

# PKM NEWS

Electric Cooperative

NOVEMBER-DECEMBER 2024 / PKMCOOP.COM

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# Merry Christmas AND HAPPY NEW YEAR!



from all of us at PKM Electric Cooperative

PKM Electric Cooperative sincerely thanks all of our members for the continuous support they've given us this year.

## BOARD MEMBERS

Mark Hatton  
C.J. Peterson  
Wayne Malm  
Paul Aakre  
Jerred Copp

Steve Goodwin  
Chris Mortenson  
Blake Owens  
Tom Woinarowicz

*We wish you a very merry  
Christmas and a happy new year!*

## EMPLOYEES

Nolan Buchner  
Megan Dagoberg  
Chelsy Davey  
Chris Derosier  
Matt Kazmierczak  
Bret Klopp  
Nolan Knott  
Joe Marcotte  
Caleb Novak

Karen Olson  
Ben Pahlen  
Riley Pahlen  
Danny Schmidt  
Scott Slusar  
Josh Tutt  
Sara Wurtzel  
Jeff Rustad



# CEO Report

**JEFF RUSTAD**  
CEO  
PKM Electric Co-op

## Supply chain, inflation to impact wholesale power costs in 2025

As a regional electric generation and transmission cooperative, Minnkota Power Cooperative's strongest partners are its member cooperatives – which includes PKM Electric Cooperative and other regional electric cooperatives who serve homes and businesses at the end of the line. In our cooperative system, we share opportunities for innovation and community growth, but we also share challenges. Growing economic pressures are our latest challenge.

The electric industry is facing what many of you are facing at home – a noticeable increase in the cost of all things, due to post-pandemic inflation and supply chain disruptions. To ensure Minnkota is able to continue to meet our communities' power

needs reliably and responsibly, Minnkota's board of directors has approved an increase in its rates, set to take effect in April 2025. This will add pressure to PKM Electric Cooperative's rates and require us to consider adjusting our rate.

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

Minnkota has worked alongside our membership to keep electric rates stable since 2017, even as prices on the materials we use 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, we've reached the point where a rate increase is the only way we can balance reliable service and financial responsibility.

PKM 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.

PKM Electric Cooperative remains a competitive power supplier, and we are well positioned to continue providing safe, reliable and sustainable electricity.

I would like to thank our member-consumers for their collaboration and understanding during this time of change. We are endlessly grateful for your support, today and in the years to come.



**PKM Electric Cooperative's  
office will be closed**

**Wednesday, Jan. 1,  
as we observe New Year's Day.**

### November/December 2024 (Vol. 78, No. 6)

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#### Office hours

8 a.m. to 4:30 p.m., Monday through Friday  
218-745-4711 or 800-552-7366

#### Electrical after-hours emergencies

800-552-7366  
e-mail: [info@pkmcoop.com](mailto:info@pkmcoop.com)  
website: [www.pkmcoop.com](http://www.pkmcoop.com)

#### Next board meeting

Board meeting to be held the last  
Tuesday of the month.

#### Officers and Directors

President ..... Mark Hatton  
Vice President ..... C.J. Peterson  
Secretary-Treasurer ..... Wayne Malm  
Directors ..... Paul Aakre, Jerred Copp, Steve Goodwin,  
Chris Mortenson, Blake Owens, and Tom Woinarowicz  
CEO ..... Jeff Rustad  
Editors ..... Danny Schmidt, Megan Dagoberg

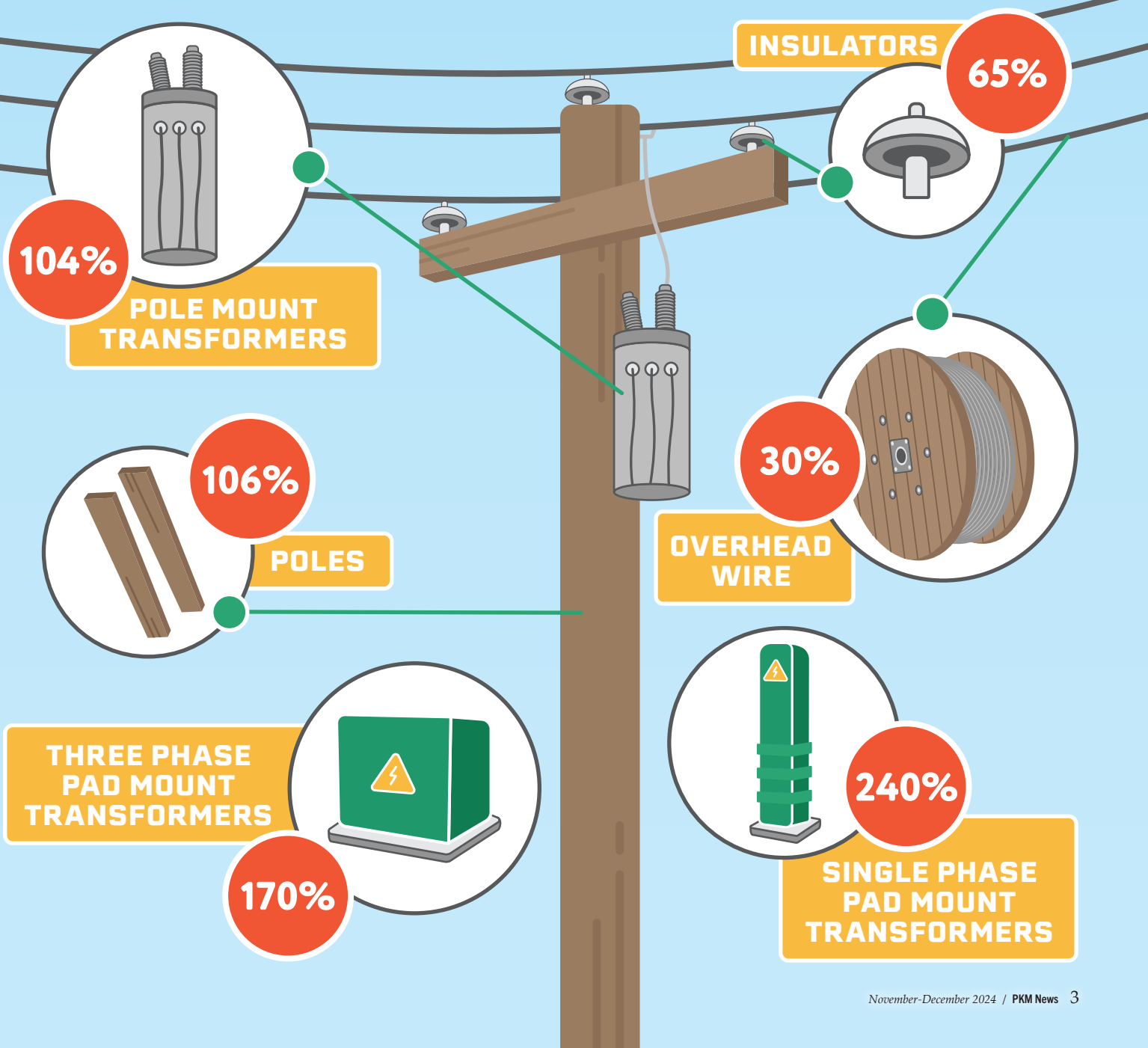
*This institution is an equal opportunity provider and employer.*

# THE RISING COST OF ELECTRIC UTILITY MATERIALS

Over the past four years, your electric cooperative has experienced an unprecedented increase in the cost of materials we need to deliver power. It's an uptick everyone in the industry is facing, and we – in coordination with your board of directors – have done our best to keep those increases from affecting electric rates. However, to continue providing safe, reliable and fiscally responsible electricity to our members, a small rate adjustment has become necessary in 2025.

The graphic below shows some of the core components that your electric cooperative needs to operate and the corresponding price increases since 2020. We thank our members for your understanding as we work to ensure you receive the best possible value for your energy dollar. If you have questions concerning your electric rate, please don't hesitate to give your cooperative a call.

**Disclaimer:** Material price increase numbers represent recent averages in our region. Material prices can and do fluctuate.





# What **YOU** need to know about Capital Credits

There are many benefits to being a member of a not-for-profit electric cooperative. One of the best is that you're eligible for a little perk called capital credits! When PKM has excess revenues from the previous year, those funds are allocated to the membership as capital credits – a little extra money back to you.

Capital credits aren't necessarily returned every year, but the long-term benefits of the program are notable:



## Member ownership

Capital credits represent members' ownership in the cooperative. As a member-owner, you have a stake in the financial success of the cooperative, rather than simply being a customer.



## Equitable returns

Any excess revenue is returned to members based on their usage of electricity. The more you contribute to the cooperative's success through usage, the larger your share of the capital credits.



## Financial strength

By retaining some earnings before capital credits are allocated, cooperatives can invest in infrastructure, maintenance and technology without relying heavily on loans, which can reduce operational costs in the long term.

## How do you get your capital credits?

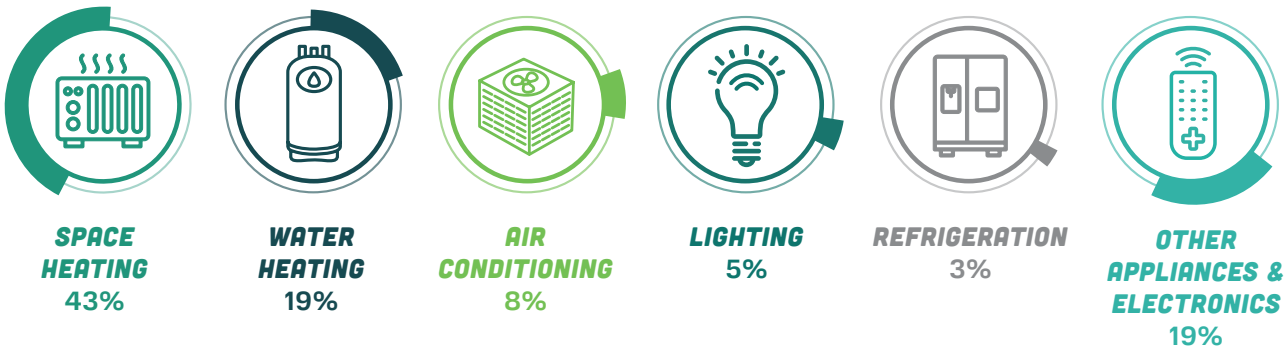
- 1 All year long, your cooperative keeps track of how much electricity you purchase and how much you spend.
- 2 PKM first uses the revenues to update and maintain critical infrastructure that increases reliability to the entire membership, along with other projects that meet the co-op's mission.
- 3 At the end of each year, your board of elected directors goes through the books to determine if there are any excess margins.
- 4 Your cooperative divides up (allocates) those excess funds to the members based on how much they paid for energy that year.
- 5 When your cooperative is in a good financial place, the board votes to pay out those allocated capital credits from a recent year or from a year well into the past.

If you have questions about capital credits or want to find out if you have any unclaimed credits, please contact PKM Electric Cooperative at **218-745-4711** or online at **pkmcoop.com**.

# WHERE DOES MY ENERGY GO?

Were you one of many children who was told by a parent, “Turn off the lights when you leave the room! Our electric bill will be sky high!”? Although switching off the lights is great advice, your lighting actually accounts for a very small percentage of the energy your home uses every month.

According to the U.S. Energy Information Administration, space heating is the largest user, consuming an average of 43% of a household’s energy. Water heating comes in a distant second, using 19% of your home’s energy. Here’s a breakdown:



Learn how to save on home heating at [valueofelectricity.com](http://valueofelectricity.com).





**ELECTRICAL CONTRACTOR  
CONTINUING  
EDUCATION COURSES**

**JAN 2025**

Learn more at [Minnkota.com](http://Minnkota.com)

**January 7 or  
January 8, 2025**  
Fargo, ND  
Fargo Holiday Inn

**January 16,  
2025**  
Bemidji, MN  
Bemidji Eagles Club

**January 21,  
2025**  
Fergus Falls, MN  
Bigwood Event Center

**January 29 or  
January 30, 2025**  
Grand Forks, ND  
Minnkota Power Cooperative

**\$80 REGISTRATION FEE | EIGHT CODE CREDITS**

# PKM Electric Cooperative

## ELECTRIC REBATES FOR 2025

This year is YOUR year to electrify your home and save big money doing it! PKM Electric Cooperative is pleased to introduce our slate of rebates on today's most popular electric technologies, from heat pumps to electric vehicle chargers. One update can go a long way, so let us help you start out 2025 right!

Technology (on off-peak program)	2025 Max Rebate
<b>Water Heating Equipment</b> <i>Includes:</i> <ul style="list-style-type: none"> <li>• 55 gallons or smaller <b>\$300 rebate</b></li> <li>• 56-99 gallons <b>\$500 rebate</b></li> <li>• 100 gallons or larger <b>\$600 rebate</b></li> </ul> <p><i>Additional \$100 for new building construction</i></p> <p><i>Additional \$250 available for conversion from existing natural gas or propane to electric water heater</i></p>	<b>\$600</b>

Technology (on off-peak program)	2025 Max Rebate
<b>Electric Vehicle (EV) Charging Equipment</b> <i>Includes:</i> <ul style="list-style-type: none"> <li>• Light-duty (charger for sedans, SUVs, &lt;3/4-ton vehicles) <b>\$100 per kW</b></li> <li>• Medium-duty (charger for 1- to 2-ton trucks, vans, buses, etc.) <b>\$100 per kW</b></li> <li>• Heavy-duty (charger for &gt;2-ton trucks, vans, buses, etc.) <b>\$100 per kW</b></li> </ul>	<b>\$1,000</b>  <b>\$1,000</b>  <b>\$1,000</b>

Technology (on off-peak program)	2025 Max Rebate
<b>Electric Heating Equipment</b> <i>Includes:</i> <ul style="list-style-type: none"> <li>• Air-source heat pump or mini-split heat pump* <b>\$300 per ton (&lt;17SEER)</b> <b>\$500 per ton (&gt;17SEER)</b></li> <li>• Ground-source heat pump <b>\$500 per ton</b></li> <li>• Plenum heater</li> <li>• Baseboard heater/cove heater</li> <li>• Forced-air furnace</li> <li>• Hanging/wall unit heater</li> <li>• Radiant underfloor heat <b>\$50 per kW</b></li> <li>• Electric boiler</li> <li>• Brick storage room unit or furnace/boiler</li> <li>• Slab storage - electric cable <b>\$80 per kW</b></li> </ul>	<b>No max rebate</b>
<i>*Air-source and mini-split heat pumps do not need to be part of an off-peak heating system to be eligible for this rebate.</i>	

Learn more about PKM's off-peak program options. Just call our friendly member services team at **218-745-4711** or browse the technology options at **ValueOfElectricity.com!**

# A CORE PART OF OUR ENERGY FUTURE

## THE ADVANTAGES

## AND CHALLENGES OF NUCLEAR POWER

With a constantly changing energy landscape, having reliable energy generation to power our electric grid is critical. Nuclear energy generation is one possible solution for providing baseload generation with low carbon emissions. Nuclear power is produced through a process called nuclear fission. The nucleus of an atom splits into smaller parts, which then releases large amounts of energy in the form of heat. That's harnessing the power of science!

Check out some of the advantages and challenges of nuclear generation.

## ADVANTAGES

### Reliability

Nuclear power is considered a baseload generation resource which means it can generate energy at any time. Generation can be scaled up when more energy is needed and scaled down during periods of low demand.

### Low emissions

Nuclear power produces almost no carbon emissions, comparable to a renewable energy resource. Its ability to generate large amounts of electricity with minimal greenhouse gas emissions makes it an environmentally conscious option.

### Efficiency

For the small amount of nuclear fuel (uranium or thorium) that is used in nuclear power, it can produce a massive amount of energy, making it very efficient.

## CHALLENGES

### High initial cost

It takes significant upfront capital to build a nuclear facility in the United States. With technology constantly evolving and rising inflation and labor costs, construction delays and budget breaches are common.

### Finite fuel supply

Uranium is the primary fuel option for nuclear power. This finite resource needs to be mined and processed before it can be safely used for energy generation.

### Waste management

Long-term, safe waste disposal of radioactive waste remains a major challenge for nuclear generation facilities.





# Winter storm outages happen. **PREPARE FOR THEM.**

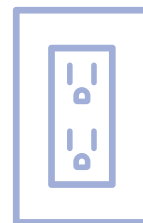


PKM Electric Cooperative prides itself on high power reliability, but sometimes outages are out of our control. Just last winter, our co-op neighbors at Cass County Electric Cooperative in southeastern North Dakota experienced an unprecedented Christmas storm that iced up power poles and wires to their breaking point. Hundreds of members were without power for several days until the lines could be repaired. It could happen again – anywhere.

Be prepared for a winter storm with this checklist from PKM.

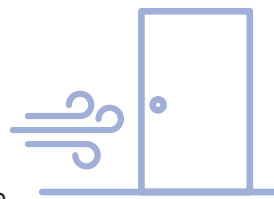
## Before Storm

- Adjust your refrigerator/freezer to the coldest settings.
- Gather and test flashlights/portable radios and have extra batteries on hand.
- Fully charge electronics, including cellphones and laptops.
- Get out extra blankets, coats, hats and mittens.
- Prepare an outage emergency kit with items you would need for several days without power, including nonperishable food and water. Don't forget medications or pet supplies.



## During Outage

- Dress warmly using layers.
- Unplug sensitive electronics – power may surge when restored.
- Check for restoration updates on your co-op website and/or social media.
- If you lose heat, close the doors of unused rooms and place towels under the doors.
- If using a generator, only run it outdoors and at least 20 feet away from windows and doors.



## After Outage

- If you see downed power lines, assume they are energized – don't touch them or drive on them.
- Restock your outage emergency kit.
- If your refrigerated/frozen food has been exposed to 40-degree temperatures for longer than two hours, throw it out.





# COMMON CAUSES OF POWER OUTAGES

Nobody likes a power outage, but I'm sure you've wondered why it happens. These are some of the most common causes for a power outage.



## WEATHER

Snow, ice and high winds can cause tree limbs to negatively impact power lines. Lightning strikes, wildfires and other weather-related events can also cause damage to equipment.



## ACCIDENTS

Vehicles can run into utility poles, resulting in downed power lines. However, farm equipment, construction and excavation work are the leading causes of disruptions to overhead and underground power lines.



## ANIMALS

Squirrels, snakes, birds and other critters can cause short circuits and disruptions to the power supply by making contact with power lines.



## MAINTENANCE

We occasionally schedule planned outages in order to perform upgrades or repairs to parts of the local electric grid.

LEARN MORE ABOUT STAYING  
SAFE DURING AN OUTAGE AT

[PKMCOOP.COM/STORM-CENTER.](https://pkmcoop.com/storm-center)

Remember: Report an outage by calling **1-800-552-7366** or **218-745-4711**.

FOR JUST THE CHANGE IN  
YOUR POCKET, YOU CAN  
KEEP YOUR MOST  
FESTIVE HOLIDAY LED  
LIGHTS ON FOR OVER  
**FIVE HOURS** USING ONE  
KILOWATT-HOUR.



PAYING PENNIES FOR YOUR  
KILOWATTS – **THAT'S THE  
VALUE OF ELECTRICITY.**



## Electrical Inspectors

### Marshall and Kittson Counties

Ronald Ditsch  
218-779-6758

### Polk County

George Stage  
218-284-1083

# Board meeting **highlights** *September and October*

## A special meeting of the board was held Friday, Sept. 20, 2024.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present with the exception of Directors Aakre and Copp.

Line Superintendent Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. The linemen are continuing to put cable in the ground and installing new pumps. He is hoping to get a big three-phase project done before freeze up. Marcotte shared highlights from his line superintendents meeting he attended in Brainerd.

The manager of member services, Danny Schmidt, provided an update to directors regarding recent activities within his department. He shared an update that we are working with Eaton to push a new firmware update.

The CFO, Karen Olson, opened her report with an office update. The REAP light grant is finally wrapped up with the full funding of \$60,000.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. She reported that revenue was over budget for the month by \$174,823.84. Expenses are currently under budget at \$117,020.16. Expenses have been down due to the crews busy with work orders. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. Other financial data was presented and discussed along with the current tier of 2.43, up from last year.

The CEO, Jeff Rustad, updated the directors on his recent meetings he attended. He shared information on Carr's working with Minnkota, nature conservancy, guy wires, American Crystal Sugar and three-phase services.

Upon presentation of the reports from the management staff and CEO, questions and comments from the board of directors concerning their reports were addressed.

Following discussion, upon motion duly made by Director Peterson and seconded by Director Malm, a resolution was unanimously adopted:

Brady Martz & Associates, P.C. has completed form 990 for review. The drafted information

was distributed to the directors for verification of completeness and accuracy.

There was discussion on Policy Bulletin No. 9-6.12 – Line Extensions. They have tabled this until there is a rate change and at that point will change the policy for three-phase.

Director Woinarowicz gave his report on Minnkota. The directors watched and discussed the video Governance Talk: Setting Director Compensation. After the video there was discussion about policy bulletin 3-3.23: Expenses & Fees for Attendance at Meetings. The recommended changes would be effective Jan. 1, 2025.

Hatton shared information from the regional meeting he attended.

The CEO shared miscellaneous information on items including RESCO Inflation and Dividend, CFC 2024 patronage capital retirement, CRC patronage refund, credit card fees, American Crystal Sugar freeze piles, cooperative energy sales and solar. Two articles were shared: NRECA Asks Postal Service to Reconsider Proposed Curbs on Rural Mail Service and Lower Natural Gas Costs Despite Increase Demand.

Financials will be sent out when we receive them for Carr's Tree Service.

## A regular meeting of the board was held Tuesday, Oct. 29, 2024.

Mark Hatton, president who presided, asked for roll call. Upon calling the roll, the president reported that all directors were present.

Line Superintendent Joe Marcotte presented the monthly safety and operations report, indicating no accidents and no lost time. MREA was here with the topic Bucket Truck Operator Qualification, and Minnesota Safety's Miff Soderberg spoke on crew ops. The linemen are starting a big three-phase project at Robbin this week. They are also working on switching some lines from overhead to underground. Our pole inspection was done with 1,000 poles being tested, and out of those there were 13 rejected poles.

The manager of member services, Danny Schmidt, provided an update to directors regarding recent activities within his department. The Eaton software and firmware is updated; hopefully this has resolved our issues and everything runs smoother.

Minnkota has had 41:11 minutes of yellow zone control and 10:05 minutes of red zone control. Schmidt shared information he learned from his ACT meeting and shared a video that Minnkota put together. The Cooperative Month open house had a great turnout with lots of members stopping in.

The CFO, Karen Olson, opened her report with an office update. Disconnects for non-payment were completed for the year on Sept. 30. We were able to clear up a bulk of large past-due balances until spring.

The CFO continued with the presentation of the Operating and Financial report for the cooperative. She reported that revenue is up \$565,239.16 from 2023 and we are over budget by \$502,796.97 for the year. Expenses are under budget by \$74,005.45. Historical data for margins for a 10-year PTD and YTD comparison were provided and discussed. Other financial data was presented and discussed along with the current tier of 2.93.

The CEO, Jeff Rustad, updated the directors of his recent meetings he attended. He shared with the directors what the proposed rates are for Minnkota. The CEO shared miscellaneous information on PKM's call with CRC and an American Crystal Sugar update.

The third quarter financials were reviewed by the board of directors and found to be an accurate representation of the second half financial transactions.

Director Woinarowicz and Director Aakre gave their reports on Minnkota and Square Butte. The directors watched and discussed the video Governance Talk: What a Board Needs to Consider when Raising Rates.

At this point in the meeting, Rick Coe, a director for MREA, presented information on the new building MREA is looking to build.

The CEO shared miscellaneous information with the directors including work compensation rates, District 1 fall billing meeting at PKM, U.S. Bank rebate payout, MREA board meeting summary, Federated Rural Electric member update, meeting dates for the remaining months in 2024 and 2025, cooperative energy sales and solar information.

Financials were provided for August and reviewed for Carr's Tree Service.

## PKM ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal Legislators

#### President Joe Biden

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

#### Senator Tina Smith

720 Hart Senate Office Building  
Washington, DC 20510  
Phone: 202-224-5641

#### Senator Amy Klobuchar

425 Dirksen Senate Building  
Washington, D.C. 20510  
www.klobuchar.senate.gov  
202-224-3244  
1-888-224-9043 (Minnesota office)  
Fax: 202-228-2186

#### Congresswoman Michelle Fischbach

1237 Longworth House Office Building  
Washington, D.C. 20515  
www.fischbach.house.gov

202-225-2165

Fax: 202-225-1593

### State of Minnesota Legislators

#### Governor Tim Walz

Capitol Building, Room 130  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
800-657-3717  
www.mn.gov/governor

#### Senator Mark Johnson

95 University Avenue W.  
Minnesota Senate Building,  
Room 3111  
St. Paul, MN 55155  
651-296-5782  
sen.mark.johnson@senate.mn  
www.senate.mn/members

#### Representative John Burkel

309 State Office Building  
St. Paul, MN 55155

651-296-9635

rep.john.burkel@house.mn

#### Representative Deb Kiel

255 State Office Building  
St. Paul, MN 55155  
651-296-5091  
800-339-9041  
rep.deb.kiel@house.mn

# PKM COOPERATIVE MONTH OPEN HOUSE

## Coloring Contest & Prize Winners!



Members were invited to stop into the PKM office in Warren the week of Oct. 7-11 for treats, to register for giveaways and to participate in a kids coloring contest as we celebrated National Co-op Month.

### CO-OP MONTH GIVEAWAY WINNERS

- \$50 Energy Credit: **Lyle Carlson** (East Grand Forks)
- \$100 Energy Credit: **Marie Lindstrom** (Lake Bronson)
- \$250 Energy Credit: **Dale Kemble** (East Grand Forks)

### CO-OP MONTH DOOR PRIZE WINNER

- Pit Boss Electric Smoker Grill: **Sandra Maruska**

### CO-OP MONTH KIDS COLORING CONTEST WINNERS

- Electric Scooter: **Nathan Polley** (5 years old)
- Electric Scooter: **Jack Anderson** (6 years old)
- Electric Car: **Drew Johnson** (2 years old)



Jack Anderson



Nathan Polley

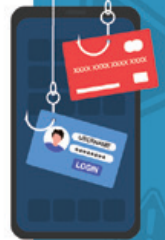


Drew Johnson

## TIPS TO AVOID ENERGY SCAMS ⚠️

Scammers will try anything to deceive utility customers, including a tactic that claims customers have overpaid their bill. If you receive a call, text or email from someone claiming you overpaid a utility bill and need to provide your banking information to receive a credit, it's likely a scam. In most cases, your utility will apply a credit to your account to cover future charges or refund an overpayment with a mailed check.

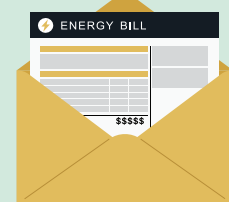
Source: Utilities United Against Scams



## NEED HELP PAYING YOUR ELECTRIC BILL?

### Energy assistance may be available!

If you are receiving a low income or suffering from a temporary financial shortfall, these agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.



**NORTHWEST COMMUNITY ACTION**  
PO Box 67  
Badger, MN 56714-0067  
(218) 528-3258 or 800-568-5329  
[northwestcap.org](http://northwestcap.org)

**TRI-VALLEY OPPORTUNITY COUNCIL, INC.**  
1407 Erskine Street  
Crookston, MN 56716  
(218) 281-9080 or Toll Free (866) 264-3729



## ENERGY EFFICIENCY: TIP OF THE MONTH

Taking steps to help your home heating system run more efficiently can reduce energy use and lower your winter bills. Check to see if any air vents around your home are blocked by furniture, curtains or other items. Obstructed vents force your heating system to work harder than necessary and can increase pressure in the ductwork. – Source: [energy.gov](http://energy.gov)



# PKM SERVICE AWARDS

Thank you for your years of service to the cooperative!



**Years of Service** *(listed in order from left to right as pictured)*

<b>Nolan Knott</b> Journeyman Lineman 10 Years	<b>Matt Kazmierczak</b> Operations Assistant 10 Years	<b>Jeff Rustad</b> CEO 20 Years	<b>Megan Dagoberg</b> Administrative Assistant 5 Years	<b>Chelsy Davey</b> Billing Coordinator 10 Years	<b>Steve Goodwin</b> Board Director 15 Years
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