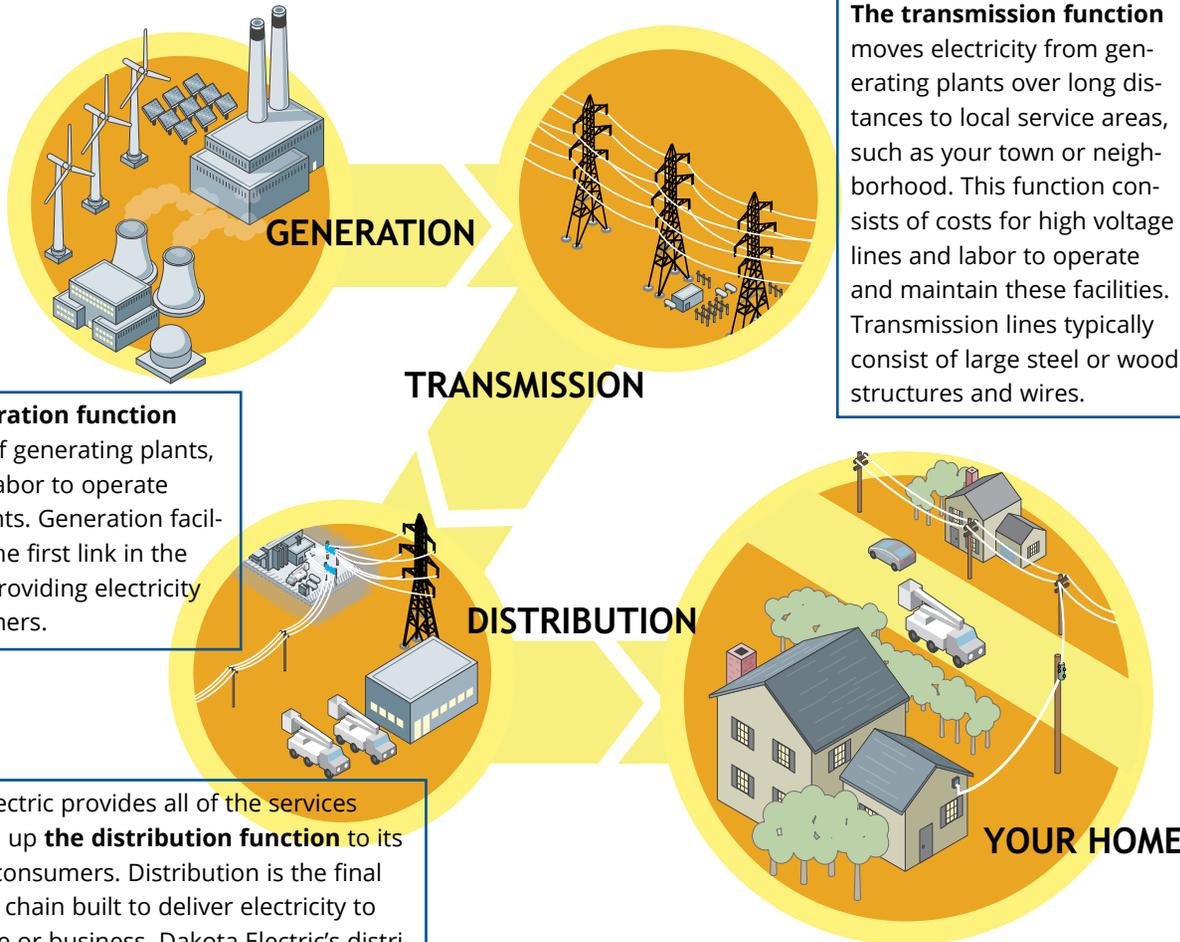


How the Generation, Transmission and Distribution System Works

The **cost to create and deliver electricity** is composed of three general functions: generation, transmission and distribution. Dakota Electric Association purchases generation and transmission services from Great River Energy and provides distribution services directly to our members.



GENERATION

TRANSMISSION

DISTRIBUTION

YOUR HOME

The generation function consists of generating plants, fuel and labor to operate these plants. Generation facilities are the first link in the chain in providing electricity to consumers.

The transmission function moves electricity from generating plants over long distances to local service areas, such as your town or neighborhood. This function consists of costs for high voltage lines and labor to operate and maintain these facilities. Transmission lines typically consist of large steel or wood structures and wires.

Dakota Electric provides all of the services that make up **the distribution function** to its member-consumers. Distribution is the final link in the chain built to deliver electricity to your home or business. Dakota Electric's distribution plant includes substations, poles, wires, transformers and meters. These facilities convert and deliver high voltage power from the transmission system into voltage that is usable for homes and businesses. Service and labor expenses incurred by Dakota Electric include the operation and maintenance of facilities, as well as billing and member services.

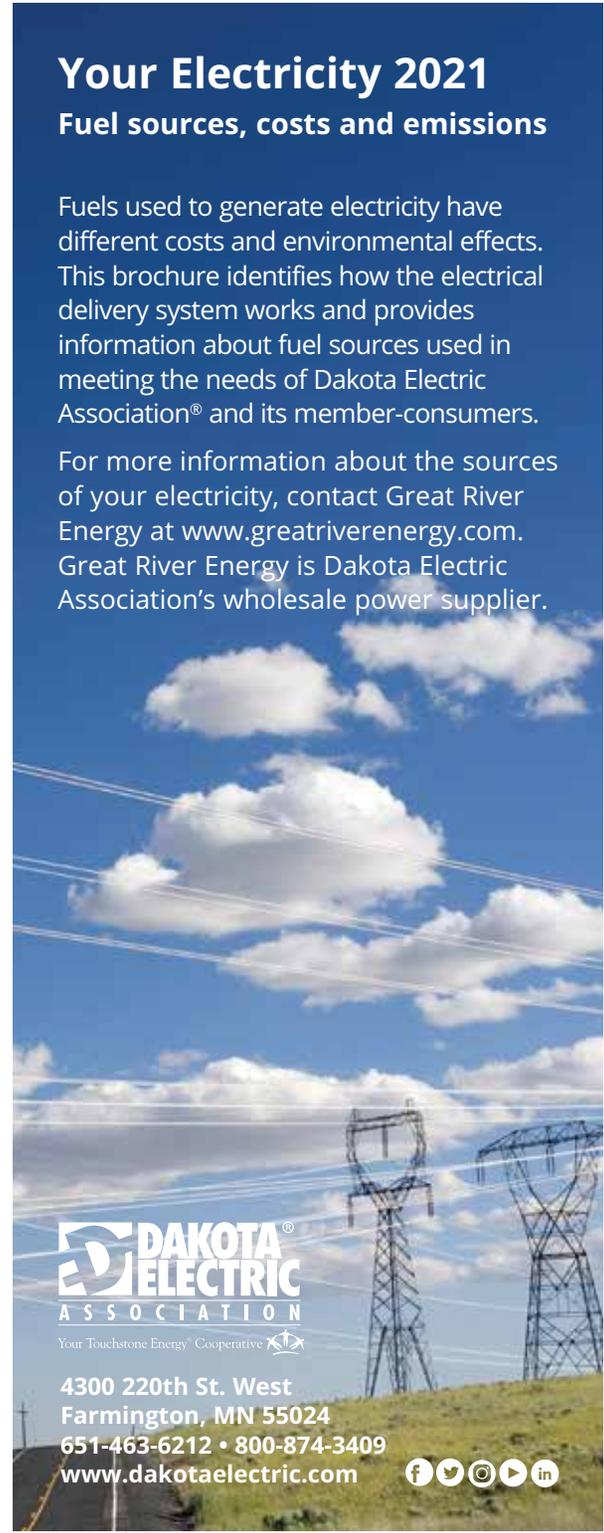
2020 Component Costs by Category

	Residential	Small General	General	Irrigation
Generation	54%	52%	73%	49%
Transmission	12%	12%	11%	1%
Distribution	34%	36%	16%	50%
Total	100%	100%	100%	100%

Your Electricity 2021 Fuel sources, costs and emissions

Fuels used to generate electricity have different costs and environmental effects. This brochure identifies how the electrical delivery system works and provides information about fuel sources used in meeting the needs of Dakota Electric Association® and its member-consumers.

For more information about the sources of your electricity, contact Great River Energy at www.greatriverenergy.com. Great River Energy is Dakota Electric Association's wholesale power supplier.



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