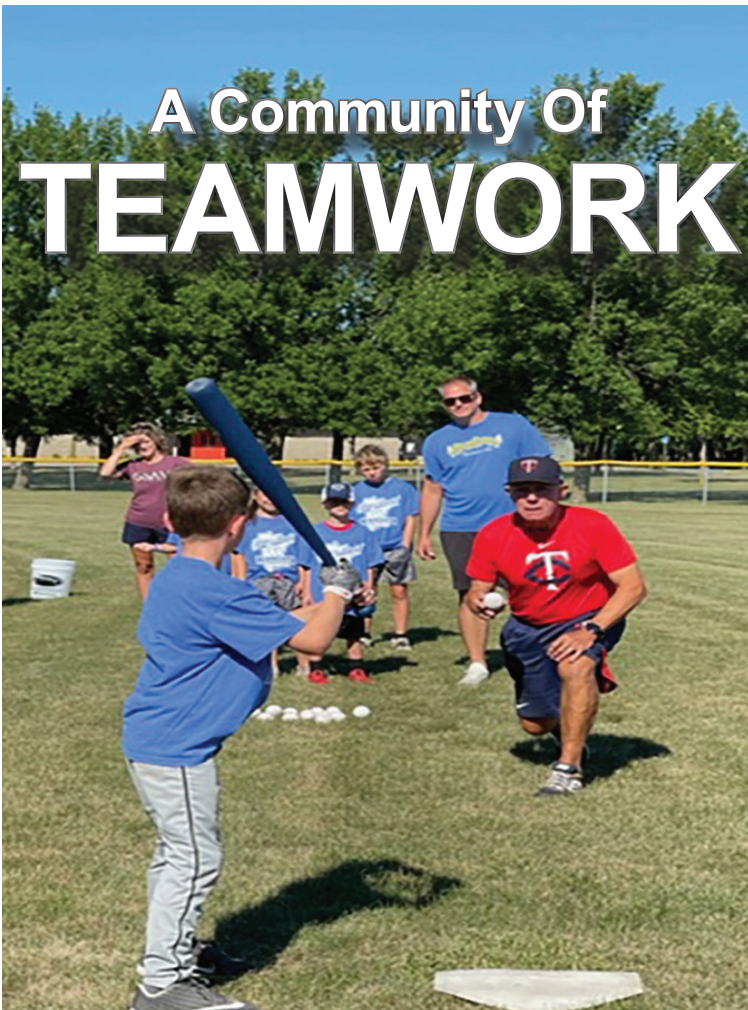



A Community Of **TEAMWORK**



2022 ANNUAL REPORT



**Nobles Cooperative
Electric**

® Your Touchstone Energy® Cooperative 



Teamwork is an essential part of Nobles Cooperative Electric (NCE) where employees come together to achieve a common goal. That goal is the same as our mission statement which reads, “committed to improving the quality of our members’ lives.” We work to ensure each member and community we serve is well-looked after, receiving first class service and the lowest cost possible. NCE’s rates are one of the lowest rates in the state. We rank 39 out of 43 Minnesota cooperatives, which means just four cooperatives have rates lower than ours.

Through teamwork, we reach the best outcomes and increase our efficiency and member satisfaction. Decades of experience working together help us respond to our members’ needs, exceed expectations, and give the type of service that we ourselves would want to receive. When it comes to working together, our team understands how crucial it is to keep things running smoothly for our members. From our member service representatives, who are happy to assist you with questions and are prepared and empowered to

lend a helping hand, to our linemen and those who support them, each are highly trained, knowledgeable and committed to respond safely to outages at a moment’s notice. This includes our accounting staff who work diligently to ensure every dollar of our members’ money is wisely spent because you are our owners. This due diligence is often attributed to capital credits where money goes directly back into our members’ pockets.

In the January Current Matters newsletter, the cooperative explained that we are experiencing the same cost increases that you are. These present potential challenges for all of us. However, your cooperative continues to hold costs down by operating as efficiently as possible. At the December 2022 Board Meeting, your board of directors approved the 2023 Budget without a rate increase. Yet as you

know, unforeseen circumstances can drastically affect our bottom line so we will continue to keep an eye on things. It is our hope that the economy will begin to stabilize so we can project future costs that will be more manageable for the cooperative and our members and ensure a more stable future for your energy rates.

One thing is certain, our team loves working for you each and every day.



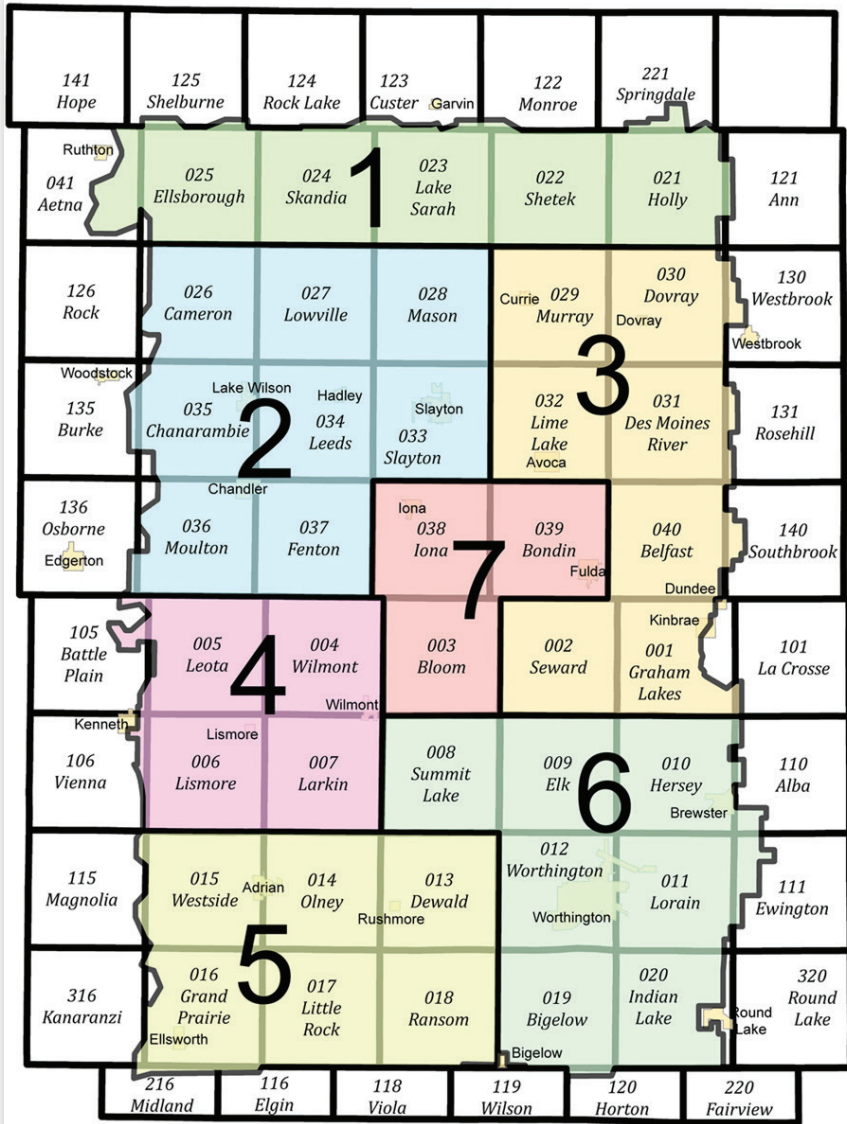
Ronald Schwartz
Board President

Adam Tromblay
CEO/General Manager

NCE Board of Directors is committed to serving you

Cooperatives are democratic organizations controlled by their members. Directors are elected from the membership and accountable to the members and service territory they serve. Each member has the opportunity to vote and have their voice be heard.

- Seven directors serve with staggered three-year terms.
- Directors must receive NCE's electric service and have their primary residence in the district they represent.
- Directors must meet the qualifications listed in the bylaws.
- Basic commitments:
 - Monthly board meetings
 - Committee assignments
 - Education seminars
 - Keeping the members' best interests at heart



Ronald Schwartz
District 1 - President



Lee York
District 2 - V. President



Cindy Hokeness
District 5 - Sec./Treas.



Jerry Beckering
District 4 - Director



Timothy Bickett
District 6 - Director



Gary Clarke
District 3 - Director



David Dorpinghaus
District 7 - Director

A Community Of TEAMWORK

**Your co-op by
the numbers**

219,243
kWh ENERGY SAVINGS

\$53,935
ENERGY EFFICIENCY RE-
BATES PAID TO MEMBERS

\$1,420,939
2022 CAPITAL CREDITS
RETURNED

197,181,809
2022 kWh SOLD

6,957
ACTIVE SERVICES

2,271
MILES OF LINE
- 1,262 miles of underground
- 1,009 miles of overhead

3.25
SERVICES PER MILE OF
LINE

17
SUBSTATIONS

3,368
FACEBOOK FOLLOWERS

24
EMPLOYEES

2022 Nominating Committee



Nominating committee members: (Front row) Stacy Barstad, Chuck Vasgaard and Benjamin Krohn. (Back row) Jess DeKam, Randy Buntjer, Lyle Kramer and Daniel Bierma.

2022 Annual Meeting Minutes

The annual meeting of the members of Nobles Cooperative Electric (NCE) was held via a conference call at 7 p.m. on April 5, 2022. This was pursuant to notice duly published 15 days prior to the holding of the meeting, as required by NCE's Articles of Incorporation and Bylaws.

Ronald Schwartau, president of the board of directors, welcomed the members.

The meeting was called to order by Chairman Schwartau, who presided. Director Timothy Bickett, acting as secretary in the absence of Secretary/Treasurer Cindy Hokeness, kept the minutes of the meeting.

The agenda and annual meeting notice were mailed to each member of the Cooperative. A motion was made, seconded, and carried to approve the agenda.

President Schwartau stated that the annual report had been provided to the membership prior to the annual meeting and constitutes the business and fiscal reports of the Cooperative.

The minutes of the last annual meeting of the members, as held April 6, 2021, were printed in the 2022 Annual Report. There being no corrections, additions, or deletions, a motion was made, seconded, and carried to approve the minutes as printed.

NCE's Bylaws state that a quorum is established when a question is submitted to a vote by mail and there are 50 or more mailed votes received on behalf of the Cooperative. Acting Secretary Bickett stated that before the April 6 Conference Call Annual Meeting, more than 50 mail-in ballots were received and a quorum was established as per Article II, Section 7 of the Bylaws.

Chairman Schwartau appointed Attorney Chad Felstul as parliamentarian for the meeting.

Chad Felstul, attorney for the Cooperative, stated that the Notice of Annual Meeting was published in the Murray County Wheel-Herald and the Southwestern Peach for one week starting on March 14, 2022, and the Worthington Daily Globe on March 16, 2022, for one week starting on March 16, 2022.

The Notice of Annual Meeting was also in the Annual Report mailed to members on March 7.

The balloting and voting procedures for the election of directors and nominating committee members were explained by Attorney Felstul. Ballots were mailed to 5,259 members on March 7 at their last known address as shown by the records of the Cooperative, proven by a Certificate of Mailing by Dairyland Power Cooperative. The ballots were sent to Pemberton Law, P.L.L.P. for counting.

District Five Director Cindy Hokeness and District One Nominating Committee Member Stacy Barstad ran unopposed and both were elected by acclamation.

Attorney Felstul announced the ballot totals, which were as follows:

District Two Director	Votes	District Two Nominating Committee	Votes
Gary Clarke	437	Charles Vasgaard	486
Bruce Barber	339	Grant Schlacht	275

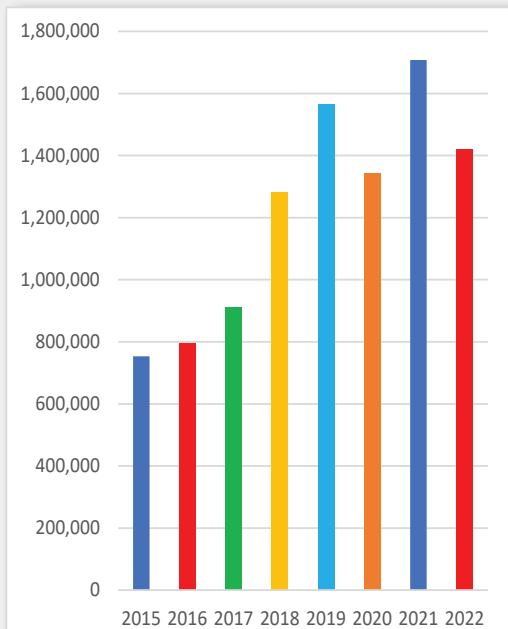
There were 797 total ballots counted with 9 spoiled ballots.

The minutes of the 2022 Election Ballot Count certified by Pemberton Law, P.L.L.P. are attached to these minutes.

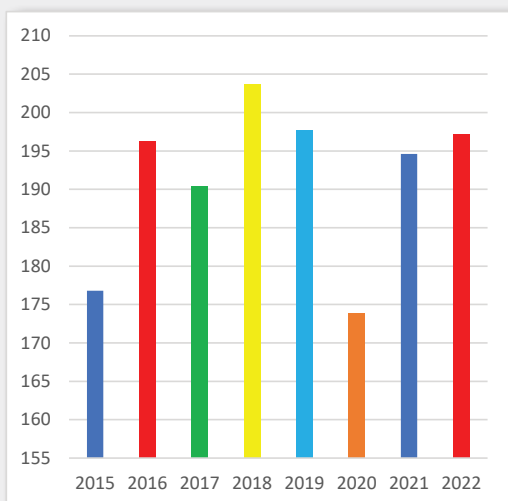
There being no further business to come before the meeting, President Schwartau thanked the members for their participation in the conference call and the meeting was adjourned.

Respectfully submitted,
Timothy Bickett, Acting Secretary

Capital credit retirement



Total kWh's sold



For every dollar paid to the cooperative, 59.5 cents is spent on wholesale power costs



Balance sheet

Utility plant	2021	2022
Lines, buildings and equipment	\$70,414,007	\$ 73,124,663
Less: provisions for depreciation	25,099,270	26,319,263
Net utility plant	\$45,314,737	\$ 46,805,400
Cash and investment accounts		
General funds	\$ 7,347,590	\$ 10,738,422
Investments	9,531,443	9,746,624
Accounts receivable	3,188,772	2,816,969
Materials and supplies	1,006,583	1,407,894
Prepayments	163,082	98,325
Deferred debits	336,177	204,449
Interest receivable	12,253	23,331
Total cash and investments	\$21,585,900	\$ 25,036,014
Total assets	\$66,900,637	\$ 71,841,414
Liabilities		
Accounts payable	\$ 2,903,857	\$ 3,520,631
Long-term debt	32,697,574	35,874,421
Deferred credits	273,529	143,340
Total liabilities	\$35,874,960	\$ 39,538,392
Equity		
Patronage capital - prior years	\$26,532,148	\$ 25,076,872
Capital reserve and other equity	4,493,529	7,226,150
Total equity	\$31,025,677	\$ 32,303,022
Total liabilities and owner equity	\$66,900,637	\$ 71,841,414

Statement of operations

	2021	2022
Operating revenues	\$21,544,708	\$23,375,426
Operating expenses		
Purchased power	\$13,520,211	\$13,901,877
Power production expense	29,411	33,506
Operations	872,775	991,105
Maintenance	1,003,678	1,207,932
Customer account expense	716,099	679,667
Administrative and general expense	1,276,097	1,207,677
Depreciation expense	2,020,153	2,074,353
Interest on long-term debt	805,565	875,674
Other income deductions	4,928	18,017
Total operating expenses	\$20,248,917	\$20,989,808
Net operating margins	\$ 1,295,791	\$ 2,385,618
Generation and transmission plus other cooperative capital credits	\$ 734,316	\$ 342,658
Net non-operating margins	\$ 109,891	\$ 38,136
Total patronage capital and margins	\$ 2,139,998	\$ 2,766,412

Manager's comments

The preliminary financial statements for the 12-month period ended December 31, 2022, and December 31, 2021 are presented here. The 2022 Audit is scheduled for the week of March 20, 2023, to be audited by CliftonLarsonAllen, LLP, in accordance with generally accepted auditing standards and government auditing standards issued by the U.S. Comptroller General. The above is a condensed presentation of the financial statements. The auditor's report will be on file at the cooperative's office. At the time of printing, the audit was not complete.

A Community Of TEAMWORK

Notice of annual meeting of members

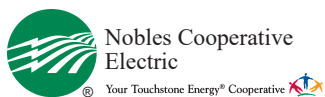
The annual meeting for Nobles Cooperative Electric members will be held via conference call on Tuesday, April 11, 2023, at 7 p.m. Members can call 888-886-7786 to join the meeting. Be sure to enter the Conference Call ID: 57626787. The business to be conducted at the annual meeting shall include, but is not limited, to the following:

1. Approval of 2022 Annual Meeting Minutes.
2. Business and Fiscal Reports which will be provided to the membership prior to the Annual Meeting.
3. Announcing the results of director and nominating committee elections.
4. All other business which may come before the meeting, or any adjournment, or adjournments thereof.

Voting will be done by mail ballot for director and nominating committee elections. Please watch the mail for your ballot package.

Cindy M. Hokeness, Secretary
Dated: February 16, 2023

Sample Official Ballot



OFFICIAL BALLOT

Annual Meeting
April 11, 2023 • 7 p.m.
Three-year terms
(Nominated by committee)

Instructions for Voter

1. If you are a business/entity, we must have a resolution designating your authorized voter on file at the office or attached to your ballot.
2. The ballot must be received on or before April 11, 2023. All members must send back the properly executed ballot in the enclosed envelope. Nobles Cooperative Electric (NCE) will not be accepting or counting any ballots that are mailed directly to NCE or dropped off at any NCE buildings or drop boxes.

Nobles Cooperative Electric Annual Meeting April 11, 2023 • 7 p.m. Ballot

Director Candidates - District 4 (Vote for one by placing an "X" in the box)

- ☐ 1. Jerry Beckering*
- ☐ 2. Justin Feikema
- ☐ 3. Ronald Honken

Nominating Committee Candidates - District 5 (Vote for one by placing an "X" in the box)

- ☐ 1. Gregory Kruger
- ☐ 2. Chad Schultz

Nominating Committee Candidates - District 7 (Vote for one by placing an "X" in the box)

- ☐ 1. Matthew Funk
- ☐ 2. Terry Nelson

* Incumbent
Instructions on reverse side

**Get to know
your director
candidates
from District 4
even more on
Nobles
Cooperative
Electric's
YouTube
Channel.**

Annual Meeting Agenda

Via Conference Call
April 11, 2023
7 p.m.

- Welcome
- Call to Order
- Approval of Agenda
- Approval of April 5, 2022, Annual Meeting Minutes
- Establishment of a Quorum
- Proof of Publication of Notice of Meeting
- Explanation of Balloting
- Results of Election
- Adjournment of Meeting

NCE Board Candidates District Four



Jerry Beckering *(incumbent)*

Tell us a little bit about yourself:

I reside in Leota Township with my wife, Linda. We are parents of three married children and twelve grandchildren. I have served on the NCE Board of Directors since 2017 and am running for my third term as a nominee for District Four. I have fulfilled the requirements of the National Rural Electric Cooperative Association's (NRECA) education program to be a Credentialed Cooperative Director and am currently working on completing the NRECA Board Leadership Program.

Employment and business experience:

Prior to becoming a director, I owned and operated a trucking business hauling gravel and other materials to townships, farmers and contractors. I was also actively involved in owning and operating a crop farm.

Community involvement/service/leadership positions:

I have served on my local elementary and high school boards, the Leota community board as past chairman, and as past president of the Southwest MN High School Foundation. I am an active member of the Leota Christian Reformed Church where I have held various positions on the church council including being president of the board.

What are the primary issues facing the electric industry and NCE:

As we all can see by the changing landscape with its many windmills and solar panels, the electric industry is changing rapidly, replacing fossil fuel with renewable energy. Our government has strongly urged and mandated a lot of these changes, making it essential for our cooperative to keep pace with these new energy sources. As directors we must be aware and ready to implement new infrastructure, rates, and policies that will make sure our cooperative stays strong and viable.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

Having served on the board of directors for the past six years, I would like to continue to be an advocate for the members of Nobles Cooperative Electric, working as a representative at the local, state, and federal level with the goal of keeping our cooperative strong.



Justin Feikema

Tell us a little bit about yourself:

I was born and raised in the Leota area. I served for five honorable years in the United States Marine Corps. My wife and I have four children and are very involved with their activities. We are active in our church and in our limited free time we enjoy boating and going to Husker football games.

Occupation and responsibilities:

Water operator for Rock County Rural Water. I am responsible for operation, distribution and maintenance of a rural water system that serves over 750 customers and 3 communities.

Community involvement/service:

I am active in my church where I teach 11th and 12th grades. I am also out dealing with customer needs in my job.

Leadership positions:

I served five years as a non commissioned officer and two years on my local school board.

What are the primary issues facing the electric industry and Nobles Cooperative Electric:

I think aging infrastructure and need for more reliable power are two issues that should be addressed. As technology advances and demand grows I feel NCE should not only be keeping up but leading the way. I worked on wind turbines for five years and I understand what going green means and what it doesn't mean.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

I feel I can bring a fresh perspective to the board. I have a deep understanding of the labor side of a utility as well as the budgetary side. I think the board could use just a normal everyday person who has a family, a budget and common sense.



Ronald Honken

Tell us a little bit about yourself:

My wife, Cathy, and I were both born in Luverne, Minnesota, and graduated from Luverne High School. We have been married 30 years. My career has taken me to Nebraska, Indiana, Tennessee, and has now allowed me to return to Minnesota.

We have two sons, the oldest a graduate of Middle Tennessee State University and a captain in the U.S. Army, the other a member of the Tennessee Army National Guard and a freight broker.

Cont. NCE Board Candidate District Four

Honken cont. on page 7

Occupation and responsibilities:

My early career was working for my father in the construction industry. This led to my calling to the insurance industry, where I began with Tri-State Insurance Company of Minnesota in Luverne. I have spent the bulk of my career in executive leadership positions in the risk management business.

Community involvement/service:

I have been involved in local government or community organizations including housing and economic development authorities, church governing boards, alderman for the town of Farragut, TN (city council), Farragut Municipal Planning Commission, Farragut Beer Board, Knoxville (TN) Area Chamber of Commerce (and Executive Board), Knox County Charter School Review Committee, Youth Villages mentor, and Westfield (IN) Youth Assistance Program member. I am currently a supervisor for Leota Township, and an executive board member of the Luverne Area Community Foundation. I also serve as a Southwest Minnesota CEO program mentor.

What are the primary issues facing the electric industry and Nobles Cooperative Electric:

Primary issues are making sure infrastructure is maintained, updated, and compliant with government regulations, and ensuring the co-op continues to evolve to meet changing needs of members. Cyber and physical security are primary issues, too.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

I have always had a desire to give back to and elevate my local community, and I enjoy the opportunity to learn as well. I believe that my combined past experiences would benefit the group and allow me to get up to speed and contribute in an expedited manner.

NCE Board Candidates District Six



Timothy Bickett *(elected by acclamation)*

Tell us a little about yourself:

I run my own business helping cattle producers manage weather and market risks. My wife Stacy and I have 3 children: Kendrick, Emmett and Karissa. I have always been part of a rural community, even my time spent internationally.

Occupation and responsibilities:

I consult with Midwest cattle producers on their building and marketing needs.

Community involvement/service:

I volunteer locally in my church and through 4-H. My wife Stacy and I lead an annual community-wide youth mission trip. Recently named 2022 Friend of Nobles County 4-H.

Leadership positions:

Currently serve on Nobles Cooperative Board of Directors.

What are the primary issues facing the electric industry and Nobles Cooperative Electric:

Increasing federal regulation on generation and transmission of electricity. In our local cooperative - keeping pace with maintenance of our system in the face of material shortages and increased costs of these materials, all while keeping rates affordable to our members.

Why I want to serve on the Nobles Cooperative Electric Board of Directors:

I understand and appreciate the cooperative model that has allowed for an improved way of life for so many rural Americans, my family included. I want to continue to learn and grow in my role as a director to ensure the long term viability of the cooperative system as a whole and specifically Nobles Cooperative Electric.

Nominating Committee Candidates District Three



Lyle Kramer *(elected by acclamation)*

Tell us a little about yourself:

We have lived at our residence for the past nine years. I work full time at Bedford Industries, farm, and am a Minnesota State High School League volleyball and basketball official. I am also an EMT for the City of Fulda for the past 30 years.

Occupation and responsibilities:

At Bedford Industries, I am the warehouse manager/supervisor. I supervise 15 employees over all three shifts.

Community involvement/service:

EMT for 30 years. Been involved in community plays and church concerts.

Leadership positions:

Supervisor at Bedford. EMT squad leader.

Nominating Committee Candidate District Five



Gregory Kruger

Tell us a little about yourself:

My wife Peggy and I live in Ellsworth. Have three adult children, Joe (age 37; Magnolia MN; teacher, athletic director, and baseball coach at Adrian), Sarah (age 35; RN visiting nurse for Sanford Clinic, Sioux Falls) and Glen (age 32; probation officer for the State of Iowa and Lyon County IA; Rock Rapids is his home).

Graduated from Little Rock in 1975 and Worthington Community College 1977. My wife, Peggy, taught 34 years in Adrian.

Occupation and responsibilities:

Self-employed painter for 42 years. Responsibilities are running the painting business.

Community involvement/service:

Volunteer summer baseball coach in Adrian since 1994. Coached all ages: 10 & under up to Legion Post 32. Also coached youth basketball and most recently, winter baseball.

Leadership positions:

Member of Immanuel Lutheran Church, Rock Rapids IA, since 1984. I have been a deacon, elder and trustee for 21 years.



Chad Schultz

Tell us a little about yourself:

I was born and raised on a farm south of Rushmore MN. On this family farm we had a dairy operation and crop farming. I graduated from Ellsworth Public School in 1991. After graduation I moved to Ellsworth MN and worked for a local plumbing company. After a few years I then started working for a local contractor doing construction.

Occupation and responsibilities:

For the past 20 years I have been working independently as a licensed contractor in the State of Minnesota under Chad Schultz Construction. As an independent contractor, this involves meeting with clients, designing and creating plans for their remodels / additions.

Community involvement/service:

Elected city council member of Ellsworth, MN. Active member of Zion Presbyterian Church and also an elder of the congregation.

Leadership positions:

Ellsworth City Council Member – elected. Zion Presbyterian Church – elected elder.

Nominating Committee Candidate District Seven



Matthew Funk

Tell us a little about yourself:

My name is Matt Funk and I live in Fulda MN. I grew up southwest of Fulda 10 miles and went to Fulda schools. I graduated from South Dakota State University in 2018 with a degree in Agronomy. I have a small cattle herd at my family farm and also help my dad farm.

Occupation and responsibilities:

I am a Sales Agronomist for Asmus Farm Supply out of the Okabena location. I sell chemicals and liquid fertilizer to farmers.

Community involvement/service:

I just moved to Fulda in August so I am looking to get more involved in the community.

Leadership positions:

I was the club president of my 4-H club for two years and I also served on the executive board for Farmhouse Fraternity.



Terry Nelson

Tell us a little about yourself:

Happily divorced. Lived in Fulda for the last 10 years. Worked for Schmitz Grain as an Agronomist for 8.5 years. Have three children, five grandchildren. My oldest lives in Worthington. Enjoy summers at the lake and camping!

Occupation and responsibilities:

Sales for BigIron Online Auctions. Owner of Mattress by Appointment, Worthington.

Community involvement/service:

Relay for Life supporter for 10+ years. MC'd Clay, Dickinson, and helped Emmet County fundraisers.

Leadership positions:

Owner Operator of Woodys Axe Throwing. Manager at Schmitz Grain 8.5 years. Own my own DJ service, Luney Tunes DJ, for over 20 years.

Meeting our members' needs

Serving our members has been a priority for over 85 years, and no matter what our challenges and opportunities are, we always put our members first each and every day.

Notable 2022 accomplishments:

- System improvements made in the amount of \$3.2 million
- Distributed \$1.4 million in capital credits back to our members
- Since 2001, approximately \$462,000 has been distributed locally through Operation Round Up
- Held our third annual Grab-N-Go events in Murray and Nobles counties during harvest, with more participation than ever
- 18 percent of members participated in a member survey
- Awarded eight students with Operation Round Up scholarships
- Distributed CoBank Sharing Success grant of \$10,000 to Slayton Fire Department
- NCE now has 88 residential Briggs & Stratton generators sold
- Replaced the Worthington Substation, bringing more redundancy and capabilities to the region
- Purchased a Ford Lightning to continue "Every day is an EV day at NCE"
- Held a successful EV Ride and Drive event
- Increased school outreach with job shadowing and mentoring
- Hosted a Twins Playball! clinic with 173 participants
- Co-sponsored EV safety training to area first responders
- Started a new community involvement campaign called Follow the Food truck with very enthusiastic results
- USDA Rural Economic Development loan was awarded to the city of Currie for \$158,991
- NCE has 32 members with solar or wind projects on our system
- Members in 2022 experienced on average 2.34 outages, lasting no more than 91 minutes



Pay, analyze and save all at your fingertips

MyMeter—an online energy use and payment tool

With **MyMeter**, you have the ability to monitor and pay your electric bill all in one place. You can even report an outage! Master your energy use knowledge with these features offered by MyMeter:

- View detailed energy use
- Access data wherever you are
- Track and manage data
- Report an outage
- Pay your bill
- Submit a service request
- Set an energy saving goal
- Contact our office
- Set up recurring payments

Getting started is so easy. We are convinced you won't be sorry you signed up!

Create your MyMeter account

1. To register, go to www.noblesce.coop and select "Create an Account" on the right side of the slideshow. Be sure to have a copy of your electric bill available.
2. Enter your member (account) number, name, email address and choose a password.
3. Click on "Create Account" and you're ready to go.
4. You can even access your account with the MyMeter app, a free download at your app store.

Returning users log in to your account

Use your email address and your password to log in to your MyMeter account. Now you have complete control to view your usage in different ranges over a period of time with weather as a overlay, pay your bill and review past payments, set energy markers to note events or energy upgrades that may impact your energy usage and so much more.

Take control of your energy use with tools made just for you

MyMeter — your online account management tool

View/Pay Bill



A variety of options to make paying your bill more convenient

Usage Dashboard



Little changes can mean big savings

Outage Map



To view current outages, view our outage map

User Guide



Learn more about the Portal!

Notifications



Sign up for outage or billing notifications

Support



We are here to answer your questions and concerns



Nobles Cooperative
Electric

® Your Touchstone Energy® Cooperative 

22636 U.S. Hwy. 59 - P.O. Box 788
Worthington, MN 56187-0788

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A Community Of **TEAMWORK**

NCE's Annual Meeting April 11, 2023 — 7 p.m.

Conference call-style annual meeting with elections taking place by mail

Toll Free Dial-In Number: (888) 886-7786
Conference ID is needed: 57626787

Joining the annual meeting conference call on April 11 at 7 p.m.:

1. Prior to the conference call start time, dial in using the dial-in number provided.
2. Please wait for the conference call to begin.

If you would like to submit a question for the annual meeting conference call, please email us no later than 3 p.m. on April 11 at nce@noblesce.com.

Get to know your candidates even more on NCE's YouTube Channel.

Please watch the mail for your ballot package

District 4 is the only director position up for election at the 2023 Annual Meeting. After a diligent search, only one nominee for District 6 could be secured as a candidate. Because only one candidate was found for District 6, no vote is required for that district and the candidate will be elected by acclamation. You will be voting to elect a board director from District 4.

Districts 3, 5 and 7 are up for election for the nominating committee. Since only one candidate for the nominating committee for District 3 was secured, this candidate will be elected by acclamation. You will be voting to elect a nominating committee member for Districts 5 and 7.