



**Cass County Electric  
Cooperative**

# **2022 ANNUAL REPORT**

- Your Trusted Energy Advisor -

**Highline Notes**



# OUR MISSION, OUR VISION AND OUR VALUES

At Cass County Electric Cooperative, succeeding takes more than just one person. Together with our directors and members, we strive to meet the challenges of an ever-changing world head on—harnessing innovation, safety, integrity, commitment to community and accountability as guiding values to create solutions that bring positive progression for all involved. We work hard daily to earn your trust so together we can confidently move forward into tomorrow's bright future!

## Highline Notes Volume 81, Number 4

Communications: Jocelyn Hovland and Kaitlyn Hartman  
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Board of Directors:  
District 1, Paul White  
District 2, Douglas Anderson  
District 3, Sid Berg  
District 4, Open  
District 5, Tom Seymour  
District 6, Glenn Mitzel, Board Chair  
District 7, Wendy Loucks  
District 8, Calvin Hoff, Treasurer  
District At-Large, Terry Kraft, Vice Chair/Secretary

Executive Staff:  
Marshal Albright, President/CEO  
Jodi Bullinger, VP of Engineering & Operations  
Paul Matthys, VP of Member & Energy Services  
Chad Sapa, VP of Corporate Services & CFO  
Tim Sanden, VP of Information Technology & CIO

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Cass County Electric Cooperative is an equal opportunity provider and employer.

Information about the cooperative, articles of incorporation, bylaws and more can be found at [CassCountyElectric.com](http://CassCountyElectric.com).



### POWER MIX CAPACITY

**COAL 55% - WIND 34% - HYDRO 8% - OTHER 3%**

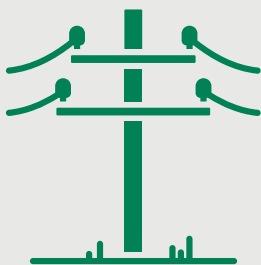
The majority of the electricity used by CCEC members is generated by our power supplier, Minnkota Power Cooperative, right here in North Dakota. In fact, except for a small percentage that comes from a broader energy market, the electricity you rely on all comes from North Dakota wind turbines, coal power plants and a hydroelectric dam.



CCEC's organization looks nothing like it did a decade ago. Thanks to strategic investments in technology and tools, the co-op now operates with the same amount of employees while still successfully serving more accounts than ever before. Not only has this resulted in lower system maintenance costs and customer accounting expenses but also fostered an atmosphere of process improvement across the board!

**2012: 38,013 ACTIVE ACCOUNTS, 94 FULL-TIME EMPLOYEES**

**2022: 56,631 ACTIVE ACCOUNTS, 93 FULL-TIME EMPLOYEES**



### 5,824 MILES OF LINE

Stretched out, our lines could reach from Fargo, North Dakota, to Moscow, Russia.  
Overhead: 2,822  
Underground: 3,002

**56,631**

### MEMBERSHIP TOTALS

Residential Urban: 25,749  
Apartments: 17,978  
Residential Farm: 5,986  
Lighting: 503  
Irrigation: 205  
Commercial: 6,210



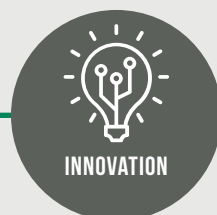
COMMUNITY



ACCOUNTABILITY



SAFETY



INNOVATION



INTEGRITY

# WORD FROM LEADERSHIP

Your electric cooperative works daily to navigate a changing world while focusing on safety, affordability, and reliability. We are here for our members as your trusted energy advisor.

One of our primary objectives as your electric service provider is to supply safe and affordable electricity. We are delighted to say that despite the impact of inflation on the cost of goods and services, our members' electricity prices remained flat. We've kept our price of electricity stable because our wholesale power from Minnkota Power Cooperative has remained at the same price since 2017. In 2022, the cooperative sold 1.371 billion kWh to its members.

From an operational perspective, operating and fixed costs ended the year under budget, and total revenues reached a record \$151.4 million, resulting in record year-end operating margins of \$9.4 million. Because of our excellent financial year, the Cass County Electric board of directors approved a record \$2.5 million capital credit payout for 2021 and recently approved a \$4.5 million capital credit payout for 2022.

Another primary objective for the cooperative is to keep your lights on. In 2021, the cooperative had the second-best reliability in the nation compared

to similar-sized cooperatives. In 2022, several weather events caused above-normal outage minutes. The cooperative also encountered higher-than-average premature equipment failure in several metro substations, negatively impacting our system reliability, although still very good. I can assure you the outage hours over the past year are not a result of poor maintenance but from the wrath of Mother Nature and other anomalies. The cooperative will continue to focus on measures to achieve industry-leading reliability.

In 2022, the board of directors underwent leadership changes because two directors resigned to pursue career opportunities. Marcy Svenningsen, District 1 board chair, resigned in April. The board then appointed Paul White to fill Director Svenningsen's seat. The board then elected Jeff Triebold, District 4, as chair. In December, Director Triebold announced his resignation, leaving an open seat in District 4 that will be filled at the annual meeting. The board reorganized and appointed Glenn Mitzel as chair,

**MISSION: TO SERVE OUR MEMBERS' ENERGY**





### Cooperative Leadership

Marshall Albright, President/CEO  
Glenn Mitzel, Board Chair

Terry Kraft as vice-chair/secretary, and Calvin Hoff as treasurer.

Looking forward, the cooperative will continue to grow with new accounts, and electricity sales will likely increase with more electric vehicles. Cass County Electric purchased a Ford F-150 Lightning, an all-electric pickup with a 300-mile range. Our engineering and operations team uses the vehicle daily, mainly around the metro, to understand more about electric vehicle performance, which works as expected. The cooperative recently ordered a Chevrolet Silverado electric pickup to expand our experience and knowledge with electric vehicles.

The board of directors supports endeavors such as Prairie Sun Community Solar and electric vehicle studies to learn about our changing energy landscape. We also support an all-of-the-above

approach to our power supply to ensure resiliency.

How and when we use energy is also changing. CCEC is working to ensure we are in step with those changes by supporting a pilot study on new rate structures, such as a time-of-day and off-peak rates for EV charging. The intent is to give members optional rates that fit their lifestyles as your needs and expectations change.

These are some of the aspirational goals the board has put in place. We will continue to set goals while ensuring the board's other primary functions of setting policy and oversight of efficient operations are never lost. The board will remain focused on providing safe, affordable, and reliable electricity.

We hope to see you at the annual meeting on April 18, 2023.

**NEEDS WITH AFFORDABLE & RELIABLE ELECTRICITY.**

# DIRECTORS

Co-op board members live right here in our local area and are elected by co-op members. Board members serve three-year terms, and elections are held at our annual meeting. Names in green are up for election this year.



**PAUL WHITE**

District 1, Stirum



**DOUGLAS ANDERSON**

District 2, Arthur



**SID BERG**

District 3, Colfax



**VACANT**

District 4

To be filled at the annual meeting



**TOM SEYMOUR**

District 5, West Fargo



**GLENN MITZEL**

District 6, West Fargo

Board Chair



**WENDY LOUCKS**

District 7, Fargo



**KALVIN HOFF**

District 8, West Fargo

Treasurer



**TERRY KRAFT**

District At-Large, Fargo

Vice Chair/Secretary



# NOTICE OF ANNUAL MEETING

The annual meeting of the members of Cass County Electric Cooperative Inc. will be held at the Delta by Marriott, located at 1635 42<sup>nd</sup> Street South, Fargo, North Dakota, at 6:00 p.m. on Tuesday, April 18, 2023, to act upon the following matters:

1. The reports of officers and directors
2. The election of four directors
3. All other business which may come before the meeting, or any adjournments thereof

Pursuant to the bylaws, the following members have filed petitions for directorship of the cooperative. Following the cooperative bylaws, the board of directors appointed District 1 member Paul White to fill the open District 1 term through 2025, until the 2023 annual meeting.

District 1	Paul White (I)
District 4	Stacey Ackerman
District 4	Jeff Dahl
District 4	Levi Otis
District 5	Tom Seymour (I)
District AL	Terry Kraft (I)
District AL	Judy Aafedt
District AL	Trixie Musasa

**Program:**

5:00 p.m.	Registration* begins and doors open
5:30 p.m.	Meal
6:00 p.m.	Call to order and welcome
	Establish quorum
	Approve minutes of previous meeting
	Election of directors
	Board chair's report
	President's report
	Financial report
	Old and new business
	Open discussion
	Adjournment

**\*Only registered members are allowed to vote. Any person representing a corporation that is a member of the cooperative shall present evidence of their authority to cast one vote on behalf of the corporate member.**

**Dated this 28<sup>th</sup> day of February 2023.**



**Terry Kraft, Secretary**

# STATS

## WHY PAPERLESS?

CCEC celebrated a major milestone in 2022: 24,265 members have joined the paperless billing program! That's an increase of nearly 2,200 accounts from the year prior. Not only is this fantastic news for the environment, but it also saves roughly \$190,000 annually on printing and postage costs - that's no small change by any stretch of the imagination!

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## CAPITAL CREDITS

As a member of the co-op, you have invested in its future - and now it's paying off! Capital credits allow members like you to reap the rewards: \$2.5 million was dispersed among capital credit allocations last year alone. These payments included bill credits for electricity used in 1999, 2000, and 2001; estate dividends from family members who were former members; plus various other forms of returns on investment. Now that's something to smile about!

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## OPERATION ROUND UP

The Cass County Electric Cooperative Foundation had plenty to celebrate in their Operation Round Up program with over \$253,000 granted across 50 different nonprofits. These generous grants allowed organizations and CCEC's service area alike to prosper for a better future!

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## OFF-PEAK PROGRAM

Our off-peak members can look forward to between \$10 and \$14 million in savings each year! By participating, the entire cooperative is insulated from wild price swings on the wholesale market during peak demand times - a real win for all involved.

## MEMBER ACCOUNTS

In 2022, our member accounts team answered a whopping 43,334 calls and 13,162 emails. Not only did they provide helpful answers to questions and concerns, but they also completed 15,429 service transfers! They even helped pave the way for 6,180 new members with freshly established CCEC memberships.

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## UNDERGROUND LOCATES

In 2022, CCEC received an impressive 22,233 requests for underground locates within our service territory. That was 14% of all North Dakota One Call locate requests! We partnered with Locating Services Inc. to handle the majority - a whopping 72% - while our in-house team took care of the rest: 5,936 locates throughout last year's busy schedule.

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## PRAIRIE SUN SHINES ON

Thanks to Prairie Sun Community Solar, members across the cooperative service territory have been enjoying clean energy since 2017. During that time, the array has generated more than 870 MWh, to put that in perspective the average North Dakotan has an average per capita consumption of 30.8 MWh of electricity per year!

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## RELIABILITY

2022 brought about a notable level of electric service for CCEC members, with power being on 99.9822% of the year! Through a comprehensive maintenance program and continual investments in resources and technology, we're pushing to continue breaking our own reliability records. The average member this past year spent only about one and a half hours without power - now that's something worth celebrating!



# EXECUTIVE STAFF

At CCEC, we're privileged to be able to serve vibrant and diverse communities – powering people who work hard and achieve remarkable things. Our executive team boasts an impressive 165 years of combined experience at the cooperative; empowering us with deep knowledge that helps keep our members' costs low while ensuring reliability in electricity service. We take immense pride in providing a service that enables progress within this amazing region!



**MARSHAL ALBRIGHT**  
President/CEO



**JODI BULLINGER**  
VP of Engineering & Operations



**PAUL MATTHYS**  
VP of Member & Energy Services



**SARAH RHEA**  
Executive Assistant/Human  
Resources Specialist



**CHAD SAPA**  
VP of Corporate Services/CFO



**TIM SANDEN**  
VP of Information Technology/CIO

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## DIRECTOR EXPENSES

2022 director expenses totaled \$216,600.97, or \$4.29 per member.

Directors' expenses include fees paid for attendance at regular CCEC board meetings and a monthly retainer (\$127,868.33); industry-related conferences, meetings, and education (\$81,984.65); and miscellaneous expenses (\$6,747.99).

# ENGINEERING & OPERATIONS

Bringing energy to your home is a 24/7 job we take seriously. In 2022, CCEC received a 99.9822% reliability rating on the Average Service Availability Index. That means, on average, CCEC members were without electricity last year for about 90 minutes out of the 525,600 minutes in 2022.

CCEC has around 2,800 miles of overhead line, which lineworkers patrol biennially. During this time, crews find problems and determine what needs to be replaced or fixed to keep the system running safely and reliably. The issues found range from leaning poles and frayed wire to tree problems. CCEC has around 56,000 poles which are inspected on a 15-year rotation.

Powering around 65,000 meters are 41 substations and nearly 15,000 transformers. This complex system is bound to experience issues, which is why we place a significant focus on maintaining our equipment. We know our members depend on reliable services for their businesses, farms, and homes, and that's why we have a work plan that focuses on maintaining reliability. For instance, in 2022, we replaced 65 miles of aging underground cable.

Safety means a lot to a company specializing in a hazardous trade. Our work not only continues during dangerous weather conditions but often increases. At Cass County Electric Cooperative, training is imperative. That's why our employees/lineworkers completed more than 1,600 hours of safety training in 2022.



## MEMBER & ENERGY SERVICES

No matter what your energy needs are, we have you covered. With 86 years of experience, CCEC stands ready to help our members with energy solutions for now and for years to come. We are constantly working to give you more options to save energy and money and to better manage your energy usage. In fact, we are working on several rate studies and pilot projects to help our members take more control of their energy and electric bills. We can't wait to share what we've learned with you this summer!

CCEC has programs, rates, solutions, and entire teams that exist just to help our members save energy and money. In fact, the roughly 10,000 members participating in off-peak and demand response programs saved over \$10 million in 2022! It's our pleasure to serve our members with the energy solutions of tomorrow, today.

We are continuously working to provide you with more options for powering your home, business, and for some of you – your vehicles! CCEC is heavily invested in the electric vehicle planning that is going on in our service territory in order to serve all of our members in the best way possible. Our goal is to ensure that all our members have access to energy-efficient solutions that meet their needs and help them save money.

As your trusted energy advisor, we want to assist you when you evaluate energy saving opportunities in your homes and businesses. We do this by consistently providing tips on saving money by using energy wisely and using electricity responsibly and safely. You can count on our monthly magazine, Highline Notes, to introduce conservation, safety, and technology topics. You will find lots of great DIY energy-saving tips on our social media platforms; these are also great places to learn about all the community events your cooperative is sponsoring near you.





# INFORMATION TECHNOLOGY

Information technology (IT) teams are essential to the success of modern businesses and organizations. They help us achieve cooperative goals, maintain member experience and expectations, and protect critical data and assets. With cybercrime on the rise and hackers becoming increasingly sophisticated in their tactics, IT security has become a significant priority for organizations of all sizes.

A breach of IT security can have disastrous consequences. That's why CCEC invests in the latest security measures and technologies and participates in simulated cybersecurity incidents to be prepared to launch an effective response plan should a breach occur. By proactively protecting itself from cybercrime, CCEC ensures member expectations are maintained, prevents financial losses, and protects its reputation.

In the past 20 years, CCEC's number of active accounts has more than doubled, yet the number of employees has remained nearly level. Our IT department has helped us to improve our workflow efficiency with technology and continuous employee training to ensure that members get the most out of every penny they invest in the cooperative.

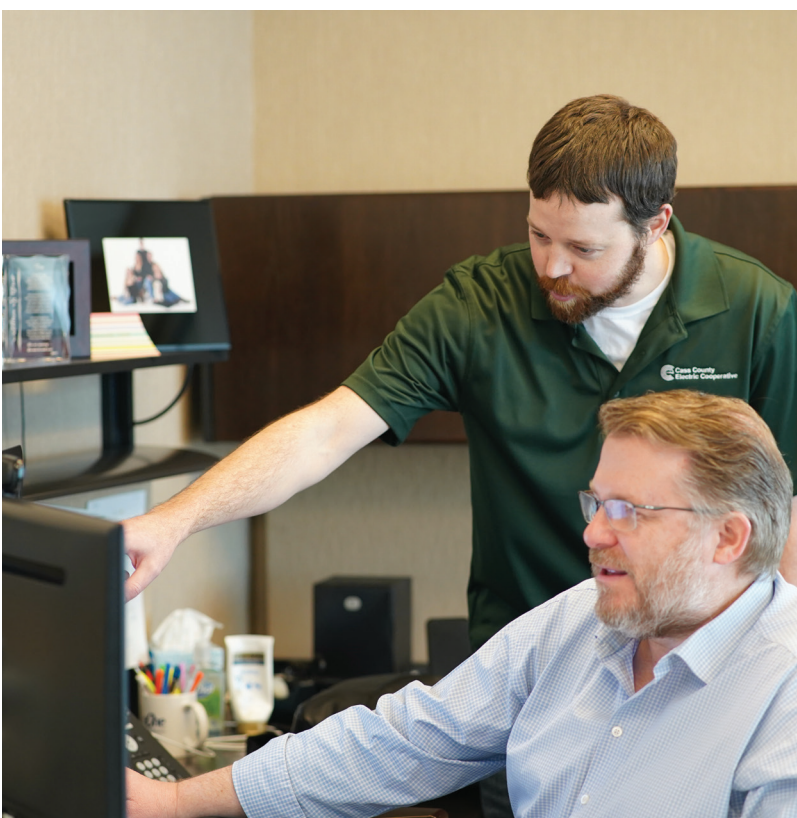


# CORPORATE SERVICES

When you purchase electricity from Cass County Electric Cooperative, you're not just a customer, you're a member. Our margins from selling electricity are allocated to you based on how much electricity you purchase during the year. The cost of your monthly bill doesn't include extra markups to pay investors. That's because this is your cooperative. And if our financial performance ends up better than planned, that money eventually comes right back to you. We return our margins to you in the form of capital credits. At the January 2023 board meeting, the board of directors authorized the distribution of \$4.5 million in total capital credit retirements for the year 2022. That's us delivering integrity and cash back to you—that's the cooperative difference!

You decide who serves on the Cass County Electric board of directors. All nine directors buy electricity and are members just like you. You can run for an open position for your district if you'd like. If you're elected to the board, you'll work directly with the cooperative's president/CEO and executive team in making decisions that benefit the rest of your fellow members.

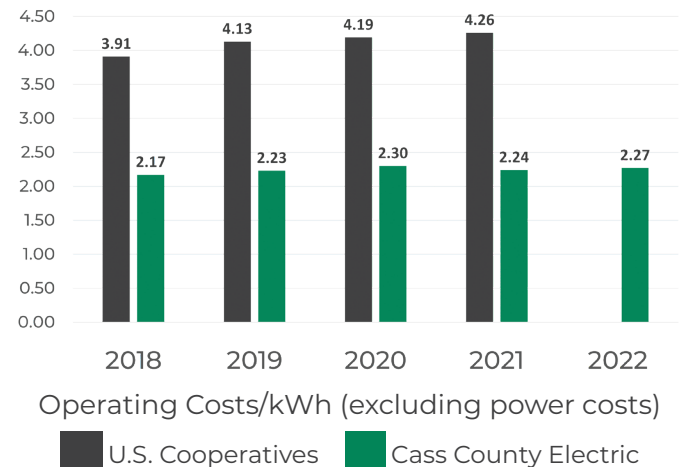
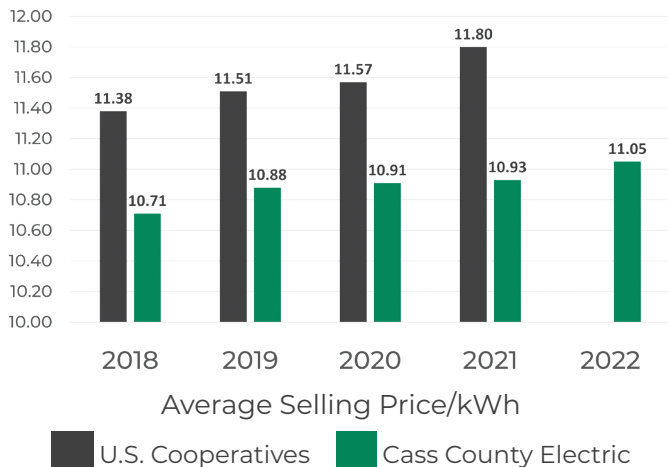
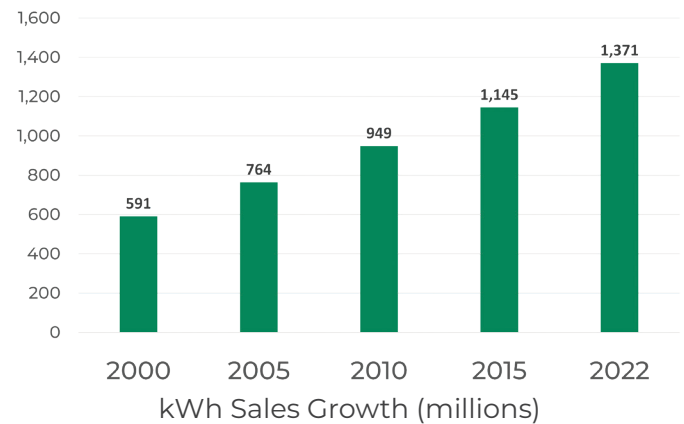
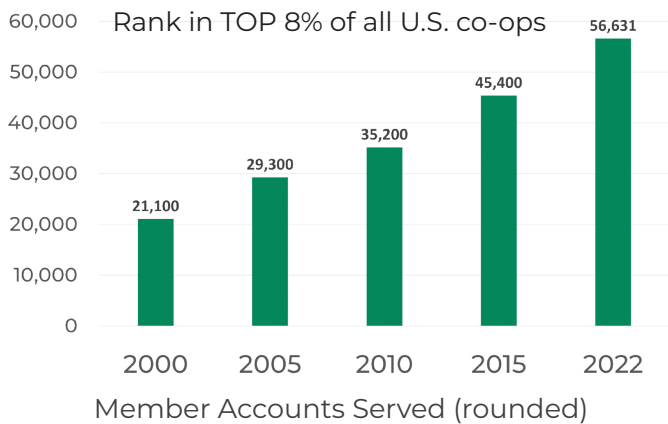
We're about as local as it gets, too. Sure, we cover an area spanning 10 counties, but most of our employees live in those counties and have CCEC as their electric utility provider. Quite a few of them even grew up around here. When it comes to business, we work with as many other local companies as possible. We support local nonprofits that strive to improve our community, too. Our purpose is to bring power to the people of this community of incredible growth and opportunity.



# COMPARATIVE STATISTICS

	2022	2021	% Change
Member accounts served	56,631	55,199	2.6%
Total energy (kWh) sold	1,371,021,737	1,308,492,319	4.8%
Revenues	\$151,452,992	\$142,707,573	6.1%
*Avg. selling prices per kWh sold	\$0.1105	\$0.1091	1.3%
**Power cost per kWh purchased	\$0.0786	\$0.0779	0.9%
***Operating cost per kWh sold	\$0.0227	\$0.0223	1.6%
Employees (full-time)	93	92	0.0%

\*2021 U.S. median \$0.1154, \*\*2021 U.S. median \$0.0687, \*\*\*2021 U.S. median \$0.0426





# STATEMENTS OF OPERATIONS

<b>OPERATING REVENUES</b>	<b>2022</b>	<b>2021</b>
Electric	\$150,893,906	\$142,182,075
Other electric	559,086	525,498
Total operating revenue	151,452,992	142,707,573
<b>OPERATING EXPENSES</b>		
Cost of power	110,920,089	105,078,668
Operations and maintenance	9,271,363	7,891,095
Member accounting	1,905,912	1,846,566
Member service, informational and sales	1,221,713	1,248,890
Administrative and general	4,139,010	4,071,935
Depreciation	8,881,256	8,492,859
Taxes	1,139,751	1,089,105
Interest on long-term debt	4,495,475	4,537,303
Other electric	67,333	60,195
Total operating expenses	142,041,902	134,316,616
Operating margins before capital credits	9,411,090	8,390,957
<b>OTHER COOPERATIVE CAPITAL CREDITS</b>		
Minnkota Power Cooperative, Inc.	2,350,137	5,277,900
Other associated companies and investments	255,335	481,779
Total other cooperative capital credits	2,605,472	5,759,679
Net operating margin	12,016,562	14,150,636
<b>NON-OPERATING MARGIN</b>		
Jobbing and contract work	21,000	20,500
Other income and expenses, net	220,527	220,712
Interest income	878,195	392,728
Net gain on sale of investments and property	26,984	55,989
Total non-operating margins	1,146,706	689,929
<b>NET MARGIN</b>	<b>\$13,163,268</b>	<b>\$14,840,565</b>

# BALANCE SHEETS

ASSETS	2022	2021
Electric plant		
In service	\$318,460,432	\$303,186,134
Electric plant under construction	9,958,751	9,579,321
Total electric plant	328,419,183	312,765,455
Less accumulated depreciation	83,477,648	78,419,438
Net electric plant	244,941,535	234,346,017
Right-of-use-assets		
Operating lease right-of-use assets, net	701,478	0
Finance lease right-of-use assets, net	54,968	0
Total right-of-use assets	756,446	0
Other property and investments		
Investments in available-for-sale securities	4,342,968	2,952,470
Investments in associated companies	18,238,376	15,811,867
Other investments	354,968	318,866
Line extension loans	4,441	6,660
Special funds	0	2,500,000
Total other property and investments	22,940,753	21,589,863
Current assets		
Cash and cash equivalents	13,283,377	13,884,188
Temporary investments	15,000,000	18,000,000
Current maturities of available-for-sale securities	0	328,067
Current portion of special funds	4,900,000	2,400,000
Accounts receivable, net	15,843,754	14,936,769
Material and supplies	8,804,234	5,921,492
Prepayments	142,170	165,995
Interest receivable	322,398	66,066
Total current assets	58,295,933	55,702,577
Retirement security prepayment	0	350,977
TOTAL ASSETS	\$326,934,667	\$311,989,434

The financial statements for Cass County Electric Cooperative Inc., as of and for the years ended December 31, 2022 and 2021, have been audited by an independent accounting firm, Eide Bailly. An unmodified opinion was issued for each year. Copies of the complete audited financial statements are on file at the cooperative's office.

<b>EQUITIES AND LIABILITIES</b>	<b>2022</b>	<b>2021</b>
Equities		
Patronage capital	\$121,677,914	\$113,347,412
Other equities	27,470,137	25,517,610
Accumulated other comprehensive gain (loss)	(294,273)	107,175
Total equities	148,853,778	138,972,197
Long-term debt, less current maturities	143,648,368	140,871,387
Other noncurrent liabilities		
Deferred revenue	0	2,500,000
Operating lease liabilities, net of current portion	562,330	0
Finance lease liabilities, net of current portion	38,285	0
Accumulated provision for pensions and benefits	2,309,432	2,242,410
Total noncurrent liabilities	2,910,047	4,742,410
Current liabilities		
Current maturities of long-term debt	7,018,000	6,345,000
Current maturities of deferred revenue	4,900,000	2,400,000
Current portion of operating lease liabilities	139,146	0
Current portion of finance lease liabilities	18,755	0
Current maturities of post-retirement benefits	150,000	150,000
Accounts payable - general	1,628,649	1,171,401
Accounts payable to associated co. - power costs	9,811,267	9,837,696
Customer deposits	3,122,168	3,043,389
Accrued taxes	2,392,603	2,265,398
Accrued interest	21,849	18,662
Other current and accrued liabilities	758,766	773,680
Total current liabilities	29,961,203	26,005,226
Deferred credits		
Member energy prepayments	737,483	651,531
Demand waiver project costs	493,344	359,672
Estimated installation costs - special equipment	198,393	251,984
Consumers' prepayments on community solar garden	132,051	135,027
Total deferred credits	1,561,271	1,398,214
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>\$326,934,667</b>	<b>\$311,989,434</b>





A Touchstone Energy® Cooperative 

800-248-3292 | [CassCountyElectric.com](http://CassCountyElectric.com)  
4100 32<sup>nd</sup> Ave. S., Fargo, ND 58104

# ANNUAL MEETING

Tuesday, April 18, 2023

5:00 p.m. Registration | 5:30 p.m. Meal | 6:00 p.m. Business Meeting

Delta by Marriott, southwest entrance: 1635 42<sup>nd</sup> St. SW, Fargo

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## BRING THIS PAGE FOR EXPRESS REGISTRATION

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Visit [CassCountyElectric.com/AM](http://CassCountyElectric.com/AM) or call 701-356-4400 to request an absentee ballot!