

The Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner



VOLUME 49 NUMBER 7

BAUDETTE, MINNESOTA

JULY 2004

North Star members tour the Milton R. Young plant in Center, North Dakota



North Star members take time out to get their picture taken at the Milton R. Young Station located near Center, N.D. Thirty North Star Electric Cooperative members went on the two-day tour. The tour is a great way for Cooperative members to learn firsthand what it takes to produce and deliver electricity to their area. The night before the tour a banquet was held. Make plans to join us next year on this fun, fact-filled tour!

Because of the rain this year, this tour group was unable to get to the coal fields. A representative of BNI Coal did speak to the group. On the right is "Big Jake," an electric dragline with a 70-cubic yard bucket and a boom the length of a football field removing the overburden from a coal seam. Big Jake is located next to the Milton R. Young Station. The land contains an estimated 350 million tons of lignite dedicated to the Young Station. Besides touring the lignite-fired plant, members also visited the hydroelectric plant at Garrison Dam. Along the way, the group also drove by the *Infinity* wind generator near Valley City, N.D.



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1-888-6OUTAGE
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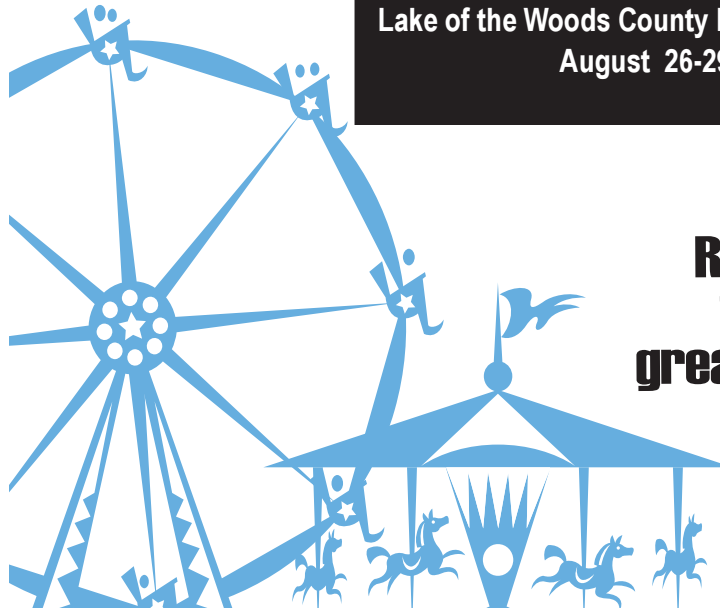


May 2004 Operating Report

Revenue	\$ 625,150
Cost of Power	\$ 332,428
Operation, Maintenance, Administration	\$ 166,006
Depreciation, Interest	\$ 130,255
Margin on Operations	\$ (3,539)
Average use per Residential	1,229
Total kWhs Sold	7,846,133

Visit Us at the FAIR

Lake of the Woods County Fair in Baudette
August 26-29



**Register
to win
great prizes !**

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.

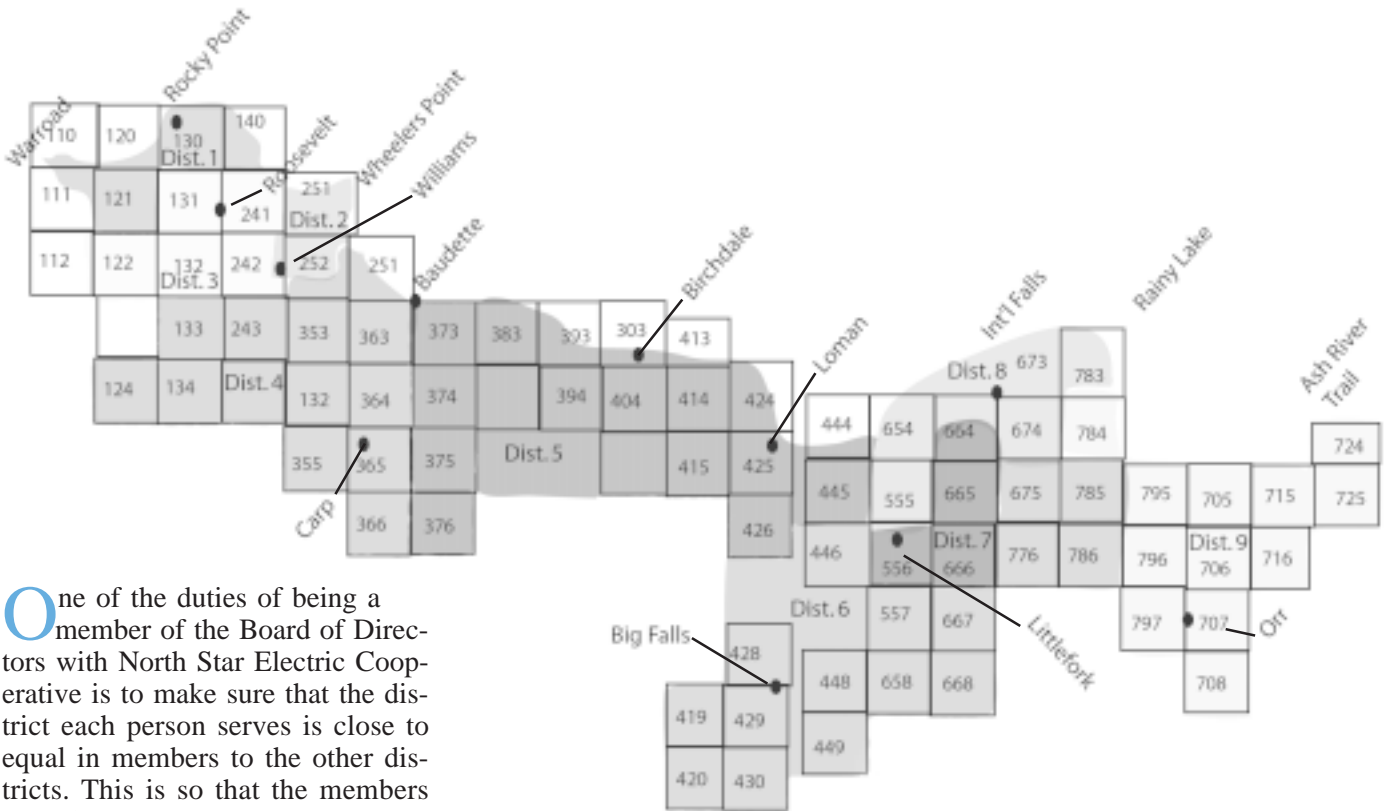
— Please Note —

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.



Board reviews districts

By Dan Hoskins
General Manager



One of the duties of being a member of the Board of Directors with North Star Electric Cooperative is to make sure that the district each person serves is close to equal in members to the other districts. This is so that the members have fair representation and so that the Director can fulfill his or her obligations to the Cooperative. We all know that serving 1,200 people is a little bit more challenging than serving 300.

So, the Board reviewed the districts and, after management staff provided some much-needed numbers, came up with a plan to redistrict.

Some of the district boundary lines were moved, and some were left as they are, but no matter what, the districts were made to fit the members.

There are some changes, but I believe the most drastic changes are Districts 4 and 5; District 4 Board

Member is Mike Hanson, and District 5 Board Member is Jim Palm. Both of these gentlemen are up for re-election along with Steve Arnesen. Mr. Palm has decided not to run for re-election this coming year, and with the re-districting, Mike Hanson will move from District 4 and seek re-election in District 5.

This means that North Star Electric will need candidates for our Board from District 4, which is located around the Baudette area. All of these changes are in accordance with our Bylaws, and the changes will not take place until the 8th of October, our annual meeting day.

If it seems a little confusing, I will tell you that our office staff has already assigned the new district numbers to

Continued on page 8

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.)



Office notes

From Ann Ellis, Office Manager

"Wise are the ones who make the most of things that come their way, and spend no time in weeping for the things that get away." -Unkown

10 steps to prevent identity theft:

- Obtain and review your credit report each year from the three major credit report agencies: Equifax 1-800-525-6285, Experian 1-888-397-3742 and Trans Union 1-800-680-7289. The cost is usually around \$9.
- Opt out of receiving pre-approved credit card offers by calling 1-888-5-opt-out. This is a free service and you will be asked for personal identifying information over the phone.
- Shred pre-approved credit card offers and other personal financial documents before you put them in your garbage or recycling.
- Do not carry your social security card – or any other card such as a medical insurance card containing your social security number – in your wallet or purse.
- Do not put your phone number or driver's license numbers on your checks. And pick up new bank checks from your bank – do not have them sent to an unlocked mailbox.
- Do not mail financial documents from an unsecured mailbox.
- Check monthly credit, utility and phone bills for charges you did not make. If monthly statements do not arrive on time, call your lender, utility or telephone company right away.
- Never give identifying information over the phone to someone who called you.
- Only use your credit card number at secured Internet sites that are identified by a padlock icon or provide a security statement.
- Do not use your mother's maiden name or birthdate as your password.

Are you protecting yourself from identity theft?

Identity theft has become a national crisis. You must be careful with your personal information. There are some simple steps you can take to reduce your exposure. The following article was written by Bill Oemichen from the Wisconsin Federation of Cooperatives (WFC). He has been a guest on the Oprah show to talk about identity theft.

Identity theft cases are on the rise

By WFC President and CEO Bill Oemichen

Identity theft is the fastest growing crime in America and in Wisconsin, according to 2003 statistics just published by the U.S. Federal Trade Commission (FTC).

The FTC is the federal agency charged with maintaining identity theft complaint records. Complaints rose from 86,212 in 2001 to 161,836 in 2002 to 214,905 in 2003. This is an average yearly increase of 40%. However, these statistics do not tell the whole story since 60% of identity theft victims do not report their complaint to local authorities or the FTC. Another 8% notified the police but no report was taken. Therefore, these complainants do not show up in the complaint statistics.

Who are the identity theft victims in Wisconsin?

The leading cities for identity theft victims are Milwaukee, followed by Madison, Green Bay, Racine and Waukesha. Identity theft tends to occur more for those in their higher earning years, but no age group is invulnerable. Three percent of identity theft victims are under 18 years of age, 28% are between the ages of 18-29, 25% are between 30 and 39, 21% are between 40 and 49, 13% between 50-59, and 10% are age 60 or older. Certainly the use of the Internet has increased our susceptibility to identity theft.

What are the sources of identity theft crimes?

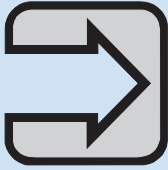
Nationwide, the primary source of identity theft is credit card fraud (33%), followed by phone and utilities (21%), bank (17%) and employment-related fraud (11%). In Wisconsin, phone and utilities fraud (31%) leads credit card fraud (29%), bank fraud (14%) and employment-related fraud (11%). (383-07-001-07 Marvin Gilster) In Wisconsin, the perpetrator is often a "trusted employee" who downloads personal identifying information from business records and then either uses the information to commit identity theft fraud or sells the information.

Identity theft thieves use personal identifying information in a variety of ways, including to open up new credit card accounts, take over existing credit card accounts, take over existing bank accounts, illegally transfer funds electronically, open new bank accounts, and obtain loans and utility services.

What is the impact of identity theft?

Nearly 10 million Americans were likely to have become victimized during the past year. There is a new victim every three seconds, and the total estimated victim loss is \$5 billion per year and \$48 billion per year for businesses. Victims are estimated to spend 30 hours and \$800 untangling credit problems. And identity theft thieves are estimated to get an average of \$4,800 per victim. If you become a victim, file a police report with your local police department. Then, file a complaint with the FTC by calling 1-877-ID-THEFT.





West End News

By *Steve Ellis*

Baudette District Operations Supervisor

Call Before You Dig! We have received several calls from members wondering when we are going to come out and locate the underground wires in their yard. North Star Electric has approximately 340 miles of underground wire on its system. This has all been mapped and installed at specific specifications.

When we are notified by Gopher State One Call that there is work to be done at a specific area, we check our records, and determine in the office whether or not a technician needs to be sent out to locate our facilities. If no locate is required, we do not send anyone out. The State Board of Electricity has determined that the point of sale is the dividing point between the power supplier and the private owner's facilities. North Star Electric does not locate and is not responsible for private facilities.

When we receive notification of such work, we only have records of our own facilities.

It is the homeowner's responsibility to get his/her wires located as you have the best idea as to where and to what the wires feed.

Most electricians have equipment to locate underground wires and will help you with this. If you cannot find someone to help you, call us and we will, for a service charge, meet with you and help you the best we can.

Minnesota Gopher State One Call at 1-800-252-1166 must be notified 48 hours before you plan to do any digging with a mechanical device. **This is a state law.** Remember, that when we are notified, we are only looking for North Star Electric's wires.

From the meter going to anywhere else is your responsibility.

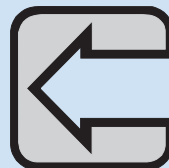
We have been building several new services in our district and have also been busy with line moves and line rebuilds.

Lake States has been contracted to do some spraying for us from the Baudette to the Williams area. They are in charge of all contacts for this work and will be getting permission from the members before spraying. If you have any concerns, please let them know, or contact me at the Baudette office or Allan Baumgartner in our Littlefork office.

East End News

By *Allan Baumgartner*

Littlefork District Operations Supervisor



Our crews have been building new services, upgrading others and changing out rejected poles. They also worked on our 14.4 feeder up to Rainy Lake, both at our step-down substation and the Van Lynn Road. We still have some work to finish up on this job, which is part of our work plan, as soon as the ground dries up.

One of our crews worked about a week up on Namakan and Kabetogama Lake removing old underwater services and fixing up a tie-line of ours. We were able to use Voyageur National Park's barge to roll up the cable off the bottom of the lake, which worked out well. We still have one left to remove down in Moose River.

Our crews were able to put in a couple of days of cutting down leaning trees throughout our system that were left from the high winds we had in June. Many of the trees were eventually going to cause outages and problems for us. We only had five outages in June; four were individual and one mainline outage was caused by a tree during a windstorm.

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

June 7, 2004

These are the highlights from the board of directors meeting held on June 7, 2004. 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 seek bids for auditing services, approve travel to the NRTC DBS informational meeting, to accept the low contract construction bid with Embloms, to accept the low bid for right-of-way spraying from Lake States, to approve the inventory adjustments, to accept the minutes from the Safety Committee meeting, and to change director district boundaries effective October 8, 2004 to even up counts.

Management and operations report

General Manager Hoskins reported on Minnkota Power issues, scholarship presentations, upcoming union negotiations, review of the policy manual, strategic planning, proposed changes to North Star's bylaws, and recent NRTC developments which have voided North Star's ability to exclusively provide

DirecTV programming to our franchised area. A special board meeting was scheduled for June 28 to learn more. He also reported on Operations Department issues including line loss, sale by bid of the ASV Posi-Track, a pickup truck, part-time summer apprentice linemen, safety procedures, pole changeouts and outages. Attorney Anderson explained the proposed changes to the bylaws.

Office Report

Office Manager Ellis reported on financials, insurance, loan funds and auditing services.

Compliance and member services report

Manager of Member Services Haukaas reported on load control, IPP, customer appreciation days, delay of the launch of WildBlue, DBS local networks coming June 17, and catching up on upgrade requests.

Board reports and other discussion

Minnkota Delegate Arnesen reported on their recent board meeting and his trip to Center with Warroad students.

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 414 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 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 our member services department.
11. Outstanding loan balance at termination of service is due in full.



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:

Baudette 218-634-2202

Toll-Free 888-634-2202

North Star medical alert list

North Star Electric is updating the list of members with medical needs. The members on this list will be notified when an outage occurs. Do you, or someone you know, rely on some type of electrically operated life support equipment that would create a perilous situation if electrical service should be interrupted for any reason?

North Star would like to know about the existence of this type of equipment. We need to know what type of equipment you have and how long your backup system will last.

There is nothing we can do to prevent these members from experiencing power outages. (444-34-002-02 Naomi Gingerich) It is necessary for us to be aware of special life-threatening problems, so we can make them a higher priority when power is being restored.

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

Electric seals are for your safety

Why are electric meters sealed?

1. Energized meter sockets are dangerous to the untrained. There is no circumstance that is worth the risk of electrocution.

2. They are the cooperative's property to which access is only provided to qualified personnel.

3. A broken seal may indicate tampering with the electric meter, off-peak control device and the theft of electricity. This is against the law. Instances of suspected theft, as well as unauthorized or fraudulent use of electricity will be prosecuted.

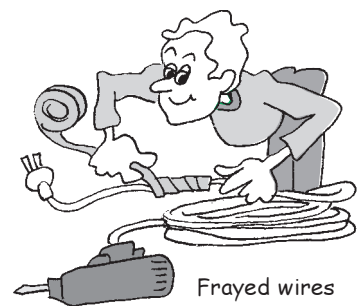
4. If you are not a professional electrician with prior authorization or part of North Star's operation crew, do not cut the seal.

Meter tampering is illegal and unsafe; leave the meter and its seal intact. This is largely a safety issue, but acknowledging meter tampering as a very serious offense. North Star Electric Cooperative's policy includes charging a fine of \$200 per occurrence to anyone who breaks a seal, without prior authorization.

Additionally, there will be a charge for all expenses and repair resulting from any unauthorized use, as well as a back bill for the estimated power used by the individual. This follows North Star's policy 4.21.

No individual shall alter, remove, connect to or work on the cooperative's meter or distribution system without the approval of the cooperative. Doing so creates an extremely hazardous situation that is in violation of utility and electric safety codes.

Electricity: Use it wisely



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

North Star Board members attend legislative conference in Washington, D.C.

North Star Electric Co-op Board president Steve Arnesen and director Bruce Polkinghorne attended a legislative conference in Washington, D.C., in May hosted by the National Rural Electric Cooperative Association. They were part of a delegation of 44 Minnesota electric cooperative members and Minnesota Rural Electric Association staff who asked Congress to recognize the success of the Rural Utilities Service (RUS, formerly named REA) in providing resources to rural communities. The conference drew nearly 2,000 to the nation's capitol from electric co-ops across the United States.

The Minnesota co-op members, led by Minnesota Rural Electric Association manager Mark Glaess, asked the Congressional Delegation to support 2005 funding for the electric cooperative loan program at 2004 levels. The delegation also addressed other legislative issues affecting cooperative members. Personal visits were made with Senator Dayton, Representatives Kennedy, Oberstar, Peterson and Gutknecht.

The Minnesota attendees did a great job communicating the demographic differences that co-ops face in their service areas. (556-10-026-02 Bonnie Jean Horne) The Minnesota Congressional Delegation learned that electric cooperatives receive the least amount of government subsidy of any electric utility in the nation. Electric co-ops received \$8 of assistance per customer compared with in-

vestor-owned utilities (IOUs) that received \$35 and municipal (city-owned) utilities at \$57, based on 2002 DOE and RUS data.

The difference in federal subsidies for each type of utility becomes even sharper after considering that because electric cooperatives serve sparsely populated areas across the vast countryside, they have only 6.6 customers per mile of line, compared to 34 for IOUs and 44 for city-owned utilities.



Bruce Polkinghorne and Steve Arnesen met with Congressman Collin Peterson, along with other Minnesota directors and Minnesota's legal counsel David Sogard.

From page 3...

your bill, so the district number on your bill will be the new district that you are in. All you have to do is read a little further down, and I will tell you who your District Board Member is.

So, now, I will give you a rundown of each district; there is also a map on page 3 to give you an idea of the location of each district. On your July bill, you should have the new district which you are going to vote in, so please check your bill, and if you are in District 1, 4 or 5 you will be able to cast your vote for your respective district at our annual meeting, October 8, at the Lake of the Woods School.

District 1 Board Member is Steve Arnesen. Steve is president of our Board of Directors and is also running for re-election at this year's annual meeting at Lake of the Woods School on October 8.

District 2 Board Member is Mike Trueman.

District 3 Board Member is Randy Bergan.

District 4 Board Member is Mike Hanson. Mike is up for re-election, and because of the re-districting, will be seeking re-election in District 5 at the annual meeting.

District 5 Board Member is Jim Palm. Jim is up for re-election but will not seek another term.

District 6 Board Member is Allan Nygaard.

District 7 Board Member is Bruce Polkinghorne.

District 8 Board Member is Gunder Hallan.

District 9 Board Member is Julian Brzoznowski.

Just remember, these Board Members are working for you. They represent you as elected officials of North Star Electric Cooperative, and as you can see by this re-districting, put you, the member, first when it comes to our Cooperative.

There you have it, clear as mud, I bet! But always remember, call our office with any questions, and we will be happy to answer them.