VOLUME 49 NUMBER 2

Electric Cooperative, Inc.

BAUDETTE, MINNESOTA

Your Touchstone Energy® Partner

FEBRUARY 2003



Decisions are made

By Dan Hoskins General Manager

I have the dubious honor of informing you of a few decisions that are being made at your cooperative. The electricity rate increase is one, a rate increase in the DirecTV side of our business is another, and load control. First off, let's start with the electricity rate increase.

Last month I talked with you about our forthcoming rate increase. Well, management staff and I have worked with Power Systems Engineering on our cost of service study and finalized this project. With this project, we can determine the rate increase needed to offset the 13 percent wholesale increase that was bestowed on us from Minnkota Power Cooperative.

There will be increase adjustments on all rates, enabling us to keep the increase to a minimum and have all members share in this increase. If you remember from the last issue of the *Enlightener*, I said we were looking at a rate increase of around the 7 percent mark. Well, our average rate adjustment came out to be a 7.41 percent increase. These rate changes were presented to the North Star Board of Directors for their approval on Feb. 5, 2003; the rate changes were read and approved by the Board.

The results are in, and listed in the *Enlightener* you should find an example of the single-phase residential

rate class and how it will affect you. You should be able to take your readings and do a little math to see what approximate impact this increase will have on you.

The rate increase will take effect in March, and your first bill with the increase on it will be in May.

DirecTV also raised our wholesale rates. This doesn't affect any of our electric members unless you are a North Star DirecTV subscriber and then naturally, it will. Since the inception of our satellite TV business, North Star has absorbed most DirecTV wholsale rates that have come almost bi-annually.

The reason North Star has absorbed most of the wholesale rate changes in

the past is simple: We have always wanted to give our customers the best possible progamming at the lowest rates. (665-03-001-02 Elsa M. Morrison) But, with the new, rather large wholesale increase from DirecTV, our programming rates to you will have to increase. I would like to mention that our rates still remain at or lower than DirecTV national or Dish Network. Please find a schedule of the rates further into the *Enlightener* for your review.

Now, on to load control. We have experienced load control, and yes, it is, or has been, much more than last year. If you will remember, last year was very mild, and the load control

Continued on page 3...

Rebate on ETS units ends March 31, 2003

At their board meeting on January 2, the board of directors took action to remove the rebate incentive for ETS (Electric Thermal Storage) room units and ETS storage furnaces. The ETS rebate was incorporated in the "member only" selling price of these units. North Star will honor this price until March 31, 2003. Members with projects that will not be completed before this time, such as remodeling or building a new home, must pay for the unit or make loan arrangements with us before March 31 to qualify for the incentive.

The price of the units will increase about 15 percent on April 1. If you are thinking about installing an ETS unit, now is the time to do so.



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Littlefork	218-278-6658
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If calling long distance, call toll-free

Baudette	888-634-2202
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Write your account number here.
Put this by your telephone.

AFTER HOURS

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AFTER HOURS

DBS TV Problems 1-888-207-6266

OFF-PEAK HEAT EMERGENCIES

Kevin Holen (Baudette)	634-3017
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Steve Polkinghorne (Littlefork)	278-4525

December 2002 Operating Report

Revenue (includes annual seasonal billing) Cost of Power Operation, Maintenance, Administration Depreciation, Interest Margin on Operations Average use per Residential	\$ 3 \$ 2 \$ 1 \$ 2	67,281 22,777 48,894
Average use per Residential		

Bill Example

Bill information	Present cost	New cost			
Minimum monthly bill	\$12.50	\$17.00			
First 500 kWhs Change to First 700 kWhs	\$.099 per kWh	\$.093 per kWh			
Excess kWhs	\$.063 per kWh				
Off-peak heat	\$.029 per kWh	\$.031 per kWh			

This is an example of how the rate increase will affect your bill if you use 4,000 kWh - 3,000 for electric heat and 1,000 for household.

Old rates New rates

Minimum bill	\$ 12.50	Minimum bill	\$ 17.00
500 kWh @ \$.099 per kWh	\$ 49.50	700 kWh @ \$.093 per kWh	\$ 65.10
500 kWh @ \$.063 per kWh	\$ 31.50	300 kWh @ \$.063 per kWh	\$ 18.90
3,000 kWh @ \$.029	\$ 87.00	@ \$.031 per kWh	<u>\$ 93.00</u>
Total	\$180.50		\$194.00

This means that your bill would change a total of \$13.50 based on those figures. If you will notice, we have raised the minimum charge from \$12.50 to \$17.00 – this cost portion of our rates everyone pays. We also extended the kWhs from 500 to the first 700, but we also lowered the rate by over ½ of a cent per kWh and the remainder of the excess usage will stay at \$.063 per kWh. The electric heat rate was raised from \$.029 to \$.031.

Although the minimum rate is a fixed rate, you do have control over your usage and, therefore, can control that portion of your power bill.

WE NEED YOUR METER READING!

Please read your meter on or as near the 25^{th} of EACH month as possible. We must have your reading by the 5^{th} 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.

from page 1...

was at 22 hours. This year, we told you at the annual meeting and in the *Enlightener* that load control would be 200 hours or more. Well, as of Feb. 6, our load control for off-peak heat is at 165 hours for dual fuel.

I realize that during control times, if you don't have an adequate backup heating source, or if by chance you have to burn wood, or if you accidentally run out of propane, load management is not a popular item. Trust me, I know. My wife, who is new to load control, wanted to know who she could complain to. I said you're looking at him.

But you know the good thing about load control is the rate that we offer you for letting us control your load when we need to. The rate of 2.9 cents is comparable to 70-cent propane and that's on a very high super efficient furnace. It gets better as the efficiency goes down on your furnace. Plus with propane around \$1.25 per gallon, I'd say electric heat is the best bet right now. I know it is the most efficient – 100 percent.

So there you have it, rate increases on the electric and DBS, plus a little information on load control. I called this report, "Decisions Are Made," and although they are not very popular decisions, they are decisions that have to be made because of the circumstances. The management staff here at North Star is here to answer any questions that you may have regarding any of the above decisions. So, please feel free to call us.

Share a favorite recipe with your North Country neighbors!

Send to:

North Star Electric Cooperative, Inc. Attn: The Enlightener P.O. Box 719 Baudette, MN 56623



New Rates

Rate Class:		Present	New
General Single Phase Fixed Charge First Step Excess kWhs	@ @	\$12.50 0.099 (500 kWhs) 0.063	\$17.00 per month 0.093 (700 kWhs) per kWh 0.063 per kWh
Seasonal Fixed Charge First Step	@ @	\$150.00 0.102 (6,000 kWhs) 0.063	\$204.00 per year 0.102 (8,400 kWhs) per kWh 0.063 per kWh
Three Phase Fixed Charge First Step Excess kWhs	@ @	\$30.00 0.099 (500 kWhs) 0.063	\$45.00 per month 0.093 (700 kWhs) per kWh 0.063 per kWh
Off-Peak <=50 KVA <=50 KVA short term >50 KVA	@ @	0.029 per kWh 0.027 per kWh	0.031 per kWh 0.05 per kWh 0.029 per kWh
Controlled Grain Drying		0.047 per kWh	0.05 per kWh
ECC Credits >500 kWhs ECC Credits >1,000 kW			(\$5.00) per month (\$7.00) per month
Rental Security Lights HPS MV MV & Transformer MV Request HPS & Transformer 150 watt Requested MV & Transf		\$ 6.50 6.50 7.50 8.25 7.50 10.25 9.25	7.25 per month 7.25 per month 8.35 per month 9.20 per month 8.35 per month 11.40 per month 10.30 per month
Metered Street Lights Energy Charge		0.081 per kWh	0.09 per kWh
Large Power Fixed Charge Demand Charge Energy Charge First 100 kWh/KW Excess		\$40.00 6.3 per kW 0.061 per kWh 0.047 per kWh	\$50.00 per month 6.75 per kW 0.065 per kWh 0.051 per kWh
Controlled Sawmill Guaranteed Max		0.066 per kWh	0.066 per kWh



Office notes

From Ann Ellis, Office Manager

"The ones whom you should try to get even with are the ones who have helped you."

-Unknown

Rate adjustment effective March 25

As we have been reporting in past issues of the *Enlightener*, we will have experienced a double digit wholesale rate increase once Minnkota's rate adjustment takes effect in March. Growth in sales, and an eye on other expenses, has allowed us to keep our distribution portion of the rate the same; however, the increase in the wholesale component – 50 percent of our total cost of service – cannot be absorbed. Effective March 25, our rates are being adjusted by an amount to cover ONLY the wholesale rate increase.

Fixed charge to increase

The board of directors has reviewed our current cost of service study to determine how a rate increase should be applied to the various rate classes. Past rates have relied more heavily on recovering fixed costs for bringing service to your home or business from a portion of the per-kWh-charge. What this tends to do is never recover the costs from members who purchase very little, or no, electricity. There is a large investment made by the Cooperative to have that service energized, maintained and available at the flip of a switch. (251-35-004-06 Randy/Karen Allen) For this reason, the board approved the bulk of the increase to the fixed charges. A general single—phase member will see their fixed charge increase from \$12.50 to \$17.00, which is still only about half of the cost to have service available.

GSP per-kWh charge to decrease or stay the same

On the flip side, the first block of kWhs will be at 9.3 cents each – down from 9.9 cents. The excess rate will stay the same at 6.3 cents, but the excess rate will now start after 700 kWhs instead of 500.

Off-peak rate will increase

With less reward being offered in the wholesale rate for shedding load during peak time, a 6.9 percent rate increase was necessary for off-peak sales. This rate was last changed five years ago and has increased a total of only 17 percent in the last 15 years – very stable at an average of 1.13 percent per year. The new rate compares to 50 to 75 cents/gallon propane based on the efficiency of the LP furnace.

Rates still less than Minnesota and national averages

Even with this adjustment, you will still be receiving very good value for your energy dollar. Our average rate to residential members (6.7 cents) will continue to be less than state (7.5 cents), regional (7.5 cents), and national (8.5 cents) averages – a goal we strive to achieve for you, our member-owners.

At your service we remain. . .



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

Kootasca Community Action, Inc. 1213 SE 2nd Ave. Grand Rapids, MN 55744-3984

Phone: 283-9491 or 1-800-559-9491

• Arrowhead Economic Opportunity Agency 702 3rd Ave. S.

Phone: 1-800-422-0312

Virginia, MN 55792-2797 Phone: 1-800-662-5711



Minnesota Statewide One Call Notification Center

1-800-252-1166



West End News

By Steve Ellis
Baudette District Operations Supervisor

It's been a cold winter, for a change, and the crew has been busy working on equipment and doing various maintenance repairs during the coldest days of January. They have also been doing the annual line inspection/meter readings, so if you have seen a North Star Electric truck in your yard this winter, there is a good chance that is why it was there. We do line inspections to help us keep our plant in the best working condition as possible. The linemen are looking for loose hardware on poles, low clearances, security light information and right-of-way conditions, just to mention a few items, and are also reading your meter to make sure all the records are kept straight and up to date. So, if you see them in your yard or on the road and have any questions, please ask them. They will help you the best they can, or direct you to the person you need to contact to help answer your questions.

We have started to clear some existing right-of-way north of Williams for a line rebuild that will start at the 5-mile corner and go north for 5.9 miles. This is being done to convert an existing 3-phase 7,200 volt line to a 14,400 volt line. When this last section is done, we will energize this line going all the way up to Rocky Point to the new 14.4 voltage. This will, in turn, help supply the growing load with a good, more reliable power source for this fast growing area.

East End News

By Allan Baumgartner Littlefork District Operations Supervisor



Our crews have been working on our annual line inspection/meter reading program. Through the cold weather stretch, they also had a chance to do some maintenance work on our ASV brush cutter and some trailers. Quite a bit of brush has been mowed down under our power lines and some problems have been found and fixed that were eventually going to cause outages. The line inspection program is very important in this regard.

Some of the material is starting to come in to our warehouse for the 3.5 mile line rebuild to Ash Lake. Most of the poles that will be replaced are 1973 or older and the conductors, which are much older than that, have been hammered over the years by lightning and trees. The new line will improve voltage to the area and service reliability.

We had four outages in January. Minnkota had a 48-minute outage on our Big Falls substation on Jan. 4, when a logger dropped a tree on their transmission line by Northome. Minnkota also had a five-minute outage on the International Falls and Kabetogama substations on Jan. 13, caused by a switch opening up. On Jan. 14, we had a 6,000-foot piece of underwater cable go out feeding the Voyageurs National Park maintenance site at Kabetogama Narrows. We will try to locate the problem and fix it. On Jan. 27, we had a one hour and five minute outage on the Van Lynn Road and Rainy Lake, caused by a logging truck.

Make plans to join us in June for our annual POWER PLANT TOUR



Watch for more information in our April issue of The *Enlightener*

Great fun, great food, great accommodations and educational as well.

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.

State Electrical Inspectors:

n 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.)

n Roseau and Lake of the Woods counties: Laurence Otto

408 Washington Ave. West, Apt. 101 Karlstad, MN 56732 Phone: (218) 436-2588 7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)

Highlights of the board of directors meeting

January 2, 2003

These are the highlights from the board of directors meeting held on January 2, 2003. Detailed minutes are available at the Cooperative for member review. The next regular board meeting is tentatively set for March 12, 2003. 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 make amendments to six board policies, including removing the off-peak incentive from the member-only sale price for ETS (Electric Thermal Storage) heating units effective in March.

Office report

Office Manager Ellis provided the financial report and commented on the progress of the cost of service study, medical plan changes, the upcoming seasonal billing, back safety classes, North Star PowerPlus credit card revenue, NISC outage data entry training in Minnesota, and staffing changes.

Compliance and member services report

Manager of Compliance and Mem-

ber Services Haukaas reported on off-peak control time, new building issues being addressed by contractors, the failed Echostar/DirecTV merger, continued sales of satellite TV equipment, and NRTC involvement with WildBlue Ka band satellite Internet development with availability expected in a year and a monthly fee anticipated to be half of the DIRECWAY fee.

Management and operations report

General Manager Hoskins also reported on progress to implement a single phone number for all members to report power outages, communication changes to improve outage response time, construction projects in the work plan and identification of projects to be completed this summer, truck repair updates, plans for a wholesale rate education session, staffing changes, Minnkota issues, the rate study, and line loss.

Board reports and other discussion

Minnkota Delegate Brzoznowski and Square Butte Delegate Arnesen reported on their recent board meetings. Director meetings, training, and credentialing were discussed.



Power quality service

For only \$4.95 per month, North Star will install surge protection in your home. This includes a meter base unit, an 8-outlet surge strip and a cube receptacle. For more information, call Wayne today at:

Off-Peak Loan Program for Automatic Backup Systems

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 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.



Heart Facts

- In one year, the average human heart circulates approximately 1 million gallons of blood through the body.
- The average heart beats about 100,000 times every 24 hours. In a 72-year lifetime, that's more than 2.5 billion beats.
- The heart rests between beats for a total of 40 years in a lifetime of 70 years.



If you own a satellite system and lose your signal during or after a snowstorm, this could be the problem. An accumulation of wet snow will block out, or at least greatly reduce, your signal.

Tune into Channels 200, 201 or 500 to get all the latest updates about equipment, DirecTV movies, pay-per-view events and more!

Equipment problems?

If you are having problems with your DirecTV system, please give us a call. We are here to help you.

If your existing system quits working properly, we have an exchange program where we will exchange your unit with one of ours at little or no cost to you. Please call one of our offices for more details.

DirectV FREEVIEW events for March

Tune to Channel #103

Enjoy RUSH in concert and Sinead O'Conner in concert.DIRECTV® FREEVIEW®events, Premiering Feb. 28 and every weekend throughout March.

We are proud to present this concert to you – at no additional charge – as our way of saying . . .

"Thanks for allowing us to serve you!"

Rate increase

It was inevitable. . .after bringing you the best in DirecTV programming for approximately nine years (yes, it's been nine years already), with little or no increase in price during that time, we cannot absorb DirecTV's increases any longer. To date, we have managed to absorb several small rate increases on our wholesale costs without having to pass them on to you, the consumer. However, this year's programming cost increases have forced us to raise rates for some of our DirecTV packages. The retail prices will go up effective March 18. Keep in mind that our competitors, such as the Dish Network, raised their package prices effective Feb. 1 as well, and the cable companies have been imposing rate hikes for several years now. In reviewing our rates, they are still very reasonable. In fact, many of North Star's package prices are still UNDER the National DirecTV pricing. We have compiled a comparison list for you of what our new prices will be effective March 18, as follows:

DIRECTV Packages	National price	North Star	savings with North Star
Economy Basic	\$22.95	\$17.44	\$5.51
Select Choice	\$26.99	\$19.99	\$7.00
Total Choice	\$33.99	\$31.99	\$2.00
Total Choice Plus	\$37.99	\$37.99	same
Total Choice Premier	\$85.99	\$85.99	same
East OR West Network/PBS	\$ 1.50	\$ 1.00	\$.50
East AND West Network feed	\$ 2.00	\$ 1.00	\$1.00
4 Networks-East & West & PBS	\$ 8.00	\$ 5.17	\$2.83
Additional Receiver Fee	\$ 4.95	\$ 1.95	\$3.00
Premium Movie Channels or Sports	:		
Pick One	\$12.00	\$12.00	same
Pick Two	\$23.00	\$23.00	same
Pick Three	\$33.00	\$33.00	same
Pick Four	\$41.00	\$41.00	same
Pick Five	\$48.00	\$48.00	same

Please note that while DirecTV raised the price of Select Choice, North Star remains the same price per month. Three of the channels currently included in Select Choice will be dropped from the package, which are: TNN (Ch. 325), TRIO (Ch. 315) and Sci-Fi (Ch. 244). However, those channels can still be enjoyed in our Total Choice Packages. If you have any questions in regard to package pricing or package content, please feel free to call our office...we will continue to bring you the best possible programming, at the best possible prices, and, of course, the best possible service as well!

Networks

Not much has changed in regards to receiving local networks – they continue to work on this at NRTC (our voice to DirecTV on behalf of North Star Electric). It seems that it's a very complicated issue with lots of red tape involved to bring the local networks to our area. (556-44-094-04 Cathy Jo Kaster) One of the disadvantages of living way up North, I guess. We will continue to keep you informed on this issue if anything changes – we are VERY anxious for local news, weather and sports, as we know you are also.

One improvement recently made for those of you who DO have a roof top antenna (and are in the Duluth viewing area), is that NBC/KBJR added a tower to the Chisholm area, Channel 11, (a rebroadcast of Duluth feed of NBC/KBJR). It is easy to pick up – for the first time in our area, we can actually pick up a local

Continued on page 8. . .

Monthly

...from page 7

channel without much snow! Some have been able to receive it with just "rabbit ear" antennas on their TV sets. This does mean, however, that NBC from Duluth probably won't be granting many NEW waivers for customers who want to get the National Feed of NBC. If you already receive the National Feed from us, it won't be a problem – but if you're looking to add it, don't count on them granting you a waiver when a good local signal of this channel can be received.

BLOCKBUSTER TICKET

- only on DIRECTV Movies ONLY \$3.99 when you order by remote!

Upcoming on Pay-Per-View

Signs with Mel Gibson
Minority Report with Tom Cruise
XXX with Vin Diesel
The Crocodile Hunter with Steve Irwin

DIRECWAY Satellite High-Speed Internet Systems now in stock!

We have installed a DIRECWAY system at each of our offices

and they are working well.

Call us today with any questions you have about the DIRECWAY system.

Electricity: Use it wisely



Frayed wires are dangerous anywhere. They should be repaired at once by someone who knows how, or better yet, replaced.

Answers to load control questions can be found at www.Minnkota.com

Visit Minnkota's Web site www.minnkota.com to find out the latest information on load control.

Click on the "Load Management" button and then the "North Star" button. This Web page contains load control plans, the current state of the load management system, the last 30 hours of control and the last switching cycle. Your specific load group information is on your electric bill. Please remember this is Minnkota's current estimate for controlling load. Control plans can and do change several times each hour.

Load groups starting with one (water heaters and grain dryers) are for

 Current State

 Member Service
 Area Code
 Last Transmission

 NSTAR
 07
 12/28/01 11:02:12

									Double	Order				
		09	10	11	12	13	14	15	16	17	18	19	20	21
	1.01	ON	ON	ON	ON	ON	ON							
L	1.02	ON	ON	ON	ON	ON	ON							
O	2.01	OFF	OFF	OFF	OFF	OFF	OFF							
D A	2.02	ON	ON	ON	OFF	OFF	ON	ON	ON	ON	ON	OFF	OFF	ON
ע	2.03	ON	ON	ON	ON	ON	ON							
G	2.04	ON	ON	ON	ON	ON	ON							
R	3.01	ON	ON	ON	ON	ON	ON							
0	3.06	ON	ON	ON	ON	ON	ON							
Ū	3.07	ON	ON	ON	ON	ON	ON							
P	3.09	ON	ON	ON	ON	ON	ON							
	6.01	ON	ON	ON	ON	ON	ON							

short-term control up to four hours. Load groups starting with two (storage heat) are for medium-term control up to 16 hours. Load groups starting with three (dual heat) are for long-term control.

Illustrated above is what Minnkota's Web site looks like for the current state of the load management system. All of load group 2:01 is controlled and double order 12, 13, 19 and 20 of load group 2:02 are also controlled.