



The Benefits of a Municipally Owned Utility

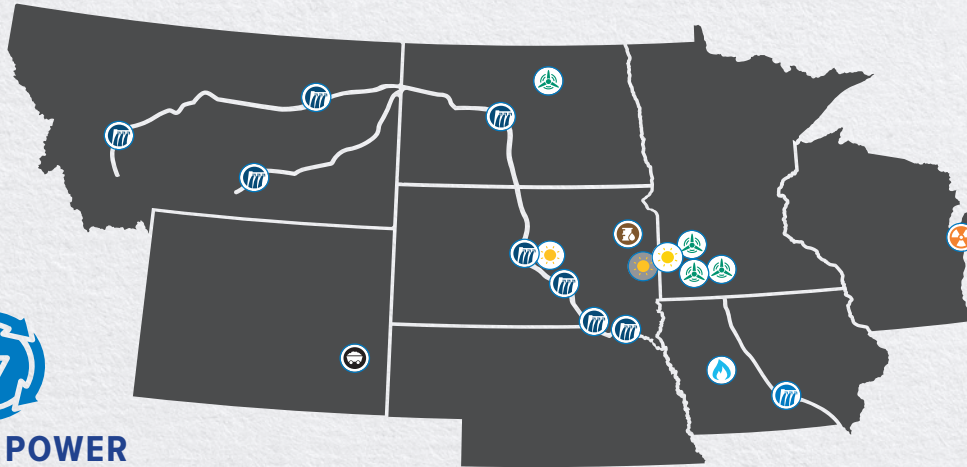
AT A GLANCE



For the City of Flandreau (the city), its electric utility is more than just an energy provider — it's a vital community asset that supports and benefits the community in a wide variety of ways. This overview highlights the significant impact the locally owned, locally controlled utility has on Flandreau and the people who proudly call it home.



DIVERSE POWER SUPPLY PORTFOLIO



- WAPA Federal Hydroelectric
- Red Rock Hydroelectric Project
- Nuclear
- Natural Gas
- Wind
- Coal
- Diesel (Excludes Municipal Generation)
- Solar
- Solar (Under Development)

The electricity the city purchases from Western Area Power Administration (WAPA) is clean, renewable and reliable hydropower from dams on the Missouri River. This low-cost power annually supplies about 45% of Flandreau's energy requirements.

The supplemental power is supplied by Missouri River Energy Services (MRES), of which the city is a member. This helps reduce risk through diversity — both in fuel source and geographic location. MRES also focuses on environmental stewardship by developing renewable and carbon-free resources.

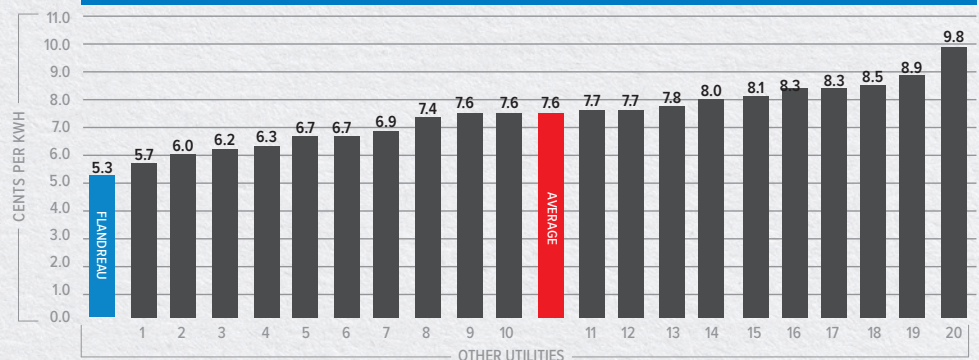


MORE AFFORDABLE

Flandreau pays lower wholesale power supply and transmission costs than the average price per kilowatt-hour (kWh) of other regional wholesale suppliers. As shown in the bar chart, the blended wholesale power supply and transmission cost in 2024 was 5.3 cents per kWh — the lowest in the region compared to 20 other area power suppliers. These significant cost savings reflect the direct financial benefits Flandreau receives from its WAPA allocation and supplemental power purchases from MRES.

WHOLESALE POWER SAVINGS

COMPARISON OF 2024 ESTIMATED REGIONAL WHOLESALE RATES - CENTS PER KWH



CASH CONTRIBUTIONS

Because Flandreau operates a not-for-profit public power utility, cost savings from low-cost power purchases are passed directly to customers and used to fund community projects and initiatives. From 2021-2024, Flandreau contributed an average of 7.6% of its electric revenue — about \$250,000 each year — to support the city's general fund, community and economic development grants, and special projects. The cost of replacing all or a portion of these funds would likely result in higher sales and property taxes collected by the city or an increase in service fees.



MORE RELIABLE

MORE RELIABLE

Public power is reliable power, and Flandreau has a strong record of maintaining an electric system that operates continuously and efficiently.

- ▶ Headquarters are located in the heart of the community
- ▶ City crews meticulously maintain the distribution system to improve efficiency, enhance safety and increase the lifespan of equipment
- ▶ Local crews live and work in the community, which means faster response times and shorter outages
- ▶ The city invests in advanced technology solutions that help reduce risk, protect revenue, and increase reliability and security



LOCAL CONTROL AND SERVICE

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Flandreau's public power electric utility is locally owned and locally controlled — its customers are its owners. That means when citizens have concerns, they can communicate directly with City Council members or city staff who live in the community and have Flandreau's best interests in mind.

- ▶ City Council meetings are open to the public
- ▶ City Council meetings are also live-streamed and then posted on the city website
- ▶ Flandreau hosted semi-monthly public meetings during its water and sewer improvement project



ECONOMIC AND COMMUNITY IMPACT

ECONOMIC AND COMMUNITY IMPACT

Flandreau welcomes new customers, supports the growth and expansion of existing businesses, and contributes to vital community amenities and services that make it a great place to live, work and own a business.

- ▶ Provides energy-efficiency rebates for homes and businesses in Flandreau
- ▶ Transferred \$600,000 to the city's general fund for the new fire station
- ▶ Provides subsidies for several community organizations, including the Moody County Historical Society, Moody County Resource Center (library), Interlakes, Crystal Theatre, Flandreau City Band, Boys and Girls Club, Parade Committee, Housing Authority Committee, Flandreau Golf Course, Flandreau Fridays, Community Counseling, Wholeness Center, and ROCS transit
- ▶ Partners of the Flandreau Clubhouse Early Childhood Enrichment Center, which plans to open in May 2026
- ▶ Provides in-kind utility and road work to support the Flandreau Sports Association's construction of The Warehouse, a new recreational and fitness facility opening in 2026

From delivering affordable, reliable power to investing in the community in a wide variety of meaningful ways, the city plays a valuable role in making Flandreau a place where families thrive and businesses grow — a community people are proud to call home.

To view the full Municipal Power Advantage® report for the City of Flandreau, please visit

https://bit.ly/Flandreau_MPA

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