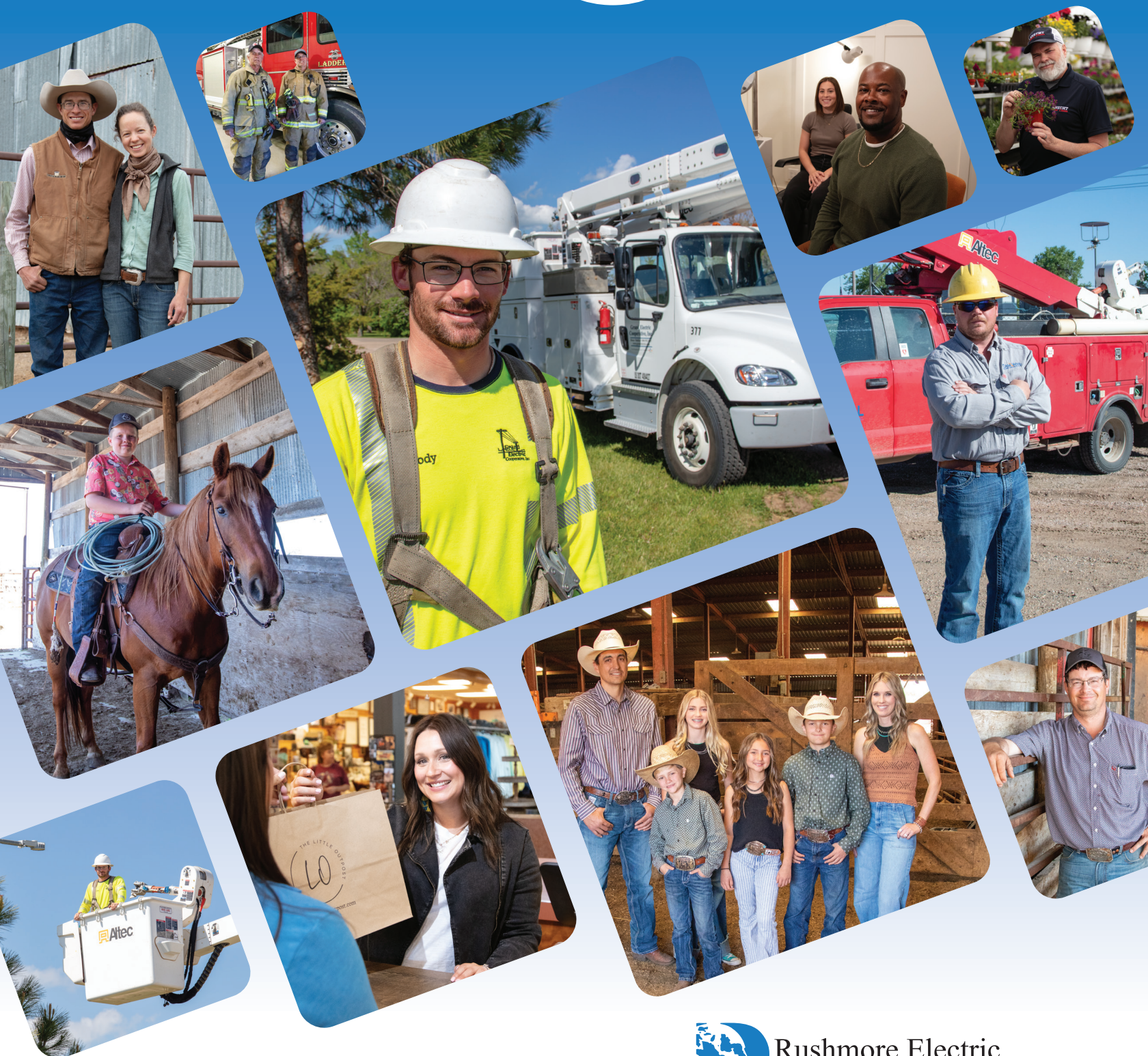


Rushmore Electric  
Power Cooperative

# 74<sup>th</sup> ANNUAL REPORT





**We're STILL all  
in this together!**





# **74<sup>th</sup> ANNUAL MEETING**

## **AGENDA**

8:00 a.m. – *Registration*

9:00 a.m. – *Call to Order*

### **Cooperative Business Meeting & Election of Directors**

9:00 a.m. to 10:00 a.m.

**Secretary's Report – Justin Brickner**

**Treasurer's Report – Dan Hefner**

**President's Report – Dwight Rossow**

**CEO/GM's Report – Kory Hammerbeck**

*Break*

### **Industry Reports**

10:15 a.m. to 12:00 p.m.

**Jim Horan, Executive Director – Mid-West Electric Consumers Association**

Topic: *General Update*

*Break*

**Todd Brickhouse, CEO – Basin Electric Power Cooperative**

Topic: *General Update*

*Lunch at Noon*

# Message from the President & CEO/GM

They say the only constant in life is change, and in 2024, that proved especially true. Across our country and throughout our cooperative family, change came in many forms: new rates, evolving policies, shifting leadership, and the broader energy landscape itself. But through it all, one thing remained steady – our shared commitment to each other. **We're STILL all in this together.**

As our Board President, Dwight Rossow, wisely put it, "We remain committed to one another. That's the cooperative difference, and it's why, no matter what challenges come our way, we will continue to move forward – together."

That spirit defines not just Rushmore, but every member of our Cooperative Family. Together, we are greater than the sum of our parts – stronger, more resilient, and more prepared for what's ahead.

As I shared last year, we are deeply proud of the trust you place in us. In return, we remain dedicated to honoring that trust by anticipating change, embracing innovation, and always putting people first.

Thank you for standing with us as we continue this journey – together.

## WAPA

WAPA will have a 2.09 mill increase coming in 2025, resulting in an increased expense of about \$381,859 to Rushmore Electric. Additionally, WAPA will have a 1.81 mill increase in 2026, resulting in an increased expense of about \$291,630 to Rushmore Electric. WAPA's Renewable Energy Credit (REC) program to Rushmore and, in turn, its cooperative members has resulted in 790,748 RECs since the program's inception, with 150,912 RECs in 2025. Lastly, Rushmore continues to work diligently with each cooperative member on WAPA load shed plans in the event of potential outages in the future due to power supply deficiencies in the SPP footprint.

## BASIN ELECTRIC

Basin plans to join SPP West in 2026. Additionally, SPP's planning reserve margin looks to increase to 36% for the winter months, which will have a 700 MW impact on Basin. The lawsuit in North Dakota with McKenzie continued throughout 2024. Construction work continues on Pioneer Generation Station 4, the 583 MW natural gas plant near Williston, ND, which is expected to come online in the summer of 2025. SPP has put out a "Notice to Construct" for a new 345 kV transmission line from Laramie River Station, WY, to Belfield, ND. Project details include 439 miles of transmission at an estimated \$1.6-\$1.8 billion dollar cost, and a projected in-service date of November 2034. Construction has begun on Bison Generation Station, which will have 1,470 MW of total output when completed. Project details include \$4 billion dollar CapEx, estimated to be operational in 2030, and this will

be the largest power plant solely owned by Basin Electric. Lastly, Basin continues to see large loads across its service territory, and DGC has begun sequestering carbon, which provides a new revenue stream under section 45Q of the US tax code.

Below are some additional capital and credit figures:

- Patronage capital retirement, 2008 (69%)
  - \$2,614,372.34 to Rushmore
- \$431,117.51 in REC payments to Rushmore

## LOAD MANAGEMENT & DEMAND RESPONSE

The year 2024 continued to see an increase in load management capacity, which now includes approximately 9,616 water heaters (416 were added in 2024 alone), 1,633 central air conditioners, 725 irrigation systems, 291 in-floor heat systems, and one water system. The total estimated power cost savings in 2024 was \$3,163,732. Since the program's inception, the estimated total power cost savings (through December 2024) are \$27,012,195!

## RUSHMORE INTERNAL ITEMS

Some new faces have joined the team in the past year, and others have departed. Jalin O'Bryan-Welke (RCI), Jasmyn Old Lodge (REPC), Ryan Ruffedt (Engineering Intern), and Wendy Cain (REFCU) joined in 2024 and early 2025. Betty Harris (RCI) and Darci Lanam (REPC) retired in the first part of 2025. We wish both of them the best. Additionally, Jill Siemonsma has stepped into Betty's role, and Jess Stadum has stepped into Darci's role – both are excited and ready for their new opportunities.

Electric margins were lower than expected at \$218,130.13, which left Rushmore Electric at \$244,369.87 under budget. Engineering margins were down \$48,316.92 for the year, and RCI's margins were also down \$29,846.85 for the year.

Loads were up across the board for 2024 from the previous year.

- 2024 Coincident Peak Demand of 304.5 MW, up 14.91% from 265 MW in 2023.
- 2024 Energy Sales were 1,266,931 MWH, up 2.87% over 2023.
- Rates to the members went up 5.35% from 58.32 mills/kWh to 61.21 mills/kWh.

As we look ahead, one truth remains clear: **We're STILL all in this together.** That's the heart of the cooperative spirit – standing by one another, adapting to change, and working toward a stronger, more reliable future for the members we serve. Your continued trust means everything to us, and we'll keep earning it by staying responsive, forward-thinking, and united in our purpose.

Together, we've come far – and we're just getting started.



# Board of Directors & CEO/GM

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**Kory Hammerbeck**  
CEO/General Manager  
Rushmore Electric



**Dwight Rossow**  
President  
Cam Wal Electric Cooperative



**Dave Lindblom**  
Vice President  
Black Hills Electric Cooperative



**Justin Brickner**  
Secretary  
Cherry-Todd Electric Cooperative



**Daniel Hefner**  
Treasurer  
Butte Electric Cooperative



**Jamie Lewis**  
Director  
West River Electric Cooperative



**Kerry McLellan**  
Director  
Moreau-Grand Electric Cooperative  
SDREA Director



**Mike McQuiston**  
Director  
West Central Electric Cooperative  
Basin Electric Director



**Tom Schlack**  
Director  
Lacreek Electric Association





**Butte Electric Cooperative, Inc.**



**West River Electric Association, Inc.**

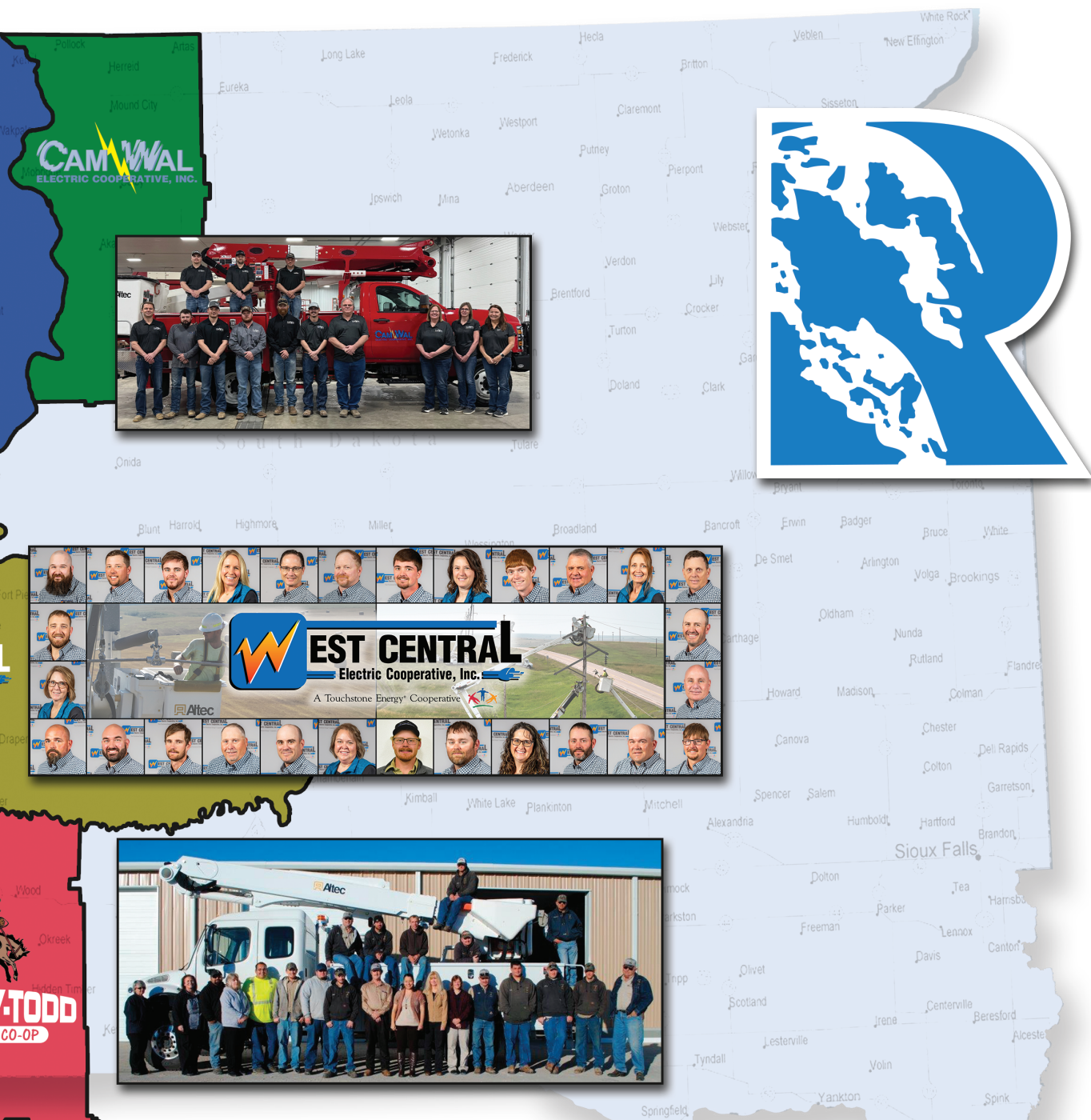


**Black Hills Electric Cooperative, Inc.**



| Member Cooperatives               | President       | General Manager    | Number of Employees | Residential Meters | Commercial Meters |
|-----------------------------------|-----------------|--------------------|---------------------|--------------------|-------------------|
| Black Hills Electric Cooperative  | Jim Preston     | Walker Witt        | 27                  | 9,171              | 1,659             |
| Butte Electric Cooperative        | Cris Miller     | Matt Sleep         | 24                  | 6,059              | 1,191             |
| Cam Wal Electric Cooperative      | Kenneth Brockel | Wally Grage        | 13                  | 2,258              | 274               |
| Cherry-Todd Electric Cooperative  | Shawn Bordeaux  | Tim Grablander, PE | 23                  | 7,665              | 610               |
| Lacreek Electric Association      | Wade Risse      | Josh Fanning       | 28                  | 4,711              | 574               |
| Moreau-Grand Electric Cooperative | Ryan Maher      | Kent Larson        | 22                  | 6,194              | 982               |
| West Central Electric Cooperative | Shad Riggle     | Jeff Birkeland     | 29                  | 5,412              | 1,388             |
| West River Electric Association   | Andy Moon       | Robert Raker       | 60                  | 18,484             | 2,190             |
|                                   |                 |                    | <b>226</b>          | <b>60,494</b>      | <b>8,868</b>      |





| Energy        | Peak Demands | Purchases (Before Credits) | Average Cost (Before Credits) | Purchases (After Credits) | Average Cost (After Credits) |
|---------------|--------------|----------------------------|-------------------------------|---------------------------|------------------------------|
| 174,057 MWh   | 50,593 kW    | \$11,181,257               | 64.24 Mills                   | \$11,173,026              | 64.19 Mills                  |
| 124,787 MWh   | 30,603 kW    | \$8,146,714                | 65.28 Mills                   | \$8,146,714               | 65.28 Mills                  |
| 67,353 MWh    | 13,917 kW    | \$4,035,421                | 59.91 Mills                   | \$4,035,421               | 59.91 Mills                  |
| 152,823 MWh   | 32,168 kW    | \$9,020,088                | 59.02 Mills                   | \$8,271,380               | 54.12 Mills                  |
| 143,380 MWh   | 33,862 kW    | \$9,007,208                | 62.82 Mills                   | \$7,835,381               | 54.65 Mills                  |
| 109,927 MWh   | 25,845 kW    | \$7,133,914                | 64.90 Mills                   | \$6,610,138               | 60.13 Mills                  |
| 139,112 MWh   | 36,955 kW    | \$8,784,992                | 63.15 Mills                   | \$8,663,458               | 62.28 Mills                  |
| 355,491 MWh   | 81,422 kW    | \$22,749,374               | 63.99 Mills                   | \$22,738,596              | 63.96 Mills                  |
| 1,266,931 MWh | 304,543 kW   | \$80,058,969               | 63.19 Mills                   | \$77,474,113              | 61.21 Mills                  |



Reliability remained a key focus again in 2024, underscoring the power of collaboration in achieving our shared goals. That's why we felt it was both relevant and essential for this year's theme to reflect that ***We're STILL all in this together.*** The Sixth Cooperative Principle—Cooperation Among Cooperatives—has never been more important, not just today but for the future success of the Rushmore family of Co-ops and the members and communities we proudly serve.

The Member Services team, in conjunction with Odney Media and Marketing Agency, developed, shot, and launched the next phase of the "Your Partner in Getting it Done!" advertising campaign in June of '24. The campaign, titled "Owning It," emphasized that our members are not just ranchers, farmers, and business owners but also member-owners of their electric co-ops.

Additionally, we spent significant time working with developers and potential end members to determine how we could bring on large loads without negatively impacting current and future members. We are committed to exploring every opportunity but remain conservative and strategic in our approach to these potentially larger loads.

The 100th Legislative Session was a busy one, with property rights and eminent domain again being hot topics this year. We want to personally thank Walker Witt from Black Hills Electric and Steve Barnett and his team at SDREA for their time and the vital work they do in Pierre to ensure our members' voices are heard and their pocketbooks remain unaffected by state politics.

We held the 2nd Annual Ag Appreciation event in August at the Central States Fair. The event continues to grow, and we had 300-400 individuals in attendance. We honored long-time Lacreek Electric, Rushmore Electric, and Basin Electric Board Member Roy Ireland with the "Rural Neighbor Award." Finally, we were extremely successful in winning grants for our Co-ops – largely due to Rob Taylor and Cory Trapp's tireless work and innovative ideas! The Rushmore Group won five competitive federal grants in 2023-2024 alone, totaling almost \$52 million! As costs on everything continue to rise, we hope these grant dollars can help offset some of those increases.

Our IT department experienced an exceptionally active year. The biggest project for 2024 was migrating some of our members off our hosted email server to the Microsoft 365 cloud. This migration included 195 user mailboxes and seven Microsoft tenants. There was a lot of planning and testing involved for a seamless migration, and with all the moving parts and ties to this platform, it took months of preparation.

After this migration, we requested a third-party audit of our Microsoft tenant along with our members. Some of the changes are security improvements following Microsoft's best practices. Another large project that kept us busy was assisting Moreau-Grand in their transition to their new building. We pulled in over two miles of ethernet cable for IP communications. We were busy planning and implementing their network for a seamless July move-in date.

Throughout 2024, there were quite a few upgrades with TWACS servers and Windows Applications. Every year, we push to stay on top of the latest security threats as we continue to work to protect our members. From the Rushmore IT department, ***We're STILL all in this together.***

The year 2024 marked another eventful year at Rushmore Electric—a year characterized by strategic enhancements, technological advancements, and unwavering dedication to our cooperative's mission.

To begin the year, a significant amount of time and resources were dedicated to Moreau-Grand Electric's new headquarters facility in Timber Lake. Various personnel were involved in network cable and equipment installations, tower and communications equipment relocation, and audio equipment installations throughout the new facility. We considered it a privilege to assist on the project, and Moreau-Grand should be congratulated on their end result—the facility looks amazing.

Three separate fiber extension projects were completed for Lacreek Electric's Shannon and Vetal Substations and West River Electric's Eglin Substation. Moving the main communications medium from either cellular or over-the-air radio telemetries to dedicated fiber links improves both speed and bandwidth capacities to advanced metering infrastructure and SCADA-capable field devices at these locations.

Equipment control installations also consumed a significant amount of our time throughout the year. Project prep and readiness have been completed for Black Hills Electric's Moon Meadows Substation recloser control and metering racks, Moreau-Grand Electric's Dupree 69kV motor-operated switch cabinet, and West River Electric's Hwy 34 recloser-regulator bank control cabinets, including their recloser control site at Interior.

And finally, our 10-year SCADA upgrade and server migration cycle took place at the end of October. The week-long upgrade involved an intense and immersive coordinated effort between ourselves, our SCADA vendor (Advanced Control Systems), and our counterparts at East River Electric. While never a fun process, the end result incorporates a significant hardware upgrade, enhanced security upgrades, and increased storage capacities, ensuring the system's integrity for years to come.

As we reflect on 2024's accomplishments, we remain steadfast in our dedication to innovation and sustainability. We are enhancing our current capabilities to further ensure our foundational commitment of dependability and reliability for all our members.



Thank you all for being here today. Reflecting on my first full year as the manager of RCI, I can confidently say that it was both a challenging and rewarding experience. The year began with a significant project for the Cheyenne River Sioux Tribe in Eagle Butte. Alongside Derrick and Eric, we had the opportunity to install over 50 mobile radios in a wide variety of vehicles, ranging from pickups and tractors to heavy equipment.

As many of the entities we work with were not yet fully equipped with P25 radios, a considerable portion of my summer time was spent preparing quotes for radio sales and setting up radios as they arrived. Derrick continued his invaluable role in ensuring the smooth operation of the SCADA system. Additionally, he played an integral part in the planning and procurement of equipment for several grant-funded projects that have been in development. Derrick's extensive knowledge of the SCADA system has been a key factor in maintaining its seamless performance.

Throughout the year, Derrick also provided much-needed support whenever I required assistance, and I can truly say that I wouldn't have managed without his contributions. As the summer progressed, it became clear that additional help was necessary to meet the demands of both day-to-day management and fieldwork. After conducting several interviews, we were fortunate to bring Jalin O'Bryan-Welke on board in September. Jalin has proven to be an excellent addition to the team, demonstrating a strong willingness to take on new challenges and learn quickly.

Together, Jalin and I concluded the year by preparing new equipment for the Fall River County 911 dispatch center. We successfully set up a comprehensive radio dispatch system, which was installed earlier this year. Jalin played a key role throughout the project and was an essential part of its successful execution.

As we look ahead to 2025, I am excited for the new opportunities and challenges that await. I am confident that, with our dedicated team, we will continue to grow and achieve success in the year ahead.



Rushmore Electric Federal Credit Union was established in September 1964 to assist the financial needs of rural electric

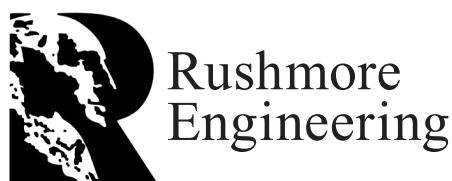
cooperative employees and directors. Their spouses and children are also eligible for membership.

Celebrating 60 years of service, we remain a strong financial institution. We are confident you will find our loan rates very competitive. We offer different savings accounts, certificates, and checking accounts.

This last year was a busy year as we prepared for a system conversion, which took place in September. We have added some convenient services, including the ability to apply for loans directly on our website and a new, easy-to-use mobile app. Our members can check balances, transfer funds, make a mobile deposit, and apply for a new loan directly through the app. Check it out at Rushmore Electric FCU!

We have a staff of three and currently serve 1,500 members. Since we are a smaller credit union, we strive to make your experience with us more personal. Last year, we paid out almost \$350,000 in dividends. We ended the year with over \$24 million in assets and nearly \$8 million in loans.

We are thankful for our strong electric cooperative member base and appreciate the opportunity to be there for all your personal financial needs. We are truly all in this together. Thank you for your continued support!



Rushmore Engineering appreciates the opportunity to work with you as we navigate through these busy times. Grant opportunities were a monumental task that proved very successful in 2024. We are excited to continue to work with DOE to ensure the completion of these projects and the positive impact they will have on your system.

Other major projects completed in 2024 include revamping the solar trailer, substation modifications, staking and line design for several transmission and distribution projects, construction work plans, long-range plans, and sectionalizing studies.

Load management saw a successful 2024 with \$3.2 million in savings. Load management will continue to be a vital tool as rate pressures persist.

The GIS department continues to stay busy working on staking sheets, pole testing data, map corrections, line patrol files, new plats, easements, and CAD support of various engineering projects.

Before we go, I would be remiss not to recognize the individuals behind all this effort. I appreciate the hard work and dedication the employees of Rushmore Engineering give day in and day out.



# Income Statement

| REVENUE                                | 2024              | 2023              |
|----------------------------------------|-------------------|-------------------|
| <b>OPERATING REVENUE</b>               |                   |                   |
| Electric Energy Revenue                | 80,504,420        | 78,835,597        |
| Basin Bill Credit                      | -                 | -                 |
| Tribal Bill Credit                     | (2,584,886)       | (2,612,524)       |
| Delivery Point Credit                  | -                 | -                 |
| Income - Leased Property - Net         | 55,443            | 57,044            |
| Other Operating Revenue and Income     | 1,499,433         | 1,373,651         |
| <b>Total Operating Revenue</b>         | <b>79,474,410</b> | <b>77,653,769</b> |
| <b>COST OF ELECTRIC SERVICE</b>        |                   |                   |
| <b>OPERATING EXPENSES</b>              |                   |                   |
| Purchased Power                        | 76,352,764        | 74,859,321        |
| Basin Bill Credit                      | -                 | -                 |
| Tribal Bill Credit                     | (2,584,886)       | (2,612,524)       |
| Delivery Point Credit                  | -                 | -                 |
| Transmission                           | 118,728           | 84,826            |
| Consumer Accounts                      | -                 | -                 |
| Consumer Service and Information       | 193,785           | 194,606           |
| Operating Expenses - Sales             | 1,547,749         | 1,380,571         |
| Administration and General             | 3,054,700         | 2,738,393         |
| <b>Total Operating Expenses</b>        | <b>78,682,840</b> | <b>76,645,192</b> |
| <b>OTHER EXPENSES</b>                  |                   |                   |
| Maintenance                            | 215,536           | 269,473           |
| Depreciation                           | 478,824           | 495,743           |
| Taxes                                  | 108,849           | 100,898           |
| Interest on Debt                       | -                 | -                 |
| Other Deductions                       | 11,486            | 6,648             |
| <b>Total Other Expenses</b>            | <b>814,695</b>    | <b>872,763</b>    |
| <b>TOTAL COST OF ELECTRIC SERVICE</b>  | <b>79,497,535</b> | <b>77,517,955</b> |
| <b>OPERATING MARGINS</b>               | <b>(23,125)</b>   | <b>135,814</b>    |
| <b>OTHER REVENUE AND EXPENSE</b>       |                   |                   |
| G & T Capital Credits (Basin Electric) | 4,538,800         | 6,068,813         |
| Interest Income                        | 231,172           | 225,016           |
| Other Capital Credits                  | 6,483             | 5,957             |
| Other Non-Operating Income             | 3,600             | 8,000             |
| <b>TOTAL OTHER REVENUE AND EXPENSE</b> | <b>4,780,056</b>  | <b>6,307,786</b>  |
| <b>NET ELECTRIC MARGINS</b>            | <b>4,756,930</b>  | <b>6,443,600</b>  |
| Unallocated Margins - RCI              | (29,847)          | (12,647)          |
| <b>TOTAL MARGINS</b>                   | <b>4,727,083</b>  | <b>6,430,952</b>  |

# Balance Sheet

| ASSETS & OTHER DEBITS                        | 2024              | 2023              |
|----------------------------------------------|-------------------|-------------------|
| <b>Utility Plant in Service</b>              |                   |                   |
| Electric Plant in Service                    | 10,204,426        | 10,039,367        |
| Construction Work in Progress                | 578,913           | 233,215           |
| Less: Accumulated Depreciation               | (8,648,197)       | (8,517,506)       |
| <b>Net Utility Plant</b>                     | <b>2,135,142</b>  | <b>1,755,076</b>  |
| <b>Investments and Other Property</b>        |                   |                   |
| Patronage Capital                            | 64,284,622        | 62,361,243        |
| Investment in Subsidiary                     | 518,176           | 448,023           |
| Other Investments                            | 4,532,244         | 4,314,708         |
| <b>Total Investments and Other Property</b>  | <b>69,335,042</b> | <b>67,123,975</b> |
| <b>Current and Accrued Assets</b>            |                   |                   |
| Cash - General Funds                         | 248,899           | 349,215           |
| Temporary Investments                        | 10,436            | 9,361             |
| Notes Receivable - Net                       | 145,310           | 145,310           |
| Accounts Receivable                          | 6,691,360         | 6,140,921         |
| Accounts Receivable - Other                  | 258,774           | 195,364           |
| Prepayments                                  | 270,163           | 238,570           |
| Other Current & Accrued Assets               | 45,200            | 58,500            |
| <b>Total Current and Accrued Assets</b>      | <b>7,670,141</b>  | <b>7,137,239</b>  |
| <b>Other Assets</b>                          |                   |                   |
| Unamortized Debt Discounts                   | -                 | -                 |
| Other Deferred Debits                        | 14,156            | 303               |
| <b>TOTAL ASSETS &amp; OTHER DEBITS</b>       | <b>79,154,481</b> | <b>76,016,593</b> |
| <b>LIABILITIES &amp; OTHER CREDITS</b>       |                   |                   |
| <b>Margins and Equities</b>                  |                   |                   |
| Membership Fees                              | 800               | 800               |
| Patronage Capital                            | 63,674,151        | 60,090,315        |
| Unallocated Margins RCI                      | 507,183           | 519,830           |
| Operating Margin (Current Year)              | (23,125)          | 135,814           |
| Non-operating Margin (Current Year)          | 4,750,209         | 6,295,139         |
| Other Margins and Equities                   | -                 | -                 |
| <b>Total Margins and Equities</b>            | <b>68,909,218</b> | <b>67,041,898</b> |
| <b>Accumulated Provision for Pensions</b>    | <b>247,179</b>    | <b>240,995</b>    |
| <b>Current and Accrued Liabilities</b>       |                   |                   |
| Long-term Debt                               | -                 | -                 |
| Notes - Payable Net                          | 145,310           | 145,310           |
| Accounts Payable                             | 6,500,605         | 5,637,840         |
| Taxes Accrued                                | (15,232)          | 33,160            |
| Other Current and Accrued Liabilities        | 158,926           | 141,796           |
| <b>Total Current and Accrued Liabilities</b> | <b>6,789,609</b>  | <b>5,958,105</b>  |
| Deferred Credits                             | 12,068            | 14,935            |
| Deferred Revenue                             | 3,196,408         | 2,760,660         |
| <b>TOTAL LIABILITIES &amp; OTHER CREDITS</b> | <b>79,154,481</b> | <b>76,016,593</b> |

## COST OF POWER SOLD TO MEMBERS

|      |      |
|------|------|
| 2014 | 5.68 |
| 2015 | 5.52 |
| 2016 | 6.16 |
| 2017 | 6.39 |
| 2018 | 6.07 |
| 2019 | 6.02 |
| 2020 | 5.98 |
| 2021 | 5.85 |
| 2022 | 6.01 |
| 2023 | 5.81 |
| 2024 | 6.12 |

## HISTORIC ENERGY SALES

|      |           |
|------|-----------|
| 2014 | 1,146,651 |
| 2015 | 1,104,166 |
| 2016 | 1,113,203 |
| 2017 | 1,151,273 |
| 2018 | 1,190,316 |
| 2019 | 1,202,331 |
| 2020 | 1,188,369 |
| 2021 | 1,218,697 |
| 2022 | 1,295,533 |
| 2023 | 1,231,598 |
| 2024 | 1,266,931 |





Black Hills  
Electric Cooperative, Inc.



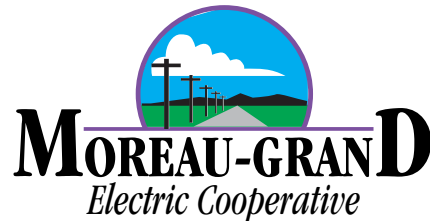
Butte Electric  
Cooperative, Inc.



**CHERRY-TODD**  
ELECTRIC CO-OP



Lacreek Electric  
Association Inc.



West River Electric  
Association, Inc.



Rushmore Electric  
Power Cooperative, Inc.  
Your Touchstone Energy® Cooperative 

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[www.rushmore.coop](http://www.rushmore.coop)

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