


CURRENT

A C T I V I T I E S



A Touchstone Energy® Cooperative 
Website at www.clearwater-polk.com

June 21st Storm Causes Widespread Damage Across Cooperative Service Area



Damaged transformer and meter pole.



Two brothers working side by side restoring power. Jesse Huot (left) from North Star Electric Cooperative joined Clearwater-Polk's storm recovery efforts and was teamed up with his brother, Travis Huot (right), Clearwater-Polk's line foreman.

Board approved changes to rates.
See inside this issue
for further information.

— OFFICE HOURS: 7:00 AM-4:30 PM ... MONDAY-FRIDAY —

AUGUST 2025 - SPECIAL EDITION

Phone 218-694-6241 – or – Toll Free (888) 694-3833

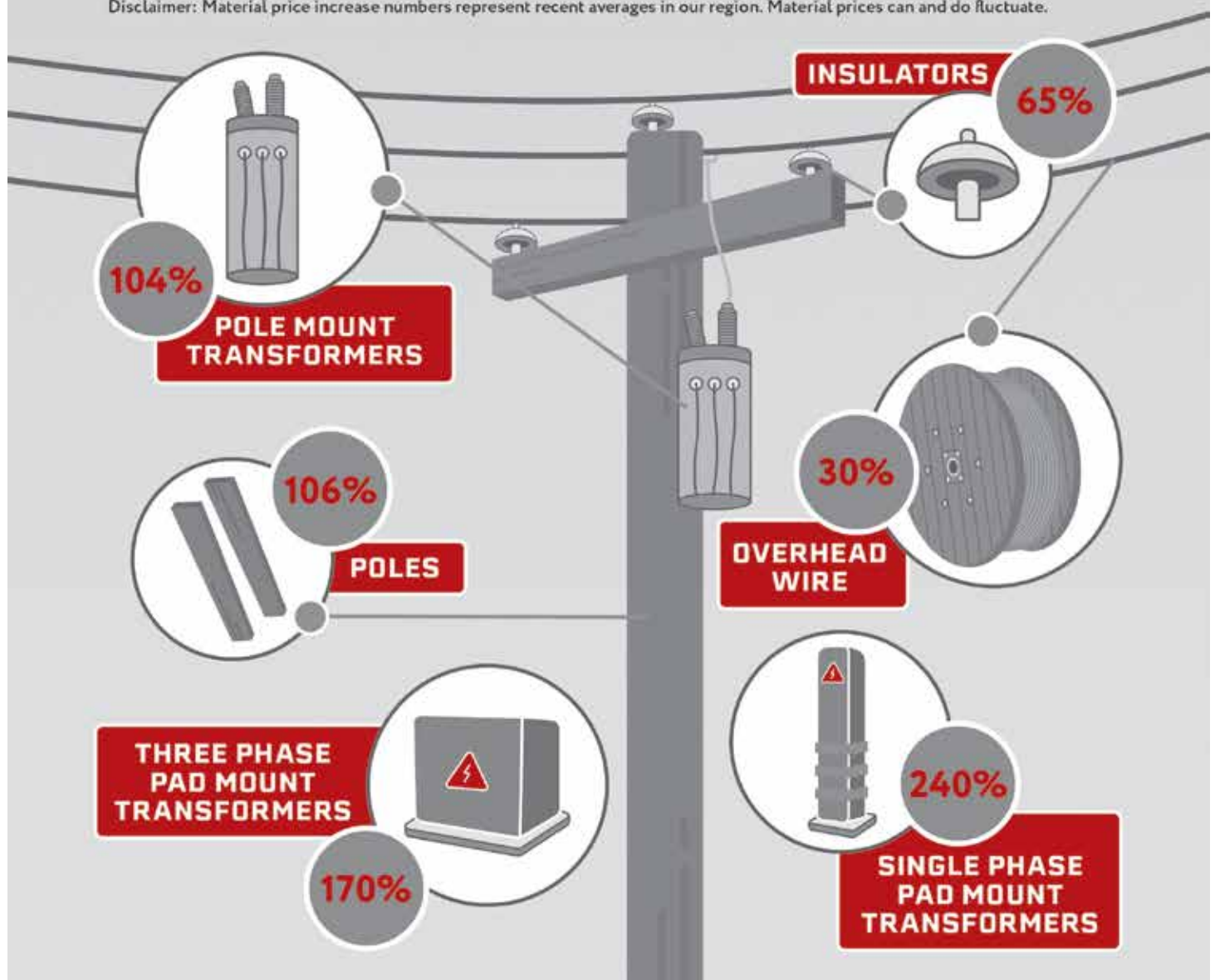


THE RISING COST OF ELECTRIC UTILITY MATERIALS

Over the past four years, your electric cooperative has experienced an unprecedented increase in the cost of materials we need to deliver power. It's an uptick everyone in the industry is facing, and we – in coordination with your board of directors – have done our best to keep those increases from affecting electric rates. However, to continue providing safe, reliable and fiscally responsible electricity to our members, a small rate adjustment has become necessary in 2025.

The graphic below shows some of the core components that your electric cooperative needs to operate and the corresponding price increases since 2020. We thank our members for your understanding as we work to ensure you receive the best possible value for your energy dollar. If you have questions concerning your electric rate, please don't hesitate to give your cooperative a call.

Disclaimer: Material price increase numbers represent recent averages in our region. Material prices can and do fluctuate.



RATE CHANGE EFFECTIVE AUGUST 1, 2025

Since 2021, Clearwater-Polk Electric’s focus on rate design has been to align the billed rate components to mirror how Minnkota Power bills Clearwater-Polk. By doing so, this rate design helps to ensure fairness within the rate classes.

DEMAND CHARGE

Most noticeably for Clearwater-Polk Electric members, there has been the incorporation of a demand charge throughout all the rate classes. Electric demand refers to the rate at which electricity is being used at a specific point in time, measured in kilowatts (kW). Clearwater-Polk’s wholesale power bill consists of five different demand-based rate components which makes up approximately 50% of what Minnkota bills Clearwater-Polk each month. Load controlled meters contribute to three of the five Minnkota demand-based rate components, while all meters not on load control contribute to all five demand charge elements. Changes to demand charge components effective August 1, 2025 are as follows:

| RATE 1, SINGLE-PHASE SERVICES | CURRENT RATE | NEW RATE |
|---|---------------------------|----------|
| Demand Charge – per kW | \$0.60 | \$1.75 |
| RATE 1C, SINGLE-PHASE GENERATOR SERVICES | | |
| Demand Charge – per kW | \$--- | \$1.00 |
| RATE 3C, MULTI-PHASE GENERATOR SERVICES | | |
| Demand Charge – per kW | \$--- | \$1.00 |
| RATE 3, MULTI-PHASE SERVICES – SMALL COMMERCIAL | | |
| Demand Charge – per kW | Included in Access Charge | \$10 |
| RATE 5, MULTI-PHASE SERVICES – LARGE COMMERCIAL | | |
| Demand Charge – per kW | Included in Access Charge | \$10 |

ENERGY CHARGE

The energy charge rate component is based on energy used (consumed), measured in kilowatt-hours (kWh). Clearwater-Polk Electric’s rate structure consists of two energy rate components for primary meters, the energy rate and the power cost adjustment (PCA). The power cost adjustment is calculated each month using the billed components the cooperative receives from Minnkota Power’s wholesale power bill. The changes to the energy charge effective August 1, 2025 are:

| RATE 1, SINGLE-PHASE SERVICES | CURRENT RATE | NEW RATE |
|---|---------------|---------------|
| Energy Charge – all kilowatt-hours (kWh) | \$0.115 + PCA | \$0.114 + PCA |
| RATE 1C, SINGLE-PHASE GENERATOR SERVICES | | |
| Energy Charge – all kilowatt-hours (kWh) | \$0.079 + PCA | \$0.089 + PCA |
| RATE 3C, MULTI-PHASE GENERATOR SERVICES | | |
| Energy Charge – all kilowatt-hours (kWh) | \$0.079 + PCA | \$0.089 + PCA |
| RATE 3, MULTI-PHASE SERVICES – SMALL COMMERCIAL | | |
| Energy Charge – all kilowatt-hours (kWh) | \$0.12 + PCA | \$0.105 + PCA |

ACCESS CHARGE

The access charge is a fixed monthly fee on your electric bill that helps cover the basic costs of providing electric service to your home or business. This includes expenses such as maintaining poles and wires, meter reading, billing, system upgrades, and customer service—costs that exist whether or not electricity is used. The access charge ensures that all members who benefit from being connected to the electric system share in the cost of keeping that system reliable, safe, and ready to deliver power when needed.

At Clearwater-Polk, the access charge has traditionally been structured based on transformer size and capacity, with a set minimum. Under the previous policy, members requiring capacity beyond the minimum for their rate class were charged an additional \$1.25 per kVa. Each year, accounts with transformers larger than 25 kVa were reviewed and billed according to the highest recorded capacity requirement from the previous 12 months.

To simplify this process—while remaining committed to fairness—Clearwater-Polk is transitioning to a flat-rate access charge structure based on transformer size. The new flat-rate access charges are as follows:

| SINGLE-PHASE SERVICES | CURRENT RATE | NEW RATE |
|--|---|-------------------------------------|
| Up to 25-kVA transformer | \$43 | \$50 |
| 26 to 75-kVA transformer | \$43 plus \$1.25 for each additional kVa | \$55 |
| MULTI-PHASE SERVICES | | |
| 26 to 75-kVA transformer | \$43 plus \$1.25 for each additional kVa over 45 | \$55 |
| 76 to 112.5-kVA transformer | \$110 plus \$1.25 for each additional kVa over 45 | \$110 (No Additional kVa charge) |
| 113 to 150-kVA transformer | \$110 plus \$1.25 for each additional kVa over 45 | \$125 (No Additional kVa charge) |
| 151 to 499-kVA transformer | \$110 plus \$1.25 for each additional kVa over 45 | \$175 (No Additional kVa charge) |
| Over 499-kVA transformer | \$110 plus \$1.25 for each additional kVa over 45 | \$225 (No Additional kVa charge) |
| OFF-PEAK | | |
| (Access Charge applied to each additional meter for service) | \$3 | \$5 |

OFF-PEAK

A notable change to the off-peak rates includes the change from two seasonal energy rates (Sept-May and June-Aug.) to one 12-month energy rate.

| LONG-TERM OFF-PEAK | CURRENT RATE | NEW RATE |
|-----------------------------|--|----------------------------|
| Energy – all kilowatt-hours | \$0.064 per kWh (Sept.-May) \$0.074 (June-Aug.) | \$0.068 per kWh year-round |
| Access Charge | \$3.00 | \$5.00 |
| SHORT-TERM OFF-PEAK | | |
| Energy – all kilowatt-hours | \$0.078 per kWh (Sept.-May) \$0.088 (June-Aug.) | \$0.080 per kWh year-round |
| Access Charge | \$3.00 | \$5.00 |

OFFICERS & DIRECTORS

- Greg Renner, *President*..... Shevlin
- Cheryl Grover, *Vice President* Bagley
- Kim Solberg, *Secretary/Treasurer* .. Gonvick
- Harlan Highberg..... Bagley
- Doug Lindgren..... Bagley
- Dennis Engebretson Clearbrook
- Betty Surdez Bagley
- Deanna Lefebvre, *General Manager*



Damaged Three-phase breaker pole was repaired, with the hard work of 6 lineman, in four hours.



TROUBLE CALLS

DURING OFFICE HOURS

7:00 am - 4:30 pm, Mon. - Fri.

CALL 694-6241 or 1-888-694-3833

AFTER HOURS OUTAGES

CALL 1-877-881-7673

MANAGERS MESSAGE



Deanna Lefebvre
General Manager

Rates

As your General Manager, I want to share an important update regarding your cooperative's electric rates. After months of thoughtful analysis and planning, the Clearwater-Polk Electric Cooperative Board of Directors has approved new rates that will go into effect on August 1, 2025.

As mentioned in recent issues of your Current Activities newsletter, Minnkota Power Cooperative, our wholesale power provider, implemented an 8.3% rate increase on April 1, 2025. Because the cost of wholesale power accounts for approximately 60–70% of our total expenses, the board of directors has been closely reviewing the cooperative's financial position and evaluating how to adjust rates in a way that ensures long-term sustainability while minimizing the impact on our members.

In addition to rising wholesale power costs, the cooperative continues to face inflationary pressure in nearly every aspect of our operations—from materials and equipment to labor and fuel. Yet our mission remains unchanged: to provide safe, reliable, and affordable electricity to the members we serve, while planning responsibly for the future.

To support this goal, the board requested a Cost-of-Service Study (COSS) from the National Rural Utilities Cooperative Finance Corporation (CFC). This comprehensive review helps ensure

our rate structure is fair, transparent, and aligned with how costs are incurred. The study focused on three key components:

- Revenue Requirement – the total amount of revenue needed to cover all costs of providing electric service.
- Cost of Service – a detailed look at the actual costs to serve each rate class (residential, commercial, public buildings, etc.).
- Rate Design – the method of structuring rates to align with cost of service and ensure equity across all member classes.

CFC presented the final study to the board at its April 30, 2025 meeting. One notable finding from the study—consistent with a similar study performed in 2020—was that our access charge was still well below cost-of-service recommendations. Clearwater-Polk Electric serves a sparsely populated region, with only 2.9 meters per mile of line, compared to a national rural cooperative average of 7–8. This low density means fewer members are sharing in the fixed cost of maintaining the electric system—poles, wires, substations, meters, and more.

The 2020 study recommended a minimum access charge of about \$51, while the new study suggested increasing that to \$54. On July 1, 2025, after careful consideration, the board approved raising the minimum access charge from \$43 to \$50 for single-phase residential services. While this is an increase, it remains below the recommendations from both the 2020 and 2025 studies, showing the board's commitment to balance member affordability with long-term financial responsibility.

The board also approved adjustments to other components of our rates to better align with how Clearwater-Polk is billed by Minnkota. This includes continued incorporation of demand charges, which reflect the rate at which electricity is consumed and promote a fairer cost allocation across all users.

We recognize that any rate change can be concerning, and we want to assure you this decision was not made lightly. It followed a transparent, data-driven process focused on fairness, long-term reliability, and ensuring the cooperative can continue to invest in the infrastructure

needed to serve you well—today and into the future.

Thank you for your continued support and understanding as we work to serve you better. Please refer to the rate article for the rate chart and additional information that is included in this issue of the Current Activities newsletter. As always, if you have questions or would like more information about the new rates, please visit our website at www.clearwater-polk.com, or feel free to contact our office directly.

June 21, 2025 Storm

In this issue, you'll see several photos capturing the devastation caused by the storm that swept through Clearwater-Polk Electric's service territory on June 21.

I want to personally thank the mutual aid crews from North Star Electric Cooperative and Red Lake Electric Cooperative. Your willingness to answer our call for help is deeply appreciated. I also extend my sincere thanks to all our employees who worked long, grueling hours to restore power to the more than 67% of our members who were without service at the peak of the storm.

And to you—our members—thank you for your patience, understanding, and support throughout this challenging time.

The last major storm to impact our system was in 2018. We've been fortunate to have gone seven years without a widespread outage of this magnitude. Over the past few years, Clearwater-Polk Electric has made significant strides in our right-of-way maintenance program, and this recent storm proved that investment to be worthwhile. Without the focus and commitment to that program, the damage would have been even more severe.

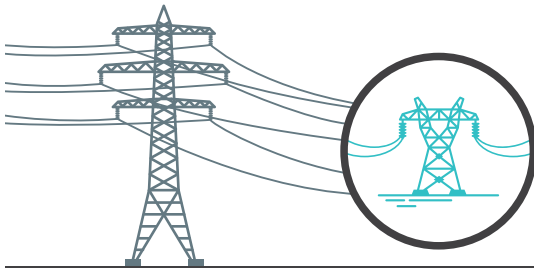
While power has been restored to all affected members, not all of the damaged areas are fully repaired. Recovery will continue throughout the remainder of the season and into late fall. Ongoing right-of-way maintenance and storm mitigation efforts will remain a priority as we continue to strengthen our system for the future.

I hope that all of you are enjoying your summer. And, as always, stay safe, happy and healthy!

Deanna

The Steps to Restoring Power

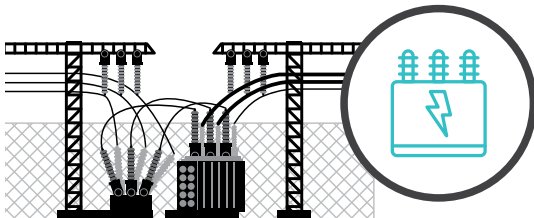
When a major outage occurs, our crews restore service to the greatest number of people in the shortest time possible – until everyone has power.



1. High-Voltage

Transmission Lines

These lines carry large amounts of electricity. They rarely fail but must be repaired first.



2. Distribution Substations

Crews inspect substations, which can serve hundreds or thousands of people.



3. Main Distribution Lines

Main lines serve essential facilities like hospitals and larger communities.



4. Individual Homes and Businesses

After main line repairs are complete, we repair lines that serve individual homes and businesses.



When a cooperative truck broke down near this member's residence, lineman Travis Trefz didn't wait idly. With temperatures soaring into the 90s and high humidity, he grabbed his climbing gear and walked over to continue restoring power—demonstrating the dedication our crews bring to every job.



Picture taken by Clearwater-Polk's brusher, Lanny Bjerke, as he gets ready to brush and clear the trees from the power lines.

SWAP SHOP

RULES: Ads for Clearwater-Polk Electric members only. Current Events newsletter will only be published every other month. Ads must be received by the 10th of the print month. Limit your ads to two items. No commercial ads, please.

REMINDER -

"Free-For Sale-Give Away- or Wanted ads can be posted in our newsletters for our members.

For Sale: Nice cabin, sleeps 4, \$4,000. Also log bunk bed. 218-533-6029

For Sale: Maytag dryer approx. 5 yrs old, used very little, \$200. 218-556-4116.

WISHING YOU A SAFE & HAPPY



**Our office will be
closed Monday,
September 1st, 2025**