

# KILOWATT

## 2024 FINANCIALS & PATRONAGE ALLOCATION

### MAKE YOUR ANNUAL MEETING RESERVATION NOW!

Kandiyohi Power Cooperative is holding our Annual Meeting April 22 at the Little Crow Golf Resort. The doors will open at 8:30 a.m. with the meeting beginning at 9:00 a.m. and brunch to follow. Due to limited space, we ask that you please RSVP if you plan on attending the Annual Meeting. Contact us at 800-551-4951 or by email at [contactus@kpcoop.com](mailto:contactus@kpcoop.com) to make your reservation. We hope that you will be able to join us and take this opportunity to visit with your Board Directors and hear what is happening at your cooperative. We will have a welcome gift and prize drawing.

**Our office will be closed April 18<sup>th</sup>, 2025 in celebration of Good Friday.**

**If you need assistance, please call 800-551-4951.**



In this month's edition of The Kilowatt, we present the December 31, 2024 financial statements, comprised of both the year-end balance sheet and operating statement. The operating statement, also known as the statement of margins, displays total net margins of \$1,659,597 for the year. This equates to roughly 7% of revenue generated by Kandiyohi Power in 2024, primarily from sales of electric energy. This amount is not retained permanently by KPC, but instead is returned to our membership in the form of capital credits, also known as patronage capital. As a member-owner, your portion of 2024 margins will ultimately be returned to you as either a bill credit (active members) or via paper check (inactive members) when this obligation is retired in the future. It is the policy of KPC to retire capital credits at the discretion of the Board of Directors as the financial condition of the Cooperative permits.



Patrick Krueger  
CFO

Nearly all the \$1,659,597 in 2024 margins will be returned to member-owners in future capital credit retirements. Of this amount, \$1,084,277 was allocated by KPC from 2024 operating margins and will be returned to our membership in the coming years. \$370,890 was also allocated back to KPC by our power provider, Great River Energy, all of which will be returned to our member-owners over time. The only amount that will not be returned to our patrons is the income generated from KPC's equity investments, which totaled \$204,430 in 2024. This amount will be retained by the Cooperative, but still yields an indirect benefit to all our members. This additional source of income from equity investments is used to offset operating expenses and allows KPC to keep member electric rates lower across all rate classes, producing a positive benefit to all those we serve.

Throughout 2024, less than a single penny made its way to KPC's bottom line for each kWh sold to our membership. As explained above, this small amount remaining after all operating expenses were covered will be returned to our members in future years as the financial condition of the Cooperative allows. Our Cooperative is organized on a not-for-profit basis, and the retirement of capital credits back to our member-owners is consistent with our intention to provide electricity at cost.

We at KPC are proud of the low energy rates we offer, and despite the thin margins we operate on, we remain committed to fulfilling our mission to safely provide reliable, sustainable, and innovative energy solutions to meet all our unique members' needs.

December 31, 2024  
**Balance Sheet**

**UTILITY PLANT**

Electric Plant in Service	\$ 80,468,862
Construction Work in Progress	1,528,243
<b>TOTAL UTILITY PLANT</b>	<b>\$ 81,997,105</b>
Less: Accumulated Depreciation	(27,881,773)
<b>NET UTILITY PLANT</b>	<b>\$ 54,115,332</b>
<b>NON-UTILITY PROPERTY (NET)</b>	<b>\$ 1,002,819</b>

**INVESTMENTS**

Patronage Capital	\$ 10,214,631
Other	1,821,700
Investments in Subsidiaries	1,027,651
<b>TOTAL INVESTMENTS</b>	<b>\$ 13,063,982</b>

**CURRENT & ACCRUED ASSETS**

Cash & Temporary Investments	\$ 802,777
Accounts Receivable, Net of Reserve	3,130,668
Materials & Supplies	3,223,805
Prepayments & Other Accrued Assets	242,188
<b>TOTAL CURRENT &amp; ACCRUED ASSETS</b>	<b>\$ 7,399,438</b>

<b>DEFERRED CHARGES</b>	<b>\$ 549,267</b>
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<b>TOTAL ASSETS</b>	<b>\$ 76,130,838</b>
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**EQUITIES & MARGINS**

Patronage Capital Assigned to Membership	\$ 31,428,558
Other Equities	4,864,003
<b>TOTAL EQUITIES &amp; MARGINS</b>	<b>\$ 36,292,561</b>

**LONG-TERM LIABILITIES**

Long-Term Debt Obligation to NRUCFC	\$ 31,567,355
Long-Term Debt - Great River Energy	2,667
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 31,570,022</b>

**CURRENT & ACCRUED LIABILITIES**

Accounts Payable	\$ 3,382,660
Current Portion of Long-Term Debt	1,561,995
Notes Payable	1,187,407
Consumers' Deposits	56,314
Other Current & Accrued Liabilities	1,368,528
<b>TOTAL CURRENT &amp; ACCRUED LIABILITIES</b>	<b>\$ 7,556,904</b>

<b>DEFERRED CREDITS</b>	<b>\$ 711,351</b>
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<b>TOTAL EQUITIES &amp; LIABILITIES</b>	<b>\$ 76,130,838</b>
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December 31, 2024  
**Operating Statement**

**OPERATING REVENUES**

Sales of Electric Energy	\$ 22,917,125
Capital Credits - Great River Energy	370,890
Capital Credits - NRUCFC	54,238
Capital Credits - Other	23,884
Miscellaneous Electric Revenue	153,440
Consumer Late Fee Charges	32,839
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 23,552,416</b>

**OPERATING EXPENSES**

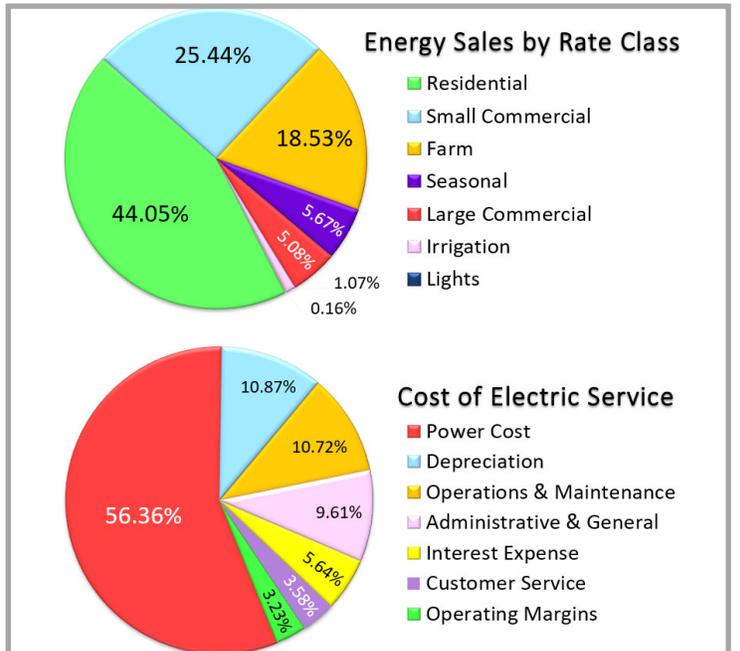
Cost of Power	\$ 13,020,954
Depreciation and Amortization	2,510,758
Operations and Maintenance	2,304,517
Administrative and General	1,948,900
Interest	1,302,809
Customer Service	431,766
Consumer Accounts	394,647
Property Taxes	219,206
Directors' Compensation & Ancillary Costs	112,045
Other	111,437
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 22,357,039</b>

<b>OPERATING MARGINS</b>	<b>\$ 1,195,377</b>
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**NON-OPERATING MARGINS**

Income from Equity Investments	\$ 204,430
Rental Income (Net) - Old HQ Building	100,985
Interest Income	82,252
Other Non-Operating Income	76,553
<b>TOTAL NON-OPERATING MARGINS</b>	<b>\$ 464,220</b>

<b>TOTAL KPC MARGINS (NET)</b>	<b>\$ 1,659,597</b>
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As of December 31, 2024, KPC has retired \$23,974,084 in capital credits to our members.

WHAT WE OWN

WHAT WE OWE

## ANNUAL MEETING AGENDA

9:00 AM CALL TO ORDER  
Dale Anderson, Chairman

INVOCATION  
Stan Wubben

NATIONAL ANTHEM

APPOINTMENT OF PARLIAMENTARIAN  
Chad Felstul

APPOINTMENT OF SECRETARY  
Kim Hanson

REPORT OF QUORUM  
Stanley Wubben, Secretary/Treasurer

READING OF NOTICE OF ANNUAL MEETING  
Stanley Wubben, Secretary/Treasurer

AFFIDAVIT OF MAILING  
Stanley Wubben, Secretary/Treasurer

DECLARATION – FILE REPORT ON QUORUM  
Dale Anderson, Chairman

APPROVAL OF 2024  
ANNUAL MEETING MINUTES  
Dale Anderson, Chairman

BOARD CHAIRMAN COMMENTS  
Dale Anderson

GRE GUEST PRESENTATION  
Zac Ruzycki, Resource Planning Director

CEO COMMENTS – Ryan Nelson

GRE GUEST PRESENTATION  
Debi Brandt, United Community Action Council

FINANCIALS  
Jay Welsh, Brady Martz & Associates

OPERATION ROUND-UP UPDATE  
Robert Moller

INTRODUCTION OF DIRECTORS  
Chair Anderson

Introduction of Nominees by District:

- District 1  
Dale Anderson (Incumbent)  
Appointed by Acclamation  
– no other candidates ran for District 1.

- District 2  
Rick Nass (Nominee)  
Ross Larson (Nominee)  
Ken Warner (Nominee)

- District 3  
Robert Moller (Nominee)  
Appointed by Acclamation  
– no other candidates ran for District 3.

OLD BUSINESS – Chad Felstul

NEW BUSINESS – Chad Felstul

REPORTS OF ELECTION RESULTS  
Chad Felstul

10:30 AM MOTION TO ADJOURN

10:30 AM Brunch to follow.

## MEMBER NOTICE

As the weather warms up, KPC will have contractors working on load management equipment in various locations throughout our service territory. These efforts are part of our ongoing commitment to improving and maintaining reliable service for you. You may notice activity in your area, but we're working to minimize any inconvenience. Thank you for your understanding as we continue to serve you better. For any concerns, feel free to reach out to our Member Services team.



**March's \$25  
Auto Pay  
Winner: Jacob and  
Whitney Wager**

Enroll in our Auto Pay program to be entered into a monthly drawing for a \$25.00 bill credit. Save time and money!

Must be on Auto Pay to be eligible to win. You can also select email as your only delivery option. You will then receive an email instead of a paper bill when your bill is ready for payment.

**KPC**  
KANDIYOHI POWER  
COOPERATIVE

**BOARD MEETING  
SUMMARY**  
March 26, 2025

The Kandiyohi Power Cooperative Board of Directors held their regular monthly meeting. There were eight directors present, one directors virtual. Chairman, Dale Anderson called the meeting to order.

Additions made to the regular agenda: None

The following reports were given:

- CEO Report
  - New ERA Grant update.
  - Member Services Representative hire update.
  - Glacial Lakes Sanitary Sewer & Water District meeting update.
  - GRE board with member manager group recap.
  - NRECA PowerXchange conference recap.
- Member Services/Communications
  - Annual meeting items.
  - Annual meeting webpage live; online voting available 3/31.
  - Community solar update.
  - Update on load control change out project with Allegiant.
  - Auto pay metrics.
  - Insights and analytics.
- Engineering Report
  - Two new services; zero retired YTD.
  - North Central Rural Engineering Conference update.
  - Amp Americas Update.
  - Annual DER reporting and compliance recap.
  - GRE PURPA Qualifying Facilities.
  - Outage breakdown YTD.
  - Compliance and safety update for February.
- Finance Report
  - Review of financials for February.
  - 2024 Profit Distribution/Allocation.
  - GRE Retirement.
  - 2025 Utility and Pipeline Property Report.
  - KPC Holdings – Bushmills Ethanal.
  - 2024 NRUFC Form 7.

Brady Martz 2024 Audit Report-  
David Holt, CPA & Shareholder

Retiree Recognition

Great River Energy (GRE)

- Director's Report by Chair Anderson.

Closed Session

Motions made and approved by the Board:

- Regular Agenda.
- Consent Agenda.
- Closed Session.
- Capital Credit Payout for Dissolved Corporation.
- Approval of director retirement recognition.
- Approval of KPC employee's retirement recognition.
- Adjourn meeting.

Meeting Adjourned- Next regular board meeting is  
April 23, 2025.

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# KPC

KANDIYOHI POWER  
COOPERATIVE

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 www.kpcoop.com  
 Email: contactus@kpcoop.com  
**Office Hours: Mon.-Fri. 7:30am – 4pm**  
**Phone: 1-800-551-4951**  
**Fax: 320-796-0620**

**Tom McCormick**  
**Electric Inspector: 320-221-2809**

Drop boxes available for your convenience at Cash Wise and our headquarters building near flag pole.

Ryan Nelson, CEO 320-796-1160

BOARD OF DIRECTORS:	District
Dale Anderson, Chair - 320-894-1687	1
Rollo Campe - 320-894-1601	1
Larry Powers - 320-212-7960	1
Dan Pomranke - 320-894-7113	2
Todd Post, VC - 320-212-1119	2
Stan Wubben, Secretary - 320-905-8325	2
Kelly Erickson - 320-894-2930	3
Diane Helgeson - 320-220-3745	3
Darrell Fostervold - 320-212-4824	3

**KILOWATT STAFF:**  
 Michele Scheffler, Editor

*Equal opportunity provider and employer.*



**811** CALL BEFORE YOU DIG!!!  
[www.gopherstateonecall.org](http://www.gopherstateonecall.org)  
**1-800-252-1166**



## 24-HOUR OUTAGE NUMBER

When your lights go out, so do we.

Call us if your power goes out even if you think your neighbors already did. Leave one light on so you know when power has been restored and make sure you have an emergency kit ready.

**1-800-551-4951**

The Cooperative will attempt to furnish continuous service but will not guarantee uninterrupted service.

## ●●● YOUR SOURCE FOR ENERGY-EFFICIENT HEATING AND COOLING.

### ASHP Rebate Promotional Special

Take advantage of these hot promo rebates when you install a qualifying, energy-saving air source heat pump!



Air source heat pumps are a high efficiency heating system. By switching to air source heat pumps, you can reduce your energy bills as you'll be using the outside air for your heating and cooling needs. If you are considering installing an air source heat pump, take advantage of these rebates!

Equipment must be purchased and installed in May, June, July or August 2025.

Ducted ASHP	Promotional Rebate
High Efficiency	\$600.00
Premium Efficiency	\$900.00
≤ 5 ton & Quality Installation required. Efficiency based on AHRI directory certificate provided by HVAC Quality Installer.	
Ductless ASHP	Promotional Rebate
Primary Heat Source is Delivered Fuels	\$400.00
Primary Heat Source is Electric Heat	\$600.00
High Efficiency Requirements: >1 ton & ≥ 14.3 SEER2 & ≥7.5 HSPF2	

Limited funds are available and awarded on a first-come, first-served basis. Rebate amounts and programs are subject to change without notice.

### ELECTRIC CO-OP SERVICE DENSITY compared to OTHER ELECTRIC UTILITIES

Electric cooperatives maintain more power lines per consumer than other types of electric utilities.

*Even though we serve fewer consumers per mile of line, we will always go the extra mile for our members.*

