



**Capital
Electric**
COOPERATIVE

JANUARY 2026

Capital Electric Cooperative's directors and employees wish you all a happy and healthy 2026!



• H A P P Y • N E W • Y E A R •

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Rows of freshly planted trees, set against a bright blue summer sky, add beauty to the North Dakota landscape.

Tree Care Award recognizes preservation efforts

BY WES ENGBRECHT

Pride, dedication and old-fashioned hard work go into every inch of the North Dakota countryside. North Dakotans appreciate these qualities, as many have a connection to rural life.

It takes time and attention to plant and care for the trees we need as a living snow fence for livestock protection, farmland shelterbelts and wildlife habitats. In addition, trees add beauty and diversity to a sometimes dry and windswept countryside.

As part of Capital Electric Cooperative's support of our rural members, we have sponsored the Burleigh County Soil Conservation District's (BCSCD) Tree Care Award for many years. The award is presented at the annual BCSCD mixer each November. This year's award recipients are Jerry and Benita Schmidt of Driscoll.

The BCSCD Tree Care Award recognizes producers in Burleigh County who have gone above and beyond to take care of trees planted by the district. Caring for trees takes hard work. Mowing between the rows, weeding and



Jerry and Benita Schmidt are presented with the 2025 Tree Care Award from Burleigh County Soil Conservation District's **Chad Thorson**, right.

replacing missing trees is not everyone's top priority, but they should be rewarded for the extra effort.

"The Schmidts have invested time in multiple tree plantings over the years, as they expanded the yard and cattle holding area. The shelterbelts help to protect livestock and the farmstead from harsh North Dakota winds and snow. Their newest planting is located along Interstate 94 and can be seen by passing vehicles heading east of Bismarck. The planting is only a few years old, but the timely rains provided by Mother Nature and extra care provided by the Schmidts have resulted in the trees growing very well," according to the BCSCD Windbreak Conservationist Chad Thorson.

Planting trees can help control wind and snow as well as improve a property's aesthetics. The BCSCD gets calls from time to time commenting about a certain tree planting or inquiring which tree variety has pretty flower blooms in the spring or bright leaf colors in the fall.

"The easier and some might say the fun part of planting a new shelterbelt is the planning stage. It is not as easy after the planting is installed, as it must be maintained. We spend a good amount of time in Burleigh County rural areas throughout the year, and when we see tree plantings that are usually less than 20 years old that are successful, it shows the landowner has put in the extra effort to make that happen. We formed a list, and with the help of our board of supervisors and fellow employees, we voted to decide who to recognize with the 2025

award. We will also consider suggestions if someone would like to nominate a neighbor for a nice shelterbelt," Thorson says.

Jerry and Benita expressed their appreciation for the award and Capital Electric's involvement in the process. Benita also noted how rewarding it was to work with the BCSCD to plant trees that will be there for generations.

"Chad was so great to work with. You can see he loves his job. Chad and the staff were involved with the planning, layout and planting. It was a huge effort on their part, and we are so appreciative. We couldn't do it without them," she says.

"We needed to replace many of the original trees with new trees. Over the past few years, we have had thousands of trees planted. In 2021-22, we added 912 trees, which included Rocky Mountain juniper, eastern red cedar, Scotch pine, caraganas and common lilac. In 2012, they planted 3,690 feet of trees, so that added up to a very large number as well," Benita says. "Even though we may not be around to see all these trees grow to maturity, we are pleased to know they will be appreciated by future generations."

Capital Electric is proud to represent our rural members by sponsoring the annual Tree Care Award. Thank you all for what you do, making our state a beautiful place to live! ☺



Mature pine trees add a thick shelterbelt, providing snow protection and a home for wildlife.



Kent Kensmoe
IT manager
15 years



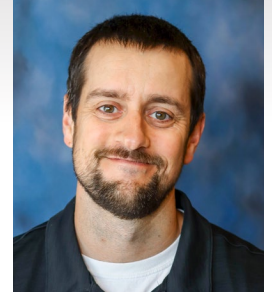
Lance Diebold
System supervisor
15 years



Corey Bruner
Staking engineer
10 years



Mike Abel
IT specialist
5 years



John Mittleider
System engineer
5 years

Co-op employees recognized for years of service

Capital Electric Cooperative employees are appreciated for their hard work every day. The reliability of our system depends on that hard work. Reaching a milestone calls for recognition by

the board of directors, management and our co-op members. In 2025, five employees reached levels of recognition. They represent various departments, and each provides a vital service. ⚡

Beat the peak

Did you know electricity costs more during peak hours of usage? In fact, Capital Electric Cooperative (CEC) is billed each month by our wholesale power provider, based on the collective peak of our entire membership.

That's why we invite members to use less electricity during peak demand hours. When members reduce their on-peak consumption, we pass the savings on to them. Peaks often occur in the morning when people wake up and again in the evening as temperatures drop and people return home.

Typically, CEC's winter peaks occur between 7 and 9 (both a.m. and p.m.) while summer peaks occur between 4-8 p.m. If you can lower your use of electricity during peak hours, you can help keep your on-peak demand charge low. Occasionally, peaks do fall outside the times mentioned above. When in doubt the best way to know if a peak is forecasted is to visit CEC's Facebook page.

there are additional ways to help reduce your own on-peak demand. ⚡

HELP BEAT THE PEAK!

Demand response programs help you manage your energy use by voluntarily reducing power consumption during peak hours to help stabilize the power grid.

To reduce usage during peak hours:

- Do laundry during the day or later at night.
- Avoid using the dishwasher or other major appliances during these hours.
- Turn down the thermostat by 2 to 5 degrees.
- Consider switching to CEC's Coincident Peak Rate to ramp up your savings!

Contact Capital Electric Cooperative to find out if



A tree decorated with and for 'Pride'



For 18 years, Capital Electric Cooperative has supported the Pride Inc. Celebration of Trees. This fundraiser is a unique annual event in which businesses decorate a tree provided by Pride Inc. and deliver it to the Bismarck Event Center for viewing during the Pride of Dakota Holiday Showcase and Breakfast with Santa.

The decorated trees are judged by attendees, and the winner receives the satisfaction of having decorated the most appreciated tree in the show. Following these events, the trees are donated to area families who would love the opportunity to have a tree in their home during the holiday season.

Capital Electric employees have enjoyed this group activity and are absolutely hooked on the idea of creating a special holiday for a deserving family.

Since opening its doors in 1976, Pride Inc.'s passion to provide quality services for adults and children with disabilities has helped thousands experience life to its fullest.

In 2001, Pride Inc. started the Celebration of Trees event to give back to the community. All proceeds from the sponsorship of the Celebration of Trees are kept in the community and used to help meet the needs of the individual receiving services. ☺

*With this year's Celebration of Trees entry are Capital Electric Cooperative employees **Chelsey Bryant, Lana Jones and Jenny Zastawniak.***

Capital Electric Cooperative offers student scholarship

Capital Electric Cooperative is offering a \$1,000 student scholarship in partnership with Basin Electric Power Cooperative.

To qualify for the scholarship, students must be enrolled or 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. Their parent(s) or guardian(s) must be members of Capital Electric.

Our cooperative will assemble a panel of impartial judges to review all applications. The judges will select the winning application based on academic performance, potential to succeed, leadership and participation in school and community activities, honors, a statement of education and career goals, work experience and an outside referral. The scholarship will be awarded without regard to other awards, loans or financial assistance the applicant may have obtained.

Application forms may be downloaded at capitalelec.com or picked up at co-op headquarters at 7401 Yukon Drive in Bismarck. **Applications need to be completed and returned to Capital Electric on or before Monday, Feb. 16.** ☺

SAFETY SNOWBALLS

When the weather turns cold, the snow piles high and we snuggle inside, Capital Electric Cooperative wants you to remain safe this winter! Practicing these winter safety tips will have a snowball effect on your safety throughout the entire winter!

Be aware of where electrical equipment is located. Avoid plowing into pad-mounted transformers, cabinets, poles and guy wires while moving snow. Mark electrical equipment near driveways and sidewalks with flags or posts to avoid hitting the equipment with a plow when the snow gets deep.

Pile cleared snow a good distance away from power lines to avoid contact with a power line.

While snowmobiling in a roadside ditch, remember power lines and poles are located along those same roadside ditches. Often, poles are reinforced with guy wires which extend some distance from the poles. They may not be easy to see from a speeding snowmobile, especially on a dark, winter night or when they are buried under snow. Always ride at a speed at which you can stop quickly. Ease up on the throttle, especially when near any objects. Know your riding area, too.

Have a working smoke alarm and test its batteries regularly.

Always follow the manufacturer's recommendations on how to use your electric generator. Most important is the transfer switch that disconnects the farm or home from the power line and connects it to the generator. It must be a double-throw transfer switch, which prevents the generator from feeding electricity back onto the power line. This protects the lineworkers who may be working to restore your service.

Use your space heater safely. Read and follow the manufacturer's operating instructions, never leave a space heater unattended and keep the heater at least 3 feet from flammable items.

As you move snow, hay or equipment, keep watching for those overhead power lines. Look up, look around and always remain at least 10 feet away from any power line.

ENTER YOUR YOUTH TOUR ERA



#GETTYSBURG



WASHINGTON MONUMENT



JUNE 14-20 2026

1,800 students.
7 days.
1 unforgettable trip.

Join us on the adventure of a lifetime. On the Electric Cooperative Youth Tour, you'll do it all. You'll explore monuments and museums, meet with members of Congress and get an up-close look at where our country's laws are crafted. You'll stand on the Gettysburg Battlefield, walk the halls of George Washington's iconic 18th-century mansion and witness ceremonies honoring the men and women who fought in uniform for this great nation. For one jam-packed week, you'll be immersed in the cooperative spirit that built and sustains our great nation. And **all expenses are paid** by your local electric cooperative! *Yeah, Youth Tour hits different.*

Learn more at ndyouthtour.com.

To enter the essay-writing contest:

- You must be a sophomore or junior in high school.
- You and your parents or guardian must be served by Capital Electric Cooperative.

Essay question:

As member-owned organizations, electric cooperatives are always seeking new ways to engage their members. What are some ways electric cooperatives can better communicate and connect, especially with students and young adults?

The application deadline is Jan. 16, 2026.

Questions? Please contact Wes Engbrecht, Capital Electric Cooperative, at 701-223-1513 during regular business hours.

Email entries to Wes Engbrecht at wese@capitalelec.com or mail a hard copy to: Youth Tour Essay Contest, 7401 Yukon Drive, Bismarck, ND, 58503.



The regular meeting of the board of directors of Capital Electric Cooperative was held on Monday, Nov. 24, 2025. The meeting was held in person at Central Power Electric Cooperative Bismarck outpost, 8580 43rd Ave. NE, Bismarck. All directors were present at that time.

Also present were: Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Jeff Holzer, Engineering Services Manager Greg Owen, Energy Services Manager Josh Schaffner, Manager of Communications and PR Wes Engbrecht, Manager of IT Kent Kensmoe, and Attorney Zachary Pelham of Pearce Durick PLLC, who acted as recording secretary.

Financial review: Prior to the board meeting, Directors Dwight Wrangham and Whitford Dwyer reviewed the October 2025 check register and expenditures. They advised all checks and expenditures were in order. The financial review was approved as presented.

Management Reports (Business Department, Operations Department, Engineering Services, Energy Services and Communications/IT):

Business Department Report: Steen presented the October 2025 financial and statistical report to the board.

Revenue was behind budget for October, as \$3,560,682 was generated in comparison with the budgeted figure of \$3,591,685 (unfavorable variance of \$31,003 or 0.9%).

Capital Electric's October power costs were under budget for October by 2.4%.

The operating margin for October was \$274,633, ahead of the budgeted amount of \$154,380. The total margin for October was \$283,870, which was ahead of the budgeted \$159,380.

Capital Electric began billing 55 new services in October, bringing active services to 23,105 versus 22,886 at this time last year, or a net increase of 219 accounts over the last 12 months.

The cash flow statement was reviewed.

Estate Retirements: Following review of the financial condition of the cooperative and recommendation by management, payment of \$12,575.58 was authorized to seven member estates.

Retirement Plan Resolutions: Steen reviewed amendments for both the RS and 401(k) plans. Following discussion, four amendment resolutions were approved as presented.

Operations Report: Holzer reviewed the written report from the operations department. Holzer reported on the completion of the East

Century road construction project, retirement of the temporary overhead line north of the new truck stop in Sterling and conversion of overhead line to underground for a new home near University of Mary.

Safety Report: There were no lost-time accidents since the last board meeting. Capital Electric's system supervisor attended the fall safety coordinators meeting at the North Dakota Association of Rural Electric Cooperatives (NDAREC) held on Nov. 10. The safety report was reviewed.

Engineering Services Report: Owen reviewed the written report from engineering services. Thirty-nine work orders were completed in October. Owen reported on ongoing and upcoming projects, including overhead to underground conversion work in Imperial Valley subdivision and an update on grant projects.

Utility Relocation Agreement: Owen reported on the city of Bismarck's right of way utility relocation agreement for Ottawa Street reconstruction. The utility relocation agreement was approved as presented.

Township Franchise Agreements: The Cromwell Township franchise agreement was approved as presented.

Energy Services: Schaffner reviewed the energy services report. Schaffner reported on working with members to address questions and assist with limiting impacts of rate increases, reviewing distributed generation project applications for member solar projects, and an increase in member quotes and orders for geothermal heating.

Battery Energy Storage System (BESS): Schaffner reviewed a quote for a 900-kilowatt BESS for a potential project utilizing Basin Electric Power Cooperative's current program. Approval was given to submit an application to Basin Electric to initiate discussion regarding a 900-kW battery energy storage system.

Communications: Engbrecht reviewed the communications and public relations report. Engbrecht reported on cooperative employees reaching five, 10 and 15 years of service, the annual Youth Tour, and community outreach opportunities.

IT Report: Kensmoe reviewed the IT report. Kensmoe reported on BEK Connect telephone service costs and capabilities, upgrading three cooperative servers and installation of a web camera in the training room to improve remote meeting capabilities.

2026 Budget: Fitterer and Steen presented on the 2026 budget and the board discussed. Following discussion, the 2026 budget was approved as presented.

Rate Policies: Steen reviewed amendments for the following rate policies, rate schedules and agreements: Policy No. IV-01-01 Classification of Service, No. IV-01-03, Coincident Peak, IV-01-12 Electric Heat - Commercial "63, 64," IV-01-13 Electric Heat - Residential "43, 45," Policy IV-01-14 Electric Heat - Over 60 kW "59, 71," Policy No. IV-01-18, Yard & Area Lighting Rate, Policy No. IV-01-20 Load Controlled EV Charging, Policy IV-01-23.1 Load Control as a Service, Policy IV-01-25 Pasture Wells "51," Policy IV-01-31 Rural Residential "54, 56," Policy IV-01-34 Urban Residential "52, 53" Steen also reviewed rescinding Policy IV-01-29 Demand TOU "29." Following discussion, the amendments were approved as discussed.

Strategic Plan Update: Fitterer reviewed and updated board on plan.

Basin Electric: Fitterer reported on Basin Electric matters.

Central Power Electric Cooperative (CPEC): Dave Charles reviewed CPEC's November board meeting. CPEC General Manager Tom Melland presented to the board and provided a tour of CPEC's new Bismarck outpost facility. Richard Koski, Wilton Fire Department chief, attended and thanked the cooperatives for donating to replace equipment lost as a result of the June wildfire.

NDAREC: Deon Vilhauer reviewed NDAREC matters, including the November board meeting, proposed bylaw amendments to be considered at the next annual meeting and approval of the NDAREC annual budget. Fitterer explained the process for the annual election for Capital Electric's representative on the NDAREC board. Vilhauer was elected for a one-year term as Capital Electric's NDAREC board member. Sara Vollmer was elected for a one-year term as Capital Electric's NDAREC alternate board member.

National Rural Electric Cooperative

Association: Vilhauer reported on PowerXchange meeting scheduled for March.

Industry Update: Fitterer reviewed materials related to power markets and general cooperative news.

RESCO: Vilhauer reported on the RESCO board meeting. ☺

CAPITAL ELECTRIC COOPERATIVE

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Website: www.capitalelec.com

BOARD OF DIRECTORS:

Deon Vilhauer, Pres.	Bismarck
Sara Vollmer, V. Pres.	Wing
Kyle Tschosik, Sec.-Treas.	Bismarck
Greg Dehne, Asst. Sec.-Treas.	Bismarck
Dwight Wrangham.....	Lincoln
Bret Weiland.....	Bismarck
Dave Charles.....	Bismarck
Whitford Dwyer.....	Bismarck
Luke Ellenbaum.....	Bismarck

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A Touchstone Energy® Cooperative 