

January 2023 • www.clpower.com

## THANK YOU for Supporting the 2022 CLP Toy Drive!

Together we helped share the miracle of Christmas with 184 kids in Lake County!



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## December Storms Pack a Punch

Two brutal storms in twelve days caused 189 power outages in the CLP territory last month.

The first storm started on December 14th. This storm produced a lot of heavy wet snow, which caused many trees to either lean on or fall on the power lines knocking out power. CLP started responding to the outages in the early morning; however, they faced horrible driving conditions and unplowed roads. Some areas without power received over 30 inches of snow, making it extremely difficult. As the snow started to fall off the trees, the tree limbs would bounce back up, causing yet another outage. We would get one line on, and two or three would go out. Over three-quarters of CLP members were affected by power outages, some experiencing multiple outages during this storm.

The second storm began on Decem-



CLP lineman navigating the deep snow.

ber 19th, just as the clean-up from the previous storm was being completed. With trees and power lines already



CLP lineman repairing damaged wire.

coated in ice and snow, the wind started blowing HARD! This storm lasted for days, causing 52 separate outages affecting almost half of the CLP members during the Christmas holiday.

We have learned a few things during these two storms. First, CLP linemen are amazing. These guys worked hard, long hours in horrible conditions, leaving their families during the holidays to restore power to

our members. They rock! Second, we have wonderful, caring, patient members. Thank you for your understanding and also for your concern for our linemen. We are so very grateful for you. Third, it was apparent how many of the outages were caused by trees, reminding us just how vital our right-of-way clearing is. It is something we are going to look closely at and continue to improve upon.



Single lane plowed on the Rossini during the December 14th storm.



## Protecting the Financial Stability of CLP

Joel Janorschke, CEO/General Manager

Cooperative Light & Power (CLP) will start working with Star Energy Services, an independent consulting firm, in January 2023

to complete a comprehensive Cost-of-Service Study (COSS). The goal of this study is to provide a guide for designing rates that provide equity to all our members by analyzing cooperative revenue requirements, cost causation, financial forecasts, projected wholesale energy rates, and competitiveness. The COSS will assist us in determining whether our rates generate enough revenue to meet our financial objectives while also ensuring fairness between and within rate classes.

CLP has spent the past few months planning and developing the budget for 2023. Throughout this process, it has become clear that rising costs are not limited to one or two items but to nearly everything. Member account number seven hundred forty one thousand eight hundred twenty four. Therefore, we believe it is critical to explain how the current power supply landscape, supply chain issues, and overall economy are affecting your electric cooperative.

In 2023, it is expected that 60% of ev-

ery dollar spent on CLP electric service will go toward purchasing electricity from our wholesale power provider, Great River Energy (GRE). GRE has made numerous beneficial changes to their power supply resource portfolio in recent years, not only to keep rates low for members like CLP, but also to meet renewable and environmental mandates. Having said that, GRE will have to pass on an 8.2% rate increase to CLP in 2023. Furthermore, GRE is experiencing the same supply chain issues and cost increases that we are. Forecasted energy market prices are a significant driver of the rise in wholesale power costs for GRE. Because natural gas is used to generate nearly 40% of the electricity in the United States, energy markets are closely linked to natural gas prices. Natural gas prices are expected to stabilize slightly more in 2023 than in 2021 and 2022, but the days of \$2/MMBtu are likely over. Currently, projections place natural gas prices in 2023 around \$7/MMBtu in the winter and around \$4/MMBtu the rest of the year.

The remaining 40% of every dollar you pay for electric service goes toward running the cooperative, receiving power at one of our 5 distribution substations, and reliably delivering that power to your home or business. Costs associated with almost every aspect of electricity distribution are rising, and we expect

this trend to continue through 2023. For example, quotes for poles, wires, transformers, and meters show that CLP will pay 60% more for construction materials in 2023 than in 2021, and approximately 30% more than in 2022. Lead times have also increased significantly as a result of labor shortages, national weather events, and recent incidents abroad. For example, in 2021, a 25 kVA pad mount transformer would cost \$1,400 with a two-month lead time. That same transformer will cost more than \$2,500 in 2023, with a minimum lead time of 12 months.

Transportation costs and fleet equipment prices have both risen significantly in recent years. We anticipate a 10% increase in transportation expenses in 2023 compared to 2022, primarily due to rising fuel costs. Furthermore, the cost of an aerial lift truck has increased by 20% since 2021, with lead times approaching two years. Member account number six hundred two thousand five hundred ninety five.

Wholesale power, construction materials, and transportation are just a few examples of cost increases. Property taxes, insurance (property, health, liability, cyber, etc.), contracted maintenance and construction activities, software and hardware services, and general materials and supplies are other areas where we are seeing cost increases.

*Continued on page 3*

### Call Before You Dig

**800.252.1166**  
it's the law!

Call 800.252.1166 to locate underground wires.

You must call at least 48-hours in advance before any excavations (this notice does not include weekends, holidays or emergencies).

CLP will only locate the underground wires that are owned by CLP, we do not locate or take responsibility for locating wires beyond the meter location.



### PowerLines

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Cooperative Light & Power  
Association of Lake County  
1554 Highway 2 • P. O. Box 69  
Two Harbors, MN 55616  
www.clpower.com

CLP Office: 218-834-2226 or 800-580-5881  
Power Outage (24/7): 800-927-5550

Winter Business Hours:  
Monday - Friday 7:30 a.m. - 4:00 p.m.

### Board/CEO Contacts

- Joel Janorschke**, CEO/General Manager  
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## Is Your Power Out?

Brian Bentler, Operations Manager

Do you know what to do if your power goes out? First, if you lose power, check your breakers to ensure they are not tripped. Next, check with your neighbors to see if their electricity is out. The best way to know if it is a CLP outage is to look at your meter. You will find a digital display on the meter that scrolls through several screens. One of the screens (see picture) is the voltage. Your voltage should read somewhere around 240. If the meter is blank, there is no power going to your meter. That's when you need to contact CLP to notify us of the outage.

Report your outage by calling the CLP office directly during office hours at 218.834.2226 or 800.580.5881 or our



Meter with full power

after-hours call center at 800.927.5550. You can also report an outage by text message. If reporting by text, you must first register by going to [www.clpower.com](http://www.clpower.com), clicking on "Power Outage,"

scrolling to the bottom of the page, clicking on "Click here for Outage Texting," and follow the prompts.

If you do not report your outage, CLP may not know that you are out of power. Too many people wait and think someone else will call it in. Reporting an outage helps speed up the restoral by giving us a better idea of the area out of power. Member account number six hundred eighty three thousand six hundred ninety four. If you have any information about the outage, such as a tree on a wire or wire down, make sure you inform the person taking your outage information, as it is very helpful to us. It also may be a hazardous condition that we need to take immediate action on.

Would you like to become a CLP Board Member? At the 2023 CLP Annual Meeting, the District #1 Board Position will be voted on. A District #1 Nominating Meeting will be announced in next month's "Powerlines." If you would like to learn more about becoming a CLP Board Member, please call CEO Joel Janorschke at 218.834.2226 or email [jjanorschke@clpower.com](mailto:jjanorschke@clpower.com).

## Protecting the Financial Stability of CLP (Continued)

*Continued from page 2*

A Cost-of-Service study (COSS) will be completed in early 2023, with the goal of ensuring CLP remains financially stable and rates remain competitive while also maintaining the quality, reliability, and integrity of the electric distribution system and the services we provide. We won't know the extent of the rate increase until the study is finished, but I believe an adjustment will be required in 2023. Member account number six hundred thirteen thousand

three hundred thirty two. These are difficult times, and no one wants to hear about another cost increase, but as our members, I want you to be prepared. If a rate hike is required, it will be our first since 2012. You will also notice on your next billing statement that the PCA charge, currently at .04 cents, has been increased to .05 cents. Please know that we will continue to do everything we can to minimize the impact on you and all our members.

### The Queen's Chicken *From the Kitchen of: Dianne Wulf*

- |                                   |                             |
|-----------------------------------|-----------------------------|
| 6 boneless chicken breasts        | 1 can cream of chicken soup |
| 6 slices mozzarella cheese        | 8oz. herbed stuffing mix    |
| ¼ cup white wine or chicken broth | ½ cup melted butter         |

Lay lightly salted chicken in a 9x13 pan. Cover chicken with cheese. Mix wine and soup over cheese. Spread stuffing mix over and drizzle butter. Bake covered with foil 55 minutes at 350 degrees. Uncover and bake an additional 5-10 minutes until slightly browned.

Submit your favorite recipe! If your recipe is printed in an issue of "Powerlines" you will receive a \$10 credit on your electric bill.

### We still have 2023 CLP Calendars available!



The calendars include beautiful photos from local photographers as well as energy saving tips! Stop by CLP to pick up your FREE calendar!

# Read Your Board Meeting Summary

A regular meeting of the CLP Board of Directors was held on October 26, 2022, with the participation of Directors Veitenheimer, Schmieder, Peterson, Weideman, and Josephson. Interim CEO Shurts, incoming CEO Janorschke, Marketing Manager Hogenson, Business Manager Olson, Operations Manager Bentler, Fabini to take minutes, Attorney Felstul, and three member-owners were present for all or parts of the meeting.

The meeting was called to order at 9:01 a.m.

Motions were made and seconded to approve the agenda as modified and the consent agenda, and the financials. Motions passed.

Members addressed the Board to discuss concerns and questions they had regarding redistricting and ROW. Three members spoke and questions were answered.

Business Manager Olson gave a brief report on the Davey Resource Group's work regarding our Right of Way.

Marketing Manager Hogenson talked about the Rural Electric Youth Tour to Washington D.C. A motion was made and seconded to sponsor two students

to attend this event. Motion passed.

A motion was made and seconded to vote in favor of the Prairie Island Energy Power Purchase Agreement. Motion passed.

Director of Operations Kristi Robinson and Rachel Hockert from Star Energy discussed a four-year work plan for CLP. A motion was made and seconded to approve the work plan. Motion passed.

Veitenheimer reported on GRE's October Board Meeting.

A motion was made and seconded to approve the resolution of Capital Credits Retirement of Early Estates. Motion passed.

A motion was made and seconded for 2022 write off approval for bad debt. Motion passed.

A motion was made and seconded to accept letters of understanding from Unions. Motion passed.

Business Manager Olson reported on the Survey and Ballot System. The earliest CLP could offer Hybrid elections would be 2024.

The date for the next board meeting is November 22, 2022, at 9:00 a.m.

Adjournment was called at 1:15 p.m.

## Year-to-date Financials

	<u>Oct-22</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
Operating Revenue	\$ 8,723,855	\$ 11,042,758	\$ 11,401,648	
Cost of Purchased Power	\$ 5,136,302	\$ 6,432,153	\$ 6,575,265	
Other Operating Expenses	\$ 3,229,129	\$ 4,365,311	\$ 4,751,703	
Total Cost of Electric Service	\$ 8,365,431	\$ 10,797,464	\$ 11,326,968	
Operating Margin (Loss)	\$ 358,424	\$ 245,294	\$ 74,680	
Interest Income	\$ 51,861	\$ 64,942	\$ 35,281	
Other Margins	\$ 30,166	\$ (151,197)	\$ 32,309	
Capital Credits	\$ 21,266	\$ 26,581	\$ 30,840	
Total Margins	\$ 461,717	\$ 185,620	\$ 173,110	
kWh Purchased	77,808,971	83,630,332	90,160,057	
kWh Sold	73,503,008	79,664,143	85,929,070	
Line Loss	5.53%	4.74%	4.69%	
Members Billed	5,934	6,362	6,433	
Average kWh Used, Residential	922	969	1,049	
Average Bill, Residential	\$ 116.06	\$ 134.98	\$ 143.92	
Average Cost/kWh, Residential	\$ 0.1259	\$ 0.1393	\$ 0.1372	
Interest Expense	\$ 379,686	\$ 287,011	\$ 292,740	

## Dates to Know...

**Jan 16:** Cookies in CLP lobby

**Jan 25:** CLP Bills Due

**Jan 25:** CLP Board Meeting

**Feb 20:** CLP CLOSED  
President's Day

*NOTE: CLP dates subject to change*

To view a complete version of the latest CLP Board Meeting Minutes please go to:

<http://clpower.com/board-meeting-minutes>

*Cooperative Light & Power is an equal opportunity provider and employer.*

### TO REPORT AN OUTAGE:

Call CLP at 834.2226 or 800.580.5881 during business hours or 800.927.5550 after hours.

**BEFORE** calling, please check your breakers. If an outage is found to be on your side of the meter, you will be billed for a service call.

### SPOT YOUR NUMBER:

A \$20 electric credit is awarded each month to our faithful readers. Four account numbers are spelled out in each newsletter. If you find yours, notify CLP by the 25th of that month and a credit will be applied to your bill.

**Credits claimed for November:**

**Tim Hagley**

**Credits not claimed: Donald Tomann, William or Joan Willow, and David Bryce**

### OPERATION ROUND UP TOTALS:

November Donations: \$1,659.43

Year-to-date Donations: \$18,354.05

Thank you to all the participants! If you have questions about Operation Round Up, or would like to apply for a grant from the Fund, please contact CLP at 218.834.2226 or 800.580.5881, or visit our website at [www.clpower.com](http://www.clpower.com).