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The Energy Insider

A BIMONTHLY PUBLICATION OF MIDLAND POWER COOPERATIVE

WWW.MIDLANDPOWER.COOP | JANUARY/FEBRUARY 2022

Storm response highlights importance of preparedness

When high winds and tornadoes knocked out power to more than a third of Midland Power Cooperative's members on Wednesday, Dec. 15, the co-op was ready.

Crews had been scheduled to provide around-the-clock coverage during the initial recovery efforts. Operations staff were on standby, constantly monitoring the electric distribution system and weather conditions. Critical supplies like poles, insulators, and transformers had all been ordered months in advance to ensure their availability if needed.

While more than 3,500 members initially found themselves without power, crews immediately began surveying the distribution lines and making repairs. By Thursday morning, nearly 1,500 members had been restored.

To help speed restoration efforts, Midland contracted with outside crews. These 22 additional linemen went to work repairing and replacing more than 60 downed and broken power poles located primarily in Greene and Boone counties.

Crews from Midland's transmission providers also arrived and immediately began repairing downed and damaged transmission lines to bring key substations back online. By Friday morning, just 1,400 meters remained without power. That

number shrank to 750 by Saturday morning and by Saturday night all service areas had been restored.

While these types of widespread outages remain rare, the derecho in August 2020 and this December's powerful storm are reminders of just how unpredictable mother nature can be. They also highlight the importance of keeping the cooperative fiscally sound.

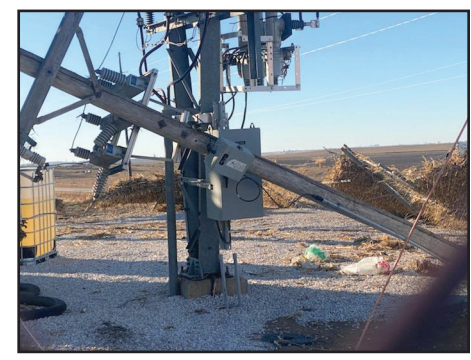
As the price of everyday goods continues to rise, inflation has also impacted Midland Power's bottom line. Everything from hard hats and trucks to fuel and wire has jumped in price.

By making smart investments in our distribution system, maintaining well-stocked inventories, and providing our linemen with the tools and training they need to go home safely each night, Midland Power strives to deliver the reliable, affordable, and responsible service our members deserve.

To ensure these efforts continue, Midland's member-elected board of directors approved a modest rate increase to take effect March 1, 2022. This increase, about three percent for our residential and farm single phase members, will enable the cooperative to remain on solid financial ground. More information on the rate increase can be found on page 3.



Distribution and transmission line damage was extensive following the Dec. 15, 2021 storm.



The co-op is led by member-consumers, like you

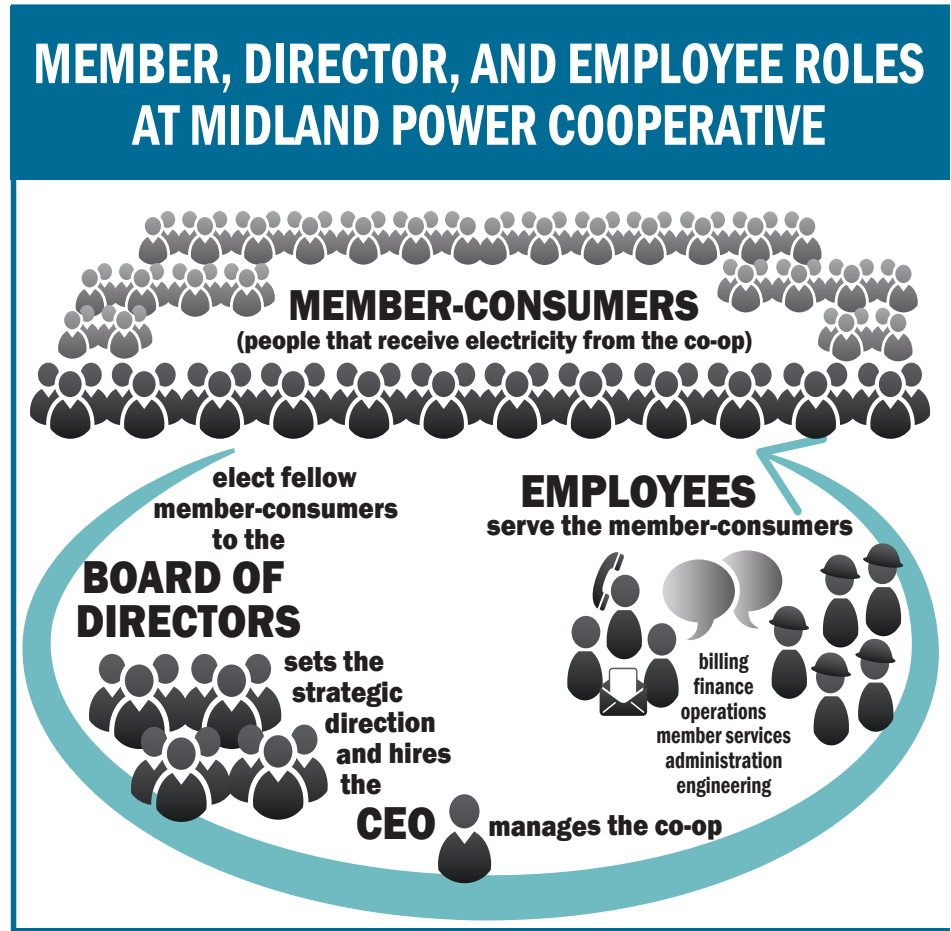
As a member of Midland Power Cooperative, you can nominate and vote on who represents you on the co-op's board of directors. It is the board of directors that determines the strategic direction of our local, not-for-profit business. In 2022, one director from each of the cooperative's four districts will be up for election. Like you, these directors are members of Midland Power who were elected by fellow members to serve on the board. Please see the notice on page two if you or a member you know is interested in becoming a director or nominating committee member.

What is expected of a director?

Your directors must constantly consider policies affecting the co-op. For example, how much must we spend on maintenance? If we need a new substation, how will we build it? How will we finance it? How often do we update our technologies and facilities to stay efficient?

It's not an easy task. Responsibilities stack up and time commitments are considerable. Besides attending board meetings every month, each director must continuously educate themselves about the complex business of electricity production and distribution, as well as the intricacies of strategic planning and financial decision making.

The board is entrusted with the future of the cooperative. The board must balance the interests of the members as owners, members as consumers, employees, and the



public. This includes ensuring the financial integrity of the cooperative, providing quality and reliable service to all members, communicating with members, and being a leader in the community.

In a democracy, member participation is crucial. That's why it is important for you to vote in co-op elections, attend various

member events and meetings, and let us know when issues arise that need our attention.

Co-ops are different from other forms of businesses because of you, our members, and because of the way decisions are made. We welcome and encourage your involvement. After all, it's YOUR co-op.

Creating comfort, convenience and efficiency



Midland Power's Roger Hammen delivers a rebate check to United Community School's Danielle Hudson.

Midland Power Cooperative was proud to award more than \$13,000 in energy efficiency rebates to co-op member United Community School, following a summer filled with building improvements projects. The rebates were in support of the school's utilization of new energy-efficient air source heat pumps throughout the buildings.

When considering options for replacement of the building's original boiler systems, the school district was presented with multiple options and ultimately chose

See UC PROJECT, Page 2

Nadler, Henn join Midland Power team

Midland Power Cooperative recently welcomed two new staff to the team.

Lexie Nadler joined Midland in November as the manager of community and business development. In her role, Nadler will be responsible for helping attract new employers and retain and grow existing businesses within the service area. She will also manage the cooperative's revolving loan fund and assist the cooperative's key accounts.

An Iowa native, Nadler grew up in Council Bluffs and attended Iowa State University's Ivy College of Business where she graduated with a bachelor's degree in marketing.



Lexie Nadler

Nadler has developed and successfully executed marketing and business development relationships, participated on multiple Chamber of Commerce boards, established successful working relationships with multimillion dollar accounts, and was a member of Professional Women in Building.

Outside of the office, Nadler enjoys reading mystery and thriller novels, as well as spending time outdoors.

Nadler lives with her husband Michael and their mixed breed dog Turbo in Ankeny.

Ryan Henn joined Midland Power in December as director of marketing, communications, and member services.

Henn, an Arizona native and graduate of Arizona State University's Walter Cronkite School of Journalism and Mass Communication, brings a wealth of cooperative experience to Midland having previously worked for Delta-Montrose Electric Association, an electric co-op based in Montrose, Colo. Most recently Henn worked for the city of Buckeye, Ariz., where he provided marketing and communications services to their water resources department.



Ryan Henn

While not at work, Henn enjoys spending time with his wife Jennifer and their two boys - Connor, age 11, and Alec, age 9.

UC PROJECT Continued from page 1

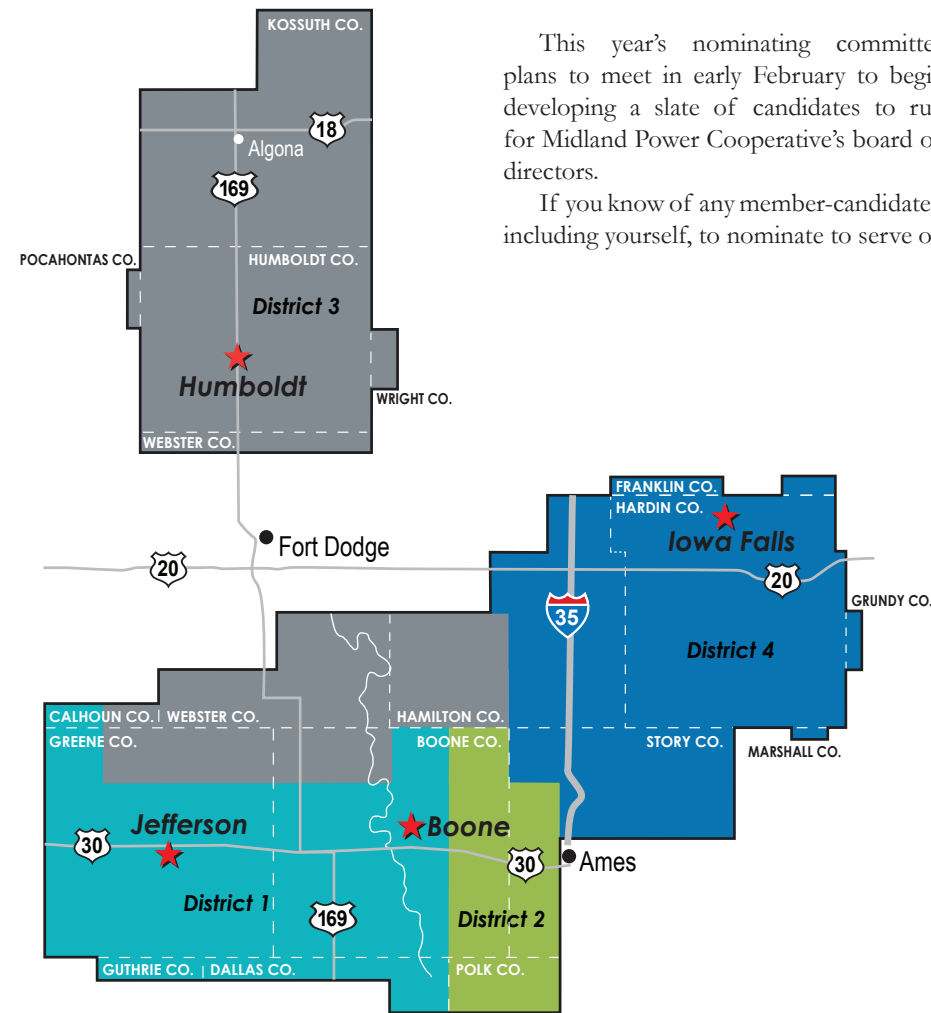
to move forward with new air source heat pump units.

According to School Board President Brenda Stanley, the new system was selected because it met all of the school's goals.

"Priorities of the HVAC project included ensuring improved ventilation and air movement, creating a healthier indoor environment, and making learning spaces comfortable and quiet for teachers and students," Stanley said.

"We're glad to see the school utilizing energy-efficient technology and burning fewer combustibles inside the building," said Midland Power Member Service Manager Roger Hammen. "Heat pumps offer an affordable, safe, and comfortable alternative to gas and propane units."

The project was approved in the spring of 2021. It included the heat pump systems, remodeling of the lower elementary classrooms, creating restrooms that were compliant with the Americans with Disabilities Act, and creating code



It's time to nominate candidates

This year's nominating committee plans to meet in early February to begin developing a slate of candidates to run for Midland Power Cooperative's board of directors.

If you know of any member-candidates, including yourself, to nominate to serve on

the Midland Power board, or next year's nominating committee, please contact one of the nominating committee members in your district listed below.

The selected members will appear on candidate ballots for the Midland Power election in 2022.

2022 Nominating Committee Members

District 1

- Rich Larson, Ogden, 515-275-3139
- Erin McCloud, Ogden, 515-313-7633
- Greg Rinehart, Boone, 515-290-3925

District 2

- Greg Artz, Ames, 515-215-0062
- Dennis Lynch, Ames, 515-231-2032
- Christopher Paulson, Boone, 913-484-4076

District 3

- Ron Collins, Humboldt, 515-368-3732
- Anthony Hilbert, Corwith, 515-341-5658
- Allen Mains, Wesley, 515-341-1332

District 4

- Duane Kruckenberg, Iowa Falls, 641-751-1450
- Steve Martin, Hubbard, 641-751-5942
- Duane Schultz, Iowa Falls, 515-689-5956

Contact one of these members in your district to make a nomination!

2022 maintenance plan focused on improving service reliability

Vegetation, especially trees, are valued parts of landscape. They enhance the beauty of an area and provide important functions. However, when trees grow too close to power lines they can cause safety and reliability issues.

When branches and limbs break off, they often land in roadways or bring down power lines. Midland Power's distribution system connects thousands of people across its service territory. One tree contacting a power line may impact neighbors, near and far.

The Iowa Administrative Code Section 25.3 requires electric utilities, including cooperatives, to have a schedule and procedures for regular tree trimming and vegetation management, which is critical in minimizing unplanned outages.

Vegetation management isn't just about reliability, as both federal and state policies require that vegetation be cleared from power lines as a safety measure. Trees

growing near power lines pose a safety threat for member-consumers and co-op employees.

Midland Power's vegetation management program runs on a five-year cycle, with each area being inspected and trimmed of tree and vegetation overgrowth near power lines. This year, roughly 750 miles of line are scheduled for trimming. While the tree trimming contractors will focus on the areas scheduled, they will also address additional areas where overgrowth is encroaching power lines.

To maximize safety and maintain reliability, it is a best practice to trim away

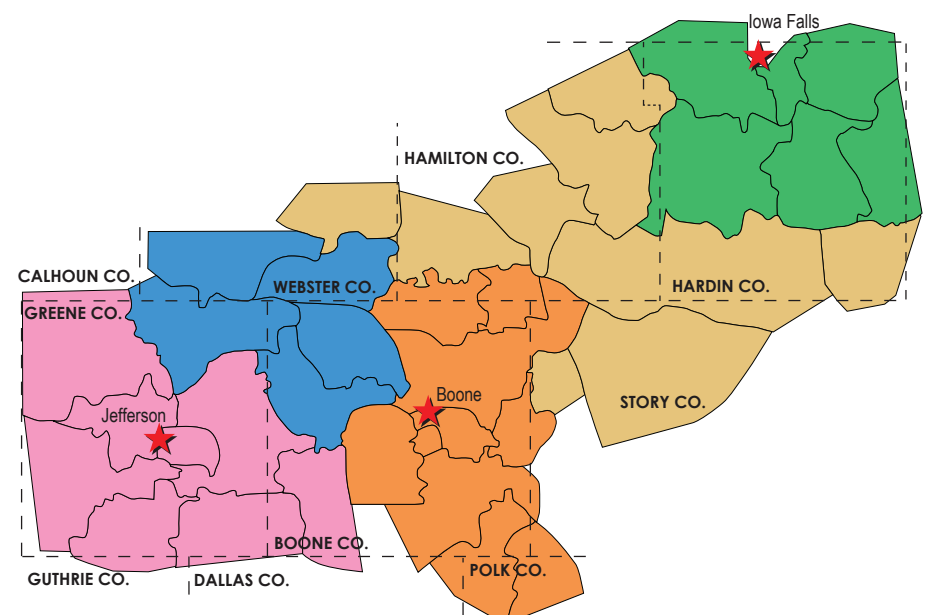
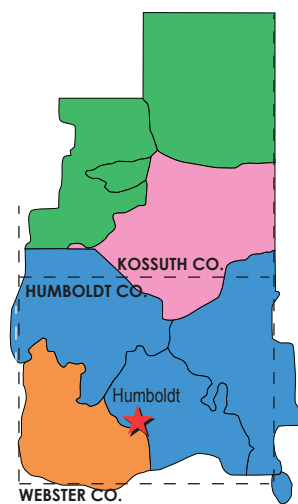
all vegetation within 30 feet of power lines.

When it comes to reliability, maintenance and replacement of power line infrastructure is necessary. In 2022, more than 60 miles of Midland Power's lines are scheduled to be replaced. The co-op will also construct one new substation and rebuild three additional substations – an approximately \$4 million investment in system reliability for the co-op.

By taking a methodical and proactive approach to system maintenance, Midland Power continues to ensure the safe, reliable, affordable, and environmentally responsible delivery of power.

Areas where tree growth will be inspected (and trimmed if necessary) along Midland Power's 4,000 miles of power lines:

- 2022 - green areas
- 2023 - pink areas
- 2024 - blue areas
- 2025 - orange areas
- 2026 - tan areas



Despite inflation pressure electricity remains a great value



By Bill McKim
CEO
Midland Power
Cooperative

When I was a kid, whenever my folks had something to tell me they'd always ask if I wanted the good news or the bad news first. Looking for a safe answer, I'd say "both." It wasn't until I was much older that I realized sometimes news can be both good and bad at the same time. This is true for Midland Power Cooperative's new electric rates.

In November, Midland Power's member-elected board of directors approved a modest rate increase to take effect March 1, 2022. For the average residential or farm single-phase service, the increase will be about 3 percent, well below current inflationary levels. The new rates will be reflected on your March bill.

How, you may ask, could this possibly qualify as good news? Well, the answer is simple. By maintaining the fiscal health of the cooperative, we are well positioned to continue serving our member-owners during this very challenging economic time.

As we discussed previously in *Energy Insider*, the cost of everyday goods is climbing. The consumer price index (CPI), which calculates inflation by measuring the cost of common urban goods and services, has been steadily increasing. The most recent data from the Bureau of Labor

Statistics shows the CPI rising 6.8 percent compared to this time last year. Not surprisingly to those who've visited a gas station recently, energy costs saw the sharpest jumps. The cost of gasoline rose an eye-popping 58.1 percent while the price of natural gas increased a hefty 25.1 percent. Electricity by comparison rose a more modest 6.5 percent.

For Midland Power, the effects of inflation have been significant. Like other local businesses, we've been negatively impacted by the rapid rise in the cost of goods and services. Everything from poles and wire to our contracted tree trimming service have escalated in price. While we've worked hard in recent years to find creative solutions to absorb these added costs, a small rate increase has become necessary to maintain the solid financial footing of the cooperative. This marks the first rate increase since January 2017 and only the second rate increase since January 2012.

As we've done previously, a cost-of-service study was commissioned and performed by an independent expert. The purpose of this study is to help us correctly identify costs by rate class, ensuring that established rates will generate sufficient revenues to support the cooperative's operations. The results of this most recent study are reflected in the new rates found below.

As with all electric distribution cooperatives, wholesale power costs continue to make up our biggest expense. In 2021, more than 70 cents out of every dollar we spent went to the purchase of wholesale power. As a cooperative, we continue to benefit from our long-term contracts with our wholesale power providers Corn Belt Power Cooperative and Central Iowa Power Cooperative. Just as you, our consumers, are members of our electric cooperative,

Midland Power and other distribution cooperatives make up the membership of these generation and transmission cooperatives. By joining together, Iowa's electric distribution cooperatives benefit from reliable, low-cost wholesale power enabling us to better buffer rising energy costs. This results in the lowest possible power costs for our members.

While I recognize that rate increases are never welcome news, as I mentioned earlier there is a silver lining. By acting now to protect the financial health of the cooperative, we can continue to focus on delivering great value to our members. As we've always done, Midland Power will continue to balance the need to make smart investments in our distribution system while also working to control costs and reduce expenses. This approach will enable us to continue focusing on our core priorities of:

- Enhancing reliability across our more than 4,000 miles of distribution line.
- Maintaining well stocked warehouses allowing us to restore power quickly during unplanned outages.
- Ensuring our linemen continue to have the tools and training necessary to do their jobs safely under even the harshest conditions.
- Providing our members with innovative energy efficiency programs and rebates to better help them manage their electric bill.

As we enter the new year, Midland Power remains committed to our mission of delivering the safe, affordable, reliable, and environmentally responsible power our members depend on. We will continue to work tirelessly on behalf of our member-owners and the communities we proudly serve.

OFFICIAL NOTICE OF RATE INCREASE


On November 29, 2021, Midland Power Cooperative's Board of Directors approved an increase in rates and charges affecting prices for electric service that you receive. The increase will apply to your electric use beginning on March 1, 2022.

The increase in annual revenues will be approximately \$1,102,325 or 3.031 percent.

Although the effect of the increase on your bill will vary depending upon the type and extent of usage, the average monthly increase per consumer for the primary customer classes are found below. Charges to this account shall be supported so that a description of each type of charge will be readily available.

Rate/Customer Class	Current Monthly Rate	+ Increase	= New Monthly Rate	Percentage Increase
Rate 10 & 11 Residential and/or Farm; Single Phase Service	\$141.56	\$4.31	\$145.87	3.04%
Rate 4 & 5 Electric Space Conditioning; Single Phase or Three Phase Service	\$82.10	\$2.51	\$84.61	3.05%
Rate 14 & 15 Residential, Large Farm and Small Commercial; Single Phase Service	\$600.73	\$18.29	\$619.02	3.04%
Rate H15 Residential, Large Farm and Small Commercial; Single Phase Service	\$681.91	\$20.71	\$702.62	3.04%
Rate 30 & 30A Time of Use Demand and Energy; Three Phase Service	\$5,442.04	\$164.08	\$5,606.12	3.01%
Rate 33A & 33B Demand & Energy; Single Phase Service	\$2,440.58	\$72.87	\$2,513.45	2.99%
Rate 60 & 61 Residential, Farm & Small Commercial; Three Phase Service	\$455.83	\$13.88	\$469.71	3.05%
Rate 62 & 63 Large Power, Demand and Energy; Three Phase Service	\$6,045.93	\$176.97	\$6,222.90	2.93%
Rate F1, C1 Residential and/or Farm; Single Phase Service	\$160.35	\$4.88	\$165.23	3.04%
Rate RH1, RHS Electric Space Conditioning; Single Phase or Three Phase Service	\$88.60	\$2.65	\$91.25	2.99%
Rate SP Time of Use Demand and Energy; Three Phase Service	\$13,739.48	\$424.01	\$14,163.49	3.09%
Rate FM1, CM1 Residential, Farm and Small Commercial; Three Phase Service	\$370.01	\$11.28	\$381.29	3.05%
Rate CD1, FD1, & ID Large Power, Demand and Energy; Three Phase Service	\$2,263.37	\$69.81	\$2,333.18	3.08%
Rate 16C & 16CB Unmetered City Street Lighting	\$8.03	\$0.25	\$8.28	3.09%
Rate PE Unmetered Security Lights HB	\$14.52	\$0.44	\$14.96	3.05%
Rate 17 & 18 Unmetered Security Lights	\$6.21	\$0.19	\$6.40	3.06%
Rate 59 Road Monitoring Equipment	\$17.50	\$0.54	\$18.04	3.10%
Wholesale Cost Adjustment Rider No. 1: Calculation of purchased power expenses shall be modified to include charges for Account 557 of the USDA Uniform System of Accounts.	\$0.00	\$0.00	\$0.00	\$0.00

A written explanation of current rate schedules and charges is available without charge from our local business office. If you have any questions, please contact our business office.

Sincerely,

 Mike Coleman,
 Board President


 William McKim,
 Chief Executive Officer

Normal power line **Lines weighed down by ice** **Top line melted after bottom line**

ICE ON POWER LINES IS A WEIGHTY SUBJECT

When it comes to getting electricity across power lines and into homes, ice can be a force to be reckoned with.

ICE ON DISTRIBUTION LINES

Ice can quickly lead to broken power poles and other pole equipment. Ice can also make falling tree branches 30x heavier and much more likely to break power lines.

ON A 300-FOOT SPAN OF 1-INCH-THICK POWER LINES

- 1/2 inch of ice adds 281 pounds of weight
- 1 inch of ice adds 749 pounds of weight
- 2 inches of ice adds 2,248 pounds of weight

WHEN ICE MELTS

Melting ice can cause power outages. If ice on the bottom (neutral) line melts before the lines above, it can cause the lines to touch.

OTHER ICE FACTS

- Damage can begin when ice exceeds 1/4 of an inch
- 1/2 inch of ice can cause a line to sag up to 12 inches
- Pressure can also be caused by a broken tree limb
- Both ice and melting ice can cause power outages

REPORTING AN OUTAGE

To report an outage please call 800-833-8876 or via SmartHub at midlandpower.smarthub.coop. Real-time outage information can be viewed online at MidlandPower.coop/Outages.

Safe Electricity.org

Source: Jerri Imgarten-Whitley and Victory Electric Cooperative

Sister's Home Style Entrees honored with prestigious Iowa Venture Award



From left: Midland Power CEO Bill McKim and Board President Mike Coleman, IADG President Rand Fisher, Vice President Sister's Home Style Entrees Brett Davis, Midland Power Member Services Rep. Larry Beilke and Manager of Business and Community Development Lexie Nadler, Corn Belt Power Cooperative Manager of Business Development Brittany Dickey, and Midland Power Senior VP of Business Operations Norm Fandel.

Deb Davis, owner of Sister's Home Style Entrees, turned her hobby of preparing meals for family and friends into a statewide business in 2011. Today, 47 employees prepare more than 70,000 meals per month and serve all of Iowa and its bordering states.

Sister's Home Style Entrees strives to provide delicious home-style meals at an affordable price. Its core customers are elderly and homebound populations, but families also love the convenience and flexibility of their savory meals.

Midland Power Cooperative nominated Sister's Home Style Entrees to receive an Iowa Venture Award. The Iowa Area Development Group (IADG) honored Sister's Home Style Entrees and seven additional distinguished Iowa companies and leaders with the Iowa Venture Award at a luncheon held in conjunction with the Iowa Association of Electric Cooperatives'

annual meeting.

"The Iowa Venture Award Luncheon provides a forum to celebrate the courage, contribution, innovation, responsibility, and vision of Iowa entrepreneurs," said IADG President Rand Fisher. "Deb and the team at Sister's Home Style Entrees provide an invaluable service by supporting the health and wellbeing of all of their customers."

This marks the 33rd year that IADG has presented Iowa Venture Awards to individuals and organizations in recognition of their contributions to Iowa's economy through entrepreneurial leadership, innovation, and the creation of job opportunities. History has demonstrated that these are among the most accomplished and successful companies in the state. Together they are helping to sustain and grow Iowa's economy. The Iowa Venture Award Hall of Fame showcasing these 280 companies can be found at www.IADG.com/HallofFame.

Students can apply now for a trip to our nation's capital from June 18-24!

Area high school sophomores and juniors interested in government and public service are encouraged to apply! Learn more at IowaYouthTour.com and apply at MidlandPower.coop/YouthTour

Applications due by Friday, March 11, 2022

Midland Power Cooperative Offices
 Open Weekdays: 7:30 am - 4:00 pm
 2005 S. Story Street, Boone, Iowa
 1210 13th Street North, Humboldt, Iowa
 1001 E. Lincoln Way, Jefferson, Iowa

Calls Answered 24/7/365
 Toll Free: (800) 833-8876
 Automated Pay-By-Phone:
 (888) 470-4623

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Board of Directors: James Byriel, Randy Christensen, Michael Coleman, Charles Gilbert, Bill Harleen, Paul Heineman, Tom Ingebritson, Kim Rinker, Doug Robey, Jack Runge, Joel Skow and Rick Thompson.