

JOIN US FOR OUR 2021 **Annual Meeting** NORTHERN PLAINS ELECTRIC COOPERATIVE

**MONDAY, JUNE 21, 2021
RUGBY HIGH SCHOOL**

**5:00-6:00 p.m. - REGISTRATION/MEAL
6:00 p.m. - BUSINESS MEETING**

- ENJOY A FREE MEAL CATERED BY GROVE CATERING & DESSERT BY DUCHESSA GELATO.
 - TWO \$500 LUCK-OF-THE-DRAW SCHOLARSHIPS TO HIGH SCHOOL SENIORS, CLASS OF 2021.*
 - ELECT 3 MEMBERS TO SERVE ON THE BOARD OF DIRECTORS.
 - LEARN ABOUT COOPERATIVE NEWS AND ACTIVITIES.
 - DOOR PRIZES AND CASH DRAWINGS.
- *MORE INFORMATION AT NPLAINS.COM
OR CALL 1-800-882-2500

ENTERTAINMENT BY



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NORTHERN PLAINS Electric Cooperative

Your Touchstone Energy® Cooperative





Seth Syverson, left, and Tracy Boe

A message to the members

BY GENERAL MANAGER SETH SYVERSON
AND PRESIDENT TRACY BOE

What more can we say than 2020 was a difficult year for all of us and one that we all hope is behind us. The pandemic affected every part of our lives and we've all had to adjust to the new "normal." With all the challenges and obstacles faced throughout the year, we are happy to report that overall, Northern Plains Electric Cooperative had a stable year.

By and large, the growth of the cooperative was flat in 2020, with membership growth increasing 0.5% and energy sales down 0.8%. The cooperative maintains a conservative budget and we were successful in keeping our operating expenses down to help offset the reduced revenue from kilowatt-hour (kWh) sales. The financial targets and covenants were successfully met, with the cooperative ending the year with equity of 38%. In addition, the board of directors approved the retirement of \$1,018,298 in capital credits to the members of the cooperative. This now totals \$5,223,056 in the past five years which the cooperative has returned to its members.

The impacts from the pandemic resulted in many changes to the cooperative operations, with the

primary goal to keep both our employees and our members safe. Modifications to office workspaces, virtual meetings, adjustments to crew interactions and ensuring safe communications with members were some of the adjustments to the operations of the cooperative. As this created some difficulties, we were able to successfully continue to provide safe, reliable service to the membership, along with keeping all of our employees in good health.

The 2020 annual meeting was held as an in-person meeting, but was kept to business only to accommodate the safety guidelines at that time. We are happy to state the 2021 annual meeting is planned to be back to a more normal setting and will be held in Rugby this year. The cooperative will again utilize mail-in ballots for voting purposes to ensure all members have an opportunity to participate in the democratic process.

Safe and reliable power is a top priority of the cooperative and a strong maintenance program of the 6,700 miles of distribution lines helps ensure outage times are kept to a minimum. Approximately 58% of our facilities are overhead line, which is why we continued with our pole inspection program in 2020. Inspections were completed on 8,130 poles throughout the north half of our service territory and 342 poles were considered rejects. These poles have since been replaced and will help ensure reliable power during extreme weather conditions. 2020 was the cooperative's second year out of a 10-year inspection cycle.

Replacement of aging underground facilities and capacity improvements were the majority of the construction activities, in addition to many overhead to

underground conversions. A three-phase distribution line north of Pingree was replaced due to age and a new three-phase feeder was installed for capacity in the Bisbee area.

Our transmission provider, Central Power Electric Cooperative, continues to focus on reliability and redundancy with the completion of the West Jamestown substation and the rebuild of 28 miles of transmission line in the Bowdon and Carrington service area. In addition, Central Power completed the construction of a new 10.3-mile transmission line in the Jamestown service territory that will eventually allow for a looped transmission system for the entire south side of our service territory.

Northern Plains was able to maintain rates throughout 2020 and aims to keep rates firm throughout 2021. Overall electric rates have been stable, with that last increase taking place in 2018 to the monthly facility charge. Our wholesale power costs also look to be stable in the near term, but as we plan for the future there are more uncertainties to what will be a viable generation supply with a carbon-constrained future. Our power supplier, Basin Electric Power Cooperative, is taking an all-of-the-above approach to ensure the needs of its members are met now and in the future. Basin is considering all options and available technologies that will help reduce our carbon footprint and to maintain rates.

With 2021 upon us, we have started to see activities return back to normal and an increase in member activity across our service territory. We would like to mention the rolling blackouts forced by the Southwest Power Pool (SPP) in February due to the extreme cold

weather event across the nation. Approximately 6,800 member services had power interrupted due to load shedding of 14 substations. Analysis of the event is ongoing and review of the procedures and policies by SPP and Western Area Power Administration (WAPA) that resulted in the outages will be required to mitigate this type of event in the future.

In closing, 2020 had its fair share of difficulties and the cooperative was successful in navigating through them all. We look forward to continuing to serve all of our members and to having a strong

and successful 2021. We want to thank all of the cooperative's employees for their dedication and commitment throughout the past year, dealing with all of adjustments in the workplace and in their family life. Each and every employee is essential for ensuring that the cooperative provides safe, reliable and affordable power.

Please mark your calendar for the annual meeting scheduled for Monday, June 21, in Rugby. We look forward to seeing you and thank you for your continued support in the cooperative. ■

Summary of proposed bylaw change

The Northern Plains Electric Cooperative board approved a change to the cooperative's bylaws. The amendment will be presented at the upcoming annual meeting on June 21 in Rugby. Each member will be sent a ballot and may either vote by mail or present their ballot in person at the annual meeting. To amend the bylaws, approval from the majority of members who provide a vote is required.

The amendment will modify how the cooperative may utilize nonoperating margins:

- Nonoperating margins are constituted as any revenue reduced by expenses which are not generated from the furnishing of electricity to its members.

- Nonoperating margins may include interest earned on general investments or on loans issued for economic development.
- The amendment will allow the cooperative to utilize the nonoperating margins to offset costs or expenses of the cooperative and reduce the need to use loan funds and increase long-term debt.
- Interest expense on long-term debt is one of the cooperative's largest expenses and a reduction in long-term debt will further help stabilize electric rates.

Bylaw Excerpt 802 Patronage Capital in Connection with Furnishing Electric Energy

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital.

The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by the patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to one's account. All such amounts credited to capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, **and (b) to the extent not needed for that purpose,** allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided, **or (c) be credited to a general unallocated reserve which may be utilized for any other purpose determined in accordance with generally accepted account principles as determined by the board principles as determined by the board.**



1

Nonoperating margins: Income derived from the cooperative's non-electric services. This includes interest from general investments or from loans issued for economic development.



2

The cooperative may use the nonoperating margins to pay down debt and offset the need for additional loan funds.



3

A reduction in long-term debt and interest expense will further help stabilize rates.

2019-2020 Operations Statement & Balance Sheet

Balance sheet

As of Dec. 31, 2020 and 2019

ASSETS AND OTHER DEBITS

	2020	2019
Total Utility Plant	\$ 144,063,954	\$ 140,362,271
Accumulated Depreciation & Amortization	\$ -60,611,112	\$ -58,115,834
Net Utility Plant	\$ 83,452,842	\$ 82,246,437
Total Other Property & Investments	\$ 33,318,766	\$ 33,158,915
Cash & Temporary Investments	\$ 16,219,121	\$ 13,762,940
Material, Accounts Receivable		
Notes Receivable and Other Assets	\$ 5,573,853	\$ 7,110,715
Total Assets	\$138,564,582	\$136,279,007

LIABILITIES AND OTHER CREDITS

Long-term Debt	\$ 75,010,661	\$ 75,303,776
Other Liabilities (Accounts Payable, Deposits, Regulatory, Taxes)	\$ 10,852,720	\$ 11,384,205
Total Liabilities	\$ 85,863,381	\$ 86,687,981

MEMBER EQUITY

Patronage Capital	\$ 37,238,922	\$ 34,429,923
Total Margins for the Year	\$ 3,882,605	\$ 3,769,864
Other Equities	\$ 11,579,674	\$ 11,391,239
Total Net Worth	\$ 52,701,201	\$ 49,591,026
Total Liabilities & Equity	\$138,564,582	\$136,279,007

Statement of operations

As of Dec. 31, 2020 and 2019

INCOME

Electrical Sales	\$ 42,982,811	\$ 42,892,309
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EXPENSES

Purchased Power Cost	\$ 28,222,284	\$ 28,741,379
Distribution Operations	\$ 1,743,932	\$ 2,179,781
Distribution Maintenance	\$ 1,929,714	\$ 1,485,810
Customer Accounts Expense	\$ 466,424	\$ 464,122
Customer Service & Sales	\$ 200,388	\$ 190,720
Administrative & General	\$ 2,064,543	\$ 1,950,133
Depreciation Expense	\$ 4,189,925	\$ 4,035,164
Tax Expense	\$ 337,750	\$ 365,816
Interest Expense	\$ 2,463,300	\$ 2,469,601
Other Expense & Deductions	\$ 38,305	\$ 20,023
TOTAL EXPENSES	\$ 41,656,565	\$ 41,902,549

MARGINS

Operating Margins	\$ 1,326,246	\$ 989,760
Interest Income	\$ 665,813	\$ 812,174
Other Nonoperating Margins	\$ 22,182	\$ - 6,073
G&T/Other Capital Credits	\$ 1,868,365	\$ 1,974,002
TOTAL MARGINS	\$ 3,882,606	\$ 3,769,863

Capital credits

What are capital credits?

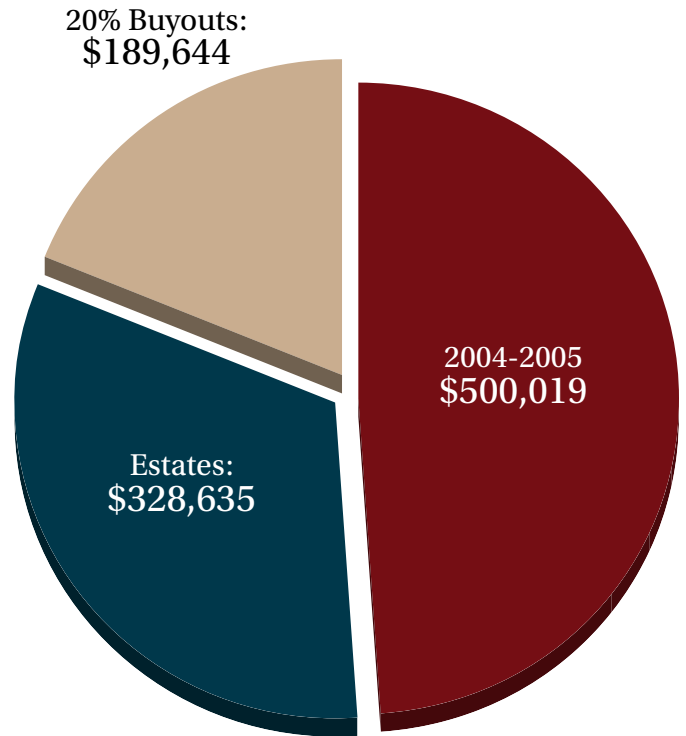
Northern Plains Electric is a cooperative, owned by its members. That means the co-op doesn't earn profits. If the co-op earns more revenue than it needs to do business, the co-op returns that money to its members.

Who receives capital credits?

This year's capital credit checks were paid to members who purchased electricity from the co-op in 2005 and 2006. The amount of the check depends on how much electricity the member purchased.

2020 capital credits paid

100% of 2005 & 9% of 2006	\$500,019
Estates.....	\$328,635
20% buyouts	<u>\$189,644</u>
Total retired.....	\$1,018,298



Board of directors



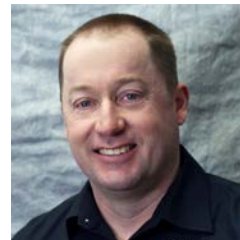
President
Tracy Boe
Mylo



Vice President
Curtis Wiesz
Heaton



Secretary/Treasurer
Randy Simon
Oberon



*Assistant Secretary/
Treasurer*
David Teigen
Rugby



Judy Geier
Heaton



Curtis Hanson
Pettibone



Bruce Olsen
Cando



Mark Brehm
Cando



Lori Carlson
Jamestown

Operation Round Up

Operation Round Up is a program that rounds participating members' monthly electric bills to the next whole dollar and places the funds in a trust. Northern Plains Electric Cooperative contributes a small number of resources each year to administer the program. A five-member board of directors from across the service area meets quarterly to review applications and disburse the funds to worthy individuals/families and organizations throughout the Northern Plains service area.

Operation Round Up has helped victims of cancer, heart attack and stroke to helping communities with food pantries, youth programs and fire departments.

Operation Round Up is a voluntary program with roughly 80% of the 11,732 members participating. Since the program started in 1998, the trust has disbursed \$787,824,362 to 1,147 causes. This year, Operation Round Up awarded \$36,900 to help 61 individuals/families and organizations. ■

2020 ORU Board of Directors - President **Curt Klein**, Carrington; Vice President **Cara Wagner**, Pettibone; Secretary/Treasurer **Angie Freund**, Cando; **Robin Arnold**, Esmond; **Julie McDougall**, Rolla



2020 ORU financial report

Beginning Balance (Jan. 1, 2020)\$4,229.61

Income:

Operation Round Up contributions\$37,241.06

Operation Round Up donations\$44.00

Total Income\$37,285.06

Expenses:

Grants given in 2019\$36,900

Ending balance (Dec. 31, 2020)\$4,614.67

2020 Recipients

ORGANIZATIONS

- American Legion, LaBrash Altringer Post 236, Wimbledon
- Benson County Social Services
- Cando Area Food Pantry
- Cando Fire Department
- Carrington City Library
- Carrington Daily Bread
- Community Action, Jamestown
- Dakota Prairie Community Action, Rolla
- First Congregational Church, New Rockford
- Good Samaritan Hospital Association, Rugby
- Griggs County Community Youth Project "More for Less" Thrift Store
- Heart of America Germans from Russia, Rugby
- Hungry Free Food Pantry, New Rockford

- James River Humane Society, Jamestown
- Kidder County Food Pantry
- Kvernes Lutheran Church, Carrington
- Marketplace of Ideas/Kids
- McHenry Fire Department
- North Dakota Association for the Disabled Inc.
- Pettibone Fire Protection District
- Pierce County Food Pantry
- Sheyenne Fire Department
- St. Aloisius Medical Center, Harvey
- Stitching Hearts Quilt of Valor Group, Wahpeton
- The Bread of Life Food Pantry, Cooperstown
- The Hope Center, Devils Lake
- Wells County Social Services
- Women's Auxiliary Cemetery Association, New Rockford

INDIVIDUAL/FAMILIES

- Haugen, Bryan
- Haugen, Kerry
- Gader, Gail
- Gader, Tim
- Grant, Wanda
- Flath, David
- Freund, Marguerite
- Jones, Tara
- Korb, Anton
- LaRocque, Kenneth
- LaRocque, Laurie
- Leske Jr., Todd
- Mack, Brilee
- Mahutga, Pam
- Martin, Sylvia
- Mitzel, Darrell
- Neidert, Sharon
- Rost, Keith
- Tandeski, Ranelle
- Tripp, Kirt
- Walter, Pamela



Tracy Boe
Mylo



Randy Simon
Oberon



Judy Geier
Heaton

Meet the director candidates

Northern Plains Electric Cooperative had an open call for three open seats on the board of directors as the current seat holder's terms were coming to an end. The cooperative received three petitions, one per district, by the following candidates.

The director election as well as a bylaw change proposal will be voted on by the membership. Each member will be sent a ballot and may either vote by mail or present their ballot in person at the annual meeting on June 21 in Rugby. Northern Plains Electric bylaws state that no nominations can be made from the floor nor write-in votes accepted on the ballot.

District 1, Tracy Boe (unopposed)

Incumbent, Tracy Boe has served on Northern Plains Electric's board of directors since 2003 and is the cooperative's board president.

Tracy farms near Mylo, where he lives with his wife, Sandy. They have been Northern Plains Electric members for over 38 years. He enjoys lake activities, traveling and

spending time with family. He also has served in the N.D. House of Representative for the past 19 years.

As a candidate, Tracy would like to continue to learn more about the current rural electric system and to help guide the system into the future.

District 2, Randy Simon (unopposed)

Incumbent, Randy Simon, who has been a Northern Plains Electric member for 40 years, farms near Oberon. He has been on the Northern Plains Electric board as a director since 2000 and holds the office of secretary/treasurer. He also has served on the North Dakota Association of Rural Electric Cooperatives (NDAREC) board as vice president for the past 10 years.

Randy would like to continue to serve as a director to help keep power costs as low as possible while supporting local projects.

He and his wife, Charlotte, have three children and six grandchildren. Randy enjoys hunting and watching the grandkids in their activities.

District 3, Judy Geier (unopposed)

Incumbent Judy Geier was elected to Northern Plains board in 2018. She has been a lifetime member of the cooperative and resides on a farm near Heaton. She is a nurse and a retired farmwife. She first became interested in rural electric procedures when her late husband, Doug, served as a director for the Northern Plains Electric, Central Power Electric and NDAREC boards.

For the past 35 years, Judy has served on the Berlin Township board, taking roles as the Assessor, Clerk and Treasurer. She enjoys gardening, waterskiing and quilting.

As a candidate, Judy would like to continue to learn about rural electric to serve as an informed voice for the membership of her district. As she says, "There's always something to learn."

Judy has two children and five grandchildren. ■

2020 Co-op Facts

Miles of line: 6,700

Number of meters: 11,732

Total KWH sold: 446,434,272

Number of employees: 42

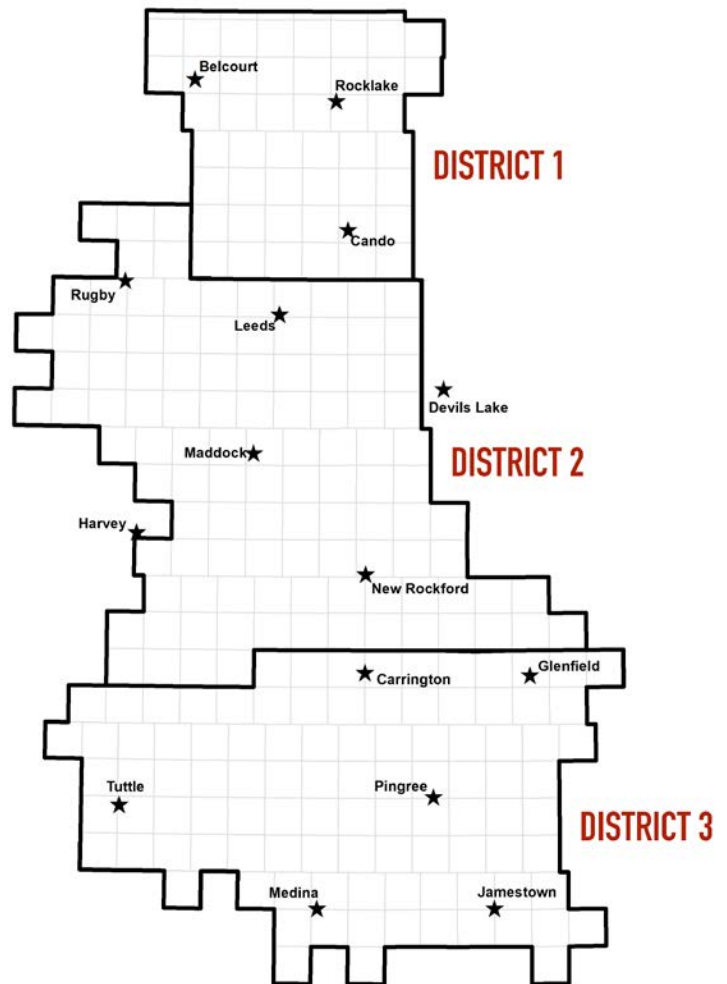
Capital credits retired: \$1,018,298

Operation Round Up grants: \$36,900

Power supplier: Central Power Electric Cooperative Inc.

Counties served:

Benson, Eddy, Foster, Griggs, Pierce, Kidder, Stutsman, Wells, Ramsey, Towner and Rolette



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Cando, ND 58324

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BOARD & MANAGEMENT:

President	Tracy Boe, Mylo
Vice president.....	Curtis Wiesz, Heaton
Secretary/treasurer.....	Randall Simon, Oberon
Assistant Secretary/treasurer	Dave Teigen, Rugby
District 1.....	Mark Brehm, Cando
District 1.....	Bruce Olsen, Cando
District 3.....	Lori Carlson, Jamestown
District 3.....	Judy Geier, Heaton
District 3.....	Curtis Hanson, Pettibone
General Manager	Seth Syverson
Manager of Engineering & Operations.....	Ashten Dewald
IT Manager	Scott Buchholtz
Business Manager.....	Cheryl Belle
Northern Notes Editor	Brittnee Wilson