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News Release

WRIGHT-HENNEPIN BOARD OF DIRECTORS APPROVES \$2.4 MILLION IN MEMBER SAVINGS

Rockford, Minn. (August 25, 2023) — The Wright-Hennepin (WH) Board of Directors approved a complete elimination of one of the major components of members’ electric bills for the month of September. Valued at \$2.4 million in savings passed on to members, the Power Cost Adjustment (PCA) elimination will apply to both residential and commercial bills.

The typical monthly residential bill will decrease by \$40.11, or 25.15%, from \$159.49 to \$119.38. The typical monthly commercial bill will decrease \$678.97, or 17.47%, from \$3,886.87 to \$3,207.90.

“Sales have been stronger and power costs have been softer than originally anticipated,” said WH Board Chairman Erick Heinz. “WH takes very seriously our commitment to keep money with our members whenever possible, and because we are in such strong financial condition, the Board approved taking this action for September.”

The PCA is one of the key components of a WH bill, meant to balance fluctuating wholesale power costs from WH’s power suppliers. Members will see this PCA elimination reflected on their September bill.

Residential bills will also see a 5.5% PCA reduction in October. The typical residential bill is anticipated to be 0.10%, or \$1.39 lower than budgeted. This brings anticipated October typical residential bills from \$144.54 to \$143.15.

With the September elimination and October adjustment of the PCA, this is the third major bill reduction the WH Board has approved in 2023. The Board voted to reduce the PCA 3.3% for residential members February through December, for a savings of \$700,000. In July and August, the Board again approved a \$1.5 million reduction in PCA charges for residential members, a 39% decrease. These adjustments mean that the typical monthly residential bill for a WH member will now be lower than in 2022. Typical residential bills are anticipated to be \$144.98 by year-end, a 0.11% decrease from the original year-end budget of \$145.14.

In addition, the Board of Directors approved an additional \$1 million in capital credits, on top of an already budgeted \$2.55 million to be distributed back to members during the holiday season. This will bring WH’s winter capital credit refund to \$3.55 million, and will mark the 43rd consecutive year WH has

returned capital credits to members. Capital credit refunds are a unique advantage of the cooperative business model, allowing WH members to share in the success of their cooperative.

“WH has always strived to deliver competitive rates, as well as capital credit refunds. This decision by the Board of Directors will advance both,” said WH President and CEO Tim Sullivan. “WH believes, based on these most recent actions, that the typical monthly WH bill is projected to be lower than Xcel by over 13% by the end of 2023, its largest competitive advantage ever.”

Wright-Hennepin Cooperative Electric Association is a member-owned, not-for-profit electric utility that provides power to rural Wright County and western Hennepin County. The cooperative has been a corporate citizen to the area since 1937 and currently serves more than 59,000 electric accounts. It is headquartered in Rockford, Minn.

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Wright-Hennepin’s Board of Directors. Back, from left to right: Mike Tieva, District 6; Duane “Butch” Lindenfelser, District 2; Chairman Erick Heinz, District 9; John Reynolds, District 4; Vice Chairman Tim Young, District 1; Pat Bakeberg, District 3. Front, from left to right: Chris Lantto, District 5; Audrey Britton, District 7; Mark Skinner, District 8.