

## RATE ADJUSTMENTS EXPECTED IN 2023

***This past year has been exceptionally challenging for numerous reasons. Just as every other business has endured inflationary pressures and supply chain issues, your cooperative has also been impacted by the nation's energy industry woes.***



Arrowhead Cooperative is your business, owned by its members. The cooperative's management team and board of directors have been entrusted by the membership to operate and oversee the cooperative, keeping its financial position secure.

During the past few months, we've examined many concerns — supply chain issues, rising costs, and the use of a power cost adjustment (PCA). As a member-owned utility, it's vital that we speak honestly and openly about these things. Unfortunately the Cooperative has to announce that the news is not good. Rate increases will be coming.

Throughout the year, we have made several adjustments to cover rising costs on nearly everything we purchase. But as the costs of goods and services continue to rise we just can't keep up. Additionally, wholesale power costs are also rising.

Arrowhead Cooperative is a retailer of electricity, and as such we don't generate the electricity that we deliver to your home or business. We purchase wholesale electricity from Great River Energy who owns generation resources or can purchase from the wholesale market.

Despite strategic decisions to stabilize wholesale electricity rates that continue to serve Great River Energy's member-owners well, broader economic challenges will impact energy costs in the year ahead. Great River Energy's average 2023 wholesale rate is projected to increase by an average of 6.2% from the 2022 budgeted rate.

The cost of wholesale electricity accounts for about 52% of Arrowhead Electric's annual expenses. We've worked hard to keep internal costs down, but we can't control rising costs in the broader energy markets

We know this is grim news. Times are tough as the cost of gasoline, groceries, and other essential needs continue to rise. All of us here at Arrowhead Cooperative are living this reality, too. While we strive for rate stability, it has become impossible in today's environment. Expenses must be recovered to protect the financial stability and reliability of the cooperative, along with operating safely. Therefore, we will begin 2023 with a new outlook on recovering costs, and we expect a retail rate change will be needed in 2023.

Additional details will be available in January.



# RURAL ELECTRIC YOUTH TOUR 2023



## *Don't miss your chance to win an all-expense-paid trip to Washington, D.C.*

This year Arrowhead Cooperative will once again sponsor two local high school juniors to attend the Rural Electric Youth Tour.

We believe that students should see their nation's capital up close, learn about the political process and interact with their elected officials.

The Electric Cooperative Youth Tour has brought high school students to Washington, D.C. for a week in June every year since the late 1950s. Students gain a personal understanding of American history and their role as a citizen by meeting their Representatives and Senators.

The trip to Washington, D.C. is an all-expenses-paid trip that fosters the grassroots spirit of rural electric cooperatives by demonstrating to high school students how our government works and what the electric cooperative business model is all about. Participants will learn about cooperatives, visit legislators at the Capitol, see the national monuments, and make memories that will last a lifetime.

While student groups are organized at the state level, they all come together for Youth Day, where they get to meet each other and hear featured speakers who provide insight into the important roles electric cooperatives play in their communities.

To apply for the trip, students are required to submit an application and an essay. These materials are made available in January each year. Watch for more details in the newsletter or on our website next month.

wishing you a  
**WONDERFUL  
HOLIDAY SEASON  
AND A HAPPY  
NEW YEAR**



from all of us at  
**ARROWHEAD COOPERATIVE**



# ELECTRIC SAFETY TIPS FOR THE WINTER



*Winter in Cook County means cold weather. Many stay warm by plugging in their electric blankets or portable heaters or curling up in front of the fire. However, keeping warm with electronics comes with increased electrical safety hazards. Take these preventative measures to practice winter safety and protect yourself and your family from winter electrical safety hazards.*

## PURCHASING ELECTRICAL EQUIPMENT

Statistics show consumers purchase more electrical appliances in the winter than they do during the other seasons. A critical winter safety tip when it comes to electricity is paying attention to the products you buy. Follow these tips to avoid purchasing cheap and potentially dangerous electrical products:

- Only purchase products from high-quality stores and retailers.
- Don't always go for the cheapest product. If it seems like you're getting too much of a bargain, you probably are.

## INSPECT ELECTRICAL EQUIPMENT

Start winter off strong by testing all your existing electrical appliances and equipment for damage. Watch for loose connections, tattered wires, and pinched or bent insulation on wires. Also, take note of cracked or overheated wires and other related signs of wiring damage. Check everything in your home including electrical heaters, smoke alarms, lighting, and electrical sockets. Furthermore, if you notice any signs of damage or excessive wear and tear, replace the appliance or equipment or have it repaired if possible.

## ELECTRIC HEATERS SAFETY

If you choose to keep warm in the winter with supplemental heaters, do it right — follow these winter electrical safety tips:

### Space Heaters

- Keep anything flammable away from the space heater front, including paper, drapes, pillows, and blankets.
- Supervise children around space heaters. Space heaters can be a burn or shock hazard.
- Make sure the space heater plug is in good shape to avoid fire hazards.
- Do not run cords underneath area rugs; this can start a fire.

### Electric Blanket

- Never fall asleep with your electric blanket on.
- Make sure the plug and cord are in good shape to avoid fire hazards.
- Do not cover your electric blanket with another blanket. Even if it's comfortable to use both, the extra blanket can become a fire hazard.

# CO-OP NEWS

## OFFICE CLOSED

Arrowhead Cooperative will be closed on Friday, December 23, and Monday, December 26, 2022, in observance of Christmas and Friday, December 30, 2022, and Monday, January 2, 2023, in observance of the new year. Please call (800) 864-3744 in the event of an outage or emergency.

## NEXT BOARD MEETING

Thursday, December 29, 2022, at 9:00 a.m.



# WARM HANDS & WARM HEARTS

Arrowhead Cooperative is collecting new or homemade cold-weather accessories (mittens, gloves, hats, and scarves) as well as gift cards to local grocery stores to help keep our neighbors warm this winter. **Contributions can be brought to Arrowhead Cooperative's office by 4 pm on December 16.** Operation Family Christmas coordinators will distribute your donations to those in need in our community.

*Help us decorate our mitten tree with warmth, comfort, and cheer!*

# HOW ELECTRICITY GETS TO YOU

Whenever you flip a switch, charge your smart phone or store food in the freezer, you're relying on the grid to bring you reliable electricity.

At a basic level, the electric grid is a set of interconnected wires connecting places where energy is produced to where it is used. Over time, the grid has become smarter, more dynamic, and increasingly interconnected due to advancements in technology along with additional wind and solar energy resources.

Great River Energy is the wholesale power supplier to Arrowhead Cooperative and uses the grid to move energy and information to ensure reliable electric service and quick response times when there is an issue on the electric system.

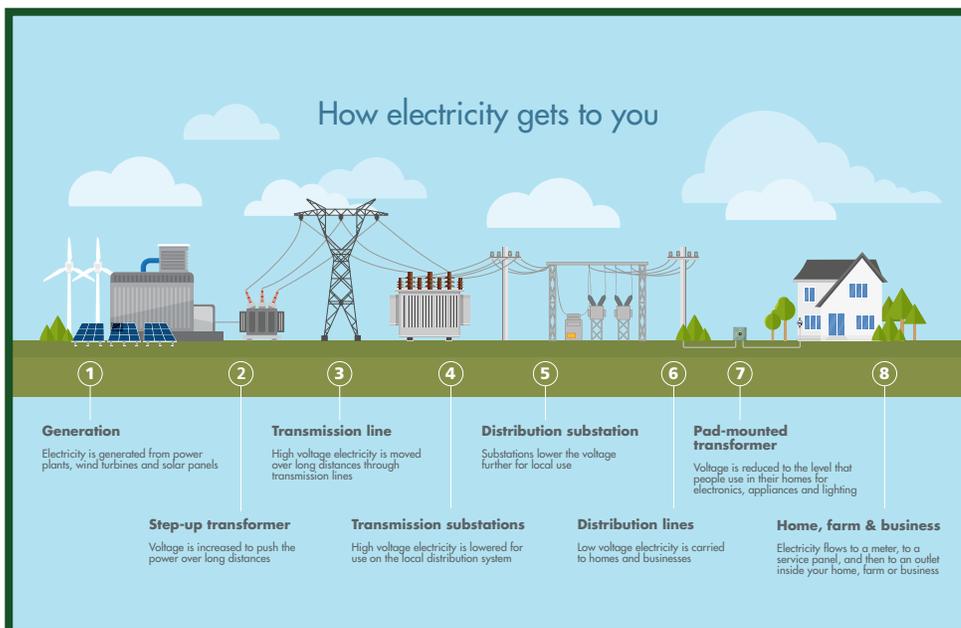
But how does the grid work?

Electricity is made by huge spinning turbines at generating stations using coal, wind, natural gas or water. Electricity from these generators, located at places like power plants and wind farms, is pushed along high voltage transmission lines to substations where the voltage can be "stepped down" to lower, more usable levels. Then, it is sent along smaller distribution lines, like those owned by Arrowhead Cooperative, to be delivered to neighborhoods.

From there, smaller transformers reduce the voltage again to make the power safe to use in homes, schools, farms and small businesses. These smaller transformers may be mounted on poles or sitting on the ground (they're the big green boxes called pad-mounted transformers).

Electricity then runs underground from the transformer to your house and passes through a meter that measures how much each home or business uses. Then, it goes to a service panel where breakers or fuses protect the wires inside your house from being overloaded. Electricity then travels through wires inside the walls to the outlets and switches that we use every day in homes and businesses.

That's how reliable power gets to you in our increasingly power-dependent world.



## DECEMBER CALENDAR WINNER

*Submitted by: Peter Elvin*



## EFFICIENCY TIP

Make sure all air vents are unobstructed from furniture, drapes or other items to ensure sufficient circulation throughout your home.

## ARROWHEAD COOPERATIVE

5401 West Hwy. 61, PO Box 39  
Lutsen, Minnesota 55612-0039  
Phone: (218) 663-7239 | (800) 864-3744  
Fax: (218) 663-7850

[www.arrowheadcoop.com](http://www.arrowheadcoop.com)

**CEO:** John Twiest  
**BOARD PRESIDENT:** Michael Littfin  
**EDITORS:** Sara McManus  
and Fuller Creative, LLC

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

