

OUR MISSION, OUR VISION AND OUR VALUES

At Cass County Electric Cooperative, achieving success requires the collective effort of many individuals. Collaborating with our directors and members, we are dedicated to confronting the obstacles presented by a constantly evolving world. By embracing innovation, prioritizing safety and integrity, demonstrating commitment to our community, and upholding accountability, we aim to develop solutions that foster positive growth for everyone involved. Our team diligently strives to earn your trust each day, enabling us to confidently embark on a promising future ahead.

Highline Notes Volume 82, Number 4

Communications: Jocelyn Hovland, Kaitlyn Hartman, and David Youngs Printer: Forum Communications Printing

Board of Directors:

District 1, Paul White, Secretary

District 2, Douglas Anderson

District 3, Sid Berg

District 4, Stacey Ackerman

District 5, Tom Seymour

District 6, Glenn Mitzel , Board Chair

District 7, Wendy Loucks

District 8, Kalvin Hoff, Treasurer

District At-Large, Terry Kraft, Vice Chair

Executive Staff:

Paul Matthys, President/CEO

Jodi Bullinger, VP of Engineering & Operations

Chad Sapa, VP of Corporate Services & CFO

Tim Sanden, VP of Information Technology & CIO

Highline Notes (USPS 244-740) is published monthly by Cass County Electric Cooperative Inc., 3312 42nd St. S., Suite 200, Fargo, ND 58104. Periodicals postage paid at Fargo, North Dakota 58104, and at additional mailing offices.

Postmaster: Send address changes to Highline Notes 3312 42nd St. S., Suite 200, Fargo, ND 58104

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Ouestions:

701-356-4400 | 800-248-3292 | info@kwh.com

Cass County Electric Cooperative is an equal opportunity provider and employer.

Information about the cooperative, articles of incorporation, bylaws and more can be found at CassCountyElectric.com.





POWER MIX CAPACITY COAL 57% - WIND 34% - HYDRO 7% - OTHER 2%

The electricity consumed by CCEC members is primarily produced by our power supplier, Minnkota Power Cooperative, located in North Dakota. With the exception of a minor portion obtained from a wider energy market, all the electricity you depend on is sourced from North Dakota's wind turbines, coal power plants, and a hydroelectric dam.



CCEC's organization has undergone a significant transformation over the past 10 years. Through strategic investments in technology and tools, the cooperative has managed to maintain its workforce size while effectively catering to a larger number of accounts. This achievement has not only led to reduced system maintenance costs and customer accounting expenses, but has also cultivated a culture of continuous process improvement throughout the organization.

2013: 39,897 ACTIVE ACCOUNTS, 93 FULL-TIME EMPLOYEES 2023: 58,221 ACTIVE ACCOUNTS, 92 FULL-TIME EMPLOYEES



5,819 MILES OF LINE

Stretched out, our lines could nearly reach from Fargo, North Dakota, to the ancient city of Alexandria, Egypt. Overhead: 2,811 Underground: 3,008

58,221 Membership totals

Residential Urban: 26,466 Apartments: 18,537 Residential Farm: 6,042 Lighting: 501 Irrigation: 209 Commercial: 6,466





WORD FROM LEADERSHIP

Cass County Electric Cooperative's (CCEC) system reliability is something we take pride in and focus on every day. We understand the importance of keeping power on to provide safety and security and to operate your homes, farms, ranches, and businesses. 2023 was on track to be one of your co-op's best years for reliability in the past 25 years – until Monday, Dec. 25, 2023.

It had been raining for several hours on Christmas Day, the temperature started to drop, and ice began to form on poles, wires, and trees. We had our first outage around 2:56 p.m., with several poles broken, five substations out, and over 2,500 members without power. The damage to our electrical distribution system continued for two days until the sun came out and the temperature climbed above freezing. At one point, there were approximately 4,500 accounts without power, 1,200 poles down, many wire breaks, and broken cross arms. Our system was in bad shape, and we needed help.

All hands were on deck. We had 28 of our linemen working with many other employees from the engineering, power control, metering, energy management, member accounts, communications, and operations departments. Cooperation among cooperatives is part of the cooperative business model's uniqueness. We called on other cooperatives to send lineworkers and equipment to aid in the restoration process. The call was answered by 15 other electric cooperatives across North Dakota, South Dakota, and Minnesota. We had 130 linemen in the field working 15-hour days and restored

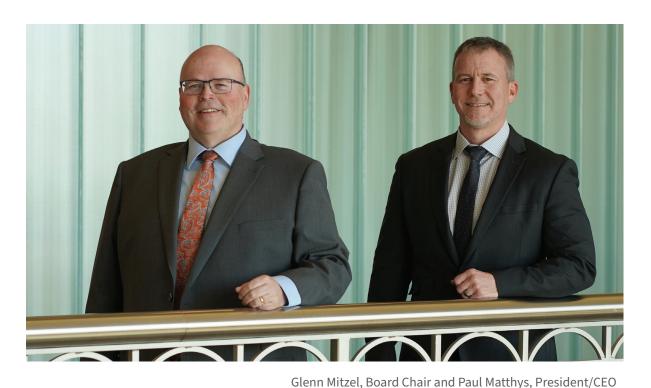
all essential accounts by 5:30 p.m. on Friday, Jan. 5, 2024 (Day 12). I can proudly say that we had ZERO OSHA (Occupational Safety and Health Administration) accidents and only a few minor equipment damages during restoration efforts.

The cooperative is well positioned financially, with an annual revenue of \$157.9 million, up 4.3% (\$6.48 million) from 2022. As a result, the yearend operating margins set another record at \$12.4 million, including \$4.9 million in revenue deferred funds. Because of our solid margins and strong balance sheet, CCEC's board of directors approved an overall \$3.5 million capital credit retirement including members who purchased electricity in 2003 and 2004 (partial year).

2023 was another excellent year for account growth. We added 1,590 new accounts, slightly below the 23-year average of 1,615 new accounts/ year. Because of this growth, we continue to rank in the top 11% of cooperatives nationwide. Energy sales were at 1.367 billion kWh, down 0.03% from 2022, but we continue to rank in the top 9% for cooperatives nationwide.

The cost to operate the cooperative, or the distribution adder, was \$0.02321/kWh, 40% below similar-sized cooperatives in the nation thanks to the efficient operations of our employees and the board of directors.

During the annual reorganizational meeting, Director Glenn Mitzel was elected as board chair, Director Terry Kraft as vice chair, Director Paul White as



secretary, and Director Kalvin Hoff as treasurer. In Index (ASCI). The average cooperative score is 74.

secretary, and Director Kalvin Hoff as treasurer. In the fall of 2022, the board of directors approved the cooperative's implementation of a Time-of-Day (TOD) pilot rate. 2023 supplied the cooperative with a full year of data from about 40 accounts that helped evaluate if the parameters and the rates are where they need to be for both the member and the cooperative. The TOD rate is designed to provide members with flexibility and member choice for rates.

The board of directors also approved Vogel Law as CCEC's official legal counsel.

Our engineering and operations team gathered data and applied for two Grid Resilience and Innovation Partnership (GRIP) program grants. One was for replacing overhead lines with underground cables, and the other was for Smart Grid, expanding our automated switches in the metro areas. The team also implemented GPS Insight, which is used for real-time vehicle location, and ArcGIS Online, a cloud-based mapping solution.

High-level member service is another primary focus of the cooperative's dedicated employees. In 2023, we surveyed our members and scored an 86 out of 100 on the American Customer Satisfaction

Index (ASCI). The average cooperative score is 74. We attribute this achievement to the power of our people, who all work daily to provide reliable service with excellent member engagement.

Cybersecurity is also top of mind to ensure our members' data is secure. In late 2022, we implemented Mimecast, an email security platform. In 2023, we monitored and updated the configuration of Mimecast to provide more granular needs and enhance our email security.

Moving forward, the cooperative will continue investing time, talent, and resources into economic development to spur load growth and help our communities prosper. We will look for new ways to provide member choice, educate our communities, and remain your trusted energy advisor.

We will continue working with Minnkota Power Cooperative to assess future power supply needs, including carbon capture and sequestration. We will strive daily to be good stewards of the environment, to be responsible with our members' money, and to keep the power on.

We look forward to the 2024 annual meeting and hope to see you there on April 16, 2024.

DIRECTORS

Names highlighted in green are candidates running for reelection.

The members of your board of directors are residents of our local communities and are elected by co-op members. Each board member holds office for three years, with elections taking place during our annual meeting.



PAUL WHITEDistrict 1, Stirum
Secretary



DOUGLAS ANDERSONDistrict 2, Arthur



SID BERGDistrict 3, Colfax



STACEY ACKERMANDistrict 4, Reiles Acres



TOM SEYMOURDistrict 5, West Fargo



GLENN MITZELDistrict 6, West Fargo
Board Chair



WENDY LOUCKSDistrict 7, Fargo



KALVIN HOFF
District 8, West Fargo
Treasurer
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TERRY KRAFT
District At-Large, Fargo
Vice Chair

NOTICE OF ANNUAL MEETING

The annual meeting of the members of Cass County Electric Cooperative Inc. will be held at the Delta by Marriott, located at 1635 42nd Street South, Fargo, North Dakota, at 6 p.m. on Tuesday, April 16, 2024, to act upon the following matters:

- 1. The reports of officers and directors
- 2. The election of three directors
- 3. All other business which may come before the meeting, or any adjournments thereof

Pursuant to the bylaws, the following members have filed petitions for directorship of the cooperative.

District 2 Douglas Anderson (Incumbent)

District 3 Sid Berg (Incumbent)

District 3 Brian Gregor
District 3 Vanessa Kummer

District 7 Wendy Loucks (Incumbent)

Program:

5:00 p.m. Registration* begins and doors open

5:30 p.m. Meal

6:00 p.m. Call to order and welcome

Establish quorum

Approve minutes of previous meeting

Election of directors
Board chair's report
President's report
Financial report
Old and new business
Open discussion
Adjournment

*Only registered members are allowed to vote. Any person representing a corporation that is a member of the cooperative shall present evidence of their authority to cast one vote on behalf of the corporate member.

Dated this 27th day of February 2024.

Paul White, Secretary

DIRECTOR EXPENSES: 2023 director expenses totaled \$246,471.35, or \$4.79 per member. Directors' expenses include fees paid for attendance at regular CCEC board meetings and a monthly retainer (\$149,864.17); industry-related conferences, meetings, and education (\$90,294.23); and miscellaneous expenses (\$6,312.95).

ABSENTEE VOTING DIRECTOR ELECTION

At Cass County Electric
Cooperative, we have
historically chosen our board
of directors by voting at the
annual meeting. Thanks to
the board of directors, if you
are unable to attend the
annual meeting in person,
you can now vote absentee. To
receive your absentee ballot,
simply reach out and we will
mail it to you!

· Stop by our office 4100 32nd Ave. S. Fargo, ND 58104

• Give us a call toll free (800-248-3292) or

locally (701-356-4400)
• Send us an email at

info@kwh.com
• Fill out our online form

CassCountyElectric.com /contact-us

Ballots must be returned by Friday, April 12, 2024, at noon.







STATS

WHY PAPERLESS?

In 2023, CCEC achieved a significant milestone with 26,226 members enrolled in our paperless billing initiative! This marks a growth of almost 1,800 accounts compared to the previous year. This development is not only beneficial for the environment but also results in saving approximately \$205,000 yearly on printing and postage expenses!

CAPITAL CREDITS

Being a part of the cooperative, your investment in its future yields results! Through capital credits, members like your are able to enjoy the benefits. Last year, a total of \$4.5 million was distributed among capital credit retirements. These payments encompassed bill credits for electricity consumption in 2001 and 2002, along with the retirement of capital credits for estate and early retirements. This is indeed a reason to smile!

OPERATION ROUND UP

The Cass County Electric Cooperative Foundation had much cause for celebration with their Operation Round Up program, as they granted over \$226,000 to 72 different nonprofits. These generous grants have enabled organizations in the service area to strive for a better future for our communities!

PRAIRIE SUN SHINES ON

Thanks to Prairie Sun Community Solar, members have enjoyed clean energy since 2017. During that time, the array has generated more than 1.02 gigawatt-hours (GWh). To put that in perspective, 1 GWh is equal to 1,000 megawatt-hours (MWh), and the average North Dakotan has an average per capita consumption of 30.8 MWh of electricity per year.

MEMBER ACCOUNTS

In 2023, our member accounts team handled an impressive 40,793 phone calls and 12,403 emails. Their dedication was not limited to addressing inquiries and resolving concerns; they also facilitated 15,197 service transfers. Furthermore, their efforts played a crucial role in welcoming 5,746 new members who joined the cooperative as CCEC members.

UNDERGROUND LOCATES

CCEC received 21,864 requests for underground locates within our service area. This accounted for nearly 14% of all North Dakota One Call locate requests. To efficiently manage this demand, we collaborated with ACE Utility Services, who handled 74% of the requests. Meanwhile, our dedicated in-house team successfully completed the remaining 5,772 locates, ensuring a smooth and productive schedule throughout the busy year.

MEMBERSHIP SURVEY

We're grateful to our members for scoring us so high on the American Consumer Satisfaction Index (ACSI ®). Through web surveys in 2023, our score of 86 ranks 15 points higher than the average municipal utility score and 14 higher than the average investor-owned utility.

ACSI® is one of the oldest and most highly regarded industry satisfaction studies which publishes annual customer satisfaction results for more than 400 companies across 40+ industries and 10 economic sectors based on roughly 500,000 customer interviews.

EXECUTIVE STAFF

CCEC is honored to have the opportunity to support dynamic and varied communities, empowering individuals who strive diligently and accomplish extraordinary feats. Our leadership team possesses an extraordinary total of 175 years of experience within the cooperative, equipping us with extensive expertise that aids in maintaining affordable rates for our members and ensuring dependable electricity service.



MARSHAL ALBRIGHT

President/CEO

Retired April 2024



JODI BULLINGERVP of Engineering & Operations



PAUL MATTHYS

VP of Member & Energy Services

President/CEO effective April 2024



SARAH RHEAExecutive Assistant/Human
Resources Specialist



TIM SANDENVP of Information Technology/CIO



CHAD SAPAVP of Corporate Services/CFO

Thank you! We see the spirit of North Dakota and power of community each day in our work, yet it was never more present than during the 2023 ice storm. Despite the storm's severity, the resilience shown was inspiring. A heartfelt thank you to those who supported our lineworkers with meals, equipment, and words of encouragement as they worked for hours on end to restore power. We appreciate you!

ENGINEERING & OPERATIONS

Keeping the lights on for you is a 24/7 endeavor... and one that we take seriously. CCEC's reliability sat at 99.9957% for the first 51 weeks of 2023. Yet in the final week of the year, Mother Nature had other plans, hitting the region with the worst ice storm it's seen in over a quarter of a century.

As our membership continues to grow, our team is constantly monitoring and maintaining thousands of equipment devices out in the field. In 2023 alone, we inspected 5,000 poles and performed yearly infrared sensor inspections.

The safety of our team and members is paramount to CCEC. We're proud that in the 12+ days that our crew was working countless hours during the ice storm to restore power, there were ZERO OSHA recordable injuries.

CCEC has always been on the front end of utilizing new technology to better serve its team, membership, and communities. With new automated restoration technology, our team will receive outage notifications and be more able to restore power through another source automatically.

With updated fleet telematics, our power control team will have GPS knowledge of all vehicles in the field, allowing them to strategically send lineworkers to locations of need, increasing efficiency and safety. The technology also provides vehicle information to our maintenance team so they can spot concerns and needs, allowing them to get ahead of problems before they occur.

Reliable electricity provides a foundation for innovative ideas, successful business, and a high quality of life. We're honored to serve you and will continue our comprehensive approach to providing first-class energy at affordable costs.





MEMBER & ENERGY SERVICES

Being a member of Cass County Electric Cooperative is much more than a transactional relationship. We're constantly looking for ways to serve your energy needs in reliable, affordable, and versatile ways.

Each person and business has different needs and requests when it comes to energy. That's why we're proud to continue offering various off-peak programs, Prairie Sun Community Solar, a time-of-day rate option, electric vehicle incentives, and water heater programs to meet you where you are.

Providing high-quality, reliable energy is our standard. Yet that's just the tip of the iceberg.

Investing in the growth and development of the next generation is critical to our region's success. CCEC awarded \$18,000 in scholarships to high school seniors and \$20,000 to higher education institutions in our region in 2023. On top of that, Cass County Electric donated nearly \$33,000 to community organizations and nonprofits, logged over 750 volunteer hours, and contributed to regional staples like Holiday Lights at the Red River Valley Fair, multiple free community events with West Fargo Events at The Lights, and Earth Day at the Red River Zoo. We're proud of where we live and want to see our community flourish for generations to come.

As our membership approaches 60,000 we couldn't be more thrilled to support residents and businesses that call North Dakota home. The future looks bright, and we consider it a privilege to serve you.

INFORMATION TECHNOLOGY

Electricity is often taken for granted until it's not there. The same can be said for an organization's information technology resources. In an era of unprecedented technological advancement and activity, our team continues to take proactive, cutting-edge approaches to protect and preserve the data, assets, and electricity of the cooperative and its members.

We saw that firsthand during this winter's ice storm. Working with our lineworkers, electricians, and more boots on the ground from the engineering and operations team, we utilized new technology to efficiently navigate the worst storm we've seen since 1997.

A key component of being proactive is equipping our leadership and employees with the knowledge and tools to respond in the rare case of an emergency. In addition to consistently reviewing and refining protocol for all physical, cyber, and natural emergencies, multiple CCEC departments participated in GridEx, the largest grid security exercise in North America. Through GridEx, CCEC team members were placed in simulations that covered potential organizational threats of all varieties and response mechanisms. With record participation, CCEC's team is more equipped than ever to combat adversity and come out on top if trouble arises.

The electric grid is vital to the success and sustainability of your life. We're here to provide and protect it.





CORPORATE SERVICES

When you purchase electricity from Cass County Electric Cooperative, you're not just a customer, you're a member. Our margins from selling electricity are allocated to you based on how much electricity you purchase during the year. The cost of your monthly bill doesn't include extra markups to pay investors. That's because this is YOUR COOPERATIVE. And if our financial performance ends up better than planned, that money eventually comes back to you. We return our margins to you in the form of capital credits. At the January 2024 board meeting, the board of directors authorized the distribution of \$3.5 million in total capital credit retirements for the year 2023. That's us delivering integrity and cash back to you.

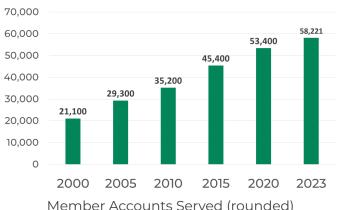
It's no secret that financial instability continues to be a nationwide issue. Over the past three years, the national Consumer Price Index has increased by 16.8% with prices and rates skyrocketing across many industries. Yet despite inflation, we're proud to say that 2024 marks the 7th consecutive year that CCEC's rates have remained stable with ZERO INCREASE.

That's because we're committed to keeping YOU at the forefront of all our decisions. Urban or rural, business or family, our team understands the importance of affordable, reliable electricity paired with community investment because we're just like you. Many of our employees live in and grew up in CCEC's service territory. When it comes to business, we work with as many other local companies as possible. We support local nonprofits that strive to improve our community, too. Our purpose is to bring power to the people of this community of incredible growth and opportunity.

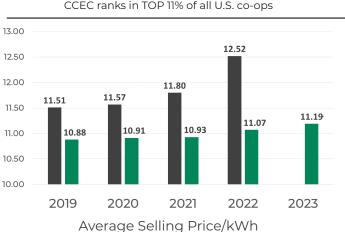
ATISTICS

	2023	2022	% Change
Member accounts served	58,221	56,631	2.8%
Total energy (kWh) sold	1,367,452,800	1,371,021,737	-0.3%
*Revenues excluding deferred revenue	\$153,036,672	\$151,452,992	1.0%
**Avg. selling prices per kWh sold	\$0.1119	\$0.1105	1.3%
***Power cost per kWh purchased	\$0.0808	\$0.0786	2.8%
****Operating cost per kWh sold	\$0.0232	\$0.0227	2.2%
Employees (full-time)	92	93	-1.1%

^{* 2023} excludes \$4.9 M in revenue deferral, **2022 U.S. median \$0.1252,***2022 U.S. median \$0.0751, ****2022 U.S. median \$0.0430

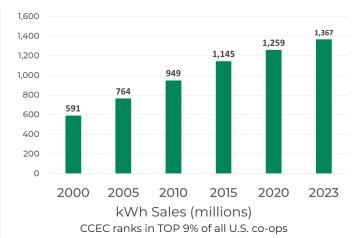


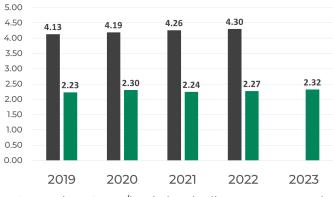
Member Accounts Served (rounded) CCEC ranks in TOP 11% of all U.S. co-ops



U.S. Cooperatives Cass County Electric *2023 excludes \$4,900,000 of deferred revenue

U.S. Cooperatives Cass County Electric CCEC ranks in TOP 7% of all U.S. co-ops





Operating Costs/kWh (excluding power costs)

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STATEMENTS OF OPERATIONS

OPERATING REVENUES	2023	2022
Electric	\$152,521,240	\$150,893,906
Electric - deferred revenue recognized	\$4,900,000	\$0
Other electric	515,434	559,086
Total operating revenue	157,936,674	151,452,992
OPERATING EXPENSES		
Cost of power	113,762,847	110,920,089
Operations and maintenance	9,360,779	9,271,363
Member accounting	1,854,523	1,905,912
Member service, informational and sales	1,218,920	1,221,713
Administrative and general	4,324,301	4,139,010
Depreciation	9,311,516	8,881,256
Taxes	1,149,895	1,139,751
Interest on long-term debt	4,416,744	4,495,475
Other electric	93,094	67,333
Total operating expenses	145,492,619	142,041,902
Operating margins before capital credits	12,444,055	9,411,090
OTHER COOPERATIVE CAPITAL CREDITS		
Minnkota Power Cooperative, Inc.	2,216,007	2,350,137
Other associated companies and investments	369,174	255,335
Total other cooperative capital credits	2,585,181	2,605,472
Net operating margin	15,029,236	12,016,562
NON-OPERATING MARGIN		
Jobbing and contract work	21,000	21,000
Other income and expenses, net	186,224	220,527
Interest income	1,378,701	878,195
Net gain on sale of investments and general plant	7,000	26,984
Total non-operating margins	1,592,925	1,146,706
NET MARGIN	\$16,622,161	\$13,163,268

BALANCE SHEETS

The financial statements for Cass County Electric Cooperative Inc., as of and for the years ended December 31, 2023 and 2022, have been audited by an independent accounting firm, Eide Bailly. An unmodified opinion was issued for each year. Copies of the complete audited financial statements are on file at the cooperative's office.

ASSETS	2023	2022
Electric plant		
In service	\$334,667,119	\$318,460,432
Electric plant under construction	9,585,624	9,958,751
Total electric plant	344,252,743	328,419,183
Less accumulated depreciation	89,826,270	83,477,648
Net electric plant	254,426,473	244,941,535
Right-of-use assets		
Operating lease right-of-use assets, net	549,432	701,478
Finance lease right-of-use assets, net	32,695	54,968
Total right-of-use assets	582,127	756,446
Other property and investments		
Investments in available-for-sale securities	4,230,124	4,342,968
Investments in associated companies	20,632,047	18,238,376
Other investments	369,221	354,968
Line extension loans	0	4,441
Total other property and investments	25,231,392	22,940,753
Current assets		
Cash and cash equivalents	10,210,721	13,283,377
Temporary investments	10,000,000	15,000,000
Current maturities of available-for-sale securities	418,561	0
Current portion of special funds	0	4,900,000
Accounts receivable, net	16,513,348	15,843,754
Material and supplies	11,554,439	8,804,234
Prepayments	351,943	142,170
Interest receivable	152,330	322,398
Total current assets	49,201,342	58,295,933
TOTAL ASSETS	\$329,441,334	\$326,934,667

MISSION: TO SERVE OUR MEMBERS' ENERGY NEEDS WITH AFFORDABLE & RELIABLE ELECTRICITY.

EQUITIES AND LIABILITIES	2023	2022
Equities		
Patronage capital	\$131,496,359	\$121,677,914
Other equities	30,093,333	27,470,137
Accumulated other comprehensive loss	(171,865)	(294,273)
Total equities	161,417,827	148,853,778
Long-term debt, less current maturities	136,412,226	143,648,368
Other noncurrent liabilities		
Operating lease liabilities, net of current portion	453,418	562,330
Finance lease liabilities, net of current portion	19,171	38,285
Accumulated postretirement obligation, net	2,204,941	2,309,432
Total noncurrent liabilities	2,677,530	2,910,047
Current liabilities		
Current maturities of long-term debt	7,231,000	7,018,000
Current maturities of deferred revenue	0	4,900,000
Current portion of operating lease liabilities	96,014	139,146
Current portion of finance lease liabilities	19,089	18,755
Current maturities of post-retirement benefits	225,000	150,000
Accounts payable - general	3,654,983	1,628,649
Accounts payable to associated co power costs	9,602,575	9,811,267
Member deposits	3,117,710	3,122,168
Accrued taxes	2,512,433	2,392,603
Interest accrued on member deposits	24,677	21,849
Other current and accrued liabilities	830,479	758,766
Total current liabilities	27,313,960	29,961,203
Deferred credits		
Member energy prepayments	819,628	737,483
Demand waiver project costs	513,077	493,344
Estimated installation costs - special equipment	164,582	198,393
Members' prepayments on community solar garden	122,504	132,051
Total deferred credits	1,619,791	1,561,271
TOTAL EQUITIES AND LIABILITIES	\$329,441,334	\$326,934,667





800-248-3292 | CassCountyElectric.com 4100 32nd Ave. S., Fargo, ND 58104

ANNUAL MEETING

Tuesday, April 16, 2024
5:00-6:00 Registration | 5:00-6:00 Roast Beef Meal
6:00 Business Meeting | \$2,000 in Gift Cards

Delta by Marriott, Crystal Ballroom: 1635 42nd St. SW, Fargo

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