

ANNUAL REPORT

2022

VOLUME 75, NUMBER 5



**CURRENT
CONNECTION
SPECIAL
EDITION
MAY 2023**

**THE STORMS
WE WEATHERED
TOGETHER**

2022-The Year of Historic Storms

**POWERING
ON—INTO THE
COMMUNITY**

Committed to Community

**FINANCIAL
REVIEW**

Balance Sheet & Statement of
Revenue

**BOARD OF
DIRECTORS**

Your Cooperative Board of Directors

POWER LINES... UNDERGROUND VS. OVERHEAD

Last year's major storms caused large numbers of people to be without power and for many, they had no electricity for multiple days not only once but two or three times throughout the year. That was not 'normal'. The storms took similar paths of destruction. For many of those affected, the number of outages they experienced last year may be more than they've had in total in the past five or six years.

That being said, the storms caused a great amount of damage from downed trees and power lines. It certainly begs the question, 'Why don't you just bury all the power lines?'

Generally we do install underground power in new greenspace real estate developments because it's cost effective. Converting existing power lines to underground is a different story.

Currently a little under 50% of our power lines are overhead. We calculate it would cost over \$200 million to convert our overhead lines to underground, which would require a significant rate increase for all members.

There are many factors that come into play when looking at converting overhead power lines to underground. Location, distance, how certain power lines connect to the rest of our system and the amount of real estate (homes, driveways, etc) in an area are just some of the considerations.

TEXT POWER- LAUNCHED IN LATE 2022

Got a power outage? You can now text or call to report it. Text four keywords concerning power outages to 800-648-9401.

'OUT' to report an outage;

'STATUS' to get an update;

'HELP' for more information; or

'QUIT' to opt out.

Find out more at cwpower.com/outage-center

2022 STORMS



Photo Credit: Steve Kohls, Brainerd Dispatch



Bruce Kraemer,
CEO

Cooperation Among Cooperatives, one of our guiding principles, proved to be extremely helpful as 2022 showed us a historical year of storms. We were proud of our Crow Wing Power crews who endured all of Minnesota's weather elements to diligently restore power. We could not have done it without the assistance of our neighboring cooperatives and contractors who provided a tremendous amount of man power in times of need.



Bob Kangas,
Board President

THE STORMS WE WEATHERED TOGETHER

2022 was the year of significant storms that wreaked havoc on the Cooperative's electric system and knocked out power to over 10,000 members, three different times last year.

May 8, A Mother's Day Storm

The first storm of the season caused several thousand of our Cooperative members to lose power, but also kicked off a week of continued storms and tornado activity that caused major damage throughout the State. We received aid from four Brainerd Public Utilities linemen and four from Itasca Mantrap Cooperative in Park Rapids to help with power restoration. By mid-week we had all power restored locally.

May 30, Memorial Day Storm

Memorial Day storms started out with a 5:00 a.m. warning on Monday, May 30 that cut power to about 2,500 south and east

of Brainerd. Our crews were just finishing up power restorations around 6:00 p.m. when a super storm went through—cutting off power to 11,000.

That storm damage was severe and we were thankful to get aid and manpower from other utilities. We had 13 linemen from Highline Construction; three from Skyline Utilities; ten from Legacy Power Line; two from Todd-Wadena Electric Cooperative; and ten men from New Age Tree Service to help clear trees and brush.

Crews worked 72 hours from 6:00 Monday night until 8:30 Thursday

night to restore power to all. This storm reported an EF1 tornado near Leader that tore through a line of about 14 power poles.

June 20, Father's Day Storm

The third storm was major and struck just 20 days after Memorial Day in the early morning hours after Father's Day. It was quick and destructive, leaving 10,000 people without power in a wake of uprooted trees, broken poles and downed power lines.

It pushed the patience limit of many as this was the second or third time this summer for some people to be without power for an extended period of time. This storm mimicked the Memorial Day storm with similar high-speed winds and path of destruction.



We had 32 outside power line crews and tree removal contractors who joined in this restoration effort and by midnight Wednesday, June 22 all outages were

restored. Highline Construction out of Paynesville sent 20 crewmen. Todd Wadena Cooperative sent three and Skyline Utilities in Brainerd sent nine.

December 14 and 15, Winter Storms

Back to back storms created extremely difficult conditions on Wednesday, December 15 and again on December 16, dumping heavy wet snow, causing trees to sag, break and land onto power lines. These storms cut power to over 10,000 cooperative members at the peak.

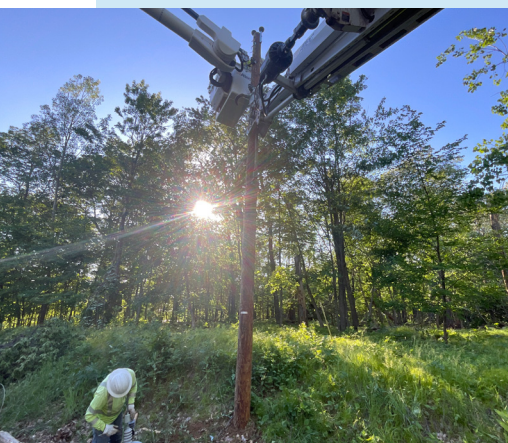
What was noticeable about this restoration process was crews dealt with approximately 400 separate outage locations, meaning there were a very large number of outages that had to be attended to independently,



causing particularly difficult and tedious restoration times. Restoration efforts were also greatly hindered by impassable roads and trails.

Luckily, in addition to our line workers, we had 28 extra hard-working mutual aid men— seven linemen from Stearns Electric; six from Runestone Electric; four from Kandiyohi Cooperative; four from Roseau Electric; two from Todd Wadena; three from Highline Construction; and two from Legacy Power line. Power was restored to all by about 10:00 p.m. Saturday night.

Last year's storms were of historic significance— we had not seen such devastating storms causing 10,000 plus people to be without power since the powerful summer storms of 2015 and 2016.



POWERING ON— INTO THE COMMUNITY

COMMUNITY

CROW WING POWER'S STRONG COMMITMENT TO COMMUNITY

It's was great to be able to be back to normal social activities that allowed employees from Crow Wing Power, People's Security and Crow Wing Power Credit Union the opportunity to enjoy being a part of business and community events.

Crow Wing Power's Operation Round-Up® program has been a tremendous financial asset to so many organizations around the Lakes Area and we are thankful for the program. Annually, over \$200,000 in grants are being donated to worthy human health and well-being organizations. Hats off to the Crow Wing Power members, who've stayed with the program to allow their electric bills to be rounded up to the nearest whole dollar. The organizations you support are forever grateful.

Each year we are also able to provide post-secondary scholarships to members' high school seniors. Scholarships are made available from cooperative unclaimed capital credits from members who have moved away with no forwarding address. Last year, a little over \$100,000 went to 62 students.

Crow Wing Power, will continue to Power On with our Commitment to Community— another guiding cooperative principle.



>> Feeding giraffes at the zoo



>> Baxter & Pequot Lakes Night Out, Linemen gave bucket rides to event goers.

Celebrating YOU at the ZOO



What a great weekend we all had at the Safari North Wildlife Park Member Appreciation event! Over 1,700 Crow Wing Power family members were able to enjoy a free day at the zoo just south of Brainerd. The weekend event was such a great hit - we're making this an annual event.

It's obvious the Vogel family, who own the business, take great pride in their love and care for the zoo and all the wild animals. See you in September.



>> Members enjoy getting back to North Dakota during the Basin Bus Tour.



>> Scott Jackson & Mandi Edberg, Crow Wing Power Credit Union, ring bells for The Salvation Army



>> Pancake Breakfast was back and members enjoyed catching their breakfast.



>> Crow Wing Power hosted Play Ball MN! Twins Clinic at Kristofferson Park in Baxter.

WE'RE LOOKING FORWARD TO SEEING MEMBERS AT THIS YEAR'S COMMUNITY AND APPRECIATION EVENTS

May 31 Crow Wing Power sponsored EV Ride and Drive Event at Brainerd International Raceway

June 17 Annual Business Meeting at Arrowwood Lodge & Suites

August 1 National Night Out (Baxter & Pequot Lakes)

August 24 Music in the Park, Crosby

September 16 & 17 Celebrate YOU at the Zoo, Safari North Wildlife Park free admission

October 7 Cooperative Members Pancake Breakfast (3 locations: Genola, Brainerd, Crosslake)

Visit cwwpower.com for event details, watch for more scheduled events throughout the year.

Follow Us:



Crow Wing Power, People's Security and Credit Union employees enjoyed volunteering this past year at events such as the Home Show and Expo, National Night Out in Baxter and Pequot Lakes, and Music in the Park in Crosby. Building connections with our members made it to the top of the list of favorite things during appreciation events like the Pancake Breakfast in July, Safari North Wildlife Park free weekend at the Zoo, the Minnesota Twins camp for kids and the Basin Electric Power Plant Tour event in October.

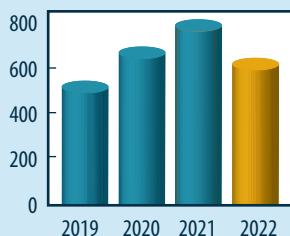


>> Jason Cave, People's Security, volunteering at Nisswa Freedom Days with Toys for Kids

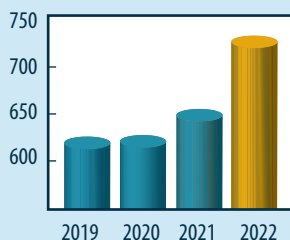
BALANCE SHEET

ASSETS What we own

SERVICES ADDED

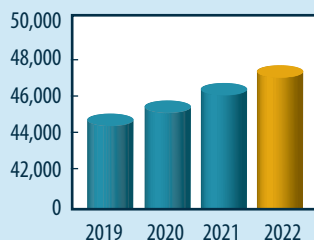


ELECTRICITY SOLD (In Millions of kWh)



LIABILITIES What we owe

NUMBER OF ACCOUNTS SERVED



NET WORTH Members' equity in the co-op

Cost of Our System

We estimate our system has depreciated
This gives our system a book value of:

	2022	2021
	\$ 245,877,401	\$ 236,285,384
	(84,078,140)	(78,885,919)
	\$ 161,799,261	\$ 157,399,465

We Have Other Property and Investments

Great River Energy & Basin Electric capital credits	\$ 41,336,456	\$ 38,159,980
Capital credits in other cooperatives	1,078,637	984,080
National rural Utilities Cooperative Finance Corp (NRUCFC) (Investments required for long-term financing)		
Capital term certificates	2,450,218	2,452,141
Patronage capital credits	930,639	916,881
Other investments	11,720,657	11,379,625
Total other property and investments	\$ 57,516,607	\$ 53,892,707

We Have These Current Assets

Cash and cash equivalents	\$ 7,786,387	\$ 12,274,335
Receivables	10,963,507	9,699,892
Materials and supplies for line construction and maintenance	4,794,032	3,417,678
Prepaid expenses	625,752	1,267,018
Interest receivable on investments	30,489	26,488
Total Current Assets	\$ 24,200,259	\$ 26,685,411

We have deferred debits	\$ 33,489	\$ 49,810
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Total Assets We Own	\$ 243,549,516	\$ 238,027,393
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Long-term Debt

	2022	2021
We owe Rural Utilities Service	\$ 109,819,850	\$ 105,371,569
We owe CoBank	3,803,229	4,181,594
We owe NRUCFC	13,298,070	14,242,390
Total Long-term Debt	\$ 126,921,149	\$ 123,795,553

We Owe Current Liabilities

Power, materials, etc.	\$ 7,317,329	\$ 9,419,056
Taxes, interest, etc.	3,176,861	3,097,460
Security deposits	428,070	427,554
Total Current Liabilities	\$ 10,922,260	\$ 12,944,070

We have deferred credits	\$ 8,314,556	\$ 9,386,191
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Total We Owe	\$ 146,157,965	\$ 146,125,814
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Members' Equity in the Cooperative

	2022	2021
	\$ 97,391,551	\$ 91,901,579

STATEMENT OF REVENUE

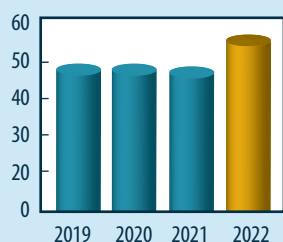
REVENUE

	2022	2021
Sales of electric energy to members	\$ 85,522,837	\$ 76,333,183
Miscellaneous electric revenues and penalties	1,015,091	914,785
Non-operating and other income, net (interest income, miscellaneous items)	<u>250,473</u>	<u>422,723</u>
Total Revenue	\$ 86,788,401	\$ 77,670,691

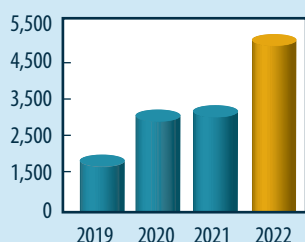
EXPENSES

Wholesale power (paid to power suppliers)	\$ 56,382,462	\$ 48,718,150
Other operating expenses (administration, sales, maintenance, taxes, etc.)	15,191,832	15,728,588
Depreciation of utility plant	6,812,240	6,662,380
Interest expenses on long-term debt	<u>2,623,585</u>	<u>1,718,855</u>
Total Expenses	\$ 81,010,119	\$ 72,827,973

WHOLESALE POWER COSTS
(In Millions of Dollars)



CAPITAL CREDIT RETIREMENTS
(Thousands of Dollars)



Patronage capital income before generation and transmission capital credits	\$ 5,778,282	\$ 4,842,718
Patronage capital from Great River Energy, Basin Electric and other associated cooperatives	<u>4,756,899</u>	<u>1,794,855</u>
Net Patronage Capital (Income)	\$ 10,535,181	\$ 6,637,573

Patronage Capital

	2022	2021
Accumulated patronage capital—beginning of year	\$ 91,901,579	88,370,370
Net patronage capital (Income)	10,535,181	6,637,573
Retirement of patronage capital	<u>(5,045,209)</u>	<u>(3,106,364)</u>
Accum. Patronage Capital End Of Year	\$ 97,391,551	91,901,579

Type of Service

	2022	2021
Rural Residential	\$ 464,802,763	\$ 59,482,262
Commercial/Industrial	258,552,196	25,250,799
Irrigation	4,385,703	690,910
Public Street Light	<u>397,986</u>	<u>98,866</u>
Total	\$ 728,108,648	\$ 85,522,837

2022 ELECTRICAL ENERGY SALES STATISTICS

Year Ending
December 31, 2022

Comparative Operating Statistics

Years Ending
December 31, 2022 and
December 31, 2021

	2022	2021
Number of accounts served	47,113	46,510
New services added this year	704	798
Miles of line energized	5,607	5,573
Member accounts per mile	8.40	8.35
Total KWH purchased through GRE & Basin	777,945,882	696,908,396
Total KWH sold	728,108,648	650,826,215
Cost per KWH sold	\$ 0.0774	\$ 0.0749
Average cost per KWH to member	\$ 0.1192	\$ 0.1193
Average residential KWHs used per month	886	873
Average residential monthly bill	\$ 113	\$ 106
Plant investment per member	\$ 5,219	\$ 5,080
Percent of member equity—ownership	40%	38.6%

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Scholarships

\$103,371 to 62 post-secondary students

Operation Round-Up®

\$214,925 to 78 organizations

Economic Development Loans

\$6,425,260 to 36 businesses to date

Electronic Auto-Pay

20,146 members enrolled

Load Control Programs

11,495 utilize special heating/
cooling programs

Registered SmartHub Users

12,121 can access energy use and
bills online

People's Security Accounts

4,145 actively monitored
security accounts

Paperless Billing

11,868 bills are sent electronically
saving the Cooperative \$118,205
annually in postage/handling

Capital Credit Bill Credits and Checks Sent

\$2,372,675 distributed to
36,487 members in May, 2023;
\$2.4 million distributed to
24,095 in May 2022

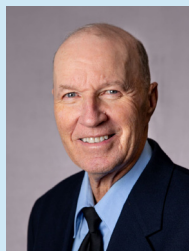
BOARD OF DIRECTORS



Bob Kangas



Bryan McCulloch



Dwight Thiesse



Gert Roggenkamp



Giles Radtke



LuAnn Nelson



Mark Ronnei



Paul Koering



Ric Larson

Our main purpose is to provide reliable, affordable power, but our larger mission is "Concern for Community", where we strive to enhance the lives of the people we serve.