

Since 1940

WISCONSIN ENERGY *Cooperative* October 2026 NEWS

VERNON
Electric
COOPERATIVE — WESTBY, WISCONSIN
Your Touchstone Energy Cooperative

DYNAMIC DAIRY

CO-OP MONTH AND COW LESSONS

PORK RECIPES

MEMBER APPRECIATION PICNIC —
OCT. 20





WHAT IT TAKES TO KEEP THE LIGHTS ON

Understanding Vernon Electric Cooperative's Rate Adjustment

by Craig Buros, CEO & General Manager

Every time we flip a light switch, turn on a well pump, or plug in an appliance, we expect the power to be there. Making that happen takes far more than generating or purchasing electricity. It requires miles of power lines, thousands of poles, transformers, substations, meters, vehicles, technology, and the people who maintain all of it.

Those costs have changed significantly in recent years. This month, you will notice a \$3 increase to the monthly facility charge, along with a slight increase to the kilowatt-hour (kWh) energy charge. The rate change will result in a 2.9 percent increase for the average residential consumer.

We understand that any increase can raise questions. Why is the adjustment necessary? Why is the facility charge increasing? And how does Vernon Electric's rate structure compare with other utilities?

The answer begins with the increasing cost of maintaining the electric system our members depend on every day.

The cost of the system has changed

When we talk about inflation, we often think about groceries, fuel, insurance, or other household expenses.

For Vernon Electric, inflation also shows up in the materials and equipment needed to build, maintain and repair our distribution system. Poles, transformers, wire, underground cable, switches, hardware, and countless other components have become substantially more expensive.

According to Rural Electric Supply Cooperative (RESCO), a cooperative supplier serving electric cooperatives throughout the Upper Midwest and Northern Plains, the average cost of the electric utility products it sells increased approximately 48% since the beginning of 2021.

Some individual materials experienced even greater increases. Transformer costs increased nearly 100%, depending on the manufacturer. Primary underground conductor increased

approximately 50%, while overhead conductor increased approximately 45%.

These aren't optional purchases. They are the basic building blocks of the electric distribution system.

When a transformer fails, it needs to be replaced. When an underground circuit is constructed, cable and other equipment must be purchased. When a pole reaches the end of its useful life, a new pole and associated hardware are required.

Vernon Electric has to purchase those materials at today's highly inflated prices.

Transformers: A good example of today's challenges

Transformers provide a good illustration of how the cost and availability of electric infrastructure have changed.

Transformers are used throughout the distribution system to reduce voltage to levels that can safely be delivered to homes and businesses. They are critical pieces of equipment, and Vernon Electric needs to have them available when an outage or equipment failure occurs.

For an electric cooperative, maintaining an adequate inventory is essential. If a transformer fails during a storm, we cannot simply wait months for a replacement. We need equipment available so our crews can restore service safely and as quickly as possible.

That inventory comes at a cost.

Rural infrastructure presents another challenge

Vernon Electric also has a unique challenge compared with larger investor-owned utilities: we serve a rural territory.

Vernon Electric has approximately five consumers per mile of electric line. Larger investor-owned utilities may serve roughly 40 consumers per mile. The poles, wires, transformers, and other equipment still have to be installed and maintained regardless of how many members are connected to a particular mile of line.

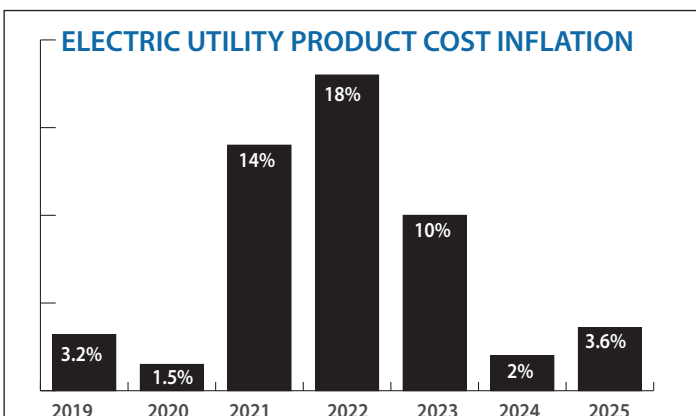
With fewer consumers sharing that infrastructure, the cost of maintaining a rural electric system must be distributed among fewer members.

This is one reason rural electric cooperatives' rate structures typically have higher facility charges. The facility charge helps recover fixed costs associated with the infrastructure and services required to provide electric service. These are the costs that are incurred regardless of the amount of electricity consumed.

What is the facility charge?

The facility charge is sometimes misunderstood as simply a fee for having an electric meter. It is much more than that.

Think of it as your share of the costs Vernon Electric incurs



simply to make electric service available to your location.

Whether you use 500 kWh or 2,000 kWh in a month, Vernon Electric still has to maintain the line serving your property, keep the transformer available, maintain your meter, operate the billing system and have employees and equipment ready to respond when outages occur.

Those costs exist regardless of how much electricity is consumed.

The kWh charge, on the other hand, is directly tied to the amount of electricity a member uses. Vernon Electric's rate structure intentionally balances these two components.

A higher facility charge doesn't necessarily mean a higher bill

This distinction is important when comparing electric utilities. Consider two hypothetical rate structures:

Utility A

- \$48.50 monthly facility charge
- 11.25¢ per kWh

Utility B

- \$15.00 monthly facility charge
- 17.0¢ per kWh

For the average residential electric consumer with 1,000 kWh of monthly use:

- **Utility A:** $\$48.50 + \$112.50 = \$161.00$
- **Utility B:** $\$15.00 + \$170.00 = \$185.00$

Despite having a facility charge that is \$33.50 higher, Utility A's total is \$24 lower at that level of consumption. This is why comparing only the facility charge can be misleading.

Vernon Electric has held the line on energy rates

There is another important piece of this story. **Vernon Electric has not increased its kWh energy charge since 2018.**

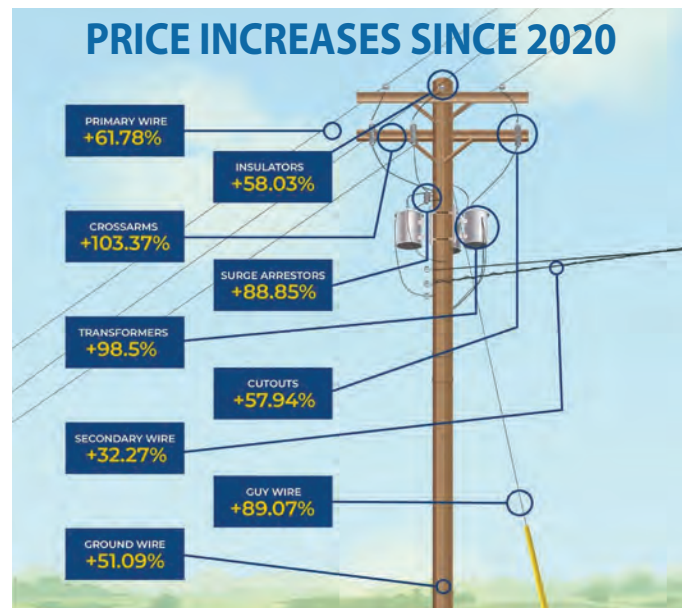
During that time, the cost of purchased power, materials, equipment, labor, insurance, vehicles, technology and other operating expenses has continued to rise.

The cooperative has worked to absorb those increases while maintaining reliable service and making necessary investments in the system.

Despite being in the top quartile when benchmarked with all electric cooperatives across the nation for having low controllable expenses, the cooperative cannot absorb rising costs forever without eventually affecting its reliability and financial position.

A financially strong cooperative is important because it allows Vernon Electric to continue maintaining the system, replacing aging infrastructure, responding to outages, investing in technology and preparing for future needs.

The goal is not simply to keep today's rates as low as possible. The goal is to maintain a rate structure that is fair to members today and sustainable for the cooperative tomorrow.



Investing in the future

The electric system Vernon Electric operates today is the result of decades of investment. Some of the infrastructure serving members today was installed many years ago. As equipment reaches the end of its useful life, it must be replaced.

Members are using electricity in new ways. Electric vehicles, distributed generation, heat pumps, changing load patterns and new technologies are creating new challenges and opportunities. Cybersecurity requirements continue to evolve, and severe weather can place additional demands on the system.

Vernon Electric must be prepared for all of it.

That means maintaining adequate financial resources, equipment inventories and staffing while continuing to make responsible investments in the system to provide continued reliable electric service.

A rate adjustment with a purpose

The upcoming rate adjustment is ultimately about more than a \$3 increase. It is about recognizing that the cost of maintaining the electric system has changed.

Electric utility materials have become significantly more expensive. Transformers and other equipment can cost substantially more than they did just a few years ago. Equipment availability and lead times remain important considerations. Meanwhile, Vernon Electric continues to operate and maintain a rural electric system with relatively few consumers sharing each mile of line.

The cooperative has worked to keep its facility charge increases far below the levels of inflation and the kWh energy charge unchanged since 2018.

The rate changes are designed to help Vernon Electric better align revenue with the actual cost of providing electric service while maintaining a competitive overall energy rate.

The goal is simple: maintain a reliable system, operate responsibly and continue providing our members with safe and dependable electricity for generations to come.

NUTS, TUBERS, AND TATTOOS

New Opportunities Grow at Cassell Hollow Farm

By Leah Call

What do hazelnuts, dahlias and tattoos have in common? They are all part of the business plan at Cassell Hollow Farm near La Farge.

When Vernon Electric Cooperative members Graham and Jen Cassellius bought the farm that would become Cassell Hollow Farm, they knew they were taking on something unusual. “We kind of stepped into someone else’s big idea,” noted Graham Cassellius.

The previous owners remodeled the house into a pizzeria with a commercial kitchen. They also planted dozens of apple trees, an acre and a half of asparagus, various berries and 3,500 hazelnut bushes. Then the property sat empty for six years.

“Things were pretty wild when we got here,” Cassellius said. “All those beautiful plants and trees were neglected for nearly a decade.”

During the first couple years on the farm, the Casselliuses focused on clearing overgrown vegetation and deciding what to keep. They quickly realized 1.5 acres of asparagus was more than they wanted to manage. The hazelnuts, however, caught Cassellius’s attention.

He set out to learn what he could about growing hazelnuts, getting involved with the Upper Midwest Hazelnut Development Initiative and connecting with other growers.

Since it takes five to ten years before newly planted hazelnut bushes produce nuts, Cassellius had an advantage: his trees were already mature and producing. In fact, the hazelnut planting at Cassell Hollow Farm was one of the largest east of the Mississippi River.

The question was — What should he do with all those nuts?

Finding a Market

The American Hazelnut Company, based in Viroqua, buys raw hazelnuts and processes them into products such as snacks, oil and flour, making Vernon County a hub for the emerging Midwest hazelnut industry.



Cassell Hollow Farm’s hazelnut oil is the key ingredient in Fresh ‘Til Death tattoo serum, the farm’s flagship hazelnut product.

Instead of turning his hazelnuts into food products, Cassellius chose to market the oil, eventually focusing on what has become his flagship hazelnut product: tattoo serum.

Sold under the name Fresh ‘Til Death, the serum is designed to help heal,



Graham and Jen Cassellius with their son at Cassell Hollow Farm near La Farge.

maintain and revive tattoos, from brand-new ink to decades-old body art.

“It has been fun to find a niche,” noted Cassellius. “People get tattoos of things that are important to them, and we get to be part of preserving that. That is fun!”

The oil is sold direct to tattoo shops and through the Fresh ‘Til Death website. Cassellius provides shops with aftercare cards featuring a QR code that allows customers to reorder the product. When they do, the original tattoo artist receives a commission.

Fresh ‘Til Death tattoo maintenance oil is sold locally at ZuZu Tattoo in Viroqua and at other shops in the Midwest. The company also offers beard oil and hydration skincare oil.

Building the Next Generation of Hazelnuts

Cassellius’s vision extends beyond his own orchard. His goal is to help establish 100 new hazelnut orchards throughout the Midwest. Developing products that build demand is an important part of that vision.

On the genetics side, he has worked with longtime area hazelnut grower and breeder Mark Shepard to identify and grow what he calls his “elite plants.”

He grows the seedlings in a high tunnel on his farm, with plans to eventually sell them to other growers. The hazelnut breeding operation could



Dahlias grow between the hazelnut rows at Cassell Hollow Farm, creating another revenue stream for the family farm.

eventually produce enough seedlings to plant 100 acres per year.

Cassellius plans to expand his own hazelnut acreage by about 15 acres, while also helping others establish orchards of their own. He sees hazelnuts as an interesting opportunity for small farms, including those transitioning from dairy. “I think it is a fun opportunity for people, and something that should have a lot of potential.”

Making the Most of Every Acre

Hazelnuts may be the main focus on Cassell Hollow Farm, but the Casselliuses have found a beautiful way to use the space between the rows. Dahlias. Lots of dahlias.

The idea started with Jen Cassellius’s interest in growing dahlias and blossomed into a new revenue stream.

“We don’t do anything small,” Cassellius quipped. “Last year we planted

300 dahlias. This year we planted 1,800.”

The farm now grows 150 varieties of dahlias, including highly sought-after specialty varieties.

While the tubers are the primary product, the blooms create another opportunity to generate revenue. “There’s a lot of variety in the shapes and colors of dahlias,” said Cassellius. “To see a field full of them is amazing. They are stunning.”

Throughout September until the first frost, the Casselliuses welcome visitors to the farm on Sunday evenings to purchase cut flowers or cut their own from the farm’s “Rainbow Row.” That row came about when a wagon of carefully separated and labeled tubers tipped over while being transported by the Casselliuses’ young son.

“Once you lose the tag, it is no longer a \$40 tuber, it’s a mystery tuber,” noted Cassellius. “So, we took those and created the Rainbow Row.”

Bouquets from pre-cut or cut-your-own flowers cost \$25. The farm also offers buckets of blooms for those looking to buy in bulk.

After the first hard frost, the dahlias are dug, washed, separated and carefully labeled before being stored in a temperature-controlled space over winter. In spring, the tubers are shipped around the country.

Those interested in purchasing the dahlia tubers can subscribe to the farm’s



Graham Cassellius tends the farm’s mature hazelnut bushes.

email list for discounts and exclusive pre-sale opportunities.

Farming Beyond Food

With the unique mix of hazelnuts, tattoo serum, and dahlias, the Casselliuses have embraced what they call “farming beyond food.”

“We found revenue streams that are not in the food market that just make sense on our small footprint,” Graham said.

That philosophy is what makes the Cassell Hollow Farm story so interesting. It’s not just about growing an unusual crop. It’s about finding new possibilities in agriculture, creating new markets and making every acre productive along the way.



Colorful dahlias are harvested for bouquets and cut-your-own flowers, while the tubers are sold to growers around the country.

JOIN US FOR OUR MEMBER APPRECIATION PICNIC

We’re looking forward to celebrating our members at our annual Member Appreciation Picnic on **October 20!**

Stop by from **11 a.m. – 1 p.m.**, enjoy a meal, visit with our team, and take a little time to connect with your cooperative family. We appreciate the members who make Vernon Electric Cooperative possible, and this is our way of saying thank you for being a member!

Craig Buros, CEO & General Manager

110 Saugstad Road, Westby, WI 54667

608-634-3121 • 608-447-5051

email: info@vernonelectric.org

website: www.vernonelectric.org

Trevor Clark, Editor



Your Touchstone Energy® Cooperative