

Powerlines

January 2023



Looking back on 2022 and ahead to 2023

by General Manager Steve Stroshane

Happy New Year from your electric co-op. We're grateful for your support in 2022, and we look forward to a remarkable 2023, as we celebrate Polk-Burnett's 85th anniversary with you. This is a time to honor our history, while moving toward the future with care and consideration.

Since 1938, the co-op has been driven by a mission that's member and community focused. We follow a strategic plan to meet industry changes and member expectations. Our action plans are aligned with four strategic priorities:

- * Reliable power
- * Competitive rates
- * Employee safety and development
- * Member satisfaction

In this month's column, I'd like to review 2022 performance and share a preview of what's ahead for 2023.

Investing in reliable power

In 2022, our construction work plan invested \$6.3 million in the electric system to reduce the number and length of power outages for members.

System outages averaged less than one hour per member for the year. (See back for more.)

We also completed a meter upgrade in 2022, with 26,000 new meters installed across the system.

In 2023, your co-op will invest another \$6.3 million to ensure reliable power:

- Converting 23 miles of overhead power line to underground.
- Replacing 18 miles of aging overhead line.
- Replacing 10 miles of deteriorating underground cable.
- Upgrading substation equipment, so power can be rerouted quickly during outages.
- Clearing trees and brush from rights-of-way to improve safety and reduce outages.

New electric services are up

2022 was another strong year for new construction. Polk-Burnett is on pace to install the highest number of new electric services in recent history—with 316 new service connections through the end of November!

While construction in our service territory is positive for economic development, the co-op is experiencing the same growing pains you're seeing in your homes and businesses—rising costs and supply chain difficulties.

Moving with care to energy that's clean and cost-effective

Polk-Burnett supports a sustainable transition to clean energy and we're gradually investing in local solar to become less reliant on volatile energy markets. In 2022, we announced Georgetown Solar, a second utility-scale solar project for our service area. Polk-Burnett is partnering with Seattle-based OneEnergy Renewables to develop a 15-acre solar site in Georgetown, about 10 miles east of our Centuria office. The 2 MW solar array will generate about 4,500,000 kWh of electricity annually, enough to power 375 homes.

This will not only bring more renewable energy to the system, but it will also relieve overloading on substation equipment and help offset power market costs.

Rising power cost leads to rate increase in 2023

In 2022, we experienced rising prices in the power market. My December column alerted members that the electric cooperative is passing through power cost adjustment (PCA) charges on electric bills, due to the rising cost of fuel and materials to generate and deliver electricity.

In 2023, we are expecting a 6.5% increase in the wholesale cost to purchase power. This will lead to a rate increase for members in 2023.

The co-op will need additional revenue to cover our power bill: *58% of all revenue collected from members is used to buy wholesale power.*

We are working on a plan to eliminate and defer other expenses to minimize the impact for members.

While it may seem to some that rates have increased over the years, *we have not needed to collect more revenue with a rate increase since 2010.*

During the past 12 years, the employees and directors have held electric rates steady, and the co-op was able to absorb millions of dollars invested into the electric system without a rate increase, including 2011 and 2019 storm restorations, a systemwide meter upgrade and our annual power line construction work plan to keep us in the top 25% of all co-ops for reliability.

Overall, it's been a successful decade of progress and improved reliability without a rate increase. We will do our best to minimize the impact of inflation on your electric bill, and we will keep you informed.

Not in business to profit

On a brighter note, when power costs are favorable, Polk-Burnett will continue to pass a PCA credit to members. And as a cooperative, we will continue to retire Capital Credits annually. In April 2022, the board approved a special Capital Credit distribution of \$1 million, followed by our regular Capital Credits of \$2.28 million in November. Watch for 2023 Capital Credits next fall.

I'm also proud to say that Polk-Burnett gives back to our community in ways that do not impact your electric rates. In 2022, Operation Round Up achieved a milestone of \$1,000,000 in giving since its beginning in 1998, thanks to the generosity of members who round up! Grants are awarded quarterly to nonprofits that improve our local quality of life.

Polk-Burnett also awarded \$77,500 in scholarships to the Class of 2022, with 62 students each receiving \$1,250 to continue their education. Co-op scholarships are given to sons and daughters of co-op members, and are funded with unclaimed Capital Credits. You can see all Operation Round Up and scholarship winners on polkburnett.com.

Electricity is a value we depend on

There is never a good time to share the news that electricity rates are rising, but it's important to be open and honest, so members know what to expect.

Our mission for the past 85 years has been to deliver safe, reliable electricity to power your lives. We will continue to keep you informed, and deliver extraordinary service and value for your dollar.

Please call us at 800-421-0283, or visit our office or website to learn about co-op programs that can help you save energy and money this New Year, including billing options, EnergySense rebates and SmartHub to track and manage your energy use.



LOCAL. RELIABLE. MEMBER OWNED. COMMUNITY FOCUSED.



Introducing outage text alerts for co-op members

We know that power outages are inconvenient and can cause problems for you and your family, your businesses and farms. You've told us that you want better communication when your lights go out. We're listening and responding.

Beginning in March, Polk-Burnett will launch a new outage text alert program for co-op members. If we have your cell phone number, we'll send you a text alert when the power goes out at your location.

1. Receive a text when the power goes out at your location.
2. Receive text updates with outage cause and estimated restoration time, when possible.
3. Receive a text when power is restored at your location.

"A text is a simple way for us to let you know about an outage at your farm, home, business or cabin," said Operations Manager Jesse Seering. "Our goal is to restore power safely and efficiently, while keeping you informed."

Members will receive your first text when you have an outage at your location. You will not be charged for text messaging, and you can opt out at any time.

Make sure your account information is up to date, especially your cell number, to stay in the know if your power goes out. Update your account on SmartHub, polkburnett.com (My Electric Account menu) or call 800-421-0283, ext. 335.



Reliable power: Less than one outage hour per member

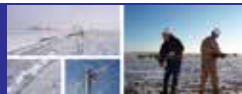
Polk-Burnett employees work hard to keep your lights on, with members experiencing an average of less than one hour without power per year, excluding storms and major events. Some outages impact a single member, while others impact several hundred members. *Our goal is to reduce the number and length of outages for all members, and when the power goes out, crews respond quickly to restore outages, while keeping you informed.*

The most common type of outage is a planned outage. These are necessary power interruptions to safely rebuild portions of the electric system. Planned outages impact a small number of members and can last from a couple minutes to a couple hours. Each year, the co-op schedules about 800 planned outages for work across the system.

The most impactful outages are substation or transmission line outages. These range from a nesting bird causing trouble at a substation to a tornado causing widespread damage to transmission lines. These are called power supply outages and they can impact more than 1,000 members at a time. In a normal year, we experience less than five power supply outages.

Other common causes of power outages include animals, trees, car accidents, dig-ins that damage underground lines, lightning and equipment failure.

Outages caused by underground cable faults have greatly reduced, thanks to our underground cable replacement program. We are proactively replacing deteriorating cable and have improved reliability from about 20 underground outages a year to just three underground outages in 2022.



If your lights go out this winter, see live outage map on polkburnett.com.

Report outages on SmartHub or 800-421-0283.

Keep away from fallen power lines, trees and branches near power lines.



Winter load control moves to morning

Load control participants: We'd like to thank you for participating in the co-op's load management program to reduce electricity when demand and prices are high. Beginning this winter, control times for winter load management have changed. You may not notice these changes, but we wanted to keep you informed. Winter full load control will now occur in the morning. In addition, there is a possibility for economic control of electric heat in the evenings this winter. The best way to follow control times is to

sign up for load management notifications on our website, polkburnett.com. Please contact us if you have questions about control times or details about load management in your home, 800-421-0283, ext. 595.



Run for a seat on the co-op board

Polk-Burnett holds elections each spring for the co-op board of directors. This year, board positions in co-op districts 1, 2 and 3 will be on the ballot. Members in those districts have an opportunity to get involved in co-op decision making by running for a seat on the co-op board. Directors serve three-year terms and represent all co-op members at monthly meetings.

If you are interested in running for an open board position in district 1, 2 or 3, contact the general manager's office, 800-421-0283, ext. 313. The deadline to apply is March 3.

Learn more about Polk-Burnett's board of directors and see map of co-op districts on polkburnett.com.



Keep your propane tank clear of ice and snow

As a courtesy to your propane driver, please maintain a path to your LP tank and keep your tank clear of snow and ice to allow propane to vaporize properly. Polk-Burnett Propane reminds you to check your tank percentage from time to time this winter, even if you're on auto-fill, and contact us if your tank is at 30% or less. Call Polk-Burnett Propane if we can assist with propane deliveries to your home or business, 800-421-0282, ext. 378 or 411.

Save energy and money with co-op rebates

Polk-Burnett's EnergySense program offers rebates and incentives to help you improve energy efficiency and comfort in your home, while lowering your electric bills. Visit polkburnett.com or call 800-421-0283, ext. 318, for rebate forms.

- Appliance, Appliance Recycling and Lighting Rebate
- HVAC, Air Source and Geothermal Heat Pump Rebate
- Commercial and Ag Efficiency Rebate
- Renewable Energy System Rebate
- Marathon Water Heater Special Member Price
- EV Charger Rebate
- Rebate on Home Performance Test and Subsequent Home Improvement Upgrades



IF YOU RECEIVE AN EMAIL SURVEY, WE APPRECIATE YOUR FEEDBACK TO HELP US IMPROVE.

All members who submit a survey will be entered in a drawing for a \$50 bill credit.

Polk-Burnett is your local Touchstone Energy Cooperative. Reliable power with efficiency and extraordinary service.

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