

2015 AT A GLANCE

ALL FOR ONE



YOU ARE OUR NUMBER ONE.

All of us at Connexus Energy work for you. We never forget our members are our number one priority. Every day (and night) we give our all to make sure we deliver the very best service to every one of our members.

BOARD CHAIR'S MESSAGE

Connexus Energy's Board of Directors represents you, the membership. Our role is to set the policies and rates for your cooperative. We're your voice at Connexus Energy, and we work with the Connexus leadership team to make sure your interests are always represented. As the Board, we engage with our members and that is what makes us different from investor-owned utilities. In addition to member engagement, the Board must understand Connexus Energy's business, its environment, and future opportunities.

In October 2015, we had an important leadership change when the Board appointed Greg Ridderbusch as President and Chief Executive Officer. Greg was selected to help guide our cooperative on its course to meet the changing needs of our members. As we continue to provide new products and services, the vision of the Board is to ensure we stay true to our cooperative roots; serve our members, and invest in our communities. On behalf of the Board of Directors, thank you to the employees for their hard work in ensuring we stay focused and do what's right for our members.

To our members, it's our privilege to serve you.



Peter Wojciechowski
Board Chair



Peter Wojciechowski Greg Ridderbusch

CEO'S MESSAGE

It is a great honor and privilege to serve as the new President and CEO of such a remarkable electric cooperative. Connexus Energy is rich in history and heritage of providing the very best service to our members for 79 years. Excellence does not come by chance. It comes by making the right choices and implementing well-thought-out decisions. Our number one commitment is to you; our members' satisfaction is the key measure of our success. Throughout 2015, in research conducted by the American Customer Satisfaction Index of the U.S. largest investor-owned, municipal, and energy cooperative utilities, Connexus Energy was the top-scoring utility in customer satisfaction and power reliability.

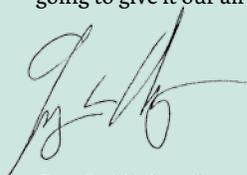
I believe our continued high ranking is a direct result of putting our members in the center of everything we do. Imagine a utility that has your best interests in mind. That's our mission. As a not-for-profit electric cooperative, we're managing our costs to ensure all our 130,000 members receive reliable service at an affordable price and with a responsible environmental ethic.

We appreciate the fact our members are unique and realize not every member wants the same thing. An example of that is solar power. A few years ago we built the largest community solar garden in the state. We made sure it's cost-effective for those who choose solar, without affecting costs for everyone else.

We continually develop and enhance our products and services to meet your needs and exceed your expectations. In the last year, we added several online enhancements including a new outage map and improved bill presentment. Currently, we're working on projects to improve member communication and offering more options as to how members prefer to communicate with us. We're also getting ready to replace and upgrade all our meters. The new technology will serve as the platform to deliver improved programs and services and will empower members with information to make informed decisions on their electricity use.

We are excited about where we are going in the future. We are dedicated to the residents and communities in which we serve. Our performance over the years is the foundation we will continue to build upon.

On behalf of the executive team, I thank our Board for their guidance, our employees for the amazing work they do for our members, and to our members, thank you for your support and for continually ranking us number one. We're going to give it our all to make sure we stay on top for you.



Greg Ridderbusch
President and Chief Executive Officer

FINANCIAL HIGHLIGHTS

A copy of the complete audited financial statements is available upon request or can be viewed online at connexusenergy.com.

STATEMENTS OF OPERATIONS (in thousands)

	2015	2014
Electric Revenue	\$ 251,139	\$ 253,900
Cost of Power	189,902	190,695
Gross margin	61,237	63,205
Operating Expenses - including interest	59,236	61,726
Other Non-Operating Income	6,455	16,181
Net Margin	<u>\$ 8,456</u>	<u>\$ 17,660</u>

BALANCE SHEETS (in thousands)

	2015	2014
Assets		
Utility Plant		
Total utility plant	\$ 328,314	\$ 323,358
Less accumulated depreciation	(132,945)	(128,258)
Total utility plant, net	195,369	195,100
Other Property and Investments		
Investments in associated organizations	124,353	120,837
Other investments	9,641	9,735
Other assets	12,293	11,745
Total other assets	146,287	142,317
Current Assets		
Cash and cash equivalents	18	10
Accounts receivable - net	25,688	28,212
Materials and supplies	3,489	3,797
Other	794	796
Total current assets	29,989	32,815
Total Assets	<u>\$ 371,645</u>	<u>\$ 370,232</u>
Patrons' Equity and Liabilities		
Patron's Equity	\$ 171,192	\$ 169,081
Long-Term Debt - Less Current Maturities	140,789	128,312
Other Long-Term Liabilities	6,842	8,573
Current Liabilities		
Accounts payable	34,502	36,153
Customer deposits	1,150	1,154
Accrued liabilities	10,017	10,913
Debt due within one year	7,153	16,046
Total current liabilities	52,822	64,266
Total Equities and Liabilities	<u>\$ 371,645</u>	<u>\$ 370,232</u>

\$6.3 million
Cash Back to our members

1 out of 2½
On average, members incur
one outage every two and a half years

BOARD OF DIRECTORS

Peter Wojciechowski, Chair, Ham Lake

Mark Ethen, Vice Chair, Blaine

Fran Bator, Secretary/Treasurer, East Bethel

Gordon Westerlind, Assistant Secretary/
Treasurer, Big Lake

Michael Cady, Vadnais Heights

Kenneth Fiereck, Clear Lake

Donald Holl, Forest Lake

Michael Kerr, Zimmerman



*Back (L-R): Michael Cady, Gordon Westerlind, Peter Wojciechowski, Mark Ethen
Front (L-R): Fran Bator, Kenneth Fiereck, Donald Holl, Michael Kerr*

EXECUTIVE LEADERSHIP

Greg Ridderbusch, President and Chief Executive Officer

Mike Bash, Chief Financial Officer and Vice President Business Resources

Brian Burandt, Vice President Power Supply and Business Development

Don Haller, Vice President Member Services, Products, and Sales

Pete Miller, Vice President Human Resources

Matt Yseth, Vice President Electric Operations



Contact Us

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Report an Outage: 763.323.2660

Online

connexusenergy.com

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Owned by the members we serve.