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## **Village of Cadott Board to Vote on Sale of Electric Utility**

*Proposed agreement is most affordable solution to address condition of electric system*

VILLAGE OF CADOTT, Wisc. (May 22, 2024) – The Village of Cadott (Cadott) announced today that its board will vote at its regularly scheduled Monday, June 3, 2024, meeting on a preliminary agreement for the sale of Cadott’s electric utility to Chippewa Valley Electric Cooperative (CVEC). The meeting is open to the public.

“The Village of Cadott board members have wrestled for years with the problem of fixing our aging electric system,” said Louie Eslinger, Cadott board member. “Some of our lines are operating at 120 percent of rated capacity. That is an unsafe and unsustainable situation.”

Eslinger added that if something breaks on Cadott’s power lines, it is difficult to even find replacement parts.

“The condition of Cadott’s electric system puts our residents and businesses at an unacceptable risk of extended outages,” Eslinger said. “The board can delay no longer. We must act now in our electric customers’ best interests.”

The Cadott board commissioned an engineering study of its electric system last year and the June 2023 report from EPS Engineering indicated it would cost \$7.45 million to bring Cadott electric system’s power capacity to acceptable industry and safety standards. Replacing the aging meters at \$250,000 would be another needed upgrade.

“The cost is just too high for our residents to carry alone,” said Eslinger. “CVEC has maintained Cadott’s electric system since 2017 and has done a miraculous job keeping it operating as well as it has but, even they cannot perform miracles forever. They are willing to take on the financing of the required investment in our electric system and welcome our residents as members of the Cooperative.”

CVEC estimates that a rate increase of more than 40 percent would be what residents would be looking to pay in order to bring Cadott’s electric system up to acceptable industry and safety standards. Preliminary analysis shows by combining Cadott’s electric system with CVEC’s, the rate impact would be lessened by half or more and only be applied in small steps as the project progressed each year. Russ Falkenberg, CVEC president and CEO of CVEC, said combining the electric systems makes sense.

**Cadott CVEC Stronger Together**

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“Of course, the CVEC linemen are very familiar with Cadott’s electric system after more than six years of maintaining and operating it,” he said. “In addition, the two service territories are adjacent to each other and overlap in some cases. After Cadott’s system is updated, both CVEC and Cadott would be able to serve as a back up to the other in case of a power loss, a benefit to both Cadott electric customers and current CVEC members.”

Falkenberg said that adding members to the non-profit, cost-of-service Cooperative is just good stewardship as it helps spread fixed costs over more consumers. CVEC members’ rates would not change as a result of the proposed agreement.

There are many steps ahead in this process. A rate design study for Cadott residents is to be completed by Power System Engineering. The Public Service Commission of Wisconsin (PSCW) would carry out its lengthy due diligence to determine if the preliminary agreement is in the best interests of the public. If the PSCW does approve it, Cadott residents would vote on it in a referendum sometime 2025.

More information can be found on an information website established for the proposed agreement, at [cadottcvectoegether.com](http://cadottcvectoegether.com)

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