



Osceola Electric Cooperative

A Touchstone Energy® Cooperative
The power of human connections®



January 2026

Manager's Report

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On evenings, weekends or holidays an answering service will accept power outage or emergency type calls only.

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osceolaelectric.com

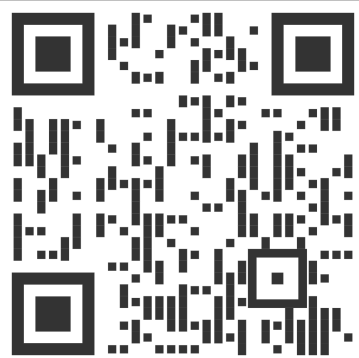
Take the Quiz

Read through the newsletter and submit the quiz on the back for a chance to win a \$10 bill credit.

OEC Recipes

Submit your favorite Quiche Recipe for consideration to be printed in our February Newsletter. Submission deadline is January 20. Printed recipes are worth \$10 bill credit.

Download our Mobile App



Jeff TenNapel,
General Manager

Happy New Year – 2026

I would like to wish everyone a Prosperous and Happy New Year. I hope your time with family and friends was both safe and enjoyable as you celebrated Christmas and New Year's Day.

2026 Rate Change

Looking back at last year's January report we were talking about a rate change then too. Energy (kWh) from our wholesale provider was up 4.3 percent and demand (kW) was up 16.1 percent. Those are large increases.

I honestly dislike starting 2026 with the same story. But, our wholesale providers again raised wholesale energy prices; WAPA raised energy 6.3 percent and demand 6.1 percent. Basin Electric Cooperative raised energy 9.8 percent and demand 9.9 percent.

In prior editions of this newsletter, we have been hinting at increases due to cost increases for material, contractors, labor, overheads and load growth within the Basin family. The Basin family is growing in sales year after year, adding about 150 megawatts (MW). This has pushed Basin into construction of the Bison Power Plant, 1.5 gigawatts (GW), estimated cost of \$4.2 billion.

Your board and staff have been talking about rate increases for 5 months and looking at multiple scenarios of how to generate the dollars needed and do it as painlessly as possible, which is about impossible.

Single phase customers, we raised your service charge from \$36.50 to \$40.25 per month. Energy (kWh) your first block was increased to 1,000 kWh from 700 kWh, but the rate was reduced from .1425 cents per kWh to .1310 cents per kWh. Balance of energy used rate stayed the same at .0845 cents per kWh. Demand (kW) was raised from \$2.00 per kW to \$4.15 per kW.

We appreciate your understanding in this rate change. Your Board and staff have worked to keep expenses as low as possible. Everyone expects reliable, affordable, and environmentally responsible energy, from OEC. That will never change even with the challenges we are facing.

On a positive note – SAFETY, OEC has had 2,410 days working safe without lost time. Our overhead system of 340 miles has been more than 97 percent rebuilt in the last 10 years. Our 193 miles of underground has been and will be systematically updated and is in very good condition. Our hardened construction practices year to date has our reliability for 2025 at 99.98305 percent with our power supplier outages being 51 percent of our outage time.

Again, I would like to wish everyone a SAFE and healthy NEW YEAR.

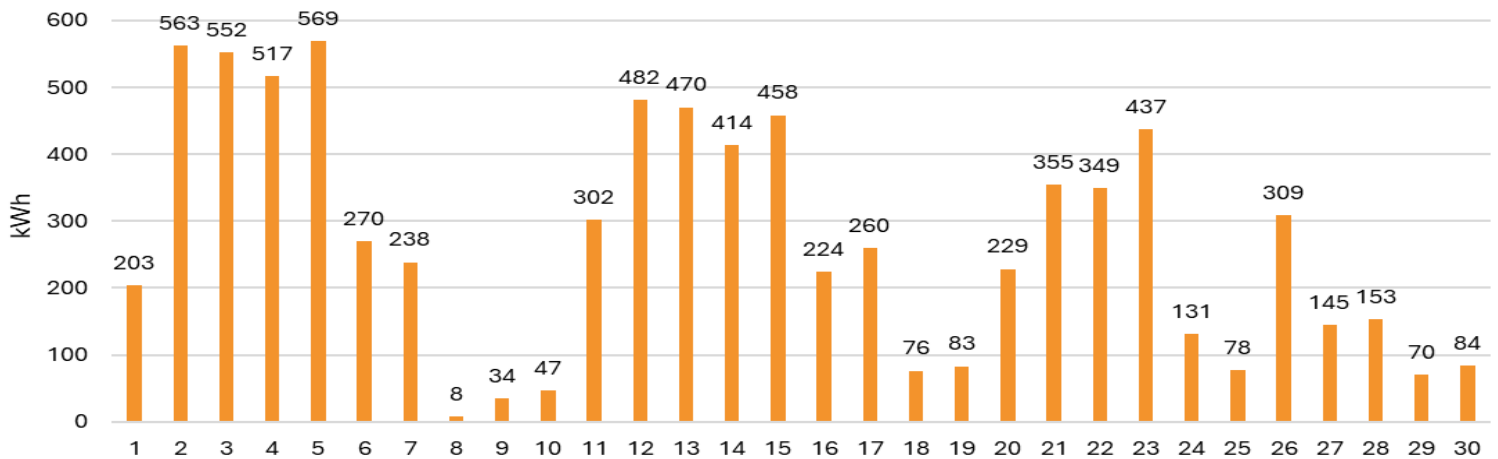
OEC Scholarships

Osceola Electric Cooperative partners with our power providers, Basin Electric Power Cooperative and L&O Power Cooperative, to provide one \$2,500 scholarship, one \$1,500 scholarship and three \$500 scholarships to the son or daughter of a current OEC member.

Students interested in applying for a scholarship can obtain applications from

high school guidance counselors, OEC's website osceolaelectric.com or by contacting the OEC office. The Basin Electric Power Cooperative application is utilized for all five of the scholarships and the same guidelines apply. Completed applications, including an essay, transcripts, ACT/SAT scores, and an applicant appraisal are to be returned to OEC. The deadline is **January 30, 2026.**

November 2025 Solar Park Production



Working Together to Lower Demand

When outdoor temperatures drop, electricity use naturally rises. Colder weather drives us indoors, where we rely more heavily on home heating systems, more lighting and household appliances. Heating systems run longer and more frequently to maintain comfortable indoor temperatures. Combine that with the fact that most people use electricity at the same times—typically in the morning and early evenings—and the result is significant pressure on our electric grid.

To prepare for these scenarios and minimize risks, Osceola Electric Cooperative and our G&T partner take proactive measures to strengthen reliability year-round. These include routine system maintenance, investments in grid modernization and comprehensive disaster response planning. These proactive steps are designed to ensure our

portion of the grid remains resilient even under extreme conditions. Yet, maintaining a reliable electric system requires a collective effort—and every member plays an important role in lowering demand when the grid is under stress.

You can help by taking simple actions during periods of high electricity use, especially on the coldest days of winter.

1. Lower your thermostat slightly. Even reducing the temperature by a few degrees can help.
2. Avoid using large appliances at the same time. Use delay start timers to stagger the use of dishwashers, washing machines, and dryers.
3. Adjust your water heater. Setting it to 120° F and spacing out showers helps conserve both energy and hot water.

4. Unplug unnecessary devices. Power used for lighting and electronics adds up and accounts for a significant portion of home energy use. Disconnect unused items to reduce energy waste.

Understanding how winter weather impacts electricity demand is key to maintaining system reliability. By practicing simple energy conservation habits at home, you not only save money on your monthly bill—you also help strengthen the resilience of the grid that powers our community. Together, through small actions and shared awareness, we can ensure that our homes remain warm, our lights stay on and our local grid continues to serve us reliably throughout the season.

Basin Bus Tour

If you've ever wondered about the source of electricity you won't want to miss this opportunity! As a cooperative member-owner, you have the chance to embark on a three-day trek across the Dakota Plains to tour the Antelope Valley Power Plant and the Coteau Lignite mine. This exciting bus tour is set for August 5-7, 2026.

Departure from Sibley to Bismarck, North Dakota is planned for August 5 with plenty of movies, games and frequent rest stops to break up the day.

The big tour day is August 6. We'll leave Bismarck, for the power plant and mine tours. Take the elevator to the top of the power plant to see the view, peek into the coal-burning furnace and enjoy the bus ride into the lignite open pit mine. In the evening enjoy a relaxing supper and riverboat ride on the Missouri River. The tour ends back in Sibley in the early evening of August 7.

This member only trip is \$150 per person. The fee includes the cost for the hotel, bus, all meals, riverboat, and snacks.

Seats are limited. Reserve your spot today! Call Osceola Electric at 712-754-2519.



Understanding the 2026 Rate Increase – Member Q&A



What are the primary drivers behind the rate increase?

Growth in traditional load, commodity price variability, increased planning reserve margins, and continued investments in reliability.

What factors are NOT behind the rate increase?

While large loads (data centers, crypto mining, AI, etc.) are a hot topic across the nation, they are not behind the 2026 rate increase. In collaboration with its membership, Basin Electric developed a Large Load Program designed to insulate our existing members from the costs and risks associated with serving new large electric loads.

How was member input used to make this rate decision?

After months of communication with the members, Basin Electric carefully evaluated feedback from members and market conditions before deciding to implement a multi-year phased approach.

How will this rate increase help ensure reliable electricity for members in the future?

A rate increase helps provide the resources needed to invest in infrastructure, technology, and maintain and upgrade equipment. These investments ensure the system stays strong and reliable, providing members with dependable electricity for their homes and businesses.

What if actual results are better than the budgeted rate increase in '26 or beyond?

Basin Electric has a history of pulling a variety of levers in situations when results are better than expected, including providing bill credits in 2021 and 2022; implementing rate decreases in 2020 and 2023; and adding to the rate stability fund to offset the financial impact of unexpected events that would otherwise result in rate increases.

How has inflation impacted Basin Electric?

Rising costs from inflation have made it more expensive to build and maintain infrastructure. Our current generation fleet has an average cost on our books of approximately \$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.

Why are higher margins necessary?

Basin Electric is growing, and part of the money for new projects must come directly from its members. This is similar to the concept of homeowner's equity in that a homeowner is required to provide a certain level of equity in their home to secure a mortgage at acceptable and reasonable interest rates.

WHAT IS backfeed?

Avoid deadly backfeed and help keep lineworkers safe.

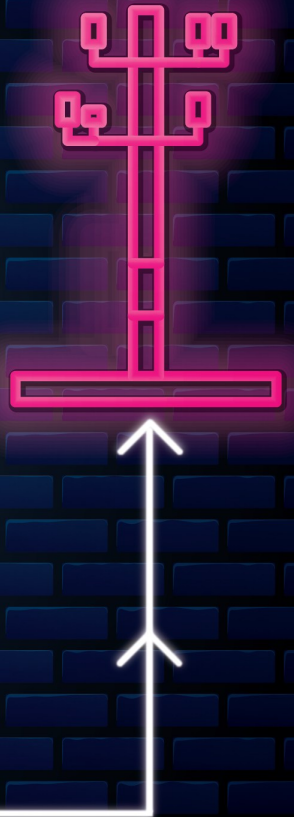
Backfeed happens when a person connects their portable generator to a wall outlet, which allows power to flow in reverse – that is, the alternate power source feeds energy back through their home's electrical system, their meter and back into the power lines.

Potentially deadly backfeed can also happen with permanently installed generators that are not used or installed correctly. They should be wired into your home by a qualified electrician, who will install either an automatic or manual transfer switch, depending on the generator. The job of this switch is to transfer a power source safely from its primary source to a backup source.

To keep utility crews safe, never plug a portable generator directly into a wall outlet or electrical system, and ensure transfer switches are professionally installed and working properly. Electric lineworkers thank you in advance.

Learn more at:

 **Safe Electricity.org**



New Electronics? Unplug Them

Those big TVs, gaming consoles and sound systems that Santa brought last month can edge your electricity use up, especially if you leave them turned on or plugged in when not in use. Save energy by unplugging devices or using power strips to cut standby power. Encourage children to turn off consoles, TVs, computers and speakers immediately after use. Setting

limits on gaming or binge-watching not only reduces electricity use but also promotes healthier screen habits. Energy-efficient settings on TVs and sound systems can also help. Lowering screen brightness, using energy-saving modes and turning off ambient lighting on electronics reduce power consumption. Consolidating device charging to a single area with a

smart power strip that you can turn off ensures your smartphones and tablets are not drawing more energy than they need. Teaching children to enjoy entertainment responsibly while being mindful of electricity use encourages long-term habits that save energy and money. Small, consistent changes can promote more sustainable use of household electronics.

OEC Quiz

- Send in your completed quiz for your chance to win!
- OEC will draw 3 members to receive \$10 credit towards their electric bill. Congratulations to last month's winners: Phil & Jan Nau, Cindy Johnson, & John Akin
- OEC has had _____ days working safe.
 - True or False a total of 4 scholarships will be awarded to children of OEC members.
 - To keep utility crews safe, never plug a portable _____ directly into a wall outlet or electrical system and ensure transfer switches are professionally installed and working properly.

Name: _____

Account #: _____

Operating Statistics

November	2024	2025
Billed consumers, farm	1,156	1,150
Billed consumers, non-farm and others	124	127
Kilowatts sold, farm	2,469,036	2,456,027
Kilowatts sold, non-farm and others	5,882,280	5,699,070
Average consumption, farm	2,136	2,136
Average Consumption, non-farm	47,438	44,875
Average statement, farm	257.63	287.82
Average statement, non-farm and others	3,689.98	3,829.55
Total minimum bills	19	12
Outage time per consumer—minutes	5/6	2/5
Annual Meeting	March 21, 2026	