

Taylor Report



March 2026

N1831 State Highway 13, Medford, WI 54451 • 715-678-2411 • www.taylorelectric.org

January Cold Snap

—Power Costs and the Lingering Effects—

As you may have noticed on your January bill, we added a PCA (Power Cost Adjustment) of \$0.01 per kwh. This was heavily driven by the extremely cold weather from January 22-27, with a higher concentration on the weekend of January 24-25. I saw in excess of 30 below on the local weather report. The cold reached across much of the MISO footprint, where we buy our energy from. This created high demand for power across the region, raising the prices of energy. Cold weather brings a list of problems that range from fuel supply to renewable limitations, to stress on plants that can limit the supply of energy and create high prices.

On the fuel supply side, in many cases, natural gas supplies are prioritized to home heating uses and not power generation. In preparation for this, some of the natural gas-fueled plants have the option of running on fuel oil which is more expensive. With fuel oil being a liquid, not a gas, it comes with some mechanical properties that can foul the generators and limit the output. Fuel oil is also not generally delivered by pipeline to the generators, since it is a backup fuel. Large quantities are stored in onsite tanks, but as soon as the plants start, the delivery trucks start rolling to keep the tanks full, so it is more expensive both in commodity price as well as the delivery cost.

As was seen in this event and has been seen in other events in the winter, the most extreme temperatures also happen during the dark hours of the day and seem to come with very calm winds. This limits the output of renewable resources like solar and wind. In contrast to the wind turbines in Texas that caused so many problems a few years ago, our turbines in the north are winterized, but if the wind is calm, there is only so much that they can do.

One of the last challenges is mechanical: equipment can fail in the cold weather due to frozen or damaged equipment, fuel supply, or support systems. Much like your car at home, the coldest days can take a possible problem and make it a real problem. It can also just be poor timing of a general mechanical failure. Without going into great detail, one of the DPC (Dairyland Power Cooperative) plants had equipment failure just days prior to the cold—something that had never happened in the 45+ years of the plant operation. I have seen similar poor coincidence at other

utilities, and the loss of the plant at a critical time means they have to rely on the market to purchase power from another source.

So, what did this all add up to? For Dairyland as a whole, \$25 -30 million dollars in additional power cost. Taylor Electric's portion is more than \$270,000. Our normal power cost for January is around \$525,000.

Rather than try to recover the bill in one month, we will be spreading it out. The PCA in January covered about \$75,000 of it, leaving just under \$200,000. The remaining excess power cost will be recovered through a combination of another \$0.01 per kwh PCA for February usage combined with money from a fuel storage settlement from last year that we set aside for a rainy-day fund. The timing couldn't be better given the turn in the weather.

There is some good news! The last time the regional grid was this close to its limits for a prolonged time, with prices near similar levels, was 2009. We hope not to repeat that anytime soon. In addition, wholesale energy prices were about \$0.40/kWh for much of the event, nearly 10x the regular price, but still one tenth of what some people were paying in Texas during the blackouts a few years back. So, while not a good event by any means, it could have been worse.



NOTICE OF METER TESTING

Chapman Metering/Border States have been contracted by Taylor Electric for routine meter testing. Testing began in late February and is expected to last a few weeks in parts of our service territory. The purpose of this is to ensure accuracy and proper operation of metering equipment. Testing will be conducted in the Townships of Corning, Chelsea, Greenwood, Grover, Hammel, Molitor, Rib Lake and Westboro and will involve approximately 1,200 meters. Please be advised that if you have an electric heat meter located inside your house, they will require access to that meter. Employees of Chapman Metering/Border States will be driving white vehicles marked with Border State's name on the side.

This testing is part of Taylor Electric's commitment to provide reliable service and equipment. We appreciate your cooperation and understanding as we complete this important work. If you have any questions or need additional information, please contact CEO Ken Ceaglske or Line Superintendent Wade Matyka at 715-678-2411.



COME SEE US!

Home and Business Expo

WHERE:

Simek Rec Center

1037 W Broadway Ave

Medford, WI 54451



WHEN:

Friday, March 20—4 –8 PM

Saturday, March 21—10 AM—4 PM

Sunday, March 22—10 AM—2 PM

Board Report - January 2026

- Approved December disbursements totaling \$408,683. 11 new member applications, and December 2025 construction in the amount of \$39,106.
- Reviewed financial results for December with \$629,689 Operating Margins and \$1,004,759 Total Margins year to date.
- There were 5 outages in December, with an average YTD outage time per meter of 0.3692 hours.
- Three applications for discounted early retirement of capital credits to estates were approved with total capital credits of \$2,188 to be paid out at the net present value of \$1,074.
- 30 delinquent accounts were processed for collection following the January 20th due date. The total amount owing on these accounts is \$15,637.
- Other topics covered included updates from DPC power plants, plant outage and high power costs in January, donation requests, and bylaw discussion.



Hey High School Seniors!

Don't forget scholarship applications are due by April 4, 2026. Forms are available through most area high school counselors, online at www.taylorlectric.org or just give us a call and we'll send you a form. Let us help pay for your college education!

NOTE: The funds for these scholarships are derived from unclaimed capital credit refunds. Chapter 185 of the Wisconsin Statutes provides that unclaimed refunds may be used for educational and charitable purposes. Otherwise, they become unclaimed property and must be paid to the State of Wisconsin as such.