

UNDERSTANDING YOUR BILL

Like any bill, electric bills are not always fun to pay but it is a crucial one to keep your everyday life going. We know that cost for nearly everything have been rising, so this month we wanted to make sure you have a good understanding of what makes up your bill from Arrowhead Cooperative.



There are two primary components to your electric bill from Arrowhead Cooperative, the Service Availability Charge, and the kWh Charge.

The Service Availability Charge is designed to recover the basic cost of electric service, independent of how much energy is used. It accounts for Arrowhead Cooperative's investment in equipment like poles, wires and transformers, as well as labor to provide members with safe and reliable electric service. It supports fleet, facility, and customer service functions, such as line maintenance, right-of-way clearing, member service support, and administrative responsibilities.

If you only use one kWh of electricity and your neighbor uses 1,000 kWh, Arrowhead Cooperative still incurs the same cost to build the line, maintain the distribution system and deliver electricity to both of you.

What are those monthly costs? First, you've got the equipment. Let's start at your meter. There is a monthly cost to own, maintain and read your meter. Next, you have transformers. You've got your typical ownership and maintenance costs but there are also operating costs including keeping the transformer energized.

Following the infrastructure line, you can't forget the obvious — our distribution lines. In order to deliver electricity, we must have the wire and poles to reach across our service territory and back. Arrowhead Cooperative owns and maintains over 620 miles of line, all of which carry operating and maintenance costs. Beyond that, when storms cause damage, our lines need to be repaired or replaced. We also have to clear the right-of-way around those lines.

Next, we have a substation to step down the high voltage

electricity from transmission lines to our 7,200-volt distribution voltage. Then we've got all our trucks, diggers, inventory, and tools. And don't forget about our buildings. As you can see, the expenses start to add up quickly.

Now let's talk about our business functions. There are costs to calculate your bill, send the bill, and costs associated with posting the payment. Costs related to our computer systems and telephone systems, costs related to accounting, financing, collections, dispatching, customer service, and communication are all required to do business. We also have to pay the dedicated and qualified people that are employed by Arrowhead Cooperative.

While the list of costs could go on and on, the important message here is that none of these costs change in regard to how much energy you or your neighbor use. The Service Availability Charge is designed so that each member is paying a fair share of the cost to access electric service.

The kWh charge is just that — the purchase price for the energy you use. This is what a member pays for the energy they use for the month. It is calculated by taking the energy used and multiplying it by the per kilowatt hour rate.

At the current time, focusing on energy efficiency strategies continues to be the best approach for lowering your electrical bill. Examples include using a smart thermostat that can adjust your home's temperature, using cold water for washing clothes, and changing out old lights with LED lights. The Department of Energy is a source of energy-saving tips. We also have rebates for energy efficiency efforts you might be considering. We know energy efficiency strategies are always evolving and we're looking at other ways for members to find savings.

2022 MEMBER APPRECIATION EVENTS

Join us for a lunch!

We're excited to host three member appreciation lunches in 2022! Every year, our member appreciation event is our chance to thank you and express our appreciation for your patronage throughout the year.

BURGERS ON THE GRILL

12PM - 1PM

MONDAY, OCTOBER 10

at Schaap Community Center (mid-trail Fire Hall)

WEDNESDAY, OCTOBER 12

at the Grand Portage Community Center

FRIDAY, OCTOBER 14

at Arrowhead Cooperative Office in Lutsen

You are more than just customers, you are the owners of the cooperative. You are the owners of all the poles and power lines, the bucket trucks and facilities, and the only fiber-to-the-home broadband system in Cook County. This is your cooperative – you own it!



WIN \$50!



\$50 GIVEAWAY

As part of our member appreciation celebration, Arrowhead Cooperative will be giving away one \$50 electric bill credit at each picnic. Join us and register for your chance to win!

LOOKING FOR A TAX BREAK?

With the start of another heating season, we would like to remind members who have electric heat as a primary heat source that their heat is exempt from Minnesota sales tax November through April.

The exemption only applies to electricity used as your primary fuel for residential heating. If you have two heat meters, only one heat meter is tax-exempt. Electricity from lights, appliances, etc. is not tax-exempt. Arrowhead Cooperative must charge sales tax unless we have a Sales Tax Exemption Certificate on file. If you sent in the form in the past you do NOT need to send it in again. We renew it automatically. If you find you qualify and are not sure if you have already submitted this certificate look under your rate on your bill. If it says "Winter Exempt" in your rate description then you are tax exempt.

ELECTRIC HEAT SALES TAX EXEMPTION CERTIFICATE

This is to certify that the main source of heat for my home (over 50%) is furnished by permanently installed electric heating equipment and I, therefore, am eligible for the electric heating sales tax exemption, as provided by Minnesota state law. This is for the billing months of November through April only.

ACCOUNT #: _____

DATE: _____

MEMBER NAME: *(please print)*

MEMBER SIGNATURE:

SERVICE ADDRESS:

INCREASED LOAD MANAGEMENT CONTROL THIS WINTER; SAME GREAT BENEFITS

Electricity cannot be effectively stored in bulk at this time; it must be generated, distributed, and consumed immediately. When the need for electricity (demand) requires maximum generating capacity, network operators must either find additional supplies of energy or find ways to reduce the electrical load.

One way to help reduce the demand for electricity is through load management or off-peak programs. When demand and cost for electricity are at the highest, typically on the hottest and coldest days of the year, Arrowhead Cooperative can use its load management programs to help stabilize electricity rates and consumption in its service territory.

In coordination with our wholesale power provider, Great River Energy (GRE), the Cooperative offers load management programs to help curb electricity demand. Members enrolled in these programs help the co-op manage overall energy costs for the entire service territory, benefitting all members. In return, participating members receive a lower electricity rate or a credit on their monthly electric bill. Rebates for necessary equipment might also be available.

Load management programs help delay the need for additional generation resources. Without demand response, GRE and other utilities would need additional generation and transmission infrastructure to meet the region's increasing electrical demand. Load management programs also help avoid building high-cost peaking plants or purchasing expensive energy in the wholesale market.

INCREASED CONTROL PERIODS EXPECTED THIS WINTER:

As the winter heating season approaches we anticipate increased control hours due to energy supply constraints, rising costs of fuel, and other inflationary pressures.

As a reminder, the primary heating system for Dual Fuel participants can be controlled for up to 12 hours per day and up to 400 hours per heating season. Please note that off-peak parameters and benefits remain unchanged.

If you have a Dual Fuel Heating system, now is the time to be sure your backup heating system is prepared and that you have an adequate fuel supply.

Our power provider, Great River Energy, calls for load control on days of high electrical demand, high wholesale energy prices, and/or system emergencies. While increased control periods are expected, the programs remain the same and participants shouldn't experience any discomfort or disruption to their lifestyle. However, if you have any concerns please contact us during business hours at (800) 864-3744.

CO-OP NEWS

COLD WEATHER RULE REMINDER

Arrowhead Cooperative members who may have trouble paying their winter energy bills are reminded that the Cold Weather Rule took effect October 1.

The Minnesota Cold Weather Rule protects qualified residential utility customers during the winter months. Under this rule, electric service will not be disconnected from October 1 - April 30 due to non-payment, if customers meet Cold Weather Rule requirements. However, this rule does not relieve members of their responsibility to pay their utility bills.

Those who qualify for protection need to set up a payment schedule with the Cooperative. Call us today for more information or to setup your payment arrangement at (800) 864-3744.

NEXT BOARD MEETING

Thursday, October 27, 2022, at 9:00 a.m.



2023 CALENDAR CONTEST VOTING

Follow these three steps to vote for your favorite photos for the 2023 Arrowhead Cooperative Calendar by Sunday, October 30!

1

If you haven't already, "like" Arrowhead Cooperative on Facebook.



2

Go to our 2023 Calendar Contest photo album on our Facebook page.



3

Vote for a photo by selecting the "like" button on the photos of your choosing.



OCTOBER IS NATIONAL COOPERATIVE MONTH

We are grateful for YOU and YOUR membership!

Fall is a busy time, and October is a particularly eventful month with school, community, and sports activities. It's also when all cooperatives celebrate National Co-op Month.

Our core business purpose is to serve as your electricity provider, but the larger mission of the co-op is to help make our corner of the world a better place. "Concern for the community" is one of seven guiding principles that all co-ops share.

Similar to how our wires run through our service territory, our concern for community flows through all of our decisions—because being a co-op means being a responsible partner and good neighbor.

Arrowhead Cooperative works to help our community thrive through initiatives led by our employees and local board that is comprised of neighbors who live right here in our community. Because we're local, we understand our community's unique needs and strive to help meet them. We're proud to support local youth through our Youth Tour and scholarship programs. With your help, we offer Operation Roundup grants to provide assistance to our community's most vulnerable.

The word "cooperative" is close to "cooperation," meaning people working together towards a common goal—mutually benefitting one another and the larger community. That's the essence of the cooperative spirit. Our employees and member-elected board members are invested in the community in which we live and serve.

Above all, as a co-op, we put our members' priorities first. As your trusted energy partner, we know that saving energy and money is important to you. That's why we have numerous programs in place to help. Arrowhead Cooperative is continuously examining ways to operate more efficiently while continuing to provide the highest level of friendly, reliable service you expect and deserve. After all, we're your local co-op. We were built by the members we serve.

MEMBER SURVEY SCORES HIGH



High levels of member satisfaction have always been the hallmark of electric cooperatives. This accomplishment reflects our recognition that enhancing member satisfaction is a never-ending service opportunity.

To provide us with continuous and tactically actionable feedback from the membership on the cooperative's service performance, Arrowhead Cooperative recently contracted with Rapp Strategies, an independent research company, to conduct a member satisfaction survey.

We are happy to report that overall members are highly satisfied with the Cooperative. The feedback provided from the surveys will allow us to target improvements, measure progress, and help achieve higher levels of performance in serving members. We appreciate each of you that took the time to complete the survey and are grateful for your commitment and involvement.



OCTOBER CALENDAR WINNER

Submitted by: Robert Wedell



SAFETY TIP

If you ever have to deal with electrical issues, always cut the power at the breaker box. Before you start work, test the circuit with a voltage tester to ensure the power is off and prevent injury.

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