

CIRCUITS

FOR DAKOTA ELECTRIC MEMBERS

April 8 is Lineworker Appreciation Day.

A very special thank you to our lineworkers who brave all kinds of weather and conditions to keep the lights on 24 hours a day, 7 days a week, 365 days a year!

Contact Us

Member Service & Drive-Up Window

7 a.m. – 7 p.m. Monday – Friday
651-463-6212 or 1-800-874-3409
Minnesota Relay Service 711

Lobby 7 a.m. – 4:30 p.m. Monday – Friday
4300 220th Street West, Farmington, MN 55024

24-Hour Outage & Emergency Service

651-463-6201 or 1-800-430-9722

Underground Cable Locations

Gopher State One Call 811 or 651-454-0002
or 1-800-252-1166

Tree Trimming & Street Lights

651-463-6287

*Dakota Electric is an equal opportunity/
affirmative action employer*

dakotaelectric.com
customerservice@dakotaelectric.com

*Dakota Electric Association® and Dakota Electric®
are registered service marks of the cooperative.*

Dakota Electric Association

BOARD of Directors

DISTRICT 1

John (Jack) DeYoe
David Jones | *Chair*
Gerald F. Pittman

DISTRICT 2

Janet L. Lekson | *MREA Director*
Jim Sheldon | *Treasurer*
Clay Van De Bogart | *GRE Director*

DISTRICT 3

Kenneth H. Danner
William F. Holton
Margaret D. Schreiner | *GRE Director*

DISTRICT 4

Paul Bakken | *Vice Chair*
Judy H. Kimmes
Paul A. Trapp | *Secretary*



Hello!

From Your President/CEO and Board Chair

support for electric vehicles with Ride and Drive events and our annual Energy Trends Expo.

We added another 2 MW, or 7200 solar panels, in 2018 and just signed contracts for an additional 3 MW in 2019. These solar sites connect to our distribution system and the energy remains in our service territory for the benefit of our members. This is in addition to our power supplier's commitment for 50 percent renewables by 2030.

Foundations for the Future

As our board and staff prepare for the future, we strategically implement systems to serve members for years to come. We recently upgraded our 22-year-old customer service software with a robust new system. We completed connecting all 30 of our substations with fiber optics for better communications and system control. This backbone serves as a conduit to the new automated meter-reading system that will replace aging meters in the field. Replacement of meters begins with a pilot project later this year and will be completed over the following two years.

On behalf of the board and the 200 employees of Dakota Electric Association, thank you for the privilege of serving you.

Dakota Electric Association is an electric distribution cooperative serving more than 107,000 members with 4,000 miles of overhead and underground lines. We believe in the cooperative business model, providing a critical service for the benefit of those we serve.

Community

As a cooperative, we endeavor to buy local and employ amazing people who live in the communities we serve. Our national trade association recently selected us to receive the prestigious Electric Cooperative Purpose award for our community involvement, and we were recognized again with the Dakota-Scott Employer of Excellence award. We support local charities and provide multiple scholarships to local high schools, our Spirit of Excellence award annually recognizes local first responders, and our employees and directors give their time and talents to serve throughout our communities.

Concern for the Environment

Your commitment to the environment and energy conservation saved more than 26 million kilowatt-hours in 2018. Co-op programs and rebates include high-efficiency and low-carbon solutions for heating, cooling and lighting, and we demonstrate

— **David Jones**
Chair, Board of Directors

— **Greg Miller**
President and CEO

DAKOTA ELECTRIC 2018 BY THE NUMBERS

3 SOLAR SITES
FIVE MILLION
KILLOWATT HOURS PRODUCED

RETURNED **\$3.3** MILLION
CAPITAL CREDITS
TO THOSE WHO PURCHASED POWER FROM US IN
1990 AND 1991

LOAD MANAGEMENT **SAVED \$18.2 MILLION** OFF OUR WHOLESALE POWER BILL

107,974
MEMBERS

\$1.85 BILLION
IN kWh SALES

\$204 MILLION
IN REVENUE



AVERAGE MEMBER EXPERIENCES JUST
ONE OUTAGE EVERY **3.5** YEARS
(EXCLUDES MAJOR EVENT DAYS)

AVERAGE OUTAGE DURATION LESS THAN **70** MINUTES

*AMERICAN CUSTOMER SATISFACTION INDEX

Consolidated Balance Sheets

ASSETS

	2018	2017
	(in thousands)	
CURRENT ASSETS		
Cash and cash equivalents	\$544	\$3,081
Accounts receivable, less allowance for uncollectible accounts (2018 - \$711; 2017 - \$676)	29,892	25,541
Conservation cost and property tax recovery	247	1,009
Inventories, materials and supplies	4,184	4,473
Prepayments and interest receivable	1,349	1,012
Deferred charges	-	2
Total current assets	36,216	35,118
Investments in associated companies and other investments	121,056	117,009
UTILITY PLANT		
Distribution system	267,355	261,606
General plant	32,987	30,581
Construction work in progress	4,222	5,114
Less accumulated depreciation	(126,122)	(122,693)
Net utility plant and work in progress	178,442	174,608
Deferred charges and other assets	88	92
TOTAL ASSETS	\$335,802	\$326,827

LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Accounts payable	\$26,204	\$29,492
Notes payable	16,334	12,000
Current portion of long-term debt	6,900	7,695
Property tax over-recovery	24	0
Customer security deposits	505	529
Accrued property and other taxes	4,830	4,925
Other current liabilities	8,175	7,785
Total current liabilities	62,972	62,426
Long-term debt	94,840	90,658
Post-retirement benefit obligation	4,609	4,207
Deferred credits and other liabilities	230	337
Total liabilities	162,651	157,628
MEMBERS' EQUITY		
Patronage capital and other equity	173,151	169,199
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$335,802	\$326,827

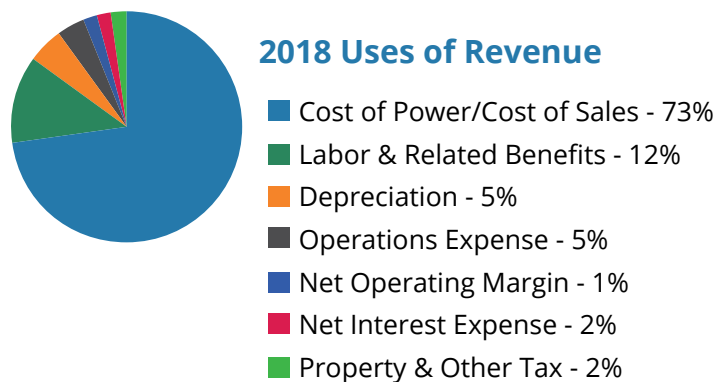
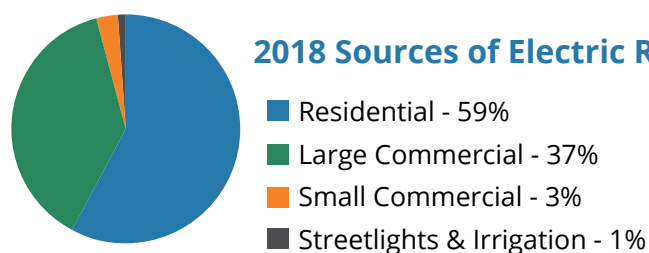
Consolidated Statements of Operations

	2018	2017
	(in thousands)	
OPERATING REVENUES		
Net sales	\$204,037	\$202,277
Cost of power / Cost of sales	149,909	148,448
Gross margin	54,128	53,829
OPERATING EXPENSES		
Total operating expenses	52,489	50,074
Net operating margin	1,639	3,755
OTHER INCOME		
Total other income	5,371	7,309
Income before taxes	7,010	11,064
Income tax (credit) on non-regulated operations	(17)	(80)
NET INCOME	\$7,027	\$11,144

Consolidated Statements of Cash Flows

Net cash provided by operations	\$5,923	\$12,291
Net cash used for investing activities	(13,106)	(14,446)
Net cash from financing activities	4,646	1,388
Net change in cash and cash equivalents	(2,537)	(767)
Cash and cash equivalents at beginning of year	3,081	3,848
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$544	\$3,081

Financial information presented in this report is summarized. Members may request a copy of the complete audited financial statements or view them online at dakotaelectric.com.



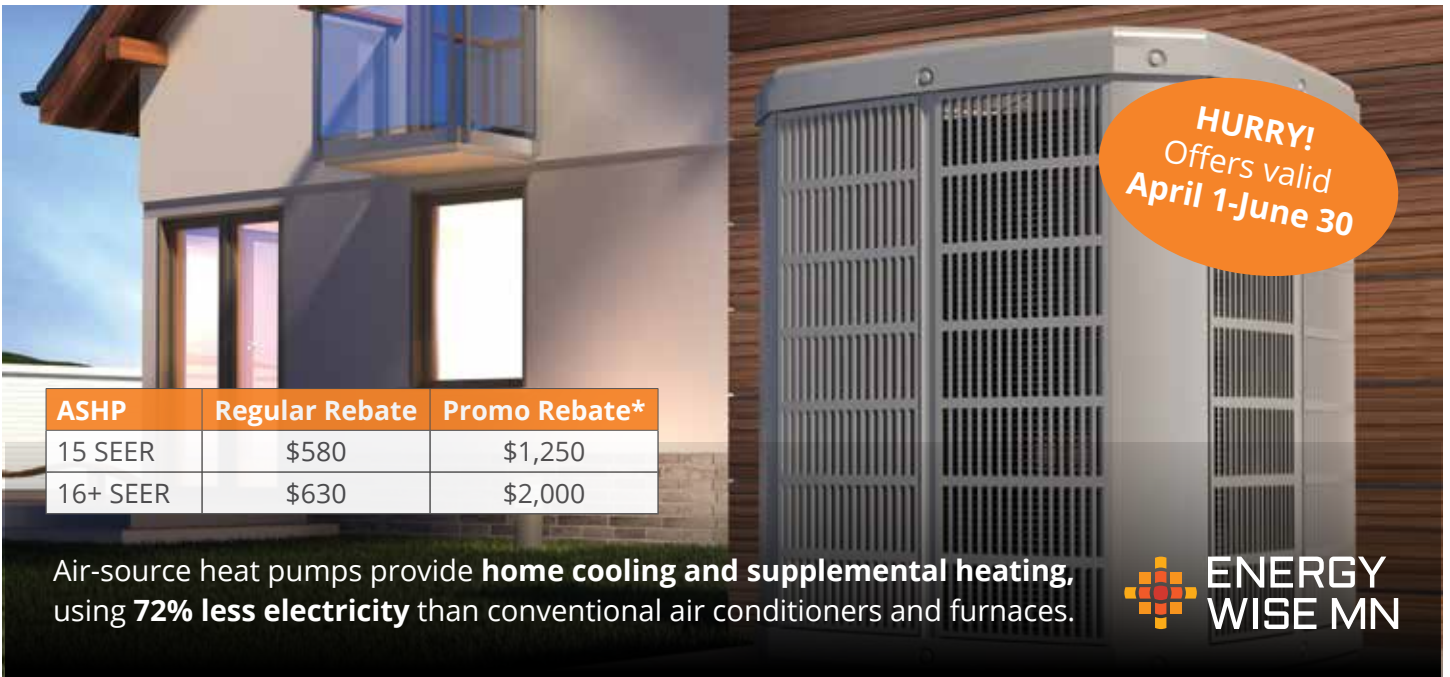


DOUBLE OR TRIPLE

Your rebate on select air-source heat pumps

Some call this offer cool. Others call it hot. We say, it's both! Cool and heat your home with an energy-saving air-source heat pump or a ductless air-source heat pump and receive a HOT promotional rebate!


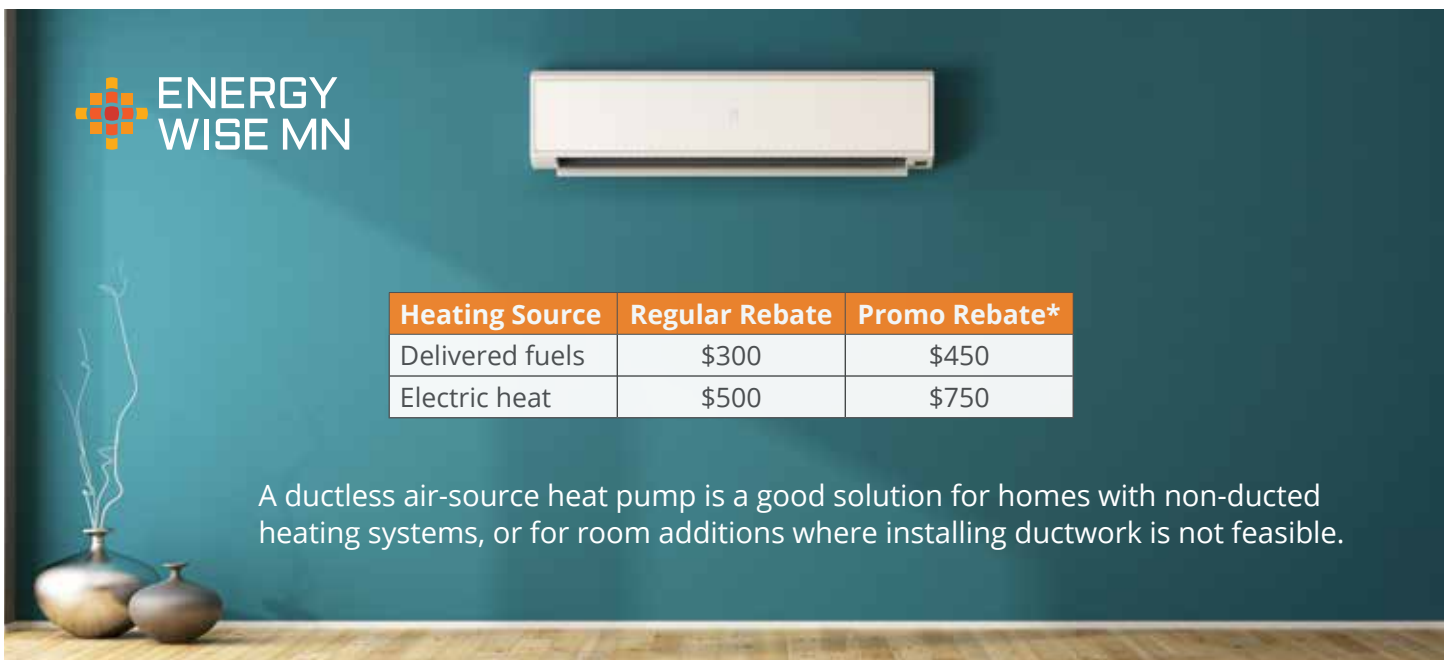
Equipment must be installed by a registered contractor and enrolled in an Energy Wise® off-peak rate to qualify.




HURRY!
Offers valid
April 1-June 30

ASHP	Regular Rebate	Promo Rebate*
15 SEER	\$580	\$1,250
16+ SEER	\$630	\$2,000

Air-source heat pumps provide **home cooling and supplemental heating**, using **72% less electricity** than conventional air conditioners and furnaces.



ENERGY WISE MN

Heating Source	Regular Rebate	Promo Rebate*
Delivered fuels	\$300	\$450
Electric heat	\$500	\$750

A ductless air-source heat pump is a good solution for homes with non-ducted heating systems, or for room additions where installing ductwork is not feasible.

*Limited funds are available and awarded on a first-come, first-served basis. Rebate amounts and programs are subject to change without notice.



Volunteers needed for annual GreenTouch event

Saturday, May 4 | 9 a.m. - Noon | Lebanon Hills Regional Park

Dakota Electric seeks volunteers at Lebanon Hills Regional Park in Eagan as part of Touchstone Energy Cooperatives' GreenTouch event. Members will help with natural resource restoration, including planting and seeding native wildflowers and grasses.

After a morning of work and a free lunch, stay and enjoy hiking, canoeing, kayaking, mountain biking and more. All ages, organizations and scout groups looking for a service project are welcome, but space is limited and preregistration is required.



REGISTER ONLINE BY APRIL 26. VISIT DAKOTAELECTRIC.COM/GREENTOUCH.

You're invited to Dakota Electric's Energy Trends Expo

Thursday, May 9 | 6 - 8 p.m. | Eagan Community Center

This event is free and open to members interested in learning about the latest energy trends and technologies.

- Vendor tradeshow
- Demonstration of battery-powered yard tools
- Electric vehicle car show
- Breakout sessions:
 - **6:30** Home audits: Opportunities, tools and DIY tips
 - **6:50** Resiliency in a changing climate
 - **7:00** Electricity: The key to sustainability



Sponsored by Dakota Electric Association in cooperation with Lakeville Friends of the Environment.

Minnesota's Cold Weather Rule ends April 15

The State of Minnesota set up the Cold Weather Rule to protect residential heat-affected customers — who make and keep a payment plan — from disconnection of service between Oct. 15 and April 15.

Most Cold Weather Rule payment plans last until April 15 unless you make other arrangements with Dakota

Electric. Your service could be shut off if you have a past due balance on April 15 and do not make and keep a new payment plan.

Member service representatives are ready to work with you to avoid disconnection. Contact Dakota Electric at 651-463-6212 **before April 15**.



MINNESOTA ZOO®

SMALL WONDERS. HUGE FUN.

**FARM BABIES
MAR. 22 – APR. 30**

Sponsored by:



JOIN THE FUN AT MNZOO.ORG



4300 220th Street West
Farmington, MN 55024

UPCOMING EVENTS

- **Board Meeting**
April 25, 8:30 a.m.
- **Annual Meeting**
April 25, 7 p.m.
- **GreenTouch**
May 4, 9 a.m. - 12 p.m.
- **Energy Trends Expo**
May 9, 6-8 p.m.

dakotaelectric.com/event-calendar

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ASSOCIATION

ADDRESS BLOCK
1234 Maple St.
Apple Valley, MN 55124

CONNECT WITH US!

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DAKOTAELECTRIC.COM

2018
Annual Report
inside!

2019

ANNUAL MEETING & ELECTION

DAKOTA ELECTRIC ASSOCIATION

Thursday, April 25 | 6:30 p.m. Registration | 7:00 Business Meeting

St. Michael's Social Hall, 22120 Denmark Ave., Farmington

BOARD CANDIDATES

District 1

David Jones (incumbent)

District 2

Jim Sheldon (incumbent) | Bill Middlecamp

District 3

Bill Holton (incumbent)

District 4

Paul Trapp (incumbent) | Stacy Miller | Greg Oxley

Survey & Ballot Systems, an independent firm, oversees the voting process and will mail a ballot to every Dakota Electric member on April 8.



VOTE BY MAIL!

Ballots must be received at Survey & Ballot Systems' office no later than noon on April 25.*



VOTE ONLINE!

Go to dakotaelectric.com; you will need your account number and e-signature, both of which will be included with the ballot mailed on April 8.

*Members may bring their ballots to the annual meeting. Ballots should **NOT** be dropped off or mailed to Dakota Electric Association's office.