

Spotlight

September 2023



FROM THE BOARD ROOM

July 2023 Board Meeting Highlights



Monthly Reports:

Operations reported that Country Jam went off with no issues, even with the uncooperative weather. There was an extra lineman on call for the event in order to reduce response time if an outage occurred.

It was reported that a new lineman was hired. Dunn Energy welcomes Brett Pauly to the cooperative family! It was also reported that the cooperative has put a track vehicle and a bucket truck up for sale on our website. The bucket truck was sold for the asking price within 12 hours. It was also reported that tree clearing for the planned rights-of-way has been completed under budget and vegetation management spraying has begun.

The CFO reported that irrigation sales totaled almost 2 million kWh's in June, breaking the previous June sales record of 1.5 million kWh's in 2021. Year-to-date the cooperative is on budget in terms of sales (-0.86% from budget) and revenues (-0.80% from budget).

The CEO/General Manager gave an update on the grants the Cooperative has applied for. Dunn Energy completed a letter of intent in the PACE (Powering Affordable Clean Energy) program grant application with OneEnergy Renewables. This project would be a 2.5 MW solar installation located in the southern part of our service territory. We are currently waiting to hear from the Department of Energy on whether or not we will be encouraged to complete the full PACE grant application. Singerhouse also gave an update on the change in costs for the Wisconsin Energy Cooperative News magazine, as well as updates on educational meetings for directors and staff.

The following items were approved:

- Minutes of the June 2023 Board meeting
- Capital credit estate payout for deceased members.

- Audit committee report of all checks, ACH payments, wire transfers, credit card statements, and investments accounts.
- Non-union compensation adjustment

Other Business:

Director Zwiefelhofer reported on Dairyland Power activities for the month.

Reviewed the monthly report of new Cooperative members.

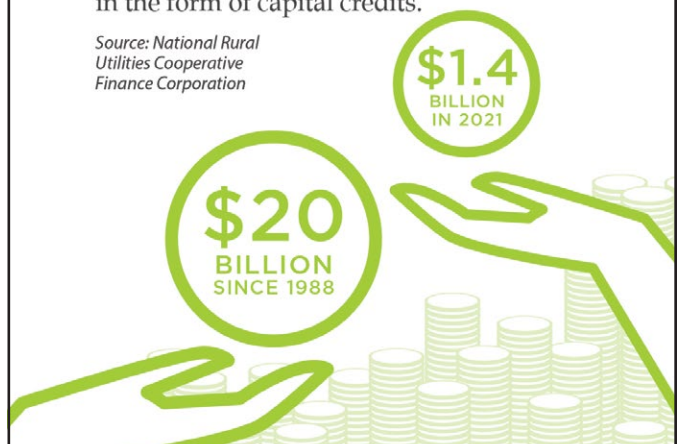
Reviewed the monthly governance video that discussed Board Meeting Minutes

Did You Know?

Electric cooperatives have retired \$20 billion to members since 1988 – \$1.4 billion in 2021 alone.

Because electric co-ops operate at cost, any excess revenues (called margins) are allocated and retired to members in the form of capital credits.

Source: National Rural Utilities Cooperative Finance Corporation



See your September energy bill for your 2022 capital credit allocation.

CAPITAL CREDITS: THE COOPERATIVE DIFFERENCE

Dunn Energy is a cooperative, which means we're more than just an electric provider and you're more than just a customer. Our members are owners with a financial interest in the cooperative, and capital credits are one of several benefits unique to cooperative membership.

Dunn Energy Cooperative (DEC) is a not-for-profit cooperative owned by its members. When revenues exceed expenses, the cooperative doesn't technically earn profits; instead, it earns margins. Each year, these margins are assigned to our members in proportion to the amount of electricity billed to them during that year. These capital credits reflect your ownership in DEC, but are not immediately returned to you. The cooperative uses capital credits to fund operating activities and reduce borrowing, with the intent of repaying them to you in later years.

How are capital credits calculated?

The amount of capital credits you earn in a given year is based on the amount of capital you contribute to the cooperative through payment of your monthly electric bills and the amount of operating margins realized by the cooperative. Basically, the more electricity you use, the greater your ownership in DEC and the larger your capital credits allocation will be.

How often will I receive an allocation notice?

You should receive an allocation notice annually after the finances for the previous year have been audited and the cooperative's books have been closed. If your DEC account is active, you'll see the allocation amount on your capital credit check. If you are no longer a member of DEC, you'll receive notice of the allocation by letter.

Do I have to be a member for an entire year to earn capital credits?

Capital credits are calculated based on the amount you are billed for electricity. If you are billed for service for even one month, you will accumulate some capital credits if DEC earned margins during that year.

What's the difference between allocated and retired capital credits?

Allocated capital credits appear as an entry on the permanent financial records of the cooperative and reflect your ownership in DEC. When capital credits are retired, a check or bill credit is issued to you and your ownership in the cooperative is reduced. After reviewing the cooperative's finances, the DEC Board of Directors determines the method, basis, priority and timing of all capital credits retirements.

Can I receive my capital credits allocation now?

Capital credits allocations are simply a record of your ownership in the cooperative. Because the capital is not held in an account and is reinvested to support operating activities, the entire balance cannot be retired to you at once.

Can I use the capital credits that have been allocated to me to pay my electric bill?

Because capital credits have no cash value until the DEC Board of Directors calls for the retirement of a previous year's allocated capital credits, they can't be used to pay your current bill. Your electric bill is due now, but you may not be entitled to receive your capital credits for many years.

What happens to my capital credits when I leave the cooperative?

Your capital credits remain on the books in your name and member number until they are retired. Because payments are made years after capital credits have been allocated, you should be sure that we always have your current mailing address. We may retire capital credits outside the normal schedule for retirements when the cooperative receives proper notification that a member or former member is deceased.