


The Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner 

VOLUME 49 NUMBER 1

BAUDETTE, MINNESOTA

JANUARY 2004

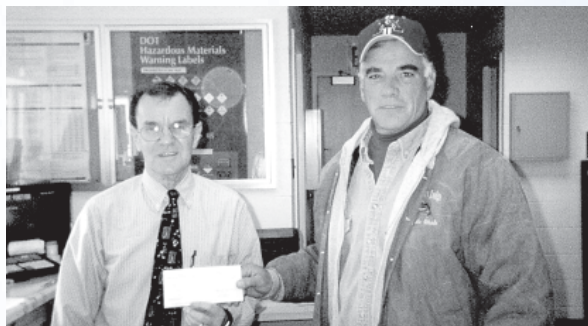
Unclaimed capital credits given to local charitable organizations

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Mike Trueman, board member from district 2, presents a check to Carole Powell for the Lake of the Woods Humane Society.



Rudy Hucko, representing the VFW Post 9641, receives a check from Bruce Polkinghorne, board member from district 7.



Don McKay, representing the Lake of the Woods Ambulance, receives a check from Mike Trueman, board member from district 2.



Velma Lund receives a check for the new Williams Multi Activity Center from Randy Bergan, board member from district 3.



Ron Moyer and Ellen Hart, representing the Kabetogama First Responders, receives a check from Julian Brzoznowski, board member from district 9.



Kathy Ellsworth and Daren Bucklin, representing the Falls Good Samaritan Center, receive a check from Jim Palm, board member from district 5.

The Enlightener

January 2004

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1-888-207-6266

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1-888-6OUTAGE
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634-2603**



November 2003 Operating Report

Revenue	\$ 714,308
Cost of Power	\$ 351,237
Operation, Maintenance, Administration	\$ 144,263
Depreciation, Interest	\$ 123,900
Margin on Operations	\$ 94,908
Average use per Residential	1,957
Total kWhs Sold	11,339,430

OFF-PEAK LOAN PROGRAM FOR AUTOMATIC BACKUP SYSTEMS

If your off-peak backup heating system is in need of repair or replacement, we may be able to help.

From 1977 to 2000, we had an average of 34 hours of load control per heating season. This past heating season, we had 407 hours. The years of 20 to 40 hours of control are gone. This year, Minnkota Power Cooperative estimates 450 to 700 hours of load control.

You must have a reliable backup heating system.

North Star Electric will lend up to \$2,500 for upgrading members' existing off-peak backup systems when the following terms and conditions are met:

1. On approved credit
2. \$2,500 maximum
3. 6 percent interest
4. 1 to 3-year term
5. Payment will be added to existing electric bill (\$25 minimum per month)
6. \$35 filing fee
7. Must be an existing off-peak member
8. Automatic backup system only (no wood or manual systems)
9. Must furnish sales receipt from contractor or vendor
10. Job must be completed before loan is approved for payment by member services department
11. Outstanding loan balance at termination of service is due in full

WE NEED YOUR METER READING!

Please read your meter on or as near the 25th of EACH month as possible. We must have your reading by the 5th of the next month to avoid an estimated bill. If a bill consecutively estimates two times, the crew will read the meter and a \$15 fee will be added to the account.

— Please Note —

Bills that are past due will be charged a 1.5 percent late payment fee. Bills that are 30 days past due will also be charged a \$2 delinquent notice fee.



We listen

By Dan Hoskins
General Manager

You know that old saying, “when someone is talking, don’t interrupt, just listen”! Well, Minnkota put out an article on load control so instead of me telling you about the happenings of this topic, let’s listen (or I mean read) what they have to say.

Winter load management outlook: Increased control hours predicted

By Michael Nisbet, Senior Publications Editor – Minnkota Power Cooperative, Inc.

Off-peak electric heating customers may see an increase in control hours for the upcoming 2003-2004 winter season.

Last year, dual heat off-peak loads were controlled an average of 407 hours. This year, Minnkota Power Cooperative projects the need for 500-700 hours of wintertime load control. Two factors – reduced output from hydropower resources and high natural gas prices – are having an influence on the wholesale electricity market, likely limiting the availability of low-cost electricity to serve off-peak loads during high demand times.

Less output from hydro facilities

Low water levels on several major rivers are leading to decreased output from hydropower resources in the United States and Canada.

The Western Area Power Administration (WAPA) and Manitoba Hydro are currently purchasing electricity from the wholesale marketplace to cover obligations under each organization’s power delivery contracts. This increased market activity, in turn, causes wholesale power prices to rise.

“Since WAPA and Manitoba Hydro power sale contracts are firm power delivery obligations, each organization must purchase power during low-flow years,” said Jim Burley, Minnkota system operations manager. “Both suppliers are currently buying electricity from a variety of sources to meet their long-term commitments.”

High natural gas prices

Minnkota’s ability to purchase low-cost electricity to serve off-peak loads

will be affected this heating season by escalated natural gas prices as well (140-08-058-02 Stan/Emily Jo Paschke).

“Natural gas is the fuel used by much of our region’s new peaking generation facilities,” Burley explained. “Due to the escalated price of natural gas, less economical electricity will be available for Minnkota to purchase during peak use periods, causing off-peak loads to be controlled more frequently.”

According to the Energy Information Administration (EIA), natural gas inventories are approaching the needed 3 billion cubic feet to provide a comfortable margin as the winter heating season sets in. However, much of that gas was put into storage when wholesale prices were even higher than they are today, which could lead to higher gas prices this winter.

Future control estimates

Winter weather conditions in the Upper Midwest and wholesale power market prices are the two unknowns that

Continued on page 6

How does the load management program work?

The Minnkota-associated systems’ load management program involves the ability to turn off, by remote control, customers’ electric water heaters, furnaces and other interruptible loads. This capability enables Minnkota to maximize the operation of its present generating facilities and avoid the need to purchase high-priced energy from the often volatile wholesale marketplace.

By demonstrating the ability to interrupt off-peak loads as required, Minnkota can at times purchase non-firm (Schedule L) energy to serve the interruptible loads. Since the load management program began in 1977, Minnkota has purchased significant amounts of low-cost, non-firm electricity from other utilities in the Mid-Continent Area Power Pool to serve the off-peak loads.

Who benefits from the program?

Load management is a tremendous success due to widespread customer acceptance. The program provides value for customers and their power supplier.

Customers enjoy electric heat and other uses of electric energy at affordable rates, unlike the unpredictable price of fuel oil, propane and natural gas.

At this time, it is not economical for the Minnkota-associated systems to build new baseload generation facilities just to cover the peak demand periods. When system demand exceeds Minnkota’s generating capacity, Minnkota, by design, either purchases wholesale electricity below an established ceiling price or chooses to control the off-peak loads.

The economical price for purchasing additional electricity is determined annually and is subject to some flexibility based on market conditions and system demand.



Office notes

From Ann Ellis, Office Manager

"Minutes are worth more than money. Spend them wisely." – Thomas Murphy

2003 financial outlook strong

By the time you receive this, three weeks will have passed from today and the final financial figures will be known; however, at this time I am confident that your Cooperative will end the year better than budget and having met financial goals. We did pass on the wholesale rate increase imposed on us in March, but any other increased cost of service was covered with existing rates along with a hand from increased electricity sales. The same will be true in 2004. The effect on your rate may be somewhere between \$.002 and \$.004, depending on your rate and if your rate includes wholesale demand charges.

DBS equipment upgrade

With the good year we've had, we've been able to offer an incredible cost-share opportunity for our members who will want to watch network (NBC, CBS, ABC, FOX) programming from DirecTV after the launch of local-to-local (LIL) services. The average cost to bring a one-receiver system up to date for receiving local networks is about \$250. We are charging members only \$99.99 with just a one-year commitment to Total Choice programming, our most popular package. If you want to take advantage of this offer, please call us to get put on the list and lock in the current price.

Off-peak/load control

If you have questions, we'd like you to call us, but if it's after hours, maybe your question can be answered on our Web site at www.northstar-electric.coop. Just go to the "Off Peak" page to find out if Minnkota is controlling your heat, the reason for the current control, all of the other reasons that may cause control, plus how long your heat may be off. Plus, more information can be found in the archived *Enlightener* newsletters on the "News" page.

PS...Be sure to periodically check your backup fuel supply.

At your service we remain. . .

CURRENT ELECTRICAL INSPECTORS

State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection with the State Board of Electricity and be inspected by a Minnesota electrical inspector.

■ Koochiching and St. Louis counties:

Lee Herseth

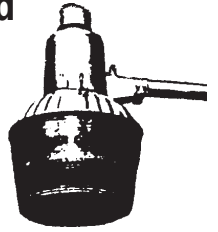
10078 Gappa Road
Ray, MN 56669
Phone: (218) 875-3028
7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)

■ Roseau and Lake of the Woods counties:

Laurence Otto

60426 County Road 12
Warroad, MN 56763
Phone: (218) 386-2299
7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)

Extremely cold temperatures will affect the operation of your rented security light



If you notice a problem with your security light this winter, such as intermittent failure or it remains dimmer than normal, you're not alone. Severe cold weather, specifically -10 degrees or colder, may seriously affect the operation of security lights.

The problem involves the formation of a gas in the bulb, which can be hampered by the cold. Usually, when the weather warms up, the lights will return to normal operation and will not have to be replaced.

If your security light is owned by North Star, we would appreciate it if you could bear with us during the coldest spells. If the light does not return to normal operation when the weather warms up, please notify our office and we will repair it for you (Baudette 634-2202, Littlefork 278-6658).

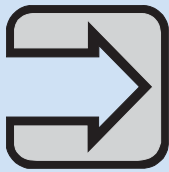
*Neither rain,
nor snow,
nor the dark
of night . . .*



Electric co-op line workers are trained to deal with any power emergency. But there's one thing that can't be taught: dedication. Dedication to duty is a quality line workers are born with. That's why you'll see them in a driving storm repairing downed power lines. That's why your power is restored in the middle of the night.

That's why they decided to be line workers in the first place. And they expect no special awards or recognition.

It's reward enough for them to know your family is safe and warm – regardless of the weather.



West End News

By Steve Ellis

Baudette District Operations Supervisor

2004 . . . a New Year brings new work plans. This year, we will be replacing 3.9 miles of V-phase line west and south of the Pitt substation. We will be advertising for bids in the spring after breakup. This project will lower line loss and voltage drop on this feeder.

If you haven't seen a North Star truck in your yard checking your lines and reading your meter, you will, as the linemen are on our annual line inspection/meter reading project. (654-27-002-02 David/Paulette Rorem) They check meter readings and look for any line problems and hazards so that they can be repaired. Crews have also been working on pole replacements in our district that have been identified as being more than 50 years old.

The replacement ASV should be here and in operation by the time this newsletter is published. This was a normal equipment replacement. Our old ASV with bucket and mower attachments will be sold to the highest bidder. The crews have been out mowing rights-of-way in the Baudette and Williams areas as the snow depths allow.

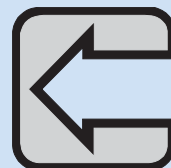
If you are planning on a new or upgraded service this spring or summer, it is never too early to come in, or contact us, so your project can be planned and put on the "to do" list.

Some things I guess I can never say too much – one of which would be to never touch a downed power line. Leave this to the professionals. Downed wires are very dangerous and could be on the ground and still energized! Please stay away from them and also keep others away; contact us at 218-634-2202 or after-hours at 1-888-668-8243. Until next time, stay safe!

East End News

By Allan Baumgartner

Littlefork District Operations Supervisor



Our crews finished getting all of the seasonal meter readings and all general single-phase meters read out on the lakes – some of the bays froze up early this year.

At this time, they are changing out rejected power poles throughout our system, some of the old poles were in pretty bad shape.

Earlier this month, they finished up the retirement work down on the Sturgeon River Road. The new underground power line looks good and it was nice to eliminate some old riser poles down there. I think lightning may have played a big part in damaging the old cable.

New services have pretty much stopped coming in, but I do have two nice land developments to start getting ready for early summer.

We had seven outages in December. They all were pretty minor and most of them individual ones.

Problems paying your electric bill?

Energy assistance may be available!

If you are receiving a low income or suffering from a temporary financial shortfall, the following agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.

- **Lake of the Woods County Community Services**
P.O. Box G-0200
Baudette, MN 56623
Phone: 634-2642
- **Northwest Community Action Council**
P.O. Box 67
Badger, MN 56714-0067
Phone: 1-800-568-5329
- **Koochiching County Community Services**
1000 5th St.
International Falls, MN 56649
Phone: 283-7000
- **Kootasca Community Action, Inc.**
2232 2nd Ave. E.
P.O. Box 44
International Falls, MN 56649
Phone: 283-9491 or 1-800-559-9491
- **Kootasca Community Action, Inc.**
1213 SE 2nd Ave.
Grand Rapids, MN 55744-3984
Phone: 1-800-422-0312
- **Arrowhead Economic Opportunity Agency**
702 3rd Ave. S.
Virginia, MN 55792-2797
Phone: 1-800-662-5711

Gopher State One Call



It's the LAW

CALL BEFORE YOU DIG

Minnesota Statewide One Call
Notification Center

1-800-252-1166

Highlights of the board of directors meeting

December 3, 2003

These are the highlights from the board of directors meeting held on December 3, 2003. Detailed minutes are available at the Cooperative for member review. Regular board meetings are held the first Wednesday of every month. If you wish to speak with the board or have an item that you would like to have placed on the agenda, please contact Manager Dan Hoskins at least one week in advance to be included on the agenda.

All directors were present. They acted upon usual, routine business. In addition they voted to authorize Manager Hoskins to contact Attorney Andy Shaw as needed while they search for a replacement for retired Attorney Bill Brink and to approve the 2004 Budget.

Management and operations report

General Manager Hoskins reported on the Power Requirements Study, the projected Minnkota rate increase, North Star's influential representation on the Minnkota board by Director Brzoznowski, the NRECA Annual Meeting, strategic thinking, information on member counts by director district for board review, line loss, the NRECA board credentialing fast track training series, and conflicts with three 2004 board meeting dates. Operations issues included major maintenance at the Pitt substation, minimal outages, equipment, personnel, recent safety training, in-stock meter testing, IPP (Incremental Pricing Plan) metering for commercial loads, and energizing the new Sturgeon River Road line.

Office report

Office Manager Ellis provided the financial report and commented further on the changes in the Co-op Power Plus credit card program, the budget, increased activities in the Littlefork office associated with the DBS equipment upgrade program, RUS loan documents, and success of recent on-line training.

Compliance and member services report

Manager of Member Services Haukaas reported that the number of new off-peak installations this year is about the same as last year in spite of the 500-700 hours of projected load control this winter. He also reported that the IPP accounts will be on load control soon, and that the DBS equipment upgrade conversions were progressing well.

Board reports and other discussion

Minnkota Delegate Brzoznowski reported on the monthly Minnkota board meeting. Attorney Andy Shaw discussed criteria that the board should be considering when seeking legal counsel. Director Hanson reported on the progress of the approvals to construct a peat processing plant near Big Falls. Director Hanson also expressed concern that some members may not understand that when local networks become available, it is likely that subscribers will no longer have access to any distant feeds.

Load management outlook

Continued from page 3

could cause control hours to increase in upcoming years.

Whenever possible, Minnkota system operators purchase economically-priced electricity from other utilities in the Mid-Continent Area Power Pool (MAPP) to enable off-peak customers to continue using electricity in their controlled loads for a large portion of the year.

"Off-peak customers who may be concerned about more hours of load control should make sure they have a fully automatic, reliable backup heating system in place and ready to provide heat to every part of their home or business," said Burley. (664-21-005-07 Ben/Lisa Ball) "With a good backup heating system that is properly installed and maintained, off-peak heating customers should notice no difference when the backup heating system is called on to operate."

The load management program continues to provide excellent value for customers searching for ways to lower their monthly heating bills.

"Even with the increased control hours predicted this year and into the future, it's important to remember that a blend of primary off-peak electric heat with a fuel oil, propane or natural gas backup heating system is significantly less expensive than heating with straight fossil fuel," Burley emphasized. "Off-peak heating remains your most economical heating choice."

I would like to thank Michael Nisbet, Minnkota's Senior Publications Editor, for his article and Minnkota for sharing this with you, our consumer.

— Dan Hoskins

Statement of nondiscrimination

North Star Electric Cooperative, Incorporated, is the recipient of federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on basis of race, color, national origin, age, or handicap shall be excluded from participation in, administration or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance effort is Ann Ellis, Office Manager.

Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utilities Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Notification to members

In order to comply with Minnesota Statute 216B.164 and the final published rules of the Minnesota Public Utilities Commission (MPUC), North Star Electric Cooperative, Inc. is obligated to interconnect with and purchase electricity from cogenerators and small power producers which satisfy the conditions and become qualifying facilities. North Star Electric Cooperative, Inc. is obliged to provide information free of charge to all interested members upon request regarding rates and interconnection requirements. All interconnections require an application and approval to become a qualifying facility. Any disputes over interconnections, sales and purchases are subject to resolution by the MPUC.

Energy tip:

Compact fluorescents save money and energy

ENERGY STAR labeled light bulbs, or compact fluorescent light bulbs (CFLs), are up to 75 percent more efficient than standard incandescent light bulbs, give off the same light output and last up to 10 times longer.

CFLs have changed a lot in recent years. They are available in various sizes to fit almost any lamp, chandelier or other light fixture, including dimmable and motion detector fixtures. The bulb's appearance ranges from a globe shape to two slender tubes twisted like a coil.

"You'll find the quality of light is equal to that of incandescents," said Phil Smith, energy specialist. "And there is no hum or noise that is sometimes associated with older tube-shaped fluorescent lights."

CFLs emit the same amount of



light as standard bulbs, but because they use significantly less energy than incandescent bulbs, they have lower wattage ratings than people are accustomed to purchasing. For example, a 15 watt CFL replaces a 60 watt incandescent bulb, an 18 to 20 watt CFL replaces a 75 watt bulb and a 25 to 28 watt CFL bulb replaces a 100 watt bulb.

While all CFLs use less energy than incandescent light bulbs, it is a good idea to watch for the ENERGY STAR symbol when shopping around.

The potential savings on energy bills is significant. The typical household spends about 10 to 15 percent of its electrical bill, an average of \$110 a year, on lighting.

Source: Minnesota Department of Commerce

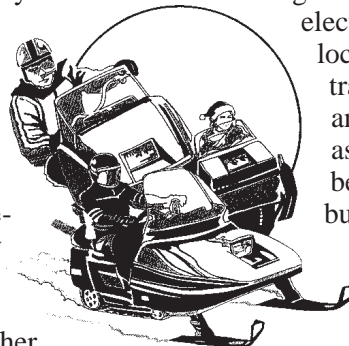
❄️ Snowmobilers ❄️

Beware of hazards! Respect property rights!

As snowmobiling becomes more popular, the number of accidents are increasing. Very few accidents occur on Minnesota's trail system.

Most accidents occur along roads and ditches. Obstacles encountered along roads and other cleared rights of way can be very dangerous, especially in low visibility conditions.

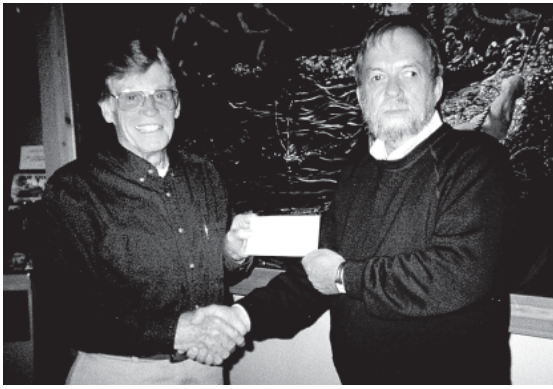
North Star Electric Cooperative and the other Minnkota Power Cooperative associated systems have poles, guy wires, metal enclosures and pedestals installed on hundreds of miles of rights of way. When snowmobiling, be aware of these obstacles. Guy



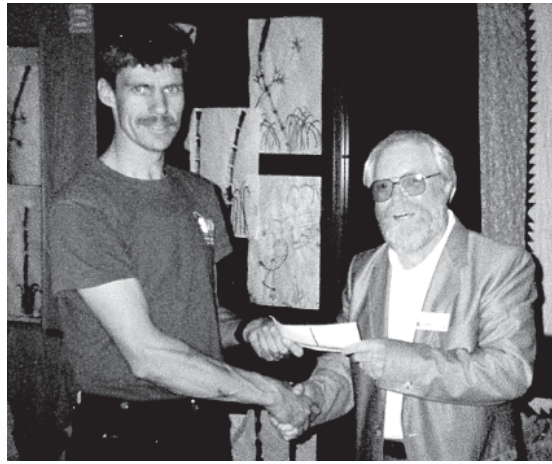
wires need special attention as they can be difficult to see.

Some snowmobilers are mistaking the private property where electric transmission lines are located for snowmobile trails. North Star Electric and the other Minnkota-associated systems have been granted easements to build and maintain lines in these cleared areas, but the land still belongs to the landowner. Be sure to check with the landowners before snowmobiling on their property.

Enjoy snowmobiling in Minnesota, but keep safety in mind. Slow down, don't drink and stay alert for obstacles.



Bruce Polkinghorne, board member from district 7, presents a check to Ed Oerichbauer for the Koochiching County Museum.

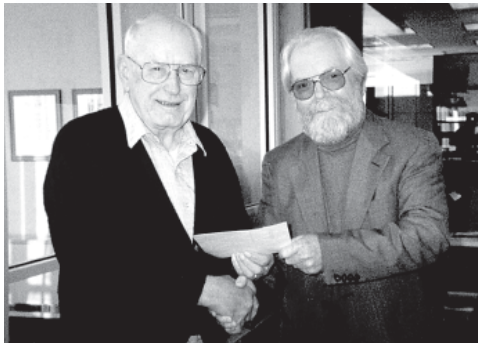


Soren Olesen, representing the River Valley Development Association, receives a check from Mike Hanson, board member from district 4.

Unclaimed capital credits given to local charitable organizations



Gunder Hallan, board member from district 8, presents a check to the Littlefork/Big Falls School District #362 annual staff.



Otto Lee, representing the Lake of the Woods Food Shelf, receives a check from Mike Hanson, board member from district 4.



Connie Nelson, representing the Lake of the Woods School District #390, receives a check from Mike Hanson, board member from district 4.



Gerry Buegler, representing the Lake of the Woods Triple A Booster Club, receives a check from Mike Hanson, board member from district 4.



Kaye Stennes, representing Lake-wood Hospice, receives a check from Mike Hanson, board member from district 4.