

Connections

November 2025

For the member-owners of Federated Rural Electric



Volume 29, Issue 11

Update life-support listing with co-op



For family members or friends with a medical condition electricity is a lifeline for their medical equipment.

Federated likes to know about any co-op members who are on life-support equipment, such as:

- Oxygen concentrators
- Respirators
- Home dialysis or
- Other life-saving equipment.

Plus, tell us if the medical equipment has battery backup or a generator backup.

Your electric cooperative maintains this list for two reasons. First, in case of a planned outage where crews will work on the lines, the co-op tries to inform these members before the outage. Secondly, during an unplanned outage, priority is given to restore power to these members with such medical equipment.

If you haven't notified your local electric cooperative, please complete this coupon and return it to us with your next bill payment. Otherwise, e-mail or mail the information right away.

In addition, if the person with the medical condition moved off the co-op's system, no longer needs life support or passed away, please inform the co-op so our list stays current. ☺

Place me on co-op's medical list

Yes, I'm on life support equipment OR

Please remove

from the co-op's life support list

Name _____

Address _____

City/state/zip _____

Phone number _____

Your account number (found on electric bill) _____

Type of life-support equipment or medical condition: _____

Battery backup? ☐ Yes ☐ No

If yes, how long do the batteries last? _____

Is there a generator onsite for backup electricity?

☐ Yes ☐ No

Return this coupon to the co-op with your next bill payment. Otherwise, e-mail (info@federatedrea.coop) or mail it back to Federated. Thanks! (11/2025)



Holiday cleaning & dirty dishes approaching! Is your water heater ready? Schedule your install now!

Gift yourself an early holiday present: peace-of-mind knowing that your water heater can handle the extra showers from visiting family, cleaning up after baking and the extra cleaning. Call Federated to upgrade if yours is more than 25-years old; do it now before it leaks at the worst possible time. Price is \$589, plus tax, installation included. ☺

At A Glance



Your Touchstone Energy® Partner

**Rate increase
set for January
1 after Cost-of-
Service Study**

See Pages 4-6 for details about the rate increase in 2026. The Board of Directors approved it at their September 23 meeting. The upcoming *Connections* newsletter will have more information in the following months; plus, watch for an explanation letter inserted with the December electric bills. ☺

Zip up your home to insulate it before winter weather blows on down for greater efficiency

You'll be thankful you prepared in the fall for colder weather when you receive your first winter bill. Just as you pull out your winter gear before you need it, prepping your home for the coming season is a great idea.

The following steps can be taken now to use less energy at home before the winter chill blasts down. They also help lower strain on the electric grid during extreme winter weather when energy use is at its peak.

First, let's consider your home's layers. Just like layering up those winter flannels, fleeces, down jackets with waterproof/wind-stopping shells, gloves and hats, your home needs layers too. Air sealing and insulation protect your home from the elements, while locking in the warm air to keep you cozy. The same applies to hot weather, making air sealing and insulation a year-round efficiency upgrade.

To offset the costs federal tax credits for energy-efficiency upgrades are available through December 31, 2025. Homeowners can claim a total of 30 percent of the cost of installation, up to \$3,200. Tax credits are available for insulation, heat pumps, air conditioning systems and more. A tax credit even



Bundling up your home before winter strikes will improve your energy efficiency and help out your heating bills too! Weatherstrip, insulate and caulk now so your home is snug and cozy!

exists for electrical panel upgrades, which might be needed to accommodate new energy-efficient equipment.

When it comes to do-it-yourself projects, a few upgrades you can do yourself. Lock in savings with window cleaning and maintenance. Make sure sash locks and window cranks are in good working order and cleaned of any dirt and leaves. Debris can keep them from closing snugly. Use the crevice tool attachment on the vacuum cleaner, combined with a small, dry scrub brush or an old toothbrush, as it works great. The locks should pull the top and bottom window sashes together tightly. For casement windows the locks should pull the window tightly to the frame.

Although it might not seem like a significant difference, reducing airflow through and around windows makes

your home more comfortable in the winter. Replacing broken or nonfunctional sash locks can be a reasonable DIY project, but it's best to avoid doing it when the winter winds are blowing. Plus, use caulk to seal all gaps around the window trim. If you have operable storm windows, make sure they close.

If you have a forced-air heating or air conditioning system, replace the

filter. First, turn the system off to check it. If your filter is dirty, leave it in place until you have a replacement. Running your system without a filter can send any dust or dirt in the ductwork directly into the components and damage your equipment. Make a note of the filter's size on your shopping list or take a picture of the filter with your phone so you can reference it when shopping.

Stocking up on filters saves money. A 12-pack of filters costs \$72 — \$6 each. A similar filter sold separately was \$10. Don't see a bulk pack at your local hardware store? Ask at the customer service desk. They may be able to order them for you.

This fall look for opportunities to protect your home from the elements and maintain your equipment before the blistering cold of winter arrives. ☺

Mini, but mighty, digital tape measure measures up!

Have you ever been out and about and wished you had a tape measure on you? Maybe you're always looking for the tape measure on the job or farm...where did I set it down?

Perhaps it's time to upgrade to a rechargeable digital laser tape measure that is so small you can keep it on your key chain or in your purse! One option is the NEORulerGo. This pocket-sized tool is about 3 inches long and 1.5 inches wide. The precision laser offers 93 built in scales/units, including inches and metric scales. It can measure curves, blueprints, circles and even irregular surfaces with the precision of one millimeter.

The device features left or right-hand modes, landscape or portrait orientations and transfers data via Bluetooth to a cell phone app, plus can export files too.

Find it on Amazon for \$60. Add that to the Santa wish list for the hard-to-shop-for husband, hobbyist or trades worker.

For good measure you may want to add a rechargeable digital laser tape measure to your toolbox, purse or pocket! This way you will never be left short on the right dimensions!



Safety

Shoot for zero hunting accidents this fall season

During the excitement and fun of hunting season, keep your focus on electrical safety...even then.

Be aware of any electrical equipment that could be "camouflaged" by the tall grass, leaves and brush. Take these necessary safety precautions while hunting. Focus your sights on these safety measures.

1. Take notice of posted warning signs and keep clear of electrical equipment.

2. Know where power lines and equipment are located on the land where you hunt. Is there a green electrical cabinet behind the tall grass? What's beyond the trees in a wooded area, such as a pole, guy wire or substation?

3. Do not shoot at or near power lines or insulators. It's not a practice target. You could endanger yourself and cause an outage.

4. Do not place deer stands on utility poles or climb poles. Energized lines and equipment can conduct electricity with anyone who comes in contact with them, causing shock or electrocution.

5. Do not place decoys on power lines or other utility equipment. Any non-electrical equipment attached to a pole can pose an obstruction and serious hazard to our line crews.



Don't get buck fever during the big moment with adrenaline flowing! Survey the scene before hunting to watch out for the electric poles, guy wires, green underground transformer cabinets or other equipment.

So don't "duck" on these hunting tips. You are "deerly" important; we wish you safe hunting this fall. 🦌

Federated Focus

Jake Soderholm promoted



Federated promoted Jacob "Jake" Soderholm to Jackson County Line Foreperson, effective October 1.

"We are pleased to offer this position to Jake and I know he will do well," stated Scott Reimer, Federated's general manager. "Federated is blessed with having a great team and it's even more satisfying when the promotions come from within. We welcome Jake to the leadership team and look forward to the great things he will do for our membership."

The Jackson County line foreperson works with the operations manager, along with the rest of the operations team, on directing the Jackson line crews' work, designs and stakes projects, along with final close out, ensures safety is paramount and interacts with co-op member-owners on project needs. He will also help with training, monitor hazards, plus be knowledgeable on construction specs, codes and policies.

Jake started at Federated as an apprentice lineman June 14, 2007. He became a journey lineworker May 11, 2011.

This Lakefield native joined the military in 2001 after graduating from high school and served in Iraq from January 2004 to January 2005. He attended the lineworker program at Minnesota West in Jackson, while working for a local electrician. (E)



Scott Reimer

Manager's Message

Basin plans January 1 wholesale power rate increase

In September the Basin Electric Cooperative Board authorized a rate increase around \$6 per megawatt-hour or 10 percent, beginning January 1, 2026. Basin Electric provides 75 percent of our wholesale power and is working to balance our goals of reliability, financial performance and affordable rates. 80 cents of every \$1 spent on your electric bill goes to wholesale power supply, which, unfortunately, we have input, but don't have control over.

Let's look at the causes. The primary drivers behind the Basin rate increase are: growth in traditional load and commodity price variability. While large loads (data centers, crypto mining, AI, etc..) are a hot topic across the nation, they are not behind the 2026 rate increase. Basin Electric developed a Large Load Program to insulate our existing members from the costs and risks associated with serving new large electric loads.

Rising costs from inflation make it more expensive for Basin to build and maintain infrastructure. Our current fleet of power (coal, gas, wind, solar, etc...) has an average cost on our books around \$800/kW, with future costs predicted to be \$2,700/kW. Likewise, our current transmission has an average cost on our books of approximately \$400,000/mile of line with future costs predicted to be \$2 million/mile of line.

Basin Electric is also growing and part of the money for new projects must come directly from the co-ops' member-owners who buy this electricity. This is similar to homeowner's equity where a homeowner must provide a certain level of equity in their home to secure a mortgage with reasonable interest rates.

Basin Electric facts and figures:

- Basin Electric's load growth is projected to increase at 2.5 percent per year for the next 10 years — well above the national average.
- Basin Electric will invest \$11 billion in capital expenditure projects over the next 10 years.
- Basin Electric will more than double its balance sheet, increasing dispatchable generation by 5 percent and expanding transmission mileage by more than 30 percent.
- Through 2024 Basin Electric and its subsidiaries have invested more than \$2 billion of member capital in environmental control technology and more than \$190 million was spent in 2024 alone to operate/maintain those controls.

The cooperative difference:

- Basin Electric manages rates responsibly through careful planning and our all-of-the-above energy strategy.
- Basin Electric is a not-for-profit, meaning excess margins are reinvested in the cooperative or returned to members.
- With the cooperative model members work together to share the costs, ensuring no one bears the burden alone.
- Decisions are made by the Basin Board of Directors elected by our members. Each Basin Electric director is a member of their local distribution cooperative.
- Basin invests back into our communities through its charitable-giving program.
- Every dollar is reinvested into building and strengthening Basin Electric's infrastructure and updating technologies to meet future load growth.

Recent and future Basin power supply projects include:

- Pioneer Generation Station Phase IV: Approximately 580 MW in new natural gas-fired generation. The facility started up August 18, 2025.
- Leland Olds Station to Tande transmission project: This project is necessary for system reliability running 160 miles; it will be completed in 2026.
- Bison Generation Station: About 1,490 MW in new natural gas-fired generation. This is one of the largest projects in the Basin's history to be completed in 2030. (E)

Directors approve rate increase January 1, 2026; Residential rate A changes explained, as demand charge added

Federated’s Board of Directors approved a rate increase, effective January 1, 2026. It will appear on the February 4 bill.

The Board reviewed the Cost of Service Study conducted by Power Systems Engineering at the September 23 meeting. Each Federated rate class was analyzed for revenue and expenses, based on sales so each rate class pays its fair share with no subsidies. **Residential rate class**

The study showed that the residential rate class should have a monthly service charge of \$51.40/month to cover their share of the line trucks, employees, buildings and power lines to deliver the electricity to your house,” stated Scott Reimer, Federated’s general manager. “However, that’s too large of a jump so the Board approved increasing the monthly service charge to \$42.20/month. “In addition, the Board approved adding a \$4 demand charge for each kilowatt (kW), as a lot of the cost difference is coming from the summer peaks when electricity costs the most. With this new demand charge you have control over when you run your appliances, so you can control this demand peak cost on your bill. Even after this rate increase, we anticipate that our status featuring the lowest electric cooperative residential rate in Minnesota will continue.”

Demand charge added to residential rate

While the demand charge is new for the residential rate class, your electric bills have shown what your monthly demand has been since 2023. Demand measures how many kilowatts are used at one time — your maximum each month — for any given hour. Think of it as using the electric oven, washing machine/dryer and dishwasher all at once, instead of spread out throughout the day and night. Federated has to build its power lines and substations for this maximum demand, along with

Residential Rate Class A	2025	2026	Notes
Monthly service charge	\$33.00	\$42.20	This rate class was undercollecting. The summer peak creates this deficit so a monthly demand will help recover these peak expenses.
Energy charge (kilowatt-hour or kWh)	\$0.09	\$.07243	
Demand charge (kilowatt or kW)	\$0	\$4/kW	

our wholesale power suppliers providing for each members’ peak.

Here’s an example of how reducing demand works. For example, when you come home from work now you may turn on the oven, start the washing machine and run the dishwasher all at 5:30 p.m. Instead, use an air fryer and not the oven; start the washing machine after supper and then run the dishwasher before you go to bed. By spreading this demand out over the evening, you are not creating a peak, which saves you money on your electric bill.

Limited PCA charges in 2026

The Power Cost Adjustment (PCA) passes on any wholesale power or transmission costs that vary month to month. The 2026 rate increase rolled the PCA into the \$.07243 charge per kilowatt-hour (kWh). As long as the wholesale power costs or transmission costs don’t exceed the base cost of power, it’s anticipated that the PCA should not be needed in 2026.

Yard/street lighting rates consolidated

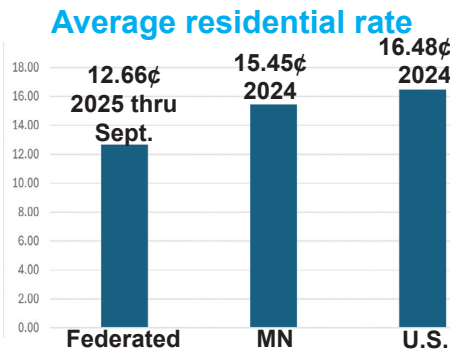
The security light rate has not changed since 2012. After the Alliant acquisition, the security light and street light rates grew to 28 different rates for lighting. These lighting rates will be consolidated down into two different rates: LED and Non-LED lights. See the above chart. For the handful of members with a dedicated light pole with no meter on it, this fee will change from \$4.22/month to \$4.64/month.

Street and yard lights (Unchanged since 2012)	2026
LED yard/street light	\$8/month
Non-LED yard/street light (white mercury vapor & orange high pressure sodium lights)	\$10/month

Lowest residential rate for Minnesota co-ops in 2024

Federated’s residential electric rate blended with the monthly service charge and kilowatt-hour charge amounted to 11.59¢ in 2024 and is currently 12.66¢ through September 2025. Compare that to the 2024 Minnesota residential average rate of 15.45¢ and the national residential average of 16.48¢. Even with this 2026 increase, the co-op expects to be among the lowest for co-ops in Minnesota and nationally for utilities.

Next month Federated will outline the rate increases for the other rate classes. In addition, co-op members will receive a rate increase letter outlining this same content with their December 5 electric bills. 



Costs explode for utilities over past five years

The past five years have been a period of exploding costs for the electric utility industry and for broadband providers. It's pushed by soaring demand, supply chain challenges, raw material shortages, increased labor costs and now tariffs.

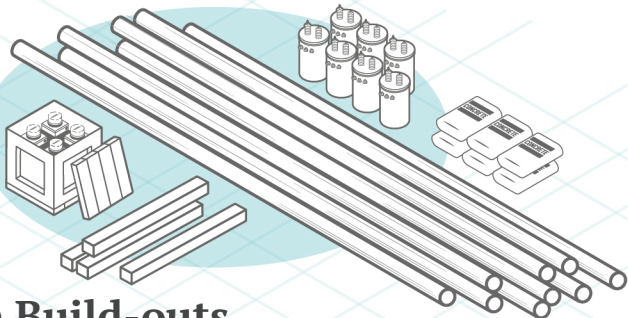
The impact has been rapid increases in the cost of producing power, longer and more unpredictable project timelines and

the need for more financing — all of which have driven up electric rates for residences, businesses, farms and other end-users.

Take a look at what's contributing to the trend. The percent increases were compiled by the National Rural Electric Cooperative Association, since 2020. 

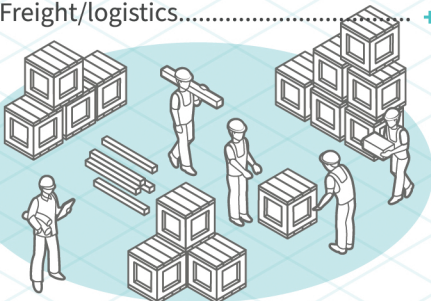
● Infrastructure

Utility poles (wood, steel, composite)	+25–40%
Crossarms & braces (steel/wood).....	+20–35%
Conductor wire (aluminum/copper)...	+30–50%
Transformers.....	+70–100%
Grain-oriented electrical steel.....	+80–100%
Oil/dielectric fluids.....	+25–40%
Copper wiring.....	+50%
Concrete.....	+25–35%
Smart meters.....	+20–35%
Pad-mounted switchgear.....	+25–40%
Circuit breakers/reclosers.....	+20–35%



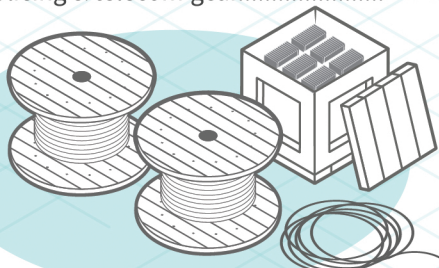
● Build-outs

Utility construction labor.....	+20–40%
Freight/logistics.....	+30–60%



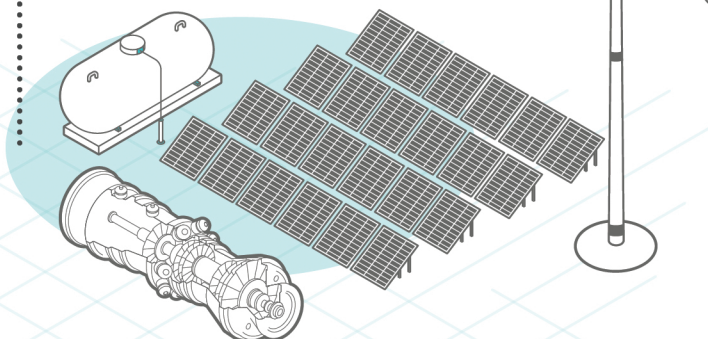
● Broadband

Fiber-optic cable.....	+25–40%
Splicing & telecom gear.....	+20–30%



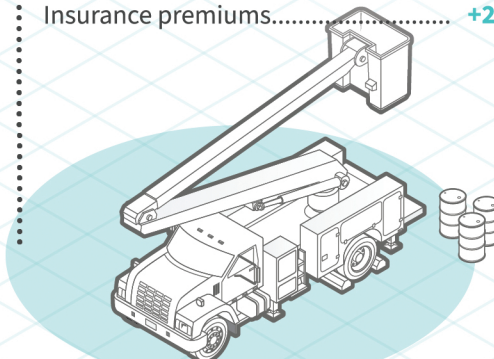
● Generation

Diesel gensets.....	+20–40%
Gas turbines.....	+20–30%
Solar PV systems.....	+25–35%
Wind turbines.....	+25–35%
Hydropower components.....	+20–30%
Battery storage.....	+25–40%
SCADA/EMS systems.....	+20–30%
Inverters.....	+20–30%
Relays & switchgear.....	+25–40%
Natural Gas.....	+20–120%
Coal.....	+30–60%
Diesel/fuel oil.....	+40–70%



● Fleets

Light trucks.....	+25–40%
Bucket trucks, digger derricks	+20–50%
Fuel costs (especially diesel).....	+20–30%
Maintenance.....	+15–25%
Insurance premiums.....	+20%



Sources: BLS; energynews.com; Reuters; Wood Mackenzie; NREL; IEA

Let's go nuts for the holidays! Share your holiday nut recipes

Do you go nutty for the holidays with your baking and cooking? Share your favorite nut recipes with us, whether it's for pecan sandies, almond bark, fudge, nut roll, spiced nuts, party mix and more. Send your favorite nut recipes to Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by November 24. Add your name and phone number. Thanks for sharing with us! ☺

Frosted Zucchini Bars by Barb Sellner, Sleepy Eye

- | | |
|---------------------------------|--------------------------|
| 4 eggs | 1 tsp. salt, optional |
| 2. c. sugar | 2 tsp. cinnamon |
| 1½ c. cooking oil or applesauce | 2 2/3 c. pureed zucchini |
| 2 c. flour | 1½ c. coconut |
| 2 tsp. baking soda | 1½ c. chopped nuts |

Mix together the eggs and sugar. Set aside. Mix the oil with the flour, baking soda, salt and cinnamon. Then add eggs and sugar. Mix well one or two minutes. Fold in the zucchini, coconut and nuts. Bake in two greased 9x13" pans or one jelly roll pan at 350° for 20 to 30 minutes. Frost when cooled.

- Frosting:
- | | |
|--------------------|---------------------|
| 8 oz. cream cheese | 2 tsp. vanilla |
| 1/3 c. butter | 3 c. powdered sugar |

Mix together the frosting ingredients and spread on top the bars. ☺



Your electric cooperative is closed November 27 and 28. Crews will be on call in case of outages. ☺



Gift yourself an Energy Star refrigerator and/or freezer before this holiday season?

Fill out the co-op's \$75 Energy Star rebate form. Must have proof of recycling the old unit. See the co-op's website for the form or call the office to request it.



LOW TEMP SENSORS

Get One Free with the purchase of a new security system.



A subsidiary of your local electric co-op

888.264.6380 | heartlandss.com

Call first before digging: 1-800-252-1166



Contact Gopher State One Call before doing any digging more than 12" deep — 48 hours before digging for foundations, trees and tiling.

Register at www.gopherstateonecall.org or call 811. Call a licensed electrician to locate the underground lines on your side of the meter. ☺

MARTIN COUNTY PHASE 2 BEGINS!



Construction of the Truman area mainline was completed and the crew moved down into the Ceylon area. They will continue plowing in fiber until the ground freezes. Last year crews were able to continue working through the first week of December; we are keeping our fingers crossed for another long fall/early winter construction season.

The drop crew, who brings the fiber connection up to the home, began working in the Truman area the last week of October. NID placements have been ongoing the last few weeks and will continue. If on your drop request form you also noted wanting to be contacted prior to construction on your property, please be looking out for a phone call from one of our technicians to schedule a time to meet with you.

Following behind the drop crew will be splicers who handle the delicate work inside the NIDs, pedestals and huts connecting the fiber optic cables and making services live. This work will continue through the winter months, even after the construction crews have to pull out for the season. As we receive confirmation from the splicers on completion of their work, residents will be contacted by our office via email or phone to set up home installation. The first home installations will likely begin after the start of the new year.

This and all our fiber projects are being built for the long haul and are rooted in fulfilling our core co-op purpose: improving the quality of life for our member-owners. When we build, we build it right, guaranteeing a reliable and high-speed network that you can depend on for generations. ☺



info@federatedbroadband.coop • www.federatedbroadband.coop

507-847-1001 or 1-833-847-8001



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77100 US Hwy 71, PO Box 69

Jackson, MN 56143-0069

E-mail: info@federatedrea.coop

Website: http://www.federatedrea.coop

Facebook.com/Federated

Phone: 507-847-3520 or 1-800-321-3520

Office hours: 8 a.m.-4:30 p.m. Monday-Friday

Scott Reimer, General Manager

David Meschke, President — 507-236-4896

Glenn Dicks, Vice President — 507-840-1075

Jon Saxen, Secretary/Treasurer — 507-236-7027

Tyler "Red" Ayers — 507-840-1011

Bruce Brockmann — 507-399-3487

Troy Post — 507-360-5537

Scott Thiesse — 507-399-6427

The Board of Directors generally meets the last business day of the month at 8 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

Free SW Stream installs leading up to the holidays



Time to start thinking about holiday gifting and don't forget about yourself! SW Stream covers your

local news, favorite national channels, music for any mood and the option to add on Starz and Showtime movie channels.

- **Basic channel package:** \$85/month
- **Expanded channel package:** \$95/month
- **Showtime and Starz:** \$20 each or \$25

for both

Offered through Roku devices (our recommendation) or Amazon Fire. Enjoy features like replay, rewind and DVR recording; create custom guides to only show the channels you watch the most and so much more.

Contact our office today to add SW Stream to your internet service. Visit our website to see which channels are in each of the packages. ☺