



Wright-Hennepin
Cooperative Electric Association

A Touchstone Energy Cooperative

Hotline Update

NEWS FOR WRIGHT-HENNEPIN MEMBERS

October 2023

Celebrating Co-op Month



WH hosted an appreciation lunch for co-op members on October 10.

October is Co-op Month, celebrated annually by cooperatives across the country. Wright-Hennepin (WH) hosted a member lunch on October 10, and invites members to the Fall Festival on Thursday, October 26 at our Rockford headquarters.

What does it mean to be part of a cooperative? As someone who receives electricity from WH, you are a member-owner, not just a customer.

The cooperative difference allows for things like capital credit refunds, Power Cost Adjustment (PCA) eliminations like all members saw in September and additional PCA reductions made throughout the year for residential members. The Board of Directors is made up of WH members, and elected by WH members at the Annual Meeting. The Annual Meeting is held annually to provide business updates for members. Because WH is a not-for-profit organization, our goal is to provide safe, reliable power to you at the cost of service. Unlike at other large utilities in the area, there are no investors making a profit off your electric bill!



YOU'RE INVITED TO THE WH FALL FESTIVAL!

October 26, 5 – 7 p.m.

Come decorate a pumpkin* at the Fall Festival and enjoy:

- Inflatable slide
- Balloons
- Magician
- Line truck
- Snacks and drinks*

**While supplies last.*

Learning about electric vehicles

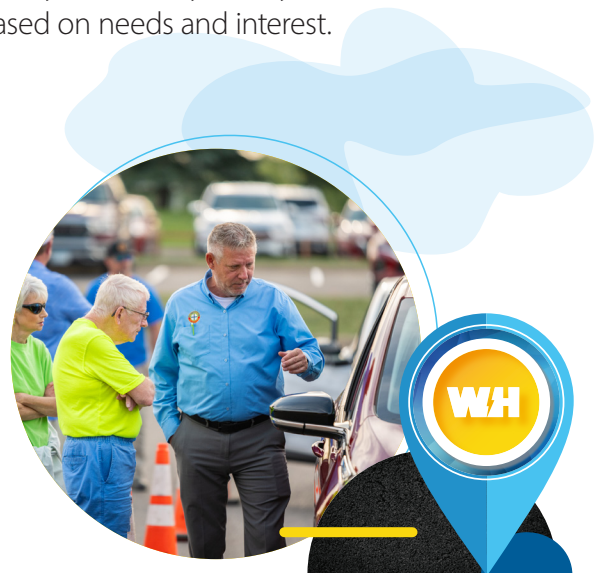
Education, training, and information is a core cooperative principle. WH hosts educational events to provide members an opportunity to learn how an electric vehicle (EV) may fit their day-to-day life. These events help WH develop EV programs that benefit members, based on needs and interest.

Ride and Drive

WH was proud to host the third annual EV Ride and Drive on September 21. Approximately 175 people attended the event, which included free EV and electric lawnmower test drives, ice cream, a food truck, DJ, and EV car show. More than 135 members were able to test drive a car.

EV 101

Members also attended the EV 101 event on October 3. WH hosted this event for members to learn more about owning an EV, how to prepare their home for installing a home charger, and Minnesota's public charging station plans. Attendees heard from the MN Auto Dealers Association, MN Department of Transportation, electricians, and WH's Energy-Saving Program experts.



2

Board vote cuts bills

LOWER THAN 2022 RATES!

3

Fall heating

EFFICIENCY SAVES MONEY

5

Dual Fuel testing

BE READY FOR WINTER COLD

6

WH Appliance Repair

QUICK FIX. FAST SERVICE.



CEO's Memo

TIM SULLIVAN
WH PRESIDENT AND CEO

WH Board action drops 2023 bills below 2022 levels



If inflation — including energy cost inflation — has recently served as economic enemy number one for most consumers, please consider this your good news column. Thanks to recent actions taken by the Wright-Hennepin (WH) Board of Directors, the typical monthly electric bill paid by WH residential members in 2023 will finish below 2022 levels!

Specifically, the WH Board of Directors voted to eliminate completely the Power Cost Adjustment (PCA) portion of member electric bills — that's right, zeroing it out — for September. This drove down the typical monthly residential bill by \$40, cutting it from about \$160 to \$120. For the typical commercial member, the September bill decreased by a whopping \$680!

Bear in mind, this was the third time the WH Board voted to reduce the PCA in 2023. The Board voted to reduce the PCA by 3.3% for residential members from February through December, saving members \$700,000. The Board then approved a \$1.5 million reduction in PCA charges for residential members in July and August, a 39% decrease.

So, in combination, these three decisions will have dropped the typical monthly residential bill by .11% by year-end, from a budgeted \$145.14 to an actual \$144.98.

You may well ask how we got here. The short answer: electric revenue has been much more robust than expected and power prices have been much lower than expected. Allow me to explain.

Traditionally, monthly fluctuations in WH member bills have largely been driven by differences in usage reflecting seasonal changes in the weather. As you can imagine, consumers use a lot more electricity running their air conditioning (AC) units during hot, muggy August days than they do during temperate days in April and May. Similarly, January and February bills that include the cost of space heating are usually a lot higher than October bills.

Yes, seasonal changes in power prices have also long impacted member bills. But what changed in the past year is that power markets — and therefore WH wholesale power costs — have fluctuated more dramatically than usual.

Natural gas prices are the single largest determiner of power prices within our regional power pool, also known as the Midcontinent Independent System Operator (MISO). Over the past year, natural gas prices have dropped almost 70%, from \$8 per MMBtu to less than \$2.50 per MMBtu in August.

That's great news for electric consumers. But as you can imagine, this dramatic natural gas price drop is not one WH anticipated when developing its 2023 budget last fall. At the time, while experts forecast some easing of natural gas prices in 2023, they did not predict the precipitous drop we've seen. Consequently, WH planned for higher power costs than we've realized in 2023.

The good news is that, when the WH Board saw the widening disparity between planned and actual prices, they quickly moved to correct the situation, voting to approve the three straight PCA cuts described at left.

This ability to respond quickly to changing conditions is one of the benefits of the cooperative business model. Because at WH, we aren't trying to generate profits. Rather, our goal is to deliver safe, reliable electricity to you at the cost of service. So, when revenues exceed costs, members get money back either through lower rates, larger capital credit refunds or both. In this case, in addition to cutting the PCA, the WH Board also voted to return an extra \$1 million in capital credits to members during the holiday season, bringing the total planned distribution to \$3.55 million.

It's also worth noting that WH's typical monthly residential bill is now expected to finish more than 13% below an Xcel bill by year's end — our largest competitive advantage in history.

Now, despite all this good news, we must be candid: we cannot tell you this is the end of volatility in power markets. In fact, we anticipate volatility to continue well into the future, and that means power costs can quickly escalate (as they did in 2022) or quickly de-escalate (as they have in 2023). What we can assure you, though, is whether power prices move up or down, sales increase or decrease, weather runs hot or cold, or forecasts track perfectly or poorly, WH will always put the needs of our members first.

We hope you share our pride in being part of a cooperative that can respond quickly to changing conditions and share with you unexpected benefits, including a welcome respite from energy inflation!

As always, thank you for your business.

Fall heating options

AS THE WEATHER COOLS, CONSIDER THESE ELECTRIC HEATING OPTIONS.



AIR SOURCE HEAT PUMP

Air Source Heat Pumps (ASHP) provide heating and cooling in one efficient and economical system. In the summer, ASHPs work the same as a standard air conditioner, cooling your home by moving heat to the outside. During cooler months,

the same technology reverses the heat pump process and brings heat in. WH members can receive up to \$1,530 in rebates toward the purchase of an ASHP, and the Quick Cash ASHP Energy-Saving Program can save members an additional \$30 per year.



HYDRONIC HEATING

Hydronic under-floor radiant heat is a system of tubing placed in the concrete slab of your home or under the subfloor. Electric boilers heat water that is then circulated through the tubes, heating the floor above. Hydronic heat is ideal for new construction. WH members can enroll in the Dual Fuel Energy-Saving Program, which offers a discounted rate of \$0.06434/kWh, along with a rebate of \$5/kW up to \$250.



ELECTRIC WATER HEATER

Electric water heaters are safe and reliable. When paired with either of WH's water heating Energy-Saving Programs, members can save money. With the Quick Cash Water Storage Program, WH members receive a \$10 bill credit each month for allowing WH to control charging time. Members can receive up to \$1,250 in rebates toward a new water heater. With the Metered Water Storage Program, members receive a discounted rate of \$0.06434/kWh, and up to a \$500 rebate.



PLENUM HEATER

Plenum heating is a unique technology that allows owners to switch between electricity and another heating source. The heater is inserted into the plenum, or ductwork, of the furnace and uses the furnace fan to move air across the electric elements, where it is heated and spread throughout your home. WH members can enroll in the Dual Fuel Energy-Saving Program, which offers a discounted rate of \$0.06434/kWh, and can apply also for a \$5/kW rebate up to \$250.

To learn more about WH's Energy-Saving Programs, rebates, and electric heating options, visit whe.org or call (763) 477-3000.

WH does not install any of the electric heating options on this page. Please commission a contractor of your choice.

Sales tax exemption for electric heating

You may be exempt from state and local sales tax for your electricity during the heating season if your primary residential heat source is electricity. If more than 50% of the main heat source for a residence comes from purchased electricity, you are exempt from Minnesota and local sales tax during the months of November through April. All electricity used through the same meter, whether or not for heating purposes, is tax-exempt during this six-month period. WH can provide this exemption when you complete the online form at <http://bit.ly/WH-tax-exemption>, or you may call (763) 477-3000 to have a paper copy mailed to you. You do not need to re-submit the form if you have previously submitted one. If you have changed your method of heating since filling out the form, please notify us.



Winter construction charges begin October 15

WH reminds members that new electric services set up to a home, outbuilding, or other facility between October 15 and April 15 may result in additional winter charges. These charges apply due to the higher costs and additional steps of construction during winter conditions. You can avoid winter construction charges by having your site ready for service installation and having an electrical inspection completed prior to October 15. Please contact a New Services or Engineering representative at (763) 477-3000 for more information.

Co-op Connections deal of the month

BANKWEST ROCKFORD - HANOVER - BUFFALO

Free safe deposit box for a year

Lost your card? No problem. For a free replacement or to sign up your business, call (763) 477-3000. For more deals, visit www.connections.coop, or use the Co-op Connections app on your mobile device to find all your local deals and more!



Cold Weather Rule notification

In accordance with Minnesota's Cold Weather Rule, electric service cannot be disconnected for nonpayment between October 1 and April 30 if electricity is the primary heat source and ALL of the following statements apply:

- Your household income is at or below 50% of the state median household income. Income may be verified on forms provided by WH or by the local energy assistance provider.
- You enter into and make reasonably timely payments under a payment agreement that considers the financial resources of the household.
- You complete and file with WH an Inability to Pay form.
- You receive referrals to energy assistance, weatherization, conservation, or other programs likely to reduce your energy bills from WH.
- **Minnesota's Cold Weather Rule does not completely stop winter disconnects.**

Before disconnecting electric service to residential members between October 1 and April 30, WH must provide:

- A 30-day notice of disconnection;
- A statement of members' rights and responsibilities;
- A list of local energy assistance providers;
- Forms on which to request Cold Weather Rule protection; and
- A statement explaining available payment plans and other options to continue service.

Unpaid bills must be absorbed by members who faithfully pay their bill each month. WH does not want to disconnect service for any member, but all members suffer when a bill remains unpaid. If you cannot pay your electric bill, are having financial difficulties or do not meet state guidelines for cold weather protection, please contact WH's credit team at (763) 477-3000 to set up a mutually acceptable payment agreement.



Director Reynolds
District 4



Director Skinner
District 8

WH Directors earn certificates

Wright-Hennepin (WH) Board Directors John Reynolds (District 4 - Buffalo), and Mark Skinner (District 8 - Maple Grove) recently received their Credentialed Cooperative Director (CCD) Certificates through the National Rural Electric Cooperative Association (NRECA).

To earn this certificate, directors must attend five courses and successfully complete a learning assessment for each. The five courses include: Director Duties and Liabilities, Understanding the Electric Business, Board Operations and Process, Strategic Planning, and Financial Decision Making.

The CCD certificate provides directors with governance skills, as well as a solid foundation in the cooperative business model and seven core cooperative principles.

One of the key strengths of NRECA is its commitment to education and professional development. NRECA represents more than 900 member-owned electric cooperatives in 47 states across the country.

WH Directors are elected by members in the district they represent. The Board of Directors sets WH's long-term goals and strategies. Learn more about the Board at bit.ly/WH-leadership.

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I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

This section is required filing for WH's postal permit.

WH will test Dual Fuel systems in October

WH switched its summer Energy-Saving Program to winter demand management on October 1. Instead of air conditioning, Dual Fuel heating will be managed during times of peak energy demand. To ensure backup heating systems turn on during periods of demand management, two tests will be completed during the month of October. The tests apply only to members who are already signed up for Dual Fuel.

The tests will take place between October 26 and October 28, from 6 – 9 p.m. Testing will be done by WH and members are encouraged to ensure their backup heating systems are working during this time.

Call WH at (763) 477-3000 if you have questions or concerns.

Electrical fire safety tips

October is Fire Safety Month. Take a few steps to prevent electrical fires in the home:



Keep a fire extinguisher in the kitchen and know how to use it.



Check wiring throughout the house, including phone and laptop chargers and tv cords, and lamp cords. Replace any that are frayed or broken.



Never leave a space heater turned on and unattended. Unplug it before leaving the room.



Keep cords out of doorways or other places they can be easily stepped on and damaged.



Ensure plugs are inserted all the way into an outlet to prevent accidental shock or anything coming into contact with the prongs.



PROTECT YOUR HOME FROM ENVIRONMENTAL HAZARDS

Do you worry about pipes freezing, a fire starting, or other environmental hazard occurring while you are traveling or away from home? Environmental sensors are designed to alert you and our monitoring center when a hazard is detected so you and emergency services can act. WH Security is now offering the Alula environmental package as a quick and easy way to protect your home.

The Alula environmental package includes:

- One water and temperature sensor that will alert you when it detects water and extreme temperatures — over 100 and under 45 degrees F.
- One carbon monoxide sensor.
- One smoke sensor.
- One panel and keypad.
- Quick and wireless installation.

24/7 security monitoring

Our environmental sensors are monitored to ensure your alarms are quickly resolved and properly routed and prioritized. WH Security systems are monitored 24/7 by WHIRC located in Rockford, MN, who will quickly respond, contact you and if necessary, dispatch emergency services to your home. If you miss the non-emergency call, the monitoring center will alert your list of back-up contacts so action can be taken.

To learn more, give us a call at 763.477.3664 or request a free quote at wh-security.com

WHSECURITY
Trusted. Local.



Quick fix. Fast service. Fair price.

WH Appliance Repair plan helps you with unexpected repair bills. The plan includes **your choice** of 5 appliances.*

Popular options include:

- ✓ Refrigerator
- ✓ Clothes Dryer
- ✓ Furnace
- ✓ Range
- ✓ Water Heater

Packages Start At

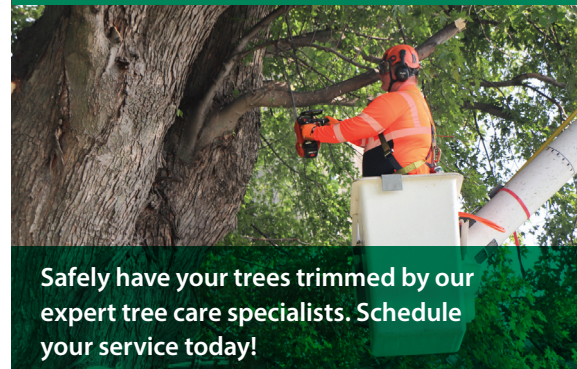
\$1875 month

*Additional appliance coverage is also available. No deductible or trip charge. Certain restrictions apply.

(763) 477-3000 • whe.org/services-products.html

WH Appliance
Repair

Trimmed Trees are Safe Trees



Safely have your trees trimmed by our expert tree care specialists. Schedule your service today!

Safely have your trees trimmed by our expert tree care specialists.

Services include:

- Pruning and shaping
- Tree removal
- Emerald ash borer treatment
- Aerial bucket truck work
- Storm damage clearing

90-DAY
no-interest
financing available!

WH TREE
Services

(763) 477-3000

whe.org

Solar Winners

tenKsolar Winner



JOSHUA VELASQUEZ of Plymouth wins a credit for 167 kWh, July's output from WH's tenKsolar panel array.

DOUGLAS KEMPENICH of Maple Lake wins a credit for 152 kWh, August's output from WH's tenKsolar panel array.

Solar Winner



MEL BERG of Howard Lake wins a credit for 271 kWh, July's output from WH's solar panels.

ERIC HELLAND of Albertville wins a credit for 261 kWh, August's output from WH's solar panels.

Learn more at <http://bit.ly/WH-solar-contest>

Keep in touch with your cooperative!

Member call center:

(763) 477-3000 or (800) 943-2667
Hours: 7:30 a.m. – 5 p.m.
Monday – Friday

To report an outage:

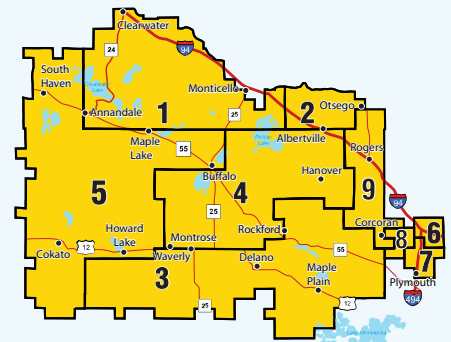
Dispatchers are available 24/7
Call: (763) 477-3100 or (888) 399-1845

WH Security monitoring:

Security dispatchers are available 24/7
Call: (763) 477-4275 or (800) 858-7811

Website: whe.org

Email: info@whe.org



Board of Directors:

- District 1: Timothy Young, Annandale
- District 2: "Butch" Lindenfelser, Monticello
- District 3: Pat Bakeberg, Waverly
- District 4: John Reynolds, Buffalo
- District 5: Chris Lantto, South Haven
- District 6: Mike Tieva, Maple Grove
- District 7: Audrey Britton, Plymouth
- District 8: Mark Skinner, Maple Grove
- District 9: Erick Heinz, Corcoran

WH President and CEO: Tim Sullivan

Acting CFO: Rob DeWolfe

WH Holding COO: Wendy Youngren

This cooperative is an equal opportunity provider and employer.

Board Report: Meeting highlights

AUGUST BOARD MEETING

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted August 22, 2023. A quorum of directors was present. Items discussed or Board action taken:

- Approved eliminating the September Power Cost Adjustment (PCA) portion of the bill for all members for \$2.4 million.
- Approved an October PCA reduction for residential members.
- Approved adding an additional \$1 million to the 2023 General Capital Credit Retirement this Holiday Season.
- Heard monthly update on ZEF Energy and Heartland Security Services.
- Reviewed WH's Risk Mitigation Registry.
- Heard a report on understanding the power bill.
- Heard a report on WH's Electric Vehicle (EV) Member Advisory Meeting and the marketing strategy to encourage members to move uncontrolled EVs to a WH program.
- Directors reported on industry meetings they attended on behalf of the cooperative.
- Reviewed and filed the monthly CEO, financial, legal and other operating reports.

SEPTEMBER BOARD MEETING

The Wright-Hennepin and WH Holding monthly Board of Director meetings were conducted September 15, 2023. A quorum

September Board Meeting, continued of directors was present. Items discussed or Board action taken:

- Approved changes to WH and WH Holding's 2024 director fees.
- Approved July – December 2024 board meeting dates and scheduled a strategic planning session.
- Heard a report from the Policy, Planning and Professional Services (PPP) Committee. The Board:
 - » Approved no changes to WH's Bylaws.
 - » Approved no changes to reapportioning the districts.
 - » Approved appointing Legal Counsel, Survey & Ballot Systems and Auditor as Election Judges for WH's 2024 Annual Meeting.
- Heard monthly update on ZEF Energy and Heartland Security Services.
- Reviewed and filed the monthly CEO, financial, legal and other operating reports.
- Directors reported on industry meetings they attended on behalf of the cooperative.
- Guests:
 - » Eide Bailey presented the 2022 401K Audit. The audit was approved by the Board.
 - » Legal Counsel Craig Silverstein of March Counsel, LLC provided a power supply update.
 - » Great River Energy's (GRE's) CEO David Saggau and Legal Counsel Eric Olsen provided a GRE update.



Scholarship and Youth Tour applications are now open!
Visit whe.org for details.

Notice of upcoming member survey

WH will be conducting its biannual American Customer Satisfaction Index (ACSI) survey in mid-December. You may be contacted via email to take part in the survey.

6800 Electric Drive
Rockford, MN 55373

Hotline Update

OCTOBER NEWS FOR WRIGHT-HENNEPIN MEMBERS

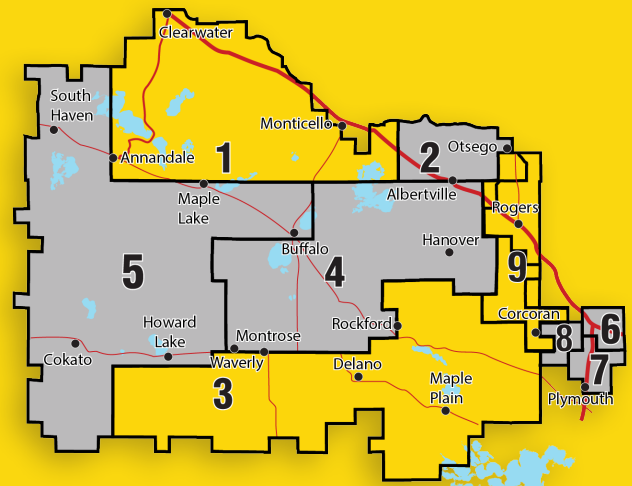
Members can file for Board seats

WH members can now submit nominations to vie for a seat on the cooperative's Board of Directors in Districts 1, 3, and 9. Elections will take place at WH's 2024 Annual Meeting on Thursday, April 18, 2024. Your board district (BD) number is shown on the second line of the mailing address, just above your name. Members in these districts who would like to run in the election need to file a director nominee application form.

For more information or to apply, visit <http://bit.ly/WH-Director-Election>. Applications must be completed, signed, and submitted by February 28, 2024.

MAIL IN THE FORM ALONG WITH A RESUME TO:

Wright-Hennepin Cooperative Electric Association
Attn: Board Secretary Michael Tieva
PO Box 330
Rockford, MN 55373



Apply now for Operation Round Up funds!



WH is seeking grant applications for Operation Round Up (ORU)! ORU is funded by WH members who opt to round their electric bill up to the next dollar, with the change going to support local organizations and charities. The ORU Trust Board meets up to six times a year to evaluate funding requests and distribute grants.

Eligible programs must demonstrate a need that benefits the overall community. If you or your organization are interested in applying for a donation, send in your application by November 20 to:

Wright-Hennepin Electric Trust
PO Box 330
Rockford, MN 55373

Find the application and more details at
<http://bit.ly/WH-oru>

Capital credit refunds coming in December

WH will provide a capital credit refund during the holiday season. WH has been returning capital credits for 43 consecutive years, in the form of a check or bill credit. If you would prefer to receive your capital credit refund on your December invoice instead of a check, please call WH or visit <http://bit.ly/WH-capital-credit-refunds> to register by November 15. If you have registered to receive your refund as a bill credit for previous years, you do not need to register again.

Capital credits are a benefit of a member's ownership in the cooperative. They are financial margins distributed to cooperative members and are based on purchases of electricity from the cooperative in previous years. These margins are used as capital by the cooperative to operate the business before being returned. To learn more about capital credits, visit whe.org or contact a WH representative at (763) 477-3000.