



MAY
2026

member driven.
community focused.
energy smart.

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Operation Round Up®

(800) 962-0655
STEARNELECTRIC.ORG

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SAFETY STARTS WITH YOU: MAY IS ELECTRICAL SAFETY MONTH

During Electrical Safety Month remember these tips to ensure the safety of both you and your families, and our lineworkers, too!

1. STAY AWAY FROM DOWNED WIRES

Always assume a downed power line is energized. You cannot see, hear or smell electricity, which makes it extremely dangerous. Downed power lines can be live and lethal, even though they might appear de-energized. Call 911 to report downed wires.

2. KNOW WHAT TO DO IN AN ACCIDENT WITH ELECTRICAL EQUIPMENT

If you experience a vehicle accident with electrical equipment stay inside your vehicle, call 911 and wait for the all clear from an electric utility worker. The only reason you should exit your vehicle is if it is on fire, which rarely happens.

3. MOVE OVER FOR LINE CREWS

When you see utility crews working on the side of the road, slow down and move over. Please help us get our employees home safely to their loved ones every day by staying alert, slowing down and moving over.

4. CALL BEFORE YOU DIG

Before starting any project that requires digging, call 811 at least two business days prior to moving any dirt to have utilities mark underground service lines. One wrong move can cause you and your neighbors to be cut off from vital services, or cause death or injury to you from an electric shock or an explosion.

5. PRACTICE SAFETY AT THE LAKE

Inspect the electrical equipment on your dock with a qualified electrician. Install ground fault circuit interrupters (GFCIs) and equipment leakage circuit interrupters (ELCIs) and test them monthly.

6. UPGRADE YOUR OUTLETS TO GFCIS

If you use electric appliances, tools or equipment in your bathroom, garage, outdoors or anywhere there is the potential for water or moisture, plug into a GFCI. This small, inexpensive, life-saving device detects the smallest electric current leak and reacts by stopping the flow of electricity fast enough to prevent serious injury or death from electrical shock.

Visit stearnselectric.org for more resources.

MEMBER NOTICE: RATE ADJUSTMENT

As announced in the April issue, Stearns Electric's new rates were effective May 1.

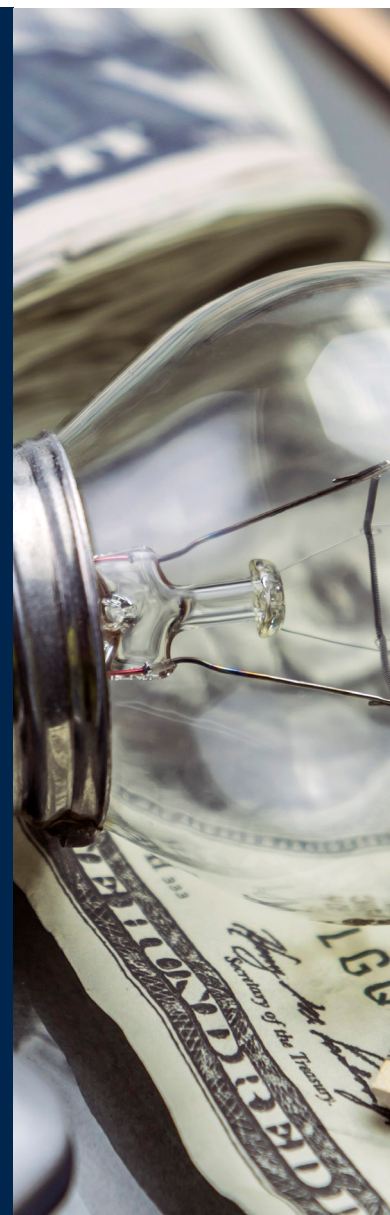
Electric cooperatives like Stearns Electric are not-for-profit, meaning we work toward a zero-based budget by the end of each year. However, projections for 2026-2030 indicated that Stearns Electric needed an increase in revenue to continue providing our members with the reliable electricity you depend on.

The chart below reflects the change in rates effective May 1, 2026 for our most common rate classes. Additional rate class adjustments can be reviewed on our website at stearnsselectric.org/rate-adjustment-2026.

RATE CLASS	EXISTING RATE	NEW RATE
General Single-Phase Rate		
Fixed Charge	\$34.25 per month	\$39.25 per month
Energy (June – August)	13.2200 ¢/kwh	14.9590 ¢/kwh
Energy (Other Months)	11.7200 ¢/kwh	12.8160 ¢/kwh
Base Power Cost Adjustment	1.0500 ¢/kwh	--
EnergyWise® Rate		
EnergyWise® Rate (June – August)	8.3000 ¢/kwh	9.3500 ¢/kwh
EnergyWise® Rate (Other Months)	6.3000 ¢/kwh	7.3500 ¢/kwh
Base Power Cost Adjustment	1.0500 ¢/kwh	--

When the new rates took effect on May 1, 2026, the current Base Power Cost Adjustment (PCA), which is passed on directly from our wholesale power providers, folded into the new energy rates. Moving forward, any PCA charges or credits you see on your power bills in 2026 will reflect month-to-month changes in wholesale power costs.

Visit our website, stearnsselectric.org/rate-adjustment-2026 for complete details of the rate adjustment, along with answers to commonly asked questions. Please contact the Cooperative at (800) 962-0655 during regular business hours with questions or concerns.



4 WAYS TO PREPARE AHEAD OF STORM SEASON

1

Download SmartHub and register your account so you can quickly and easily report your outage.



Scan the QR code to download the SmartHub app.

2

Sign up for outage text and/or email notifications, allowing you to be informed when your power is out and/or has been restored.

3

Ensure your phone number and email address on your account is current. This guarantees your outage is recorded correctly and allows us to respond as efficiently as possible.

4

Follow Stearns Electric on Facebook for outage updates: facebook.com/stearnsselectric

CEO MESSAGE

CO-OP ADVOCATES FOR MEMBERS' BEST INTERESTS

Legislative affairs are an important part of the cooperative business model. In Minnesota, Stearns Electric works with local legislators and the Minnesota Rural Electric Association (MREA) to support policies that benefit our electric cooperatives and our member-consumers. Nationally, the National Rural Electric Cooperative Association (NRECA) helps advocate on these issues.

MREA ANNUAL MEETING

In March, Stearns Electric participated in the MREA Annual Meeting and Day at the Capitol. Directors Greg Blaine, Michael Cramer, Jerry Fries, Jeff Koehler, Randall Rothstein and Paul Tomasek joined me to meet with local legislators to discuss issues impacting your cooperative. We co-hosted a dinner for local legislators alongside Meeker Energy and Kandiyohi Power Cooperative.

Our top priorities this legislative session were:

1. Lifting Minnesota's Nuclear Energy Moratorium
2. Reforming Net Metering (HF 845 and SF 1142 - read more about this in the February 2026 CEO Column)
3. Opposing proposed legislation threatening energy reliability, affordability and local governance

LIFTING THE NUCLEAR ENERGY MORATORIUM (HF 2002 and SF 2953)

You may have seen our recent social media posts encouraging you, our members, to contact legislators in support of lifting Minnesota's nuclear energy moratorium. This issue is about ensuring reliable, cost-effective electricity to our members.

As Minnesota works toward its goal of 100% carbon-free electricity by 2040, co-ops need the flexibility to consider every reliable energy option available. A 1994 law created a ban on new nuclear energy development in Minnesota. Current proposed legislation would end that ban and allow policymakers and energy experts to evaluate whether nuclear energy should be part of the state's future energy mix.

Ending the ban would not authorize the construction of a nuclear plant. It would simply allow Minnesota to consider nuclear power alongside other carbon-free resources.

The legislative session closed May 18, after this column went to print. I don't anticipate any significant updates to come late in the session, but if there are, I will share updates in a future issue of Power Connection. As always, it is a pleasure to serve you. Please contact me with any questions regarding these legislative issues.



Sincerely,

Matt O'Shea
Chief Executive Officer

ALEXANDRIA TO BIG OAKS TRANSMISSION LINE UPDATE:

Earlier this month, crews began stringing the lines to add a second circuit to the existing CapX 2020 transmission line that runs through our service territory. This project supports reliability for members of Great River Energy, including Stearns Electric Association, and will continue throughout the summer.

Great River Energy, Minnesota Power, Missouri River Energy Services, Otter Tail Power Company and Xcel Energy are the owners of this segment of the project. Xcel Energy is leading the project on behalf of all the partners. Find more information at alexandriatobigoaks.com

BOARD MEETING HIGHLIGHTS

The regular meeting of the Board of Directors of Stearns Electric Association was called to order on Thursday, March 26, 2026, at 10:00 a.m. at the Melrose office of Stearns Electric Association.

Highlights of the meeting include:

- Ben Bratrud, Power Systems Engineering (PSE), presented the results of Stearns Electric's Cost-of-Service and Rate Design study. Directors asked several questions throughout the presentation.
- CEO Matt O'Shea then presented rate adjustment recommendations based on PSE analysis data. Following a detailed discussion, the Board approved the 2026 rate adjustment effective May 1, 2026.
- Board members approved the 2026 contract for Integrity Contracting.
- An update on the lease progress of 900 Kraft Drive SE was presented. The City of Melrose submitted a DEED Grant that included 12 letters of support to assist with site renovations to meet state building and daycare licensing requirements. A 10-year lease was presented to a tenant for consideration.
- VP of Engineering and Operations John Harren announced PSE will lead the development of a Technology Work Plan for the Co-op.

NEXT BOARD MEETINGS

May 28, 2026

June 25, 2026



SAVING ENERGY. SAVING MONEY. POWERED BY PURPOSE.

Heating and cooling your home are often the largest energy expenses in a household. That's why many Stearns Electric members are looking for smarter, more efficient ways to stay comfortable while lowering monthly costs.

For Brian and Lindsey Sand of Clearwater, installing an air source heat pump was an easy decision.

"We chose to purchase an air source heat pump for the long-term energy savings and financial benefit it offered," Lindsey said. "We enrolled it on Stearns Electric's Dual Fuel and Cycled Air Conditioning programs for even more savings."

While switching to an air source heat pump was the right fit for the Sand family, choosing the correct equipment for your home can feel overwhelming.

"It is important to understand Stearns Electric's compatible equipment prior to getting too far down the road in your purchasing process," Lindsey said. "We are grateful to the Energy Services team at the Cooperative for helping us select the proper equipment and supporting us along the way."

WHAT IS AN AIR SOURCE HEAT PUMP

An air source heat pump (ASHP) is a high-efficiency system that both heats and cools your home.

- In the summer, it works like a central air conditioner by moving heat outside your home.
- In the spring and fall, it provides efficient electric heat.
- During Minnesota winters, it works alongside a secondary heating system such as a furnace, boiler or electric resistance to heat your home.

Because heating and cooling account for a large share of household energy use, upgrading to an ASHP can lead to meaningful savings over time.

Air source heat pumps are a smart option for:

- New construction homes
- Replacing an aging central air conditioner
- Replacing older, less efficient heating systems
- Members looking to improve comfort and lower energy costs

DUCTED VS. DUCTLESS

There are two common types of ASHP systems.

- **Ducted:** Best for homes with existing ductwork. These homes typically already use a furnace and central air system with vents throughout the home.
- **Ductless:** Best for homes without ductwork. These homes often use boilers or electric baseboard heat and may rely on window air conditioners for cooling.



Brian and Lindsey Sand with their family.

ENERGY SAVINGS AND REBATES

When the Sand family installed their ASHP in 2025, they received an \$800 rebate from Stearns Electric. But the savings can go beyond the rebate itself.

"The air source heat pump installed in the Sand family's home is highly efficient compared to their previous heating system," said John Pantzke, Manager of Energy Services. "By enrolling the equipment in Stearns Electric's EnergyWise® programs, the savings can be even greater."

He estimates the family could save an additional \$360 per year, totaling approximately \$7,215 in lifetime savings.

Stearns Electric members who install an ASHP and enroll the equipment in our EnergyWise® Dual Fuel and Cycled Air Conditioning programs receive rebates year-round. However, from now through August 30, members can receive enhanced rebates up to \$1,250 or receive a free 100-gallon Marathon water heater. Visit stearnselectric.org for complete details.

EnergyWise® programs like Dual Fuel and Cycled Air Conditioning help reduce peak demand during the times of day when electricity is most expensive. Lower peak demand means lower wholesale energy costs, which helps keep rates competitive for all members.

Without programs like EnergyWise®, utilities like Stearns Electric would need to invest in additional generation and transmission infrastructure to meet growing demand.

"Our new air source heat pump makes a little more noise than our previous system, but other than that there are no inconveniences," Lindsey said. "We wish we would have installed the equipment a long time ago!"

If you are considering replacing your heating or cooling system, contact Stearns Electric's Energy Services team before purchasing equipment. We can help you understand qualifying systems, available rebates, which options might work best with our EnergyWise® programs and provide you with a list of qualified contractors and installers.

Additional information on ASHPs, EnergyWise® programs and other energy-saving opportunities is available at stearnselectric.org.



Ductless units are great to install in home additions, pole sheds or garages that are not connected to your main HVAC system.

DUAL FUEL PROGRAM

The EnergyWise® Dual Fuel Program is a controlled, whole-home electric heating program that helps save money and conserve energy. It combines a low-cost electric heat source with an alternative, whole-home backup system to fit your home's heating needs.

With Dual Fuel, an electric heat source, such as a boiler, works alongside fuel oil, propane, natural gas, wood or electric storage heat as backup, allowing you to receive our reduced EnergyWise® electric rate.

HOW IT WORKS:

When demand for electricity is high, the electric heat source is shut off, or controlled. During control periods, your home's back-up system provides the heat you need. Heaters are controlled up to a maximum of 400 hours per heating season, with a maximum continuous control time of 12 hours per day.

Requirements and Benefits:

- Participants must have an electric heating system of 9 kW or more, combined with an acceptable whole home back-up heating system equal to or greater than the electric system enrolled on the program
- Participants receive electricity used for heating at our reduced EnergyWise® electric rate
- Rebates are available for qualifying new heating systems

**TO LEARN MORE
ABOUT SERVICE
REQUESTS SCAN
THE QR CODE:**



**POWERED
BY PURPOSE**

As your member-owned electric cooperative, our purpose goes beyond supplying power. Through energy-saving programs, equipment rebates and efficiency incentives, we help members lower their monthly bills while strengthening the reliability of our electric system. When members save energy, we all benefit.

It's your energy.
Our mission is to help you use it wisely.



ALWAYS HERE WHEN YOU NEED US

At Stearns Electric, we know how important it is to reach a real person when you call. That's why we partner with Cooperative Response Center (CRC) to ensure members have support 24/7.

CRC, a nationwide, member-owned organization headquartered in Austin, Minnesota, helps electric cooperatives manage calls during busy times and after hours. This allows us to respond to outages and member needs day or night.

When you call after hours, CRC's automated system will confirm you have reached Stearns Electric and prompts you to select the reason for your call. Because many after-hours calls are outage-related, the system is designed to help you report your outages quickly and easily.

REPORTING OUTAGES

We encourage you to use SmartHub or our texting service to report any power outages, but if you prefer to call, CRC's automated system allows you report an outage right away instead of holding for the next available representative.

Next time you call in to report your outage, we encourage you to try the automated system.

HOW DOES IT WORK?

The system verifies your phone number and account details, including if you have multiple accounts or meters tied to the same phone number. If the automated system has trouble verifying your information at any step of the process, you'll be transferred to a representative. Otherwise, your power outage report will be confirmed before the system ends your call.

If dispatch is needed, CRC contacts our on-call lineworkers directly to restore service.

BEFORE YOU CALL:

1. Make sure your phone number is up to date on your account
2. Know the address of the location from where you are reporting an outage

No matter how you reach out to the Cooperative, our goal is to provide reliable electric service and a positive experience every time.

Visit stearnselectric.org/outage-center to learn more about the various ways to report your power outage.



ENERGY EFFICIENCY

As temperatures rise, many homeowners focus on staying cool, but do not overlook small gaps around windows and doors. Air sealing is not just for winter. In summer, tiny cracks and worn weatherstripping let cool air escape and hot, humid air seep inside. That makes your air conditioner work harder and can raise energy costs. Take a few minutes to check for drafts, replace weatherstripping and seal leaks. A tighter home helps improve comfort and manage energy use.

MEMBER NEWS

PLANS FOR A NEW GRAIN BIN?

If you are planning to install a new grain bin, please contact us to ensure your project meets applicable code requirements for the safety of those working and living near your operation.

SMARTHUB OUTAGE NOTIFICATIONS AVAILABLE

You can already report your outage 24 hours a day quickly and conveniently via SmartHub. Did you know you can also opt-in to receive text and email notifications allowing you to be informed when your power is out or has been restored? Sign up today via SmartHub.

Learn more by visiting stearnselectric.org/outage-center.

OPERATION ROUND UP® AWARDS \$90,000 IN MARCH

Stearns Electric's Operation Round Up® program contributed \$90,000 to 105 area organizations in March. Through the Operation Round Up® program, Stearns Electric Association member-consumers give back to area communities by rounding up their electric bill to the nearest dollar.

Since the program's inception in 1993, Operation Round Up® (ORU) and Stearns Electric members have awarded over \$3.55 million to nearly 6,000 local non-profit organizations and community service programs. The rounded-up funds, no more than \$11.88 per year, per member, are placed in a trust fund that is administered by the Stearns Electric Association Trust Board.

Thanks to our 2026 Trust Board Directors:

- Al Poser of Randall, District 1
- Meredith Ulrich of Avon, District 2
- Chris Bergman of St. Cloud, District 3
- Nicki Holthaus of Richmond, District 4
- Dave Cebulla of Belgrade, District 5
- Ron Paulsen of Albany, District 6
- Mike Meagher of Grey Eagle, District 7
- Steve Gudgell of Grey Eagle, District 8
- Ann Reischl of St. Joseph, District 9

Learn more about ORU at stearnselectric.org/community-impact/community/operation-round-up.



DID YOU KNOW?

Did you know one line voltage regulator on the Stearns Electric distribution system costs approximately \$22,000 and one substation voltage regulator costs approximately \$35,000?

Stearns Electric has 94 line and 93 substation voltage regulators on our distribution system. We replace or refurbish an average of 18 regulators annually.

Voltage regulators step the voltage up or down in order to help maintain consistent voltage at your home. Their main function is to minimize voltage variations and keep voltage within set limits even as load on the distribution system increases or decreases.

COOKING CORNER

GRANDMA'S FLOWER COOKIES

Submitted by: Rita Schroeder

INGREDIENTS

- 1 C butter
- 1 ½ C powdered sugar
- 1 egg
- ½ tsp vanilla
- ½ tsp almond extract
- 2 ½ C flour
- ½ tsp baking soda
- ½ tsp cream of tartar
- food coloring
- M&M's

DIRECTIONS

Cream together butter and sugar. Add egg and flavorings, then dry ingredients. Divide dough into 4 parts. Leave one part plain, and add red, green and yellow food coloring to each of the others. Chill. Form tiny balls. This can be done easily by making a rope of dough and cutting it into equal-sized pieces. Place 4 balls together on a cookie sheet. Flatten with the bottom of a sugar-coated glass. Place an M&M in the center. Bake at 350 degrees for 10 minutes. Do not brown, or the color will be lost. Enjoy!



SUBMIT YOUR FAVORITE RECIPE FOR A CHANCE TO WIN A \$10 BILL CREDIT

Members may submit one recipe per month by email at communications@stearnselectric.org or mail to: Stearns Electric Cooking Corner, PO Box 816, St. Joseph, MN 56374. The recipe selected each month for publication will receive a \$10 credit on their electric bill. Recipes not selected will be saved for consideration in future publications.



STEARNS ELECTRIC ASSOCIATION

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HERE TO SERVE.

Providing a Positive Member Experience

Building strong relationships is at the heart of everything we do. Whether we're answering billing questions, helping with new service requests, sharing member news or keeping our website up to date, our team is here to support you every step of the way.

