

QUARTERLY CONNECTION



CRMU appreciates your business!

As a token of our appreciation, each quarter we will have small drawings for our customers. Please check the newsletter to see if you are a winner and THANK YOU for your business!

* Prizes can be picked up at the CRMU Office.

Quarterly Winners - Stop by to pick-up your gift!

- Marty McAlister
- Michelle Posada
- Ann Madsen
- Ruth McKenzie
- Cory Meyer



Call us to Avoid Disconnection!

If you're feeling overwhelmed by winter heating bills, call us at 712.999.2225 right away! We'll discuss a payment plan and advise of payment options and assistance eligibility. Don't wait for a disconnection notice to call! If services are disconnected, CRMU cannot guarantee same-day reconnection and fees will apply. Thank You!

CRMU Contact Corner

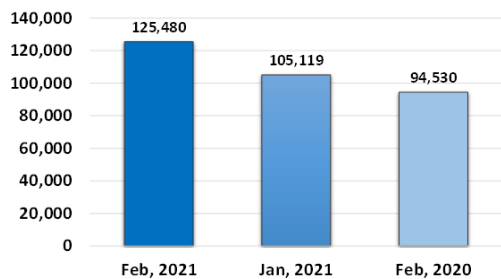


123 3rd Avenue South
 Coon Rapids, IA 50058
 Monday-Friday: 7 am - 4 pm
 Phone: 712.999.2225
 Emergency / Outage After Hours:
 877.999.4572
 E-mail: info@crmuet.net
 Ch. 3: office@crmuet.net
 On the Web: www.crmuet.net

February Cold Drives up Natural Gas Demand, Energy Usage and Commodity Prices

- CRMU to Help Customers with High Natural Gas Bills -

CRMU Natural Gas Usage by Month (hcf)



(including Raccoon Valley REC customers inside the corporate limits of Coon Rapids) experienced rolling blackouts to help keep the grid from collapsing.

In February, freezing temperatures and winter storms swept across the Midwest and down into Texas putting a severe strain on the energy sector. The extended cold weather drove up the demand for electricity and natural gas. At the same time, supply was constrained due to natural gas wellhead freeze-offs, pipeline freezes, wind turbine freezes and cold weather. This forced shutting down or limiting additional thermal generation - such as coal and nuclear.

The State of Texas was hit the hardest as power utilities down south were not "hardened" from a reliability standpoint to withstand sustained cold weather effects. As a result, many electric customers in Texas were without power as electric utilities were forced to "shed load" to help the Electric Reliability Council of Texas (ERCOT) - the grid operator in Texas - remain stable and functioning. This demand spike sent energy prices skyrocketing to ERCOT's market maximum of \$9,000/MWh, causing the oldest and largest power generation and transmission electric cooperative in Texas - Brazos Electric Power Cooperative - to file for bankruptcy on March 1st.

In the upper Midwest, the Southwest Power Pool (SPP - CRMU's electric grid operator), issued an Energy Emergency Alert 3 (EEA3) for their entire 14-state balancing authority area. Some electric customers in Iowa

demand and reduced supply scenario pushed energy prices to **unprecedented high levels.**

Electric Impact

On the electric side, even though commodity prices skyrocketed up to \$4,000/MWh in SPP, **CRMU does not anticipate passing on any electric commodity price increases to our customers** given the fact that we had generation in excess of our load. CRMU's electric load during this cold snap averaged about 3 MWs, while our online generation assets were producing about 11 MWs. Therefore, while CRMU was paying very high prices at our load node, we were also receiving high prices at our generating nodes. In fact, if SPP pays CRMU for all of our local generation at the Day Ahead and Real Time LMP rates - CRMU should realize a sizable margin; however, we won't know for sure until SPP finalizes the February billing statements.

Natural Gas Impact

Wholesale spot prices for natural gas went up to 100 times their normal level - from \$3/MMBtu to \$300/MMBtu and even spiking to \$950/MMBtu in some cases. During this period, utilities had little choice but to purchase natural gas at the inflated prices or even pay steeper penalties from the pipeline to ensure their customers could continue to heat their homes.

After experiencing a similar

commodity price spike event in 2017, CRMU modified our risk mitigation hedging strategy from a goal of purchasing roughly 50% forward gas to almost 100% forward gas prior to the winter heating season through a variety of hedging instruments - including pre-pay contracts, monthly index purchasing, futures contracts and storage service. This modified hedging strategy paid dividends this year as CRMU had pre-purchased roughly 97% of our total forward gas for a "normal" winter heating season.

However, due to sustained cold temperatures, natural gas usage in the month of February was above normal by almost 33% compared to last year (February), which required CRMU to purchase additional spot gas to fill the daily gaps. These spot gas purchases for the five days of Feb. 13th - 17th totaled only 861 MMBtu, but it cost roughly \$177,000.

At the February meeting, the CRMU Board of Trustees discussed the effects of this winter storm and the financial impact and hardship it will have on customers at a time when everyone is already struggling to get through the Covid-19 pandemic.

In an effort to reduce the financial burden for customers, the CRMU Board of Trustees decided to cover the additional cost of the 5-day natural gas spike (\$177,000) for all natural gas customers from natural gas reserves.

CRMU will compute monthly bills using the normal process and add a line item to the billing statement ("Gas Credit") showing the credit payment on a per unit basis from reserves.



Communication Utility Rate & Service Changes

Programming Costs Continue to Rise, but Internet Offerings Improve

Effective July 1, 2021, cable tv rates will increase \$12 per month. **From fiscal years 2015 to 2022, programming costs from cable tv networks have increased more than 141%** (see graph)! This has been seen across the industry and shows no sign of slowing down, as network giants continue to purchase more networks and require cable providers to carry most, if not all, of their channel offerings. Additionally, the once free off-air channels (channels 5, 8, 13, and 17) now charge significant retransmission fees to service providers. Yet, an individual can get these same off-air channels free with a strong enough antenna signal.

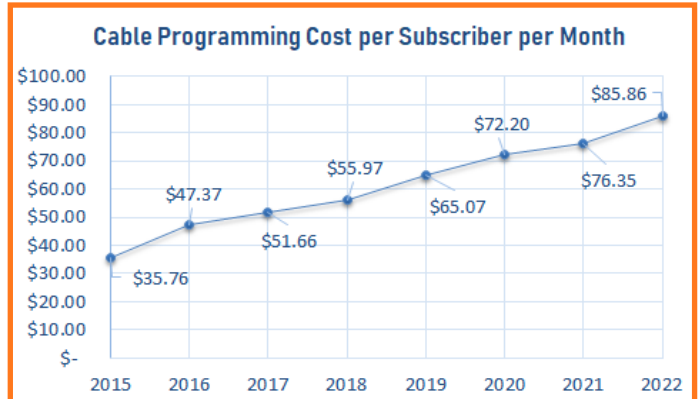
The CRMU Board of Trustees also made the following changes - all effective July 1, 2021:

As an offset to the rate increase, CRMU will be increasing the internet speed in the Family Choice Package from 50/50 Mbps to 100/100 Mbps.

Pay channel rates will also increase by \$1/month (for HBO, Cinemax, and HBO/Cinemax combo).

The "General Internet package" speed is being increased from 6/6 Mbps to 12/12 Mbps at no price adjustment. CRMU will contact businesses who will benefit from this increased speed.

CRMU has eliminated the General Internet discounts tied to having CRMU's local phone line and long distance service. All General



Internet rates will be reduced by \$50 regardless of what other services businesses have with CRMU.

The monthly fee for Managed Wi-Fi mesh units will decrease from \$4.95/month to \$3.95/month.

Finally, CRMU will be launching 2 new products—ProtectIQ and ExperienceIQ at \$4.95 each or \$7.45 as a bundle. CRMU will be providing more information on these 2 new products in the coming months.

Please feel free to contact us if you have questions or concerns!



Water Rate Increase

Effective with usage beginning July 1, 2021, the per unit cost component for water rates and the flat customer charge per month will increase. These adjustments will result in a total projected revenue increase of 17%. Based on an average customer who uses 39 units per month, the average monthly impact will be an increase of \$5.39 (or \$.18/day).

Specifically, the customer charge will increase by \$1.50/month for all customers and the per unit charge will change from \$.60/100 gallon to \$.70/100 gallon.

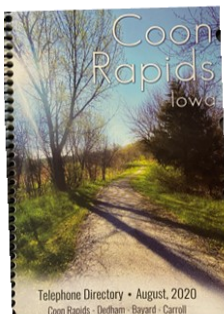
The "811" Before you Dig

**Planning a home improvement job?
Planting a tree? Installing a fence or deck? WAIT!
Here's what you need to know first:**

**Whether you're planning to do it yourself
or hire a professional, smart digging means
calling 811 before each job!**

Homeowners often make risky assumptions about whether or not they should get their utility lines marked, but every digging job requires a call—even small projects like planting trees and shrubs. The depth of utility lines varies and there may be multiple utility lines in a common area. Digging without calling can disrupt service to an entire neighborhood, harm you and those around and potentially result in fines and repair costs. Calling 811 before every digging job gets your underground utility lines marked for free and helps prevent undesired consequences.

Homeowners and nonprofessional excavators are required by law to notify Iowa One Call at least 48 hours prior to excavations. The Iowa One Call Center is open 24 hours a day 365 days per year.



CRMU Phone Book Updates!
Please contact CRMU with any changes by May 1st!

CRMU is in the process of reviewing and updating information for this year's directory which will be distributed this fall. If any

customer would like to modify their listing (i.e. change name, change address, bold, italic, etc.) or advertising information, please call our office at 999-2225, or email us your changes at: office@crmu.net.

Also, if there is any additional information or content material that customers would like to see included in the directory, please let us know.