, winter load control, ripple receiver inspections and repairs, distributed generation, offpeak installations, electric equipment sales, the 2025

annual meeting, the cost of service study, and a review of the strategic planning session.

Detailed minutes are available at the cooperative for member review. Regular board meetings are generally held the first Wednesday of every month. If you wish to speak with the board or have an item that you would like to have placed on the agenda, please contact the co-op at least two weeks in advance to be included on the agenda.



PARENTS OF HIGH SCHOOL SENIORS

If you are a current member and a parent or guardian of a high school senior, remember that along with encouraging your student to enjoy their last moments of high school, also encourage them to participate in our Cooperative Knowledge Scholarship competition this spring. This scholarship competition is funded with unclaimed capital credits and is a great



way for North Star to support the youth throughout our service area. North Star will award one \$1,000

scholarship and four \$500 scholarships to the students who score highest on the test. Students scoring 60% or better on the test will be entered into a drawing for eight \$100 cash prizes. The odds are good based on the number of students who typically compete.

OFFICERS AND DIRECTORS

PresidentSteve Arnesen

Vice President Michael Hanson Secretary-Treasurer Shelley Spears **Directors**Randy Bergan
Richard Ferguson
Douglas King
Tom Smith

General Manager Kevin Holen

DIGGING SOON?

One free, easy call gets your utility lines marked and helps protect you from injury and expense. Safe digging is no accident.

ALWAYS CALL BEFORE YOU DIG: 811 or 800-252-1166. VISIT WWW.CALL811.COM FOR MORE INFORMATION.



LOOKING FOR SOMETHING?

Past issues of the Enlightener are on our website at

www.northstarelectric.coop



OPERATION ROUND UP® CONTINUES
TO HELP LOCAL ORGANIZATIONS

At the January meeting, \$9,080.00 in Operation Round Up funds was distributed to various qualifying programs and organizations in the area, including:

| Friends of Zippel Bay State Park \$500 |
|---|
| Lake of the Woods Food Shelf\$1,000 |
| Williams Youth Recreation \$200 Association |
| Scouting America\$2,000 |
| Rainy River First Responders \$2,000 |
| Big Falls Community Food Shelf \$1,000 |
| Servants of Shelter of\$680 Koochiching |
| Northern Options For Women \$900 |
| Williams Senior Citizens Day Center \$800 |
| TOTAL\$9,080 |

The North Star Electric Community Trust board met in January to review the Operation Round Up® applications, which it received requesting funding for various programs. The board awarded \$9,080.00, so it was not an easy task selecting which groups would get funding and what amount they would



receive. Many local programs and organizations benefit from Operation Round Up, a voluntary, member-driven fundraising program of North Star Electric Cooperative, Inc., that is designed to provide financial assistance for worthwhile projects and charities in the area. Donations are given to organizations to help make the area a more pleasant and safe place to live. All funds for Operation Round Up are contributed by the member-owners of North Star, and the money is placed into a trust fund that is separate from electric accounts. The trust is administered by its own board of directors comprised of people from across the area.

Operation Round Up directors are appointed by North Star's board members and must be members of the cooperative. The cooperative's general manager is a nonvoting member of the board.

Organizations from the area may apply for a donation from the Operation Round Up Trust. The applicant must be charitable in nature and be working to meet a need in our area (373-11-025-01, Chanda Gebhardt). The Operation Round Up board meets twice a year and decides if an application meets the guidelines of the trust and if funds are available.

If a member chooses to be part of Operation Round Up, their bill is "rounded up" to the next highest dollar. For example, if a bill is \$96.47, the computer will round up the bill to \$97. The additional 53 cents will be placed in the trust and distributed to local charitable and community-based programs.





ADVOCATING FOR OUR MEMBERS

NORTH STAR ELECTRIC COOPERATIVE WILL BE ACTIVE IN THE MINNESOTA LEGISLATIVE SESSION

As a member-owned electric cooperative, we take our responsibility to deliver reliable and affordable electricity to heart. With the start of the Minnesota legislative session in January, we want you to know that we will be actively advocating on your behalf to ensure that the policies shaping the state's energy future prioritize fairness, reliability and affordability.

The political landscape in the state presents a unique opportunity for compromise and collaboration. With the House and Senate both almost equally divided between Republicans and Democrats, effective governance will depend on bipartisan efforts to address critical issues. Your electric cooperative and our partners are committed to ensuring that our voices are heard in these discussions.

One of the key policy priorities we will address is the reform of Minnesota's net metering standards. These regulations govern how we interconnect with and compensate individual members who install and operate their own renewable energy generation systems, such as rooftop solar. These standards were first implemented in 1984 to advance renewable energy efforts. However, much has changed since then, and it is time to update this outdated policy to reflect today's energy landscape. Let us explain why this issue is so critical and what it means for you, our member-owners.

With Minnesota's mandate for carbon-free electricity by 2040, net metering incentives have become expensive and redundant. Utilities are already charged with reducing carbon emissions and these expensive incentives are unneeded to achieve the same goal. Net metering is also ineffective since it forces cooperatives to pay retail rates for energy they could purchase at cheaper wholesale prices. Additionally, generating electricity from small distributed solar systems is more costly than from larger utility-scale projects.

Finally, net metering is inequitable. It leads to cost-shifting, where those without distributed systems end up paying more to cover the costs of maintaining the grid. Those who can afford these systems are generally wealthier, leaving low-income members to face the brunt of the cost increases. Studies show that in Minnesota, this disparity is growing, with affluent households increasingly dominating solar installations. Reform is essential to prevent financial strain on those least able to bear it.

Policy decisions can and have had a significant impact on how we provide service to our members. As this legislative session moves ahead, we'll keep you informed of any changes or concerns that emerge. As always, we value your feedback and will continue to advocate for policies that support a balanced, reliable and affordable energy future for everyone.

PROBLEMS PAYING YOUR ELECTRIC BILL?

ENERGY ASSISTANCE MAY BE AVAILABLE!

If you recently lost your job or had your hours cut, the following agencies may be able to help you with your electric bill. You may have never needed help before, but maybe today you do.

LAKE OF THE WOODS COUNTY SOCIAL SERVICES

206 8th Ave SE, Suite 200 Baudette, MN 56623-2895 218-634-2642

NORTHWEST COMMUNITY ACTION COUNCIL

PO Box 67 Badger, MN 56714-0067 800-568-5329

KOOCHICHING COUNTY COMMUNITY SERVICES

1000 5th St International Falls, MN 56649-2243 218-283-7000

KOOTASCA COMMUNITY ACTION, INC.

Grand Rapids, MN 55744-3984 Toll free 877-687-1163 Direct 218-999-0800 Fax 218-999-0220

ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

703 3rd Ave S Virginia, MN 55792 800-662-5711

STAFF REPORT – RIGHT-OF-WAY MAINTENANCE PROGRAM



Tim Pelach
Operations Manager

Greetings, everyone.

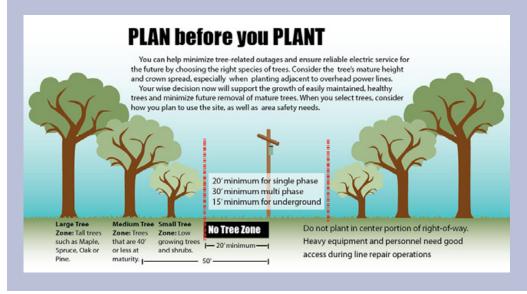
Nobody likes it when the power goes out, and on North Star Electric's system, the No. 1 cause of power outages is trees falling on the power lines. Part of our right-of-way maintenance program involves clearing the right of way of trees growing under the lines and trying to cut down the danger trees that could potentially fall on the line. This work typically happens in the winter when the ground is frozen and it's easier to get the machinery where it needs to be.

As an electric utility, there are certain guidelines we are required to maintain regarding our clearances to the lines. We try to maintain

20 feet of right of way on each side of the poles, or 40 feet total (429-02-125-51, Greg Thompson). In addition, we also try to take care of any trees outside of this area that are dead or leaning heavily toward the line and are in danger of falling on it.

One of the hazards associated with falling trees on power lines is the potential of starting a fire when the conditions are right. This seems to be happening more and more these days, and the utility is left responsible for the damages.

To avoid a catastrophe in areas with a lot of trees, some utilities are shutting off power to those areas when potential bad storms or lightning is in the forecast until conditions get better. I hope it doesn't get to that for us, and we will continue to do our part by keeping that right of way as clean as we can. That's all for now, Tim





NORTH STAR ELECTRIC POLITICAL LEADERS

FEDERAL LEGISLATORS

President Donald Trump The White House 1600 Pennsylvania Ave. NW Washington, D.C. 20500 www.whitehouse.gov 202-456-1111

Senator Amy Klobuchar 425 Dirksen Senate Building Washington, D.C. 20510 www.klobuchar.senate.gov 202-224-3244; Fax: 202-228-2186

Senator Tina Smith 720 Hart Senate Office Building Washington, D.C. 20510 www.smith.senate.gov 202-224-5641

Congresswoman Michelle Fischbach, U.S. House (7th District) 1004 Longworth House Office Building Washington, D.C. 20515 fischbach.house.gov 202-225-2165; Fax: 202-225-1593 Congressman Pete Stauber, U.S. House (8th District) 145 Cannon House Office Building Washington, D.C. 20515 stauber.house.gov 202-225-6211

STATE OF MINNESOTA LEGISLATORS

Governor Tim Walz 130 State Capitol 75 Rev. Dr. Martin Luther King, Jr. Blvd. St. Paul, MN 55155 651-201-3400

Minority Leader Senator Mark Johnson (01, R) 2401 Minnesota Senate Building St. Paul, MN 55155 651-296-5782 sen.mark.johnson@senate.mn

Senator Steve Green (02, R) 2319 Minnesota Senate Building St. Paul, MN 55155 651-297-8063 sen.steve.green@senate.mn Senator Grant Hauschild (03, DFL) 3111 Minnesota Senate Building St. Paul, MN 55155 651-296-1789 sen.grant.hauschild@senate.

Representative Bidal Duran, Jr. (02A, R)
Centennial Office Building (Second Floor)
St. Paul, MN 55155
651-296-4265
rep.bidal.duran@house.mn

Representative John Burkel (01A, R) Centennial Office Building (Second Floor) St. Paul, MN 55155 651-296-9635 rep.john.burkel@house.mn

Representative Roger Skraba (03A, R) 221 State Office Building St. Paul, MN 55155 651-296-2190

CURRENT ELECTRICAL INSPECTORS

State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection and be inspected by a Minnesota electrical inspector. For more information, go to the Minnesota Department of Labor and Industries website (dli.mn.gov) and go to the electrical page.

ST. LOUIS and KOOCHICHING COUNTIES

Brian Johnson 612.757.9458

Call to set up an appointment 7 a.m. - 8:30 a.m., Monday - Friday

LAKE OF THE WOODS and ROSEAU COUNTIES

Ronald Ditsch

651.368.2195
Call to set up an appointment
7 a.m. - 8:30 a.m., Monday - Friday

HOME COOKING

Game Day Taco Dip

This dip is super simple, loaded with flavor and is a guaranteed hit at any party. It's made with a cream cheese and sour cream base, and finished with classic toppings.

Prep Time 10 mins Chill Time 20 mins **Total Time** 30 mins

Servings 8-10

INGREDIENTS

- 8 ounces cream cheese
- 8 ounces sour cream
- 1 package (1¼ ounces) taco seasoning
- 1 package shredded lettuce
- Tomatoes, chopped
- 1 package finely shredded cheddar cheese
- 1 bundle scallions, chopped

- 1 can sliced black olives
- 1 avocado, chopped
- 1 can (4 ounces) diced green chilies

INSTRUCTIONS

- 1. Soften cream cheese and whip with sour cream using a mixer until smooth.
- 2. Spread mixture onto a shallow platter and chill (this step can be done ahead of time before the event).
- 3. When ready to serve, layer the



remainder of the ingredients as they are listed here (you can omit or add another favorite).

4. Serve with tortilla chips or corn chips.

From the kitchen of North Star Electric Cooperative.

Receive a \$20 energy credit if you submit a recipe and it is selected to run in a future issue of the Enlightener newsletter.



CONNECT YOUR PORTABLE GENERATOR



GenerLink

GenerLink provides members a safe and easy way to connect their portable generator during outages.

- No rewiring needed
- Ready to use when you need it
- Flexibility and control to select what you want to run using your home's circuit panel
- North Star's electric technicians will install the device at your electric meter

Contact North Star for more information and current pricing at **218-634-2202**.



North Star is now selling portable generators.

Contact our office for more details.

UPCOMING DATES/EVENTS



North Star Electric's Baudette and Littlefork offices will be closed on Monday, Feb. 17, in observance of Presidents Day.



North Star will hold its next monthly board meeting on Wednesday, March 5. Please contact us ahead of time if you would like to be added to the agenda.

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 855-938-3492 | Online billing info available via SmartHub app

Electrical after-hours emergencies 1-888-60UTAGE (1-888-668-8243)

Email us at nsec@wiktel.com | Visit our website at northstarelectric.coop

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'LIKE' US ON FACEBOOKTO STAY UP TO DATE

Like your cooperative for outage updates during the winter season and other useful information.

This institution is an equal opportunity provider and employer.