



NEWS *Lines*

PUBLISHED MONTHLY FOR THE MEMBER-OWNERS OF NORTH WEST RURAL ELECTRIC COOPERATIVE



DECEMBER 2024

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Fight the Winter Chill and Save Energy

We all have our favorite season. Some people love crisp, cool weather and bundling up under a favorite blanket, while others prefer the warm temperatures summer brings and all the fun outdoor activities that go with it. But there's one thing we can all agree on: high winter bills are never fun. North West REC is here to help you find ways to manage your home energy use and keep winter bills in check.

Here are five tips to help increase your home's energy efficiency this winter:

1. Mind the thermostat. We recommend setting your thermostat to 68 degrees (or lower) when you're home. When you're sleeping or away for an extended period of time, try setting it between 58 and 62 degrees; there's no need to heat your home when you're away or sleeping and less active.
2. Button up your home. The Department of Energy estimates that air leaks account for 24% to 40% of the energy used for heating and cooling a home. Caulking and weather stripping around windows and doors is another simple, cost-effective way to increase comfort and save energy. If you can feel drafts while standing near a window or door, it likely needs to be sealed.
3. Use window coverings wisely. Open blinds, drapes or other window coverings during the day to allow natural sunlight in to warm your home. Close them at night to keep the cold, drafty air out. If you feel cold air around windows, consider hanging curtains or drapes in a thicker material; heavier window coverings can make a significant difference in blocking cold outdoor air.
4. Consider your approach to appliance use. When combined, appliances and electronics account for a significant chunk of our home energy use, so assess how efficiently you're using them. Look for electronic devices that consume energy even when they're not in use, like phone chargers or game consoles.
5. Think outside the box. If you're still feeling chilly at home, think of other ways to warm up—beyond dialing up the thermostat. Add layers of clothing, wear thick socks and bundle up under blankets. You can even add layers to your home! If you have hard-surface flooring, consider purchasing an area rug to block cold air that leaks in through the floor.



Winter months often bring some of the highest energy bills of the year. By being proactive about saving energy, you can increase the comfort of your home and reduce monthly bills. Visit our website at www.nwrec.coop for additional energy-saving tips.

Operation Round-Up Update



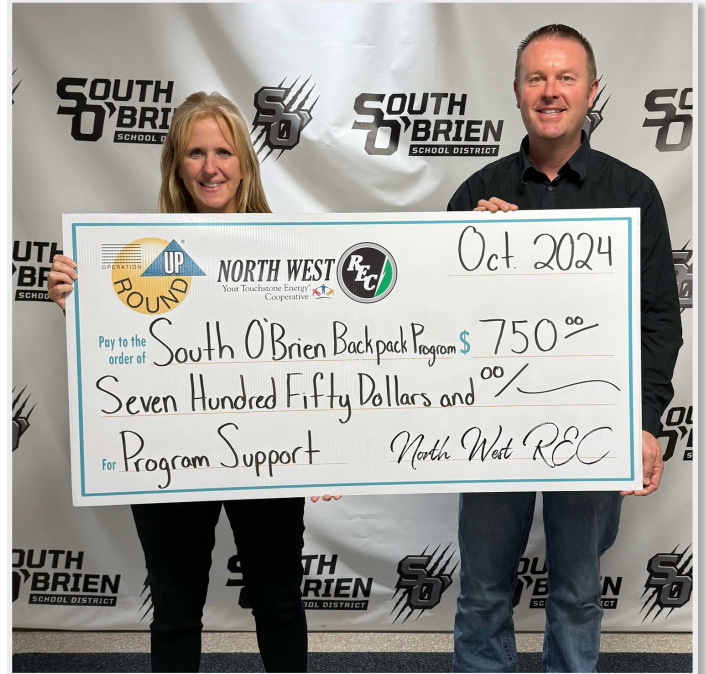
Operation Round Up funds are generated through a voluntary rounding up of cooperative members' electric bills to the next nearest dollar, and dollars are used to assist worthy causes and organizations right in your local area.

This month two of the charitable organizations we were able to present a check to for program support were Le Mars United Way and South O'Brien Backpack Program.

If you are currently not participating in Operation Round Up and would like to become a part of this worthwhile program or to receive an application of assistance, please call the office at 800-766-2099.



Pictured left to right is: NIPCO employee and Vice Chair of the Le Mars United Way, Kyan Ludwig; North West REC CEO, Lyle Korver; and Schuster Trucking employee and Chair of the Le Mars United Way, Mark McCarty.



Pictured left to right is: South O'Brien School District employee and North West REC employee, Ken Miller.



ARE YOU SWITCH SMART?

NWREC purchases power from our generation and transmission cooperative based on peak demand of our members. "Peak demand" is

the time of day when the demand and price of electricity is the highest. Because NWREC is member owned, when the cooperative saves money, our customers save money. Using energy wisely and avoiding peak demand times means total costs to the cooperative remain low.

The cooperative levels out our load by sending a signal to all the switches to interrupt power during periods of peak demand. You can do your part to level the load by spacing out the time in which you use some of your electrical appliances instead of running them all at the same time. Remember don't tower your power, level the load!



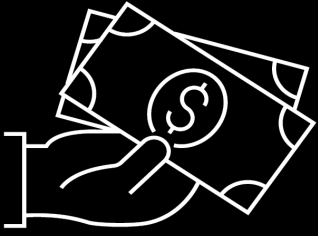
Giving Back is the Cooperative Way

The holiday season brings a spirit of generosity and compassion. It's a time to reflect on our many blessings and uplift those in need. While this is certainly a special time of year, cooperatives like North West REC are deeply rooted in giving back to their local communities year-round.

Our mission is reliable power. Our purpose is people—the members we're proud to serve. North West REC's Operation Roundup program is made possible through members' participation in "rounding up" electric bills the next dollar amount. Your generous contributions help less fortunate families in our community and support local charitable organizations and community services.


Another way North West REC gives back is by investing in tomorrow's leaders. Through safety presentations at local schools, scholarship opportunities and the Electric Cooperative Youth Tour program, we aim to empower students for a brighter future. When we invest in our local youth, we strengthen the fabric of our community.

As a not-for-profit electric cooperative, we believe in giving credit where credit is due—to the members who shape our co-op. One of the ways we do this is through patronage dividends. Because North West REC operates at cost, we give cash back to our members rather than outside investors or shareholders.

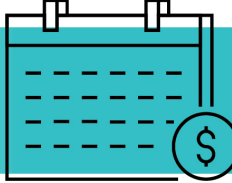


HOW PATRONAGE DIVIDENDS WORK


Electric co-ops are not-for-profit and operate at cost. Patronage Dividends are a financial benefit of co-op membership.




1. Members pay their electric bills, and we track their business with us each month.



2. The co-op pays operating expenses throughout the year and allocates any leftover operating revenue as patronage dividends.



3. When financial conditions permit, the co-op board votes to retire (pay) patronage dividends to the members.



4. We send members their share of patronage dividends as a bill credit or check.

Here's how patronage dividends retirement work:

One of the benefits our members realize from being a member-owner of North West REC (NWREC) is to share in the net income or margins of the Cooperative. Following the closing of the Cooperative's books each year, the margins are assigned to the members based on the dollar amount of electricity they have purchased during the year. These assignments are referred to as deferred patronage dividends and they are part of NWREC's equity and are retained for a period of years until the point in time when they are returned to the members. This enables NWREC to finance construction projects and other operating expenditures.

The fall 2024 retirement covered the assignment from the year 2011 and a portion of 2023's assignment. We are currently using a combination First In, First Out (FIFO) and Last In, First Out (LIFO) method. This gives an

opportunity for both our long time and our newer members to see the benefits of being a member of the Cooperative. North West REC paid these out this year by applying the credit directly to members bills instead of mailing checks. Over the last 85 years, North West REC has returned over \$36 million to our local members.

Patronage dividends are just one of the many benefits of co-op membership. Giving back to our local members instead of outside parties is one of the many aspects that set cooperatives apart from other types of businesses.

Our members guide every decision we make and are the reason our co-op exists. To us, you're more than a customer. This holiday season, we hope you're proud to be part of a community-focused co-op that puts people before profits.

From your friends at North West REC, we hope you have a bright, blessed holiday.



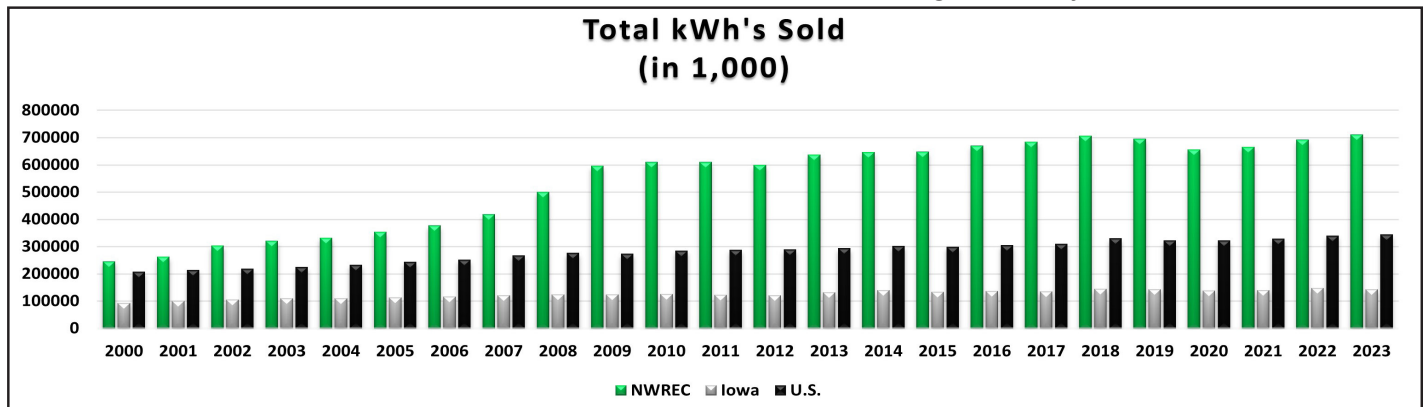
Lyle D. Korver

MANAGER'S *Report*

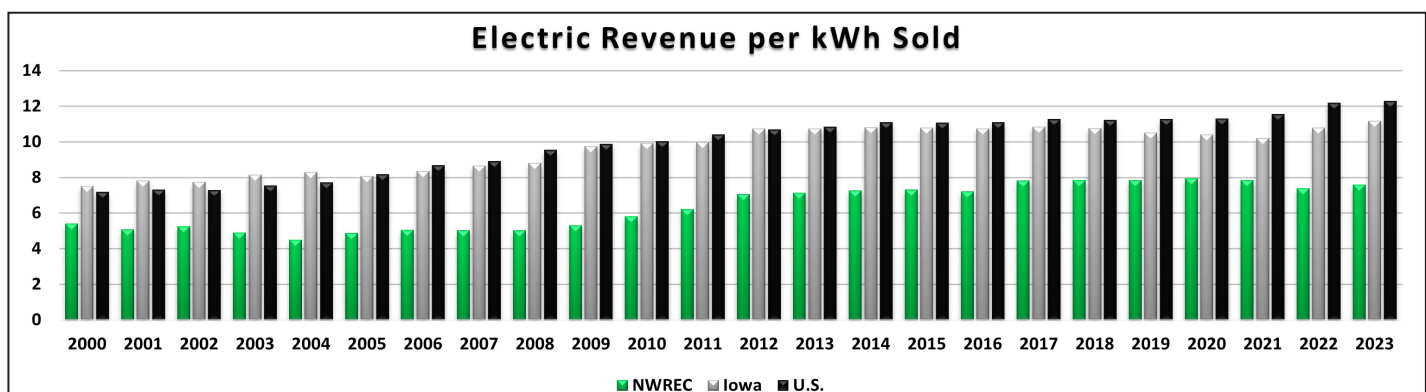
Cooperative Lender CFC Releases 2024 Benchmarking Report, How Does NWREC Compare?

Our lender, the National Rural Utilities Cooperative Finance Corporation (CFC), completes a statistical analysis each year, which gives the member cooperatives the opportunity to compare their financial and operating ratios with other REC's around the country. This analysis is called the Key Ratio Trend Analysis or KRTA. It is a great benchmarking tool for us and highlights our financial and operational strengths, weaknesses and trends. There are 812 REC's included in this analysis, and I'm pleased to report that your Cooperative continues to compare very well overall.

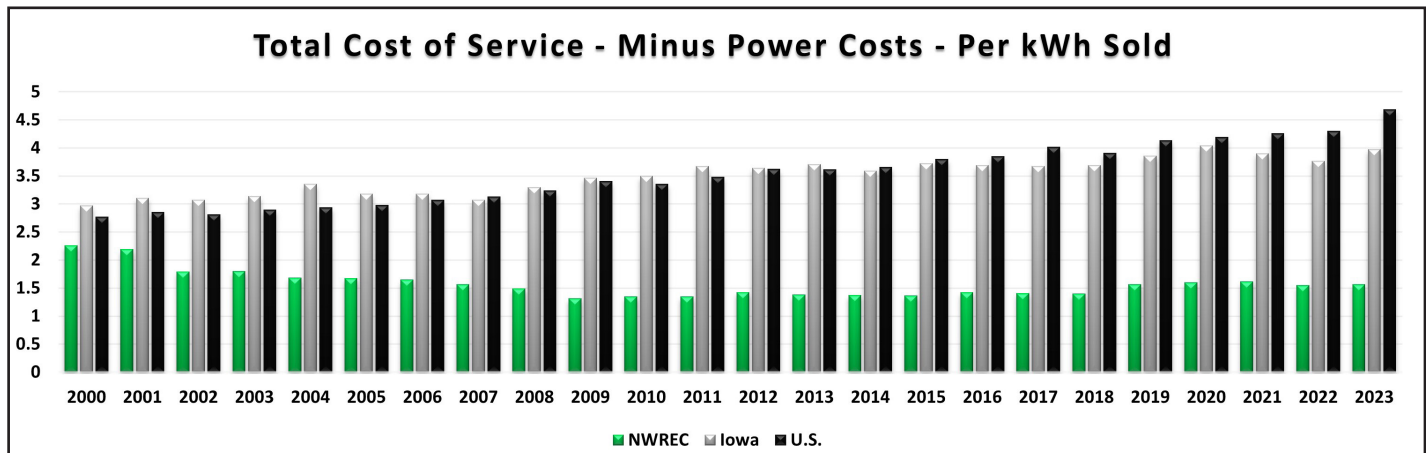
This report includes 145 ratios and compares NWREC's data to REC's within Iowa and also throughout the U.S. It highlights our strengths, trends and points out areas where we could make improvements. One of the key areas that positively impacts many of our ratios is our kilowatt-hour (kWh) sales total. The graph below shows how NWREC's kWh sales have increased significantly over the last twenty years and that they are more than double the sales level of the median REC in the U.S. Our kWh sales are also the highest of any of the 31 REC's in Iowa.



Our high level of kWh sales is partly due to our aggressive involvement in economic development and our very progressive service area. The goal with continuing to try to add new load on our system is that it enables us to spread our fixed costs over more kWh's and this positively impacts our electric rates. As this graph highlights, NWREC's average revenue per kWh sold of 7.6 cents per kWh is in the bottom 3% nationally.



Related to the kWh sales and low average retail rates is the ratio that shows NWREC's total cost of electric service, excluding our purchased power costs, is only 1.6 cents per kWh. This is the cost of distributing electricity to our members from the substations to your home or business service. There are only 12 other REC's in the U.S. that have a lower distribution cost per kWh out of 812 – that puts us in the bottom 2%. Another important contributing factor is the efficiencies we have gained from our past consolidations and the fact that we have 10 fewer employees today than we did back in 1998 when we had our last consolidation.



NWREC compares very well in many of the other financial and operating ratios also, and the following is a summary of the key ratios for 2023.

Ratio	NWREC	U.S. Rank	State Rank	U.S. Median
Avg. Farm/Res. Usage per month	2,316 kWhs	4th highest	3rd highest	1,110 kWhs
Residential Revenue per kWh sold	8.9 cents	19th lowest	Lowest	13.6 cents
Total margins per kWh sold	7.5 cents	298th lowest	4th Lowest	9.1 cents
Total controllable expenses per kWh sold	8.6 Mills	9th lowest	Lowest	28.4 Mills
Long Term Debt per kWh sold	72.1 Mills	144th lowest	3rd lowest	143.1 Mills
Equity %	47.4%	343rd highest	17th highest	44.5%
Service Reliability – Avg. Outage Minutes per Consumer	57 Minutes	95th lowest	7th lowest	229 minutes

We presented the results of the KRTA to our board of directors at a recent board meeting and the board was very pleased with the results. While these are good numbers, we want to assure you that we will continue to work hard on behalf of the members to try to improve on these already strong ratios. We know there is always room for improvement and we use these types of reports and comparisons to evaluate areas we need to focus on. Thank you for your continued support of NWREC.



Scholarships Available



North West REC and Basin Electric Power Cooperative will be sponsoring several scholarships to dependents of members of North West REC in 2025. Last year we awarded \$27,000 in scholarships to 62 students!

There will be two \$1,000 scholarship winners from each of the four districts of North West REC

(Ida, O'Brien, Plymouth, and Sioux). The selection process for the \$1,000 scholarship winners will be based on a combination of SAT/ACT scores, overall grade-point average, work experience, participation in school and community activities, a personal statement of career goals, and a written reference or appraisal by a third party.

Scholarship applicants, who are not awarded a \$1,000 scholarship award, will be asked to watch an educational video on North West REC and the cooperative model and then complete a questionnaire. This will then enter applicants into a random drawing for a \$500 or \$250 scholarship. All applicants will receive at least a \$250 scholarship. Details of this video and questionnaire will be communicated at a later date.

North West REC members may qualify if their dependent meets the following criteria:

- Must be a U.S. citizen.
- Are current North West REC members.
- Must be a senior in high school in our service territory for the 2024-2025 school year and planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university, or vocational/technical school.
- Submit an application as provided by North West REC.
- Return all completed forms no later than Friday, February 14, 2025.

You can apply online by visiting our website at www.nwrec.coop or you can e-mail the scholarship committee at scholarship@nwrec.coop and they will send you an application. If you have any questions, please call us at 712-707-4935 or 800-766-2099. All entries for the scholarship must be returned to the REC no later than Friday, February 14, 2025!

NEW North West REC Mobile App

The North West REC Mobile App. is your go-to solution for managing all your cooperative needs, right from your mobile device. We've brought the entire North West REC website into the palm of your hand, making it easier than ever to stay connected and informed.

With our app, you can do everything you would on our website and more! Submit rebates with just a few taps, log in directly to your SmartHub account to manage your energy usage and payments, and get in touch with us instantly via call, text, or email. Need to reach out? Use our in-app contact forms to ensure your questions and concerns are addressed promptly.

The app also provides easy access to all our communications. Stay up-to-date with the latest news and updates by reading our newsletters and news articles directly within the app. Whether you're at home, at work, or on the go, the North West REC Mobile app ensures you're always just a tap away from everything you need.

Available now on the Apple App Store, and Google Play Store, our app is designed to make your experience with North West REC smoother, faster, and more convenient than ever before. Download it today and take full control of your energy services, no matter where you are!



scan
for
Apple



scan
for
Android

Apply Now for the 2025 Youth Tour Trip to D.C.

North West REC will send two high school juniors on an all-expenses paid Youth Tour trip to Washington, D.C. on June 15-21, 2025!

At North West REC one way we invest in the next generation of rural Iowa leaders is by participating in the national Electric Cooperative Youth Tour program. We're looking for high school junior students with a passion for government and public service to apply for a once-in-a-lifetime trip to our nation's capital in June.

Two students will be selected from eligible candidates to attend the 2025 Youth Tour in Washington, D.C., from June 15-21, with orientation June 15th in Des Moines, along with 40 other student leaders from Iowa. The Iowa Youth Tour group will join with hundreds of students from across the country as they learn more about electric cooperatives and American history and come home with a greater understanding of their role as an American citizen. Students will also learn about U.S. government and meet with their members of Congress. On the trip, students take in the sights of D.C. as they visit monuments, museums, and historical landmarks. Students who go on Youth Tour often call it the trip of a lifetime!

We are accepting Youth Tour applications now through February 14, 2025. Dependents of North West REC member-consumers are eligible to apply. The student must currently be a junior in high school. You can download our youth tour application at www.nwrec.coop. You can also call 800-766-2099, email nwrec@nwrec.coop, or stop by our office and we can get you a copy. Contact our office for more info.

For more than 60 years, Iowa's locally owned electric cooperatives have been sending deserving students to D.C. This program is a great resume builder for student leaders and a wonderful opportunity to kickstart one's passion for government affairs or advocacy. **Make sure to apply for Youth Tour 2025 by Friday, February 14, 2025!**



Students can apply now for a trip to Washington, D.C., from June 15-21!

High school students interested in public service and government are encouraged to apply! Learn more at IowaYouthTour.com



Employees Recognized For Years Of Service

North West REC is grateful for the hard work and dedication these employees have shown over the years. Congratulations to the following individuals for reaching service milestones this year! We thank them for their commitment to our cooperative and the communities we serve. A big congratulations to Deb on her 40 year milestone as it also marked her retirement from North West REC at the end of November.



Deb Herzberg
40 years



Tim Honkomp
30 years



Julee Kovarna
25 years



Lee Galles
20 years

THE POWER QUIZ

NORTH WEST REC

1. Name an employee who reached a service milestone this year:
2. What is the deadline for High School Seniors to apply for scholarships?
3. Name a way the cooperative gives back to our members:

Name _____ Acct. # _____

Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize of \$10 off your electric bill. Send your answers to powerquiz@nwrec.coop or you can send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the deadline is January 4. Each month, ten names will be randomly drawn from all correct entries for a \$10 bill credit. Members who answer the questions correctly and participate at least three times throughout the year will be eligible for 2 - \$250 bill credits, through a random drawing, at the end of the year.

POWER QUIZ *Winners*

OCTOBER 2024

Clarence Ahlers & Sons - Remsen
 Ken Dragstra - Sioux Center
 Wanda Willemssen - Hull
 James Streck - Schleswig
 Deb Parket - Holsein

Paul Paulsen - Alton
 Barry Nieuwenhuis - Hospers
 Steve Bunkers - Remsen
 Robert Godbersen - Arthur
 Mark Hibbing - Paullina



ARE YOU SWITCH SMART?

What is one way you can help level the load?

Answer _____

Name _____ Acct. # _____

What do you know about the Switch Makes Cents program? Find the answers within the content of this newsletter, our website or Facebook posts and you could win a prize. Send your answers to switchsmart@nwrec.coop, fill out the question form online, or send your written answers to North West REC, PO Box 435, Orange City, IA 51041. You may mail your entry along with your electric bill payment, but remember the deadline is January 4. Each month, one name will be randomly drawn from all correct entries for a \$25 bill credit.

North West Rural Electric Cooperative

P.O. Box 435
 1505 Albany Place SE
 Orange City, IA 51041-0435

OFFICE HOURS:
 Monday through Friday
 7:30 a.m. till 4:00 p.m.

Orange City office open during noon hour

Le Mars office closed 12:00 - 12:30 p.m.

Ida Grove office open 9:00 a.m. - 2:00 p.m.
 Wednesdays only

PHONE:
 (800) 766-2099

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Lyle D. Korver
 CEO & General Manager

Curt Ahrenholz
 Finance & Office Services Director

Emily Vander Velde
 Editor



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