



ENERGY UPDATES FROM YOUR COOPERATIVE



By Jesse Singerhouse, General Manager

There have been some changes in the energy industry locally that I would like to take some time to update you on.

First the good news. The Wisconsin State Legislature recently passed a new two-year state budget. This budget was signed into law by the Governor and

will run from July 1, 2025, through June of 2027. The budget contained a provision that will eliminate the state sales tax on residential electricity. Currently there is no tax on electricity used for your home from November – April, but you pay tax on your energy used from May - October. The bill we sent out July 1, which was for the energy you used in June, was still taxable as the budget did not go into effect until the first of July. Our staff is working with the State on official guidance on how and when we remove the state sales tax on residential electricity. So, you may still see tax for a bit longer. Also keep in mind that energy used for things other than your residence is still taxable unless you have an approved tax exemption on file for your farm or business.

Second is the not so good news. Over the past few months, you may have noticed a power cost adjustment change (PCA) on your bill. We have used the PCA several times over the years to give refunds to our members when the price of

energy is much lower than expected as well as charge more when the price of energy climbs unexpectedly. The PCA is a direct charge or credit from our power supplier, Dairyland Power Cooperative, and is not a reflection of local costs. It is simply a reflection of the volatility, positive or negative, in the energy markets. The largest driver of the increased cost

Natural gas is one of the main fuel sources for power generation, so as natural gas prices go up, our power costs follow.

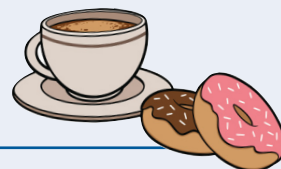
for energy lately has been higher natural gas prices. Natural gas is one of the main fuel sources for power generation, so as natural gas prices go up, our power costs follow. Natural gas and solar energy are good partners in electricity production. Solar energy, when it is being produced, lowers the demand for natural

gas. But natural gas and other baseload sources of energy are still needed when the sun isn't shining. There has also been a large increase in demand for liquified natural gas (LNG) in the export market. As demand increases and supply remains steady that leads to a price increase. (140019198)

In volatile energy markets, the PCA helps us to not permanently change the cost of power. While no price increases are good, by using the PCA the cooperative is only passing through the extra cost of energy. Because we are a cooperative, we have a responsibility to our members to only charge what we need to in order to keep the cooperative financially healthy. That is the cooperative difference in action.

Working for You

You're Invited to THE POWER CONNECTION: CONVERSATIONS WITH YOUR COOPERATIVE



Do you like breakfast snacks? Do you like learning about things that directly affect your pocketbook? Do you have an hour and a half, 6 days a year to hang out with others who also like breakfast snacks and learning?

If you said yes to the above, you might just be interested in our newest learning offer!

The Power Connection: Conversations with Your Cooperative is five sessions over 6 months. Each month we take a deep dive into the cooperative business model, the grid, the challenges and opportunities the future will deliver, and more.

Each session is a short presentation and a lot of conversation. Our aim is not to present at you, but to offer topics and have discussions with you to learn more about our members' perspective.



There are a limited number of spots available for this course. If you are interested in participating, please contact our office by emailing info@dunnenergy.com or calling 715-232-6240.

Broad topics that were covered in the first class were:

- What sets cooperatives apart from other businesses
- Reliable, Affordable, and Responsible Energy
- Managing electric load across the regional grid
- How DEC bills vs. how DEC is billed from the power provider, and the challenges it provides
- Cooperative financials, weather, and capital credits
- Future opportunities and challenges including legislation, renewable energy, electric vehicles, member participation

DUNN ENERGY COOPERATIVE – UNCLAIMED CAPITAL CREDITS

As we get closer to fall and the time to send out capital credit checks or apply credits to electric bills, we wanted to recap what capital credits are and what happens to them when they aren't claimed. In years past, several issues of the *Wisconsin Energy Cooperative News* were dedicated to listing several pages of members who we've lost track of over time. With the pages allocated, we can no longer effectively list those names. If you remember, last year the names were printed so little they were almost impossible to read. We have decided it's time to go electronic. You can find that listing on our website at dunnenergy.com.

On the next page, you'll find comprehensive questions and answers on who gets capital credits, why they get them, and when to expect them.

But what happens when we can no longer find previous members to send them their check? We will mail a postcard to them at their last known address and hope it gets forwarded to the right address, and we'll advertise that we're looking for them. Should they contact us, we'll send them their check for unclaimed funds in October with the regular retirement of capital credits.

If you happen to know someone on the list, please contact them and tell them that we're looking for them. It's better for us to hear from them. That way we can verify their identity and discuss their membership. If you know someone on the list that has passed away, please let their next of kin know, so the executor of

the estate can contact us. We can only discuss the matter with the executor.

As a reminder, if you plan to move, make sure to let us know your forwarding address so we can continue to send you your checks.

Dunn Energy Cooperative has unclaimed patronage capital funds for former members of Dunn Energy Cooperative. Funds for these people have been unclaimed for three years. In accordance with cooperative bylaws, no less than 60 days after this publication the unclaimed funds shall be forfeited from the cooperative to be used for student scholarships or charitable purposes. The list of names is published on our website: www.dunnenergy.com. On the main menu under About Us select Capital Credits, you will find a button for the List of Unclaimed Capital Credits.

If you do not have access to our website online, you may request a listing by contacting our office during regular business hours. If you know the whereabouts of these former members, please ask either the individual member or the executor of the estate to contact us at 800-924-0630. Regular business hours are from 8 a.m. – 4:30 p.m., Monday – Friday. If you prefer email, address your message to info@dunnenergy.com.



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 later.

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 larger your capital credits allocation will be. (5926001)

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 will only receive your capital credit check (or bill credit) in October of each year.

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.

Here's how capital credits work:



01

Your cooperative keeps track of how much electricity you purchase and how much money you paid for it through the year.

PATRONAGE



02

At the end of the year, your cooperative completes a financial analysis and determines the amount of excess revenues.

MARGINS



03

Your cooperative allocates the margins to members as capital credit based upon their electricity use during the year.

ALLOCATION



04

When the financial condition of your cooperative allows, the board approves a portion of your capital credits to be paid out.

GENERAL RETIREMENT



05

Your cooperative notifies you of how and when you'll receive your capital credit retirement.

COOPERATIVE BENEFIT

SAY HELLO TO YOUR NEW DIRECTORS!

At the Annual Meeting in May, members of the cooperative elected two new directors to the board of Dunn Energy Cooperative, Diane Traxler Fredrick and Patrick Lindgren. Both directors, coming from differing backgrounds, have joined our other board members in supporting their community and their cooperative.

Diane Traxler Fredrick, originally from Menomonie, grew up on a 140-acre farm in rural Dunn County. In a fun connection with our cooperative, Diane's father, Gene Traxler was the first editor for Dunn Energy's local pages in the Wisconsin REA News, the predecessor to this magazine. He held that role for nearly 15 years. Her father, who remembered when the lights came to their farm, often reminded her of how electricity improved rural life. This, in part, was a driving force behind



Diane Traxler Fredrick

her interest in becoming engaged with Dunn Energy and running for the board of directors.

Working for an investor-owned utility, Diane had a successful career as a distribution engineer in both gas and electric standards, where she helped develop construction standards and budgets, including gas pipe sizing, mapping, and equipment selection for 12.47 kV lines. It was with retirement that Diane and her husband, Scott, moved back to the family farm. You'll see Diane around more as she also serves as the current president of the Menomonie Sunrise Rotary Club, as well as sits on the committees of the Community Foundation of Dunn County and the Class of 1976 Menomonie High School reunion.

Patrick Lindgren, on the other hand, is a transplant. That's if you call someone who's "only" lived in Dunn County since 1991 a transplant. Originally from Loyal, Wis. Pat went to UW-River Falls for a degree in Animal Science. He got his first job out of college working for an artificial inseminator thinking he'd just spend a little time in the profession before finding his career. 39 years later he retired in the same profession, making friends and connections with local

farmers along the way.

Pat, and his wife Lisa (a Sand Creek native) made a life with their two kids, Sarah and Amanda, in the community that he served. You may have seen him coaching girls' basketball and softball somewhere along the way. Or out bowling, fishing, or golfing. Pat has been a staple in the agricultural industry for nearly four decades. We're happy that in retirement he found time to run for the Dunn Energy board.



Patrick Lindgren

In the years to come you'll see their faces at our annual meetings, member appreciation events, and more. They are your newest ears to bend and voices at the table of your cooperative.

Diane and Pat, welcome to the co-op family!

Hidden Account Numbers

If you find your account number hidden in the pages of this magazine and you call and tell us before the next issue is mailed, we'll put a **\$50 credit** on your electric bill. Happy hunting!

Last month's winners were Ann Munsinger & Tali Lee and Gerald & Betty Wienke.

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Jolene Fisher, Editor



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