





East River Electric transmission lines near Spencer, S.D.

Photo by Tara Miller



Ken Schlimgen
General Manager

As we approach Christmas and the close of another year, I want to take a moment to express my sincere gratitude to you—our members—for your trust and support. Electric Cooperatives were founded on a simple but powerful idea: that when people come together, they can improve the quality of life in their communities. That idea continues to guide everything we do.

A key part of that promise is delivering reliable electricity. This

past year, we made significant progress in strengthening our system, even as the cost of materials and system construction continues to rise.

In 2025, Basin Electric completed two major projects: a 32-mile transmission line and a 580-megawatt natural gas generation unit, with a combined cost of \$895 million. They also began work on a 1,470-megawatt generation project scheduled for completion in 2030 with a budget of \$3.9 billion.

Looking ahead, East River Electric's 2026 budget for reliability-related projects is \$162 million. These are essential investments to reinforce our transmission backbone, including replacing 109 miles of existing line, upgrading multiple substations and building 84 miles of new line.

Here at Central Electric, we plan to replace about 60 miles of line, upgrade 110 services, build 45 new services and complete maintenance across more than 4,600 miles of power lines. The 2026 distribution budget for these efforts is \$7.6 million.

These upgrades not only enhance reliability today but also increase our capacity to meet the growing energy needs of our members and communities. And while the investments we make now come at a cost, we are reminded that earlier generations did the same for us. We continue to benefit every day from the infrastructure built by cooperative members in the mid-1900s.

As we enter a new year, we face both challenges and opportunities. Demand for electricity continues to rise. The systems that keep power reliable require ongoing upgrades. New regional energy policies require more generation and transmission to be built. Because of these investments, our wholesale power costs are going up. This means electric rates in 2026 will increase for Central Electric members, as they will for many consumers across the country. More information on the 2026 electric rates can be found on pages 6-7.

When you consider the size and complexity of the electric system, the price tag can seem overwhelming. Yet, even with today's costs, the average price of electricity delivered by Central Electric to farm and residential members is about 14.5 cents per kilowatt-hour. With the 2026 rate adjustment, I am estimating the average cost per kilowatt-hour to farm and residential members to be around 16 cents. That's a substantial value for the 24/7 essential service that electricity provides.

I am confident in our future. The dedication of our employees, combined with the support of our members, positions us well to meet challenges head-on. Through it all, our cooperative commitment remains the same: to improve quality of life by delivering reliable electric energy—today and for generations to come.

I wish you and your families a Merry Christmas and a blessed new year. Until next month, stay safe!

CENTRAL ELECTRIC COOPERATIVE

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(USPS 018-963)

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Board Meeting Summary

The board of directors met on Oct. 20, 2025, at Central Electric Cooperative's headquarters for the regular board meeting. They reviewed reports by management including details on operations, member services, communications, service department and financials.

Board Report

General Manager Schlimgen reported on East River Electric Managers' Advisory Committee, Basin Electric activities, Western Area Power Administration rates, construction of the Howard Service Center, service territory statutes and other management activities.

General Manager Schlimgen summarized proposed revisions to Policy 869 Large Commercial – South Bow Pipeline, Policy 872 Large Commercial – POET Biorefining and Policy 873 Large Commercial – High Plains Processing.

National Rural Utilities Cooperative Finance Corporation (NRUCFC) Regional Vice President Kristin Dolan presented the 2024 Key Ratio Trend Analysis (KRTA). Discussion followed.

Manager of Finance and Administration Uher reviewed the results of the 10-year forecast with the board. Discussion followed.

Directors Banks, Bechen, and Hofer reported on the NRECA Region 6 meeting.

Director Gustafson reported on SDREA activities. Director Wolbrink reported on East River Electric activities. The Audit Committee reviewed the 3rd quarter legal fees and attorney expenses provided in the board documents.

The board reviewed monthly director expenses.

Board Action

The board considered or acted upon the following:

- A motion was made and seconded to approve a resolution declaring vehicles #9926 2005 Chevrolet Silverado and #9979 2011 Ford F-350 as surplus. The motion carried.
- A motion was made and seconded to approve Policy 869 Large Commercial – South Bow Pipeline. The motion carried.
- A motion was made and seconded to approve Policy 872 Large Commercial – POET Biorefining. The motion carried.
- A motion was made and seconded to adopt Policy 873 Large Commercial – High Plains Processing. The motion carried.

The annual work plan and budget board meeting was scheduled for Nov. 10, 2025. The next regular board meeting was scheduled for Nov. 17, 2025. There being no further business, President Wolbrink adjourned the meeting.

FINANCIAL REPORT	YEAR TO DATE OCT. 2025	YEAR TO DATE OCT. 2024	
Kilowatt Hour (kWh) Sales	276,005,076 kWh	283,873,864 kWh	
Electric Revenues	\$ 32,474,455	\$ 30,712,166	
Total Cost of Service	\$ 31,697,132	\$ 30,302,496	
Operating Margins	\$ 777,322	\$ 409,670	

Tree Trimming Safety

Trees are majestic, beautiful and good for the soul. But we also know that our members depend on us to deliver reliable power to their homes and businesses. South Dakota's electric cooperatives strive to balance maintaining the beautiful surroundings we all cherish with ensuring reliable electricity. You might not realize it, but there are several benefits to regular tree trimming.

Keeping power lines clear of overgrown vegetation improves service reliability. After all, we've seen the whims of Mother Nature during severe weather events with fallen tree limbs taking down power lines and utility poles. While many factors can impact power disruptions, about half of all outages nationally can be attributed to overgrown vegetation.

Overgrown vegetation and trees also pose a risk to power lines. For example, if trees are touching power lines in our members' yards, they can pose grave danger to families. If children can access those trees, they can potentially climb into a danger zone. Electricity can arc, or jump, from a power line to a nearby conductor like a tree. A proactive approach also diminishes the chances of fallen branches or trees during severe weather events that make it more complicated and dangerous for line workers to restore power.

If trees and other vegetation are left unchecked, they can be-

come overgrown and expensive to correct. A strategic vegetation management program helps keep costs down for everyone.

When it comes to vegetation management, there are ways you can help too. When planting new trees, make sure they're planted a safe distance from overhead power lines. Medium-height trees (40 ft. or smaller) should be planted at least 25 ft. from power lines. Taller trees (over 40 ft.) should be planted at least 50 ft. from power lines. You can also practice safe planting near pad-mounted transformers. Plant shrubs at least 10 ft. from the transformer door and 4 ft. from the sides. If your neighborhood has underground lines, remember to contact 811 before you begin any project that requires digging.

Additionally, if you spot an overgrown tree or branch that's dangerously close to overhead lines, please contact your local electric cooperative.

We have deep roots in our community, and we love our beautiful surroundings. It takes a balanced approach, and our vegetation management program is a crucial tool in ensuring service reliability.



"Watch for overhead power lines."

Jacob Ymker, Age 10

Jacob reminds readers to watch out for overhead power lines. Great job, Jacob! Jacob's parents are Mark and Marion Ymker from Armour, S.D.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.





In a separate bowl, mix and beat the cream cheese, sugar, brown sugar, pumpkin puree, pumpkin pie spice, vanilla, and cheesecake pudding mix.

Fold the whip cream into this mixture and spread in a graham cracker crust

Refrigerate two hours before serving plus add a spray of whip cream and sprinkle cinnamon on

(Optional) add chopped pecans or walnuts.

Susan Forma **Union County Electric** In a bowl, mix in the remaining ingredients in the order given: eggs, sugar, baking powder, flour, salt, vanilla, chopped nuts, coconut, maraschino cherries.

Spread this mixture over the crust and bake again for 25-30 minutes. cool and cut into squares.

Barbara Anderson **Lake Region Electric**

Please send your favorite recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in December 2025. All entries must include your name, mailing address, phone number and cooperative name.

Method

1 1/2 cups flour

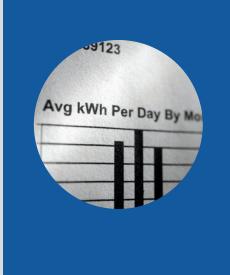
1 tsp. baking powder 1/2 tsp. baking soda

2 cups chopped apples

Pour 1/2 of the batter into a greased and floured bread pan. Sprinkle 1/2 of the cinnamon and sugar mixture over it. Add remaining batter and top with remaining cinnamon sugar mixture.

Bake at 350° for 45-60 minutes.

Grace Klein Sioux Valley Energy



Monitor Energy Use

Sign up for SmartHub by visiting www.centralec.coop and clicking "Register for Online Access" at the top of the page.



View energy usage details and billing history by downloading the SmartHub application on tablet or mobile device.





2026 Electric Rates

Central Electric, like many utilities, is facing rising costs to purchase and deliver electricity. Our power suppliers (East River Electric, Basin Electric and Western Area Power Administration) are also dealing with higher costs to produce and move power across the grid. It is estimated that increases to wholesale power rates and operational costs will add \$3.1 million to Central Electric's expenses in 2026. This will result in rate adjustments across all rate classes effective Jan. 1, 2026.

Why Are Rates Changing?

- Inflation and supply chain challenges have made everything from transformers to poles more expensive.
- Existing members are using more electricity across the state and region. This requires Basin Electric to build more generation and transmission assets, which have much higher costs to build and operate today as compared to existing resources.
 - Generation Assets: Increased from \$800 per KW for existing sources to approximately \$2,700 per KW for new sources.
 - Transmission Assets: Increased from \$400,000 per mile for existing lines to approximately \$2 million per mile for new sources.
- Central Electric and its power suppliers are investing in reliability through the replacement of aging power lines and equipment.

Why Did the Facility Charge Go Up?

- With the cost to provide electric service increasing, Central Electric must collect additional revenue through the facility charge.
- The facility charge supports the cooperative's fixed expenses to provide electric service. This includes costs to maintain power lines, transformers and electrical equipment.
- No matter how much electricity a member uses, there are fixed costs to provide electric service.

What is the Demand Charge for General Service Members?

A demand charge of \$1 to \$2 per KW has been added to general service rates. This charge is based on the highest amount of electricity a member uses during any 15-minute period throughout the month. Members who require more capacity will contribute more through the demand charge.

- Using a lot of electric equipment at once = higher demand
- Spreading out the use of electric equipment = lower demand

The cost-of-service study determined that a demand charge is the fairest way for Central Electric to recover infrastructure costs for members who require greater capacity. Download the SmartHub app to monitor energy usage.

What Is the Co-op Doing to Control Costs?

- Central Electric is working collaboratively with electric co-ops across the region to achieve the lowest cost options for generating and delivering power
- Central Electric is operating efficiently, managing expenses responsibly and taking advantage of partnerships with neighboring co-ops, suppliers and contractors to minimize costs.

What Can Members Do?

- Utilize the SmartHub app to monitor energy usage.
- Manage how you use appliances and electric equipment to minimize the monthly demand charge.
- Ask about energy efficiency rebates, load management and budget billing options to help manage monthly costs.

Monthly Rate Comparison

The table below shows monthly rate comparisons from 2025 to 2026. Most members are subject to the Residential Single-Phase Policy 800 Rate. Adjustments have been made to the facility charge and energy rates. A demand charge of \$1 to \$2 per KW has been added to general service rates.

Rate adjustments across all rate classes take effect on Jan. 1, 2026. Tools are available in the SmartHub app to monitor energy usage. To access SmartHub services, sign up at www.centralec.coop.

Service Type	2025 Facility Charge	2025 Energy Usage	2025 Rate	2026 Facility Charge	2026 Energy Usage	2026 Rate
Residential Single-Phase (Policy 800 applies to most members)	\$65.00 Facility Charge	0 to 1200 kWh: >1200 kWh:	\$0.130 \$0.103	\$70.00 Facility Charge	All kWh: Demand / KW:	\$0.130 \$1.00
Residential Three-Phase (Policy 801)	\$110.00 Facility Charge	0 to 1200 kWh: >1200 kWh:	\$0.162 \$0.132	\$130.00 Facility Charge	All kWh: Demand / KW:	\$0.130 \$2.00
Small Commercial Single-Phase (Policy 840)	\$65.00 Facility Charge	100 kWh / KW: Excess kWh: Non-Coincidental Demand / KW:	\$0.103 \$0.058 \$17.02	\$95.00 Facility Charge	All kWh: Non-Coincidental Demand / KW:	\$0.075 \$18.60
Small Commercial Three-Phase (Policy 843)	\$110.00 Facility Charge	100 kWh / KW: Excess kWh: Non-Coincidental Demand / KW:	\$0.103 \$0.058 \$17.02	\$140.00 Facility Charge	All kWh: Non-Coincidental Demand / KW:	\$0.075 \$18.60
Congested Area Single-Phase (Policy 802)	\$43.00 Facility Charge	0 to 1200 kWh: >1200 kWh:	\$0.130 \$0.103	\$53.00 Facility Charge	All kWh: Demand / KW:	\$0.130 \$1.00
Discounted Electric Heat Sub Meter (Policy 804)	\$4.00 Sub Meter Charge	All kWh:	\$0.065	\$5.00 Sub Meter Charge	Winter kWh: Summer kWh:	\$0.0675 \$0.095

Note: This is a general snapshot and does not show all rate factors for every service type.

Questions?

Phone: 1-800-477-2892 or 1-605-996-7516

E-mail: billinggroup@centralec.coop Website: www.centralec.coop



EVERY VOICE COUNTS

Frank Turner

frank.turner@sdrea.coop

Electric cooperatives carry a wide range of responsibilities to the members they serve. Beyond keeping the lights on, co-ops represent their communities, focus on member needs and help strengthen the places they call home. But behind the scenes, cooperatives also stay actively involved in legislative discussions to stay engaged in the decisions that shape how they serve their members.

According to Steve Barnett, general manager of the South Dakota Rural Electric Association, legislative efforts help protect reliable electricity, keep costs manageable and support rural communities across South Dakota.

"While it's important that we stay involved in the topics that are relevant to our industry, it's really about sharing our values and telling our story," Barnett said. "Being involved means being engaged and aware of the challenges and issues coming up in the 2026 Legislative Session,"

In addition to SDREA's internal

leadership, legislative efforts are supported by the association's lobbying team in Pierre, led by Darla Pollman Rogers of Riter Rogers LLP. Rogers and her colleague, Ellie Bailey, have been involved with SDREA's legislative work for more than two decades.

"A key component of this work involves relationship building with legislators to establish trust and credibility," Rogers said.

Rogers noted that member engagement strengthens the cooperative voice during session and throughout the year. "The grassroots approach is huge for co-ops," she said. "Hearing from members across the state and from different cooperatives helps strengthen our overall impact." Rogers added that one of the best ways members can get involved is by getting to know their local legislators or attending Co-op Day at the Capitol to observe the process firsthand.

With the next session approaching, several topics are already drawing the attention of not only electric cooperatives but utilities across the

state. One of the proposals SDREA is following closely is Rep. Kent Roe's data center bill, identified as Draft HB 31.

"We're seeing an increase in interest from large data center developers looking to site facilities in cooperative service territory," said Chris Studer, chief member and public relations officer at East River Electric Power Cooperative, a wholesale power supply cooperative which serves distribution co-ops in eastern South Dakota and western Minnesota. "We have been providing input on the data center bill to make sure the law would fit within our process and require data centers to invest in generation and transmission infrastructure to serve them, so we can protect our current cooperative consumers from the risk of building generation to serve these large consumers. At the end of the day, we're not going to put our member-owners at risk, and engaging with lawmakers working on that issue is very important to our cooperative network."

The association has also been working

with investor-owned utilities on wildfire mitigation legislation, which stands out as another priority for South Dakota cooperatives.

"Wildfire risk is a growing concern, and this proposal gives utilities a clear, consistent way to plan ahead. At its core, this legislation is about preparedness - making sure utilities have a plan and have reviewed it with their governing authority. By strengthening infrastructure, improving vegetation management, and coordinating closely with communities, the framework helps protect public safety while supporting the reliable service South Dakotans depend on," Black Hills Electric General Manager Walker Witt said.

Cooperative members also have an important role in legislative advocacy. Their engagement helps ensure that rural needs and perspectives reach decision makers. Barnett encouraged members to stay active by reaching out to local lawmakers in their districts and attending local legislative forums and cracker barrels. These are formal town hall style gatherings where legislators answer questions and update the community.

"Members can contact legislators in their respective districts via email or by telephone," Barnett said. "Attending cracker barrels is also a good way to stay engaged. These opportunities give members a chance to hear updates, ask questions, and share how policy decisions affect their communities."

Barnett also noted the importance of staying alert during the legislative process, particularly when a bill is significantly amended. He explained that when a bill gets "hog housed," it means it has been changed so much that the original version is no longer recognizable. "A hog housed bill is changed or amended significantly, to the point where a person may change their position on the bill," he said. "Tracking these changes is essential to understanding the real impact a proposal may have if it

Barnett said SDREA will continue to represent the interests of both cooperatives and rural communities across the state. At the end of the day, it's all about providing dependable electricity and keeping the lights on.



Gov. Larry Rhoden takes a picture with members of the electric cooperative network at Co-op Day at the Capitol last February. Photo by Jocelyn Johnson

STAYING INVOLVED

Co-op Day at the **Capitol**

Electric cooperatives' efforts to engage local legislators extend far beyond traditional lobbying. Every February, cooperatives from across the state gather for a lighthearted dinner at the South Dakota State Capitol to break bread with lawmakers, provide attendees industry updates and sit in on legislative committee meetings.

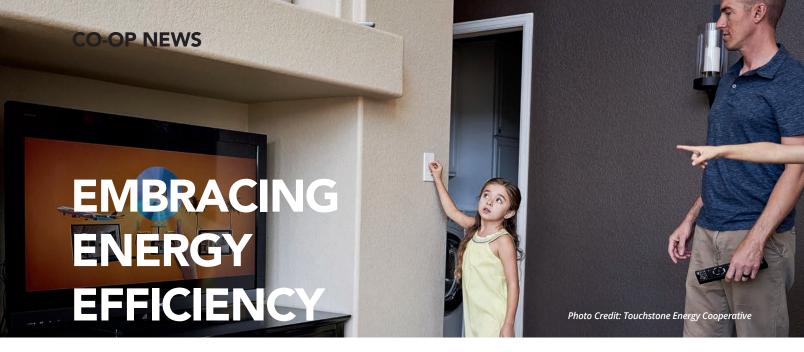
Last year, South Dakota cooperatives continued their time-honored tradition of serving pulled pork sandwiches and cowboy beans prepared by Ken Gillaspie, who formerly served as a director for East River Electric and as board president for Oahe Electric, and Roger Crom, a former loss control manager at

The next Co-op Day at the Capitol is scheduled for Feb. 17, 2026.

Legislative Banquets

In addition to Co-op Day at the Capitol, select electric cooperatives across the state host legislative banquets as a means of communicating the latest legislative environment with both their members and local lawmakers. Many times, these events provide a free meal to attendees and include updates on both the successes and challenges for the co-op.

Reach out to your local cooperative to learn more about local Legislative Banquets, Co-op Day at the Capitol or the latest legislative news affecting cooperatives. The co-op network is more than happy to engage.





Patrick Soukup Manager of Member Services and Marketing

As temperatures drop and winter settles in, many of us turn our attention to staying warm and keeping energy costs under control. The colder months bring new challenges for home comfort and efficiency, but they also offer great opportunities to save energy and money with a few simple steps.

For cooperative members, making smart energy choices during the winter not only reduces heating bills, but also supports a more reliable and sustainable

power system. Here are some practical tips to help you stay cozy and efficient all season long.

Seasonal Maintenance

As the temperatures start to drop, it's crucial to ensure that your heating system is in optimal condition. Schedule a professional inspection and maintenance check for your furnace or heat pump to ensure it operates efficiently throughout the colder months. Regular maintenance can help identify potential issues early, ensuring your system runs smoothly and efficiently.

Seal and Insulate

Preventing heat loss is key as we transition into winter. Check for drafts around windows and doors. Use weather stripping or caulk to seal any gaps. Consider adding insulation to your attic, walls and floors to keep the warm air in and the cold air out. Proper insulation can reduce your heating costs and improve overall comfort.

Maximize Natural Light

As daylight hours decrease in the winter, make the most of the natural light available during the day. Open curtains and blinds to allow sunlight to warm your home naturally. This simple action can help reduce the need for artificial lighting and lower your energy consumption.

Upgrade Appliances

When considering upgrading your appliances, look for ENERGY STAR® certified products. These appliances are designed to use less energy while providing the same level of performance, which can lead to lower utility bills. Whether it is a new furnace, water heater or kitchen appliance, energy-efficient options can yield long-term savings.

Take Advantage of Cooperative Programs

Members have the ability to monitor their energy usage with the SmartHub app. It is available for smart phones and tablets through your app store.

Central Electric also offers rebates on non-residential lighting, irrigation equipment, heating equipment and electric heat submeters.

Call me at 1-605-996-7516 for more information about these resources to help improve your energy efficiency and manage monthly costs.



New Grants Awarded as Operation Round-Up® Reaches \$250,000 in Local Impact

Central Electric Cooperative's Operation Round-Up® grant program will surpass \$250,000 in local impact with the latest round of community grants. Through Operation Round-Up, participating Central Electric members round up their monthly electric bill to the next whole dollar, and the extra cents are pooled together to support local causes.

After reviewing applications from several deserving organizations, the Operation Round-Up Board of Trustees approved the following grant awards in November:

- Artesian Community Improvement Association: \$1,100 for Concession Stand Equipment
- **Bridgewater-Emery School District:** \$1,000 for STEM Supplies
- **Brule County Historical Society:** \$1,100 for Building Improvements
- **Crow Creek Tribal Schools:** \$1,500 for Star Quilts
- Fedora Fire Department: \$1,500 for Building Improvements
- Kimball School District: \$1,000 for Missoula Children's Theatre
- **Letcher Community Development Foundation:** \$1,000 for Community Signs
- **Rural Office of Community Services:** \$2,100 for Senior Meals (Aurora, Brule & Jerauld Counties)
- Sanborn County Ambulance: \$1,100 for Emergency Equipment
- Sanborn Central School District: \$1,100 for a Greenhouse
- **Spartan Trap League:** \$700 for Training Equipment
- **Stickney Volunteer Fire Department:** \$1,000 for Portable Radios
- White Lake FFA: \$1,000 for Program Expenses

"Since 2015, Operation Round-Up has supported 183 community-focused projects across our service area, and we couldn't do it without the support of our membership," said Tara Miller, Manager of Communications and Operation Round-Up coordinator for Central Electric.

"We are so grateful to participating members for rounding up their bill each month to make this possible," Miller said.

For more information about Operation Round-Up, call 1-605-996-7516 or visit www.centralec.coop and click on Member Programs. Grant applications are accepted every six months. The next deadline to apply is May 1, 2026.

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SAFETY, RELIABILITY

Why More Room Makes Sense for Co-ops, Line Crews & Members

Jacob Boyko

jacob.boyko@sdrea.coop

Serving rural members means maintaining thousands of miles of power line - and finding the space to safely build and access it. At your local electric cooperative, building, maintaining and repairing thousands of miles of infrastructure is a logistical challenge, but each and every piece of the system has its role in a functioning and reliable electric grid.

That's why easements, or agreements to use and access private land, are essential for co-ops and their members. At East River Electric Power

Cooperative, the generation and transmission co-op serving 25 member distribution systems in South Dakota and Minnesota, Engineering and Planning Services Manager Jon Aus works directly with co-op members to get easements for power lines.

In 2025, most cooperatives prioritize building lines along the public right of way - the area between the road and fence lines along roadways - instead of along quarter lines like they have historically, back when rights-of-way were cluttered with telephone and other overhead lines.

"That's where we like it from an access and maintenance perspective," Aus said of rights-of-way. "Nowadays, when we develop a route for a line, we pick the roads we want to zigzag down to get from Point A to Point B."

Placing infrastructure along roads improves accessibility for crews and speeds up outage response time, especially when mud or snow are a factor, Aus added. But the trade offs are a workspace limited to the shoulder and ditch and overall limited access to the infrastructure.

That's where easements make all the difference. When a co-op member allows an easement, the co-op will set poles back just several more feet away from the road right-of-way onto private land, and crews can cross behind the fence when they need to access the poles. The impact on private land is minimal, but it's a massive benefit for the line crews.

"Having an easement allows crews to work on the backside of the structures," Aus said. "If you don't get an easement and you don't have any access rights, they're stuck working everything from the ditch and the roadside."

Engineers are meticulous when mapping routes for new lines, Aus added, noting the lengthy process for engineers as they consider pole placement, obstacles, hazards and community impact.

"At the onset of any project, we're evaluating the impact of our routing," Aus continued. "Public impact is right up there on our priorities along with reliability and maintenance. We don't go down routes we foresee to have challenges with public impact."

Distribution cooperatives see similar challenges on the ground. In southwest South Dakota, Black Hills Electric Cooperative System Coordinator Jesse Sorensen aims to manage a system that's not only reliable and affordable, but also built on cooperation with members.

"Very rarely do we have someone reject giving an easement," he said. "We've had very good luck sitting down with members and explaining everything to them that there are hundreds - if not thousands - of landowners that allowed easements so we could get electricity to this property."

He continued, "The biggest concerns from landowners are about losing their trees or the aesthetic value of their property, and we'll work with landowners by rerouting lines to prevent cutting prize trees or installing lines in prime views."

At East River Electric, Aus' team fields similar questions from landowners, usually concerning specific pole placement and whether poles will interfere with field access, an approach or operation of large machinery. He says it's usually something the engineers can accommodate because ultimately, co-ops want to leave members' land as good or better than they found it.

"We'll even work with landowners to pay to replace any trees we have to remove if we obtain an easement from them," Aus said.

As the co-op steadily grows and expands its transmission system, East River Electric General Counsel Danny Brown stresses that the co-op relies on voluntary easements, and in its 75-year history has never used eminent domain to obtain an easement.

"Eminent domain is not something we ever want to use," Brown explained. "We try to educate and work with the property owners the best we can. At the end of the day, an easement is voluntary, and if we can't make it work from the right of way, we have to start thinking about changing our route."

But opting for alternate, less-efficient routes is a concession that can severely impact system reliability and leads to a higher price tag for co-op members to pay. Fortunately, Aus and Sorensen said most landowners understand the value of working with their cooperative for themselves and their community.

"There have been several times when landowners have said, 'Absolutely, bring that line through here,'" Aus recalled. "They want to improve their reliability, or they know that they just need more electricity in that area for whatever they might be doing on their property. Most of the time we're welcomed with open arms."

That willingness helps keep cooperative power moving across the countryside.



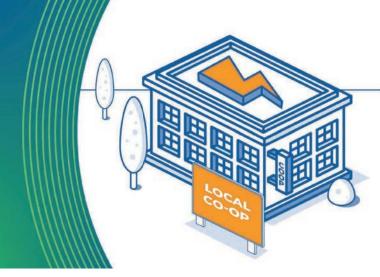
When a co-op obtains an easement to build a line along a road right-of-way, the line is placed several feet away from the rightof-way border. In this photo, the right of way border is about at the fence line, with the poles placed several feet behind the fence.

On this route, East River Electric has an easement for 30 feet behind the fence line for when line crews need to maintain or repair the line, giving crews more room to work and better access to the structures.

Photo submitted by East River Electric.

POWERING COOPERATION

WORKING TOGETHER IS POWERFUL



Understanding the Three-Tier Co-op Structure

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What Is an Electric Cooperative? (Tier 1: Distribution Co-ops)

An electric cooperative is a non-profit, member-owned utility governed by a member-elected board of directors. Co-ops are different from a typical utility because they don't report to shareholders; a co-op's responsibility is solely to the people it serves.

Member-ownership keeps the co-op focused on serving the interests of the community and maintaining low costs to members. Co-ops employ democratic principles; each member has one vote, which keeps control local and shields the co-op and members from outside interests.

Your local electric cooperative owns and maintains distribution power lines to serve members throughout its territory. While electric cooperatives' territories cover almost all of South Dakota, most of the state's population lives in cities and small towns and purchase electricity from a city-owned municipal power system or a for-profit investor-owned utility.

Most of the electric distribution cooperatives in South Dakota were organized by members beginning in the 1930s and 1940s to serve the rural areas that investor-owned utilities determined would not be profitable enough to be worth serving.

Rural residents formed co-ops, going

door-to-door collecting \$5 sign-on fees - a lot of money at the time - from their neighbors to kickstart the fledgling co-ops. They applied for loans from the Rural Electrification Administration to begin construction, and by the early 1950s, most rural South Dakotans were enjoying amenities made possible by electricity.

Who Supplies My Co-op's Power? (Tier 2: Regional G&Ts)

East River Electric Power Cooperative in Madison and Rushmore Electric Power Cooperative in Rapid City are generation and transmission (G&T) cooperatives that sell electricity to a total of 27 distribution systems in South Dakota.

East River sells electricity to 19 member systems located in eastern South Dakota and six member systems in western Minnesota, while Rushmore sells electricity to eight member systems: seven located in western South Dakota and Cam Wal Electric Cooperative serving Campbell and Walworth counties in eastern South Dakota.

Both East River and Rushmore are governed by a board of directors comprised of directors from the distribution co-ops. Therefore, each distribution co-op receives one vote on its respective G&T's board.

Beyond selling electricity, East River and Rushmore assist their member systems in other areas; East River builds and maintains transmission systems to serve its member systems and offers support for information technology, marketing, public relations and economic development. Rushmore also offers marketing, PR and IT support, along with engineering services.

Two co-op systems in South Dakota are affiliated with neither East River nor Rushmore. Rosebud Electric Cooperative, based in Gregory, and Grand Electric, based in Bison, are part of District 9 – a collection of other distribution cooperative systems in Minnesota and North Dakota that purchase their energy from multiple sources rather than from a single supplier.

Who generates my electricity? (Tier 3: Basin Electric)

Rushmore Electric, East River Electric, and District 9 systems including Rosebud Electric and Grand Electric purchase energy from Basin Electric Power Cooperative, a G&T cooperative based in Bismarck, North Dakota.

Just like the regional G&Ts it serves, Basin is governed by a board of directors representing its member systems. There are 11 directors on Basin's board, and they know the energy industry inside and out – after all, to serve on the Basin board, the directors must also serve on their local co-op's board as well as the regional G&T's board, and are elected by their colleagues to represent the co-op, board, and its members.

Currently, Mike McQuistion of the Fort Pierre area represents his local coop, West Central Electric Cooperative, on Rushmore's board, and represents Rushmore on Basin's board.

Kermit Pearson of the Lake City area represents his local co-op, Lake Region Electric Association, on East River's board. and represents East River on Basin's board.

The cooperative systems that comprise District 9 also elect a director from

COOPERATIVE STRUCTURE

a District 9-affiliated co-op to represent them on Basin's board. Wayne Peltier from Minnesota Valley Electric Cooperative in Montevideo, Minn., represents Rosebud, Grand and the other District 9 co-ops on Basin's board.

Basin Electric was formed in 1961 by electric co-ops in the upper Midwest to generate and transmit electricity exclusively for cooperative systems to purchase. The system has grown to serve North Dakota, South Dakota, Nebraska, Minnesota, Iowa, Montana, Wyoming, Colorado, and New Mexico.

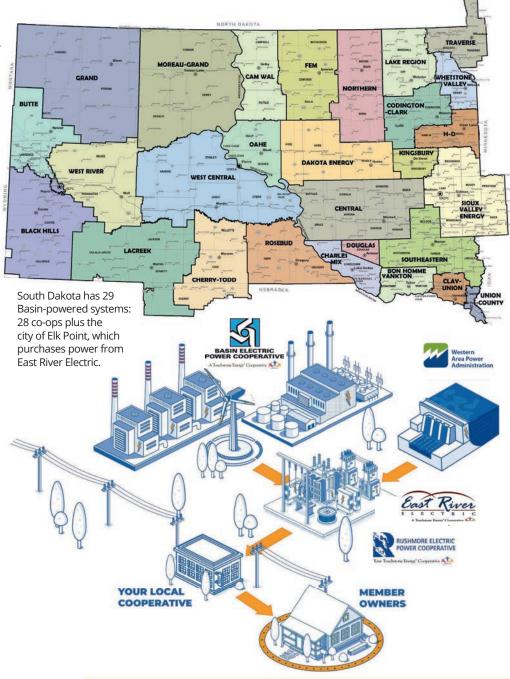
Basin Electric generates electricity using its owned and leased generation assets, which include coal, natural gas, solar, wind, oil and waste heat, with a maximum generating capacity of about 8,500 megawatts.

Other Generation: Western Area Power Administration

East River, Rushmore and the District 9 systems also purchase an allocated amount of electricity from the Western Area Power Administration. WAPA is the power marketing administration under the U.S. Department of Energy that markets and transmits power from the U.S. Army Corps of Engineersoperated Missouri River dams and other generators in the western U.S.

WAPA purchases make up about 18% of East River Electric and 12% of Rushmore Electric's purchases, respectively. District 9 systems also purchase some of their electricity directly from WAPA.

Each year, WAPA transmits about 25,000 gigawatt hours of electricity across its 17,000-circuit mile transmission system. WAPA serves a 15-state region that includes North Dakota, South Dakota, Minnesota, Iowa, Wyoming, Montana, Nebraska, Kansas, Colorado, Utah, Texas, New Mexico, Arizona, Nevada and California.



Basin Electric Directors Representing South Dakota



Kermit Pearson East River, Lake Region Submitted Photo



Wayne Peltier District 9, Minnesota Valley Submitted Photo



Mike McQuistion Rushmore, West Central Submitted Photo

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To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.

UNTIL DEC. 30 Chamberlain Oacoma Festival of Trees

South Dakota Hall of Fame 1480 S. Main St. Chamberlain, SD

UNTIL JAN. 5 Winter Wonderland at the Falls 5 p.m.

Falls Park Sioux Falls, SD

DEC. 30 Phil Baker Music & Movement

10 a.m., 1 p.m., 3 p.m. 401 Create Mitchell, SD 605-990-7919

JAN. 1 New Year's Celebration

Hunter's Den Epiphany, SD

JAN. 4, FEB. 1 American Legion Post 15 Pancake Breakfast

8:30-12 p.m. The Alliance 1600 W. Russell St. Sioux Falls, SD 605-336-3470

JAN. 6 District 20 Pre-Legislative Forum

12-1 p.m. 601 N. Main St. Mitchell Chamber Mitchell, SD

JAN. 10 Knights of Columbus Coats for Kids Bowling Tournament

1 p.m. Meadowood Lanes 3809 Sturgis Rd. Rapid City, SD

JAN. 20

Prohibition & the Pig

Lake Cty. Museum Fundraiser; Prohibition-Era Bootlegging 6 p.m.-7:30 p.m. \$60 per ticket The Office Bar & Grill Madison, SD 605-256-5308

JAN. 22 Gentleman's Quartet: Instrumental

7 p.m. Johnson Fine Arts Center Aberdeen, SD

JAN. 30 Shoot for a Cure

Aurora County Cancer Fundraiser Plankinton, SD

JAN. 30-FEB. 7

Annual Black Hills Stock Show

Central States Fairgrounds Rapid City, SD www.centralstatesfairinc.com 605-355-3861

FEB. 1

The Great Lake County Hotdish Competition

11:30-1:30 p.m. St. Thomas School Gym Madison, SD 605-256-5308

FEB. 7-8

The Black Market/Formerly Benson's Flea Market

Sioux Falls, SD 605-332-6004

FEB. 20-21

Women in Blue Jeans Conference

Highland Conference Center Mitchell, SD www.womeninbluejeans.org

> Note: We publish contact information as provided. If no phone number is given, none will be listed. Please call ahead to verify the event is still being held.