



Celebrating our progress and sharing our vision to serve you

by General Manager Steve Stroshane

In December, Polk-Burnett's senior management team shared a progress report with co-op board directors, showing how our work delivered results and returns on investments in 2025, as well as strategic action plans to keep the co-op moving forward this New Year. Our goals include reducing outages, holding costs down to be rate competitive, and keeping employees safe and productive; all of these are in service to you, our members. Below are highlights of our 2025 progress and 2026 strategic plans.

Operations: Keeping your lights on

I'm proud to report the completion of our new Cedar Lake Substation, which began serving members in the Somerset and Farmington areas on December 2.

In addition, our new Viola and Luck Solar arrays were energized in December. Local solar improves reliability and helps offset power market costs. Watch for an update later this year.

Co-op crews successfully upgraded several substations, including Black Brook, Spencer Lake, Grantsburg and Trap Rock, and installed animal protection at Farmington Substation in 2025. We will add animal protection at three more substations in 2026.

Our 2026 grid investment is \$5.16 million, reflecting a \$250,000 increase over 2025. The construction work plan focuses on replacing old underground conductor, converting overhead power lines to underground, and maintaining a clear right-of-way under power lines. We plan to build 47 miles of line in 2026, 19 miles overhead and 28 miles underground.

Finance: Managing costs and rates

While the wholesale cost of power will increase 4% in 2026, we have successfully reduced controllable costs by 1%. We anticipate energy sales to remain stable, with a projected 0.5% increase in 2026. The co-op connected 250 new services in 2025.

Following an independent cost-of-service study in 2025, members saw a 3% rate increase in July due to inflationary pressures on equipment, material and contracted services. I'm pleased to report that there will be **no rate increase in 2026**.

Technology: Driving efficiency

In my July 2025 column, I reported that technology is integral to our operations, supporting more than 40 essential co-op functions. Technology is the backbone of working efficiently and delivering exceptional service. In 2025, we installed new software on crew iPads to help manage (and quickly restore) outages from the field. It also enables lineworkers to communicate estimated restoration times to members via outage text alerts; we know this is important to you!

We introduced a secure AI application for content creation, and we added a database server to safely house business-critical information. Mapping technology ensures we have complete and accurate records of our system, and automatic vehicle location (AVL) technology tracks where current work is happening. We continue to advance two-way communication with substations and meters to speed outage restoration, and we're always adding and testing network security.

Member services: Providing extraordinary support

In 2025, we launched a program to install new receivers on load management devices. The upgrade will help us better control these devices when energy demand and prices are high, which is a cost savings for everyone. This is a multi-year project and we are still in the testing phase.

We also hosted seminars for electric contractors and members interested in residential solar. In 2026, we look forward to continuing our EnergySense rebate program to

help members improve energy efficiency in your homes. I'm excited to announce that our popular Electronics Recycling Day returns in 2026, free for co-op members! Be sure to watch your Powerlines for details.

Our SmartHub app is now used by 13,500 members to pay and view bills, track electricity use, manage accounts, and view and report outages. The app gets about 6,000 visits each month. Additionally, 12,700 members are enrolled in our convenient auto pay program.

Communication: Keeping you informed

Education and information are key cooperative principles. Thank you for reading our Powerlines newsletter! Available as a bill insert and via email, it keeps you informed about the latest co-op news, events, rebates and tips to save energy and money. If you'd like to join more than 3,000 subscribers by signing up for our monthly email newsletter, give us a call. We'd be happy to help!

Members also find important notices on your billing statements and SmartHub app. Our website provides 24/7 self-service on your desktop and mobile devices. We see an average of 7,500 web visits every month, with more than 40,000 clicks, video views, form completions and other web interactions. Our Facebook page gets about 50,000 views per month, and you'll find 132 videos on our YouTube channel. We appreciate all of you who connect with us online.

For those of you who prefer visiting in person, I'd like to invite you all to our 88th Annual Meeting and Member Appreciation Day June 5. This is a wonderful opportunity to connect with co-op directors and employees.

Community involvement: Supporting our hometowns

Beyond powering your homes and businesses, we actively contribute to our community. In 2025, we awarded \$69,300 to 68 local nonprofits through Operation Round Up and our scholarship program awarded \$1,500 to 101 students. In addition, co-op employees volunteered more than 600 hours—from splitting firewood and cleaning the highway to hosting blood drives, stocking food shelves and lighting hometown Christmas celebrations! We look forward to more impactful community involvement in 2026.

Investing in our future

Co-op employees inspire and connect with youth during school tours, safety demos, career days and job shadows.



Our team: Dedicated and equipped

Our 49 full-time electric employees, along with 10 in Propane Services, are our greatest assets. Through monthly strategy updates, safety training and professional development, we ensure our team is equipped to deliver reliable power and exceptional service. The co-op is truly blessed with talented and dedicated people who are here to serve you.

As your general manager, I pledge to uphold our mission by:

- Working cooperatively with co-op partners to share mutual aid, ideas, collective buying and technology.
- Being involved in the community.
- Using data to make business decisions.
- Focusing on safety, reliability and member satisfaction.

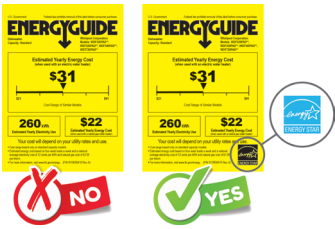
Thank you for your continued support and trust. We look forward to serving you in the year ahead.

Save energy and money in 2026 with co-op rebates



Polk-Burnett's EnergySense program offers rebates and incentives to help members improve energy efficiency and comfort in your homes, while lowering electric bills.

- Appliance and Lighting Rebates
- HVAC, Air Source and Geothermal Heat Pump Rebates
- Commercial and Ag Efficiency Rebates
- Solar Rebate
- EV Charger Rebate
- Marathon Water Heater Special Member Price
- Rebate on Home Performance Test and Recommended Home Improvement Upgrades



Be sure to look for the Energy Star label on the Energy Guide for appliance rebates. Visit polkburnett.com or call 800-421-0283, ext. 318, for rebate forms and details.



Accepting applications for 2026 co-op board election

Polk-Burnett holds elections each spring for the co-op board of directors. This year, board positions in co-op districts 1, 2 and 3 will be on the ballot. Members in those districts have an opportunity to get involved in co-op decision making by running for a seat on the co-op board. Directors serve three-year terms and represent all co-op members at monthly meetings. If you are interested in running for a board position in district 1, 2 or 3, contact the general manager's office, 800-421-0283, ext. 313. The deadline to apply is March 6. *Learn more about Polk-Burnett's board of directors and see map of co-op districts on polkburnett.com.*



Keep your propane tank clear of ice and snow

As a courtesy to your propane driver, please maintain a path to your propane tank and keep your tank clear of snow and ice to allow propane to vaporize properly. Check your tank percentage from time to time this winter, even if you're on auto fill, and contact us if your tank is at 30% or less. Call Polk-Burnett Propane if we can help with propane deliveries to your home or business, 800-421-0283, ext. 378 or 411.

2026 Annual Meeting and Member Appreciation Day

Mark your calendars for Polk-Burnett Electric Cooperative's 88th Annual Meeting and Member Appreciation Day. Join us Friday, June 5, 2026, in Centuria for food, giveaways and information about co-op programs and performance.

Be prepared for winter storms and power outages

Co-op crews work to strengthen the grid and prevent power outages, but winter storms are always a threat. Ice, snow and wind can damage power lines and cause outages. If your lights go out this winter:



- Check circuit breakers, fuses and the neighbors.
- Report outages on SmartHub or 800-421-0283.
- Keep away from fallen power lines, and trees and branches near lines. Report hazards.
- Check outage map on polkburnett.com. Major outage updates are posted on Facebook.
- If we have your cell number, we'll send you a text alert when you have an outage at your location. Keep your cell number up to date on your account through SmartHub or our billing office. Thank you.

Our goal is to restore power safely and quickly, while keeping you informed.

May your new year be warm and bright!

2026 energy efficiency checklist

Make a resolution to be more energy efficient this new year. Each month, take a step and you'll save energy and money all year long!

JANUARY	Turn off the lights when you leave the room.
FEBRUARY	Use cold water when washing clothes.
MARCH	Turn off the water when brushing your teeth.
APRIL	Clean and replace furnace filters regularly.
MAY	Only open the refrigerator door for a short amount of time.
JUNE	Run dishwasher and clothes washer only when fully loaded. Air dry dishes.
JULY	Close curtains and blinds during the day to block heat from the sun.
AUGUST	Keep windows and doors closed while AC is running.
SEPTEMBER	Dry clothes outside on the line when weather permits.
OCTOBER	Power down computers and electronics when not in use.
NOVEMBER	Look for Energy Star label when buying appliances, take advantage of co-op rebates (see above).
DECEMBER	Decorate your home for the holidays with energy-saving LEDs.

IF YOU RECEIVE AN EMAIL SURVEY, WE APPRECIATE YOUR FEEDBACK TO HELP US IMPROVE.
All members who submit a survey will be entered in a drawing for a \$50 bill credit.
Polk-Burnett is your local Touchstone Energy Cooperative. Reliable power with efficiency and extraordinary service.
Follow us on Facebook. Sign up for our SmartHub app.
800-421-0283 • polkburnett.com
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