


The Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner 

VOLUME 49 NUMBER 9

BAUDETTE, MINNESOTA

SEPTEMBER 2003

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of North Star Electric Cooperative, Inc. will be held at the Littlefork/Big Falls School in Littlefork, Minn., on Friday, Oct. 10, 2003.

Registration and supper 5 to 7 p.m.

“The Sindelir Band” will entertain at 5:30 p.m.
Free childcare available from 6:30 until adjournment
Business meeting 7 p.m.

The business to be transacted at said meeting is as follows:

7:00 p.m. Call to order - President Arnesen
Invocation - Pastor Heather Wigdahl
(Littlefork Lutheran Church)
Notice of 2003 Meeting - Secretary Hanson
Minutes of 2002 Meeting - Secretary Hanson
Treasurer’s Report of Audit - Treasurer Hanson
Welcome Guests and Financial Report -
Office Manager Ann Ellis
Management Report - Manager Dan Hoskins
Nomination and Election of Directors -
Districts 8 & 9
Turn in question sheets
Is Elvis in the House?
Guest Speaker - David Loer, Minnkota CEO
Old and New Business - Members
Question and Answer Time
Results of Election
Drawing for Balance of Prizes
and \$200 Grand Prize
Adjournment

North Star Electric Co-op returns \$432,866 in capital credits to its membership on the September bill

What are capital credits?

So you like receiving those capital credit payments, but you’re not sure exactly why you get them. It’s simple, really. Your electric cooperative is a nonprofit business. Your cooperative exists only to provide goods and services to you, its members – not to make a profit for a shareholder or investor. Cooperatives are operated to provide at-cost electric service to the members.

A co-op’s net margins, or what is left above expenses and reserves, do not belong to the utility; they belong to the members. The margins must either be used to improve or maintain operations or be distributed to the members.

So, when all the expenses are paid, the cooperative’s margins are credited to you in the form of capital credits. As the financial condition of your cooperative allows, you are paid these capital credits in cash. In the meantime, your capital credits are your equity in the cooperative.

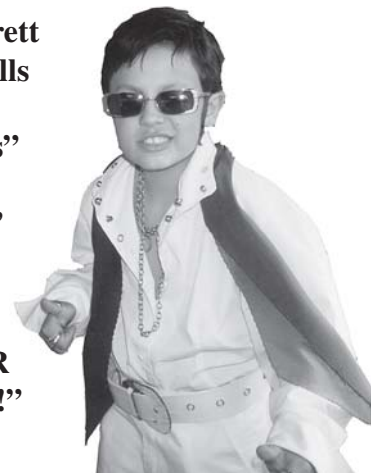
Refunds are allocated based on the amount of business a member does with the cooperative – the more electricity used, the larger the capital credit check.

“The King” to perform at North Star’s Annual Meeting

See 10 year-old Garrett Mastin from Big Falls perform
“Blue Suede Shoes”
&
“Jail House Rock”

“Thank You
for Attending YOUR
Annual Meeting!”

-The King



The Enlightener

September 2003
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 \$1/year for non-members

OFFICERS AND DIRECTORS

Steve Arnesen President
 Gunder Hallan Vice President
 Michael Hanson Secretary-Treasurer

BOARD OF DIRECTORS

Julian Brzoznowski,
 James E. Palm, Bruce Polkinghorne,
 Allan Nygaard, Randy Bergan, Mike Trueman
 Wayne Haukaas Editor

Baudette 218-634-2202
 Littlefork 218-278-6658
 DirecTV questions 218-634-3322

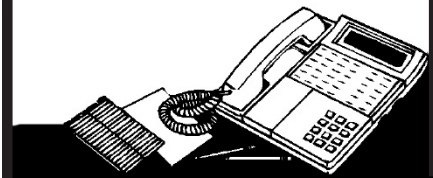
If calling long distance, call toll-free

Baudette 888-634-2202
 Littlefork 888-258-2008
 DirecTV questions 877-634-3322
 e-mail us at nsec@wiktel.com
 Visit our Web site at
 www.northstarelectric.coop

AFTER HOURS

DirecTV® Problems
 1-888-207-6266

**Electrical
 After-Hours
 Emergencies**
1-888-6OUTAGE
(1-888-668-8243)
634-2603



July 2003 Operating Report

Revenue	\$ 534,246
Cost of Power	\$ 250,183
Operation, Maintenance, Administration	\$ 162,996
Depreciation, Interest	\$ 120,825
Margin on Operations	\$ 242
Average use per Residential	757
Total kWhs Sold	5,631,617



Bus service to Annual Meeting

Call or send us a note to confirm your seat on the bus

The bus is free, but this year we are asking that you give us a call or drop us a note to let us know that you plan to ride the bus. Also, it would be helpful to know where you plan to board. With your help, we should be able to make sure that everyone will be able to find a seat.

**Call 634-2202 (Baudette) or 278-6658 (Littlefork)
 or toll-free (888) 634-2202**

Bus Schedule for Annual Meeting Friday, October 10, 2003

East Route 1

Kabetogama	Gateway Store	3:50 p.m.
Ray	Woodland Inn	4:00 p.m.
Roger's Corner	Store	4:10 p.m.
International Falls	International Falls Shopping Mall	4:25 p.m.
Brown's Corner		4:35 p.m.
Pelland Jct.	Y Knot Quick Stop	4:45 p.m.

East Route 2

Big Falls	Community Building	4:40 p.m.
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West Route

Roosevelt	Cafe	3:30 p.m.
Williams	Fish Family Restaurant	3:40 p.m.
Baudette	North Star Office	4:00 p.m.
Birchdale	Karen's Place	4:25 p.m.
Loman	Church	4:45 p.m.

Destination - Littlefork/Big Falls School

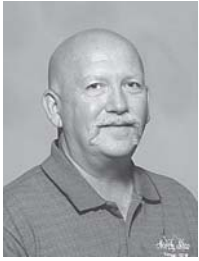
Registration	5 to 7 p.m.
Supper	5 to 7 p.m.
Business meeting	7 p.m.

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.



Questions to Minnkota Power Cooperative's CEO Dave Loer

By Dan Hoskins
General Manager

Recently there have been numerous questions raised by you, our members, in reference to load control and Minnkota Power Cooperative. Instead of me trying to answer your questions, I went right to the source and asked him. The questions are yours and the answers are from Dave Loer, president and CEO of Minnkota Power Cooperative. -Dan Hoskins

Why am I controlled more than my neighbor?

Dave: Load control is made up of many different load groups, which in turn are controlled at various times depending on when they are needed. Neighbors are not necessarily in the same load group. By the end of each season, though, control hours are equalized between similar controlled loads.

Is Minnkota controlling us and selling the power for big money?

Dave: No! Minnkota does not control load to make energy sales. We control load to avoid purchasing expensive energy.

Why can't Minnkota build another power plant?

Dave: We can, but Minnkota cannot economically build a power plant to serve loads that pay the off-peak rate of 3.1¢/kWh. New plants today produce energy that cost more than 5.0¢/kWh.

Why can't Minnkota cycle loads on shorter periods? (6 hours on/6 hours off)

Dave: Unfortunately, our system load does not cycle in 6-hour periods, especially in the summer. Our peak load conditions often last up to 12 hours, leaving no opportunity to restore controlled loads within that 12-hour period.

Does Minnkota have plans of more control in the future?

Dave: As loads grow in the Minnkota system, the available surplus energy from generating resources to serve off-peak loads will be reduced. This will likely increase load control hours over the next several years.

Can Minnkota pre-buy power for the winter months?

Dave: Yes, but it comes with a high level of risk. We could just as easily end up pre-buying at prices higher than the actual short-term market as pre-buying at lower than the market. We could also end up pre-buying too much energy. Most utilities, including Minnkota, do not pre-buy except for planned generation overhauls or outages.

What are other G&Ts doing for additional power? Is Minnkota the only G&T that is underpowered?

Dave: First of all, Minnkota is not underpowered. We have sufficient generation to serve all the firm loads of our members. Some other G&Ts are growing more than Minnkota, requiring them to build new (and expensive) generation to serve firm load.

What is a power grid?

Dave: It is a transmission system that interconnects all utilities, allowing transfer of energy from generators where it is produced to members' loads, where it is needed. There are three power grids: Eastern (the one we are in), Western and Texas.

What plans are there for better transmission lines?

Dave: Minnkota does not have a need or immediate plans for large transmission line additions. However, we are aware of several projects planned in

our multi-state region that could help with the future energy transfers necessary in our area.

Will Minnkota ever be able to resolve the load control problem or is it going to continue?

Dave: Minnkota plans to exercise energy options from Square Butte Electric Cooperative (owned by the same cooperatives as own Minnkota), beginning in 2006. This will add about 90 megawatts of generation capacity, providing about 20% additional energy for our firm and off-peak loads. This new energy will hold down control hours, at least for a few years.

Could we have a blackout like New York?

Dave: Not likely, because our population in this area relative to transmission resources is not as high as the East Coast area. We cannot guarantee that a similar event will not happen here, but the odds are that it won't.

I don't care if you control my heat during the daytime when I am at work, but why can't you turn the heat back on when I get home at night?

Dave: Our heating loads do not reduce at the end of the workday; in fact, heating loads most often continue until late in the evening, requiring off-peak loads to be controlled.

When I call, why can't you tell me when my heat will be turned back on?

Dave: We generally cannot predict with a high rate of accuracy, what our loads will be at any future hour or if the market price will be low enough to allow us to economically buy energy to serve off-peak loads.

Continued on page 8. . .



Office notes

From Ann Ellis, Office Manager

“The happiest people don’t necessarily have the best of everything. They just make the best of everything.” –unknown

If you plan to cast the vote of a membership held by an organization, the form shown below will need to be completed and presented before we can issue a ballot. The form must be fully completed.

Annual meeting – make plans to attend

Oct.10 is just around the corner, and that is your opportunity to hear about the issues facing your electric cooperative. You’ll also have the opportunity to submit a written question to be answered at the meeting – for those of you on the shy side. Members in Districts 8 and 9, currently represented by board members Gunder Hallan and Julian Brzoznowski, will be electing their board representatives. (667-04-002-08 John F. Liabenow) That’s after we’ll have fed, entertained and “prized” you. We’ll be handing out about 300 sixty-minute long distance phone cards, drawing for 15 larger prizes, and there will be one lucky grand prize winner who will take home two crisp \$100 bills. So what more do you need to know to mark Oct. 10 at the Littlefork/Big Falls School on your calendar? Maybe the time – we’ll start registering at 5 and the business meeting will start at 7 p.m. See you there!!

Capital credit refund – check or bill credit

Unless you notified us last month that you preferred a check, your capital credit payment is included on the enclosed electric bill as a credit. The other members who will be receiving a check are those with a credit balance (budget billed, seasonals or prepaid accounts). The cooperative is returning \$432,866 in earned capital credits to members and former members – it’s the nature of a not-for-profit business owned by those it serves.

High-speed Internet via satellite – WildBlue

As I write this on Aug. 28, our survey results are showing that 90 percent of the responding membership feels that we should offer the new satellite Internet service. We appreciate the time that all of you took to fill out the survey. We will be drawing the \$50 winner on Sept. 9 and announcing the results in the next *Enlightener*.

At your service we remain . . .

Cold weather disconnects

Section 216B.097 was added to the Public Utilities Act effective Aug. 1, 1991. The law provides that cooperatives and municipal utilities cannot disconnect a residential consumer between Oct. 15 and April 15 if the disconnection affects the primary heating source, provided that certain conditions are met.

The conditions include that the member must declare, on forms provided by the cooperative, an inability to pay, and the household income of the customer is less than 50 percent of the state median income. Another major change this winter is that any member who is receiving energy assistance is eligible. In addition, the

customer’s account must be current for the billing period immediately prior to Oct. 15, or in the alternative, the customer has entered into and is reasonably current on a mutually acceptable payment schedule. Several agencies provide financial assistance to qualifying households. We urge you to check with them for details on available programs.

To avoid electric disconnection, arrangements for bill payment need to be made before the line crew is sent to collect. Do not disregard your bill. It is your responsibility. If you have financial difficulties, please contact our office to discuss payment arrangements.

The _____

(Name of Organization) has, at an official meeting, authorized _____

to represent us at the 2003 Annual Meeting of North Star Electric Cooperative, Incorporated

Attest _____
(Mayor, Chairperson)

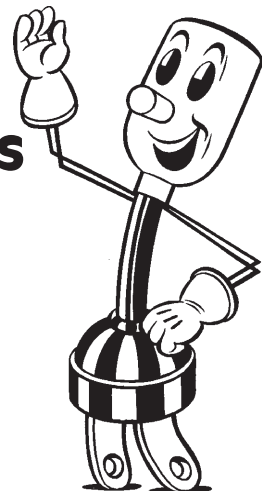
Attest _____
(Clerk, Secretary)

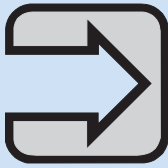
Assistance offered to handicapped for annual meeting

Any member with a handicap who needs assistance to attend our annual meeting is requested to notify General Manager Hoskins of your need for assistance at least two weeks prior to the meeting.

We will do our best to accommodate your needs so that you may take part in the annual meeting of your cooperative.

Your vote counts





West End News

By Steve Ellis
Baudette District Operations Supervisor

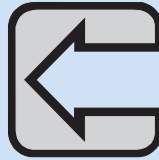
The summer weather will be leaving us shortly; everyone will be getting ready for the winter months as they will soon be upon us. Just a reminder that the cut-off date for underground installation is November 1.

This has been a very busy summer for the crew this year with new services, maintenance and outages. We have changed out some of our aging 15-kV underground cable that has been causing us problems and will continue to do so next season. We also rebuilt 6.4 miles of line north of Williams and converted it to 14.4 volts. This line feeds from Williams north to the Rocky Point and Long Point areas. (251-24-124-02 Paul Desautel) These areas have been growing fast and were in need of an upgrade to serve the power needs in those areas.

Just a reminder, that if you are doing any burning this fall, make sure to safeguard the power poles as they ignite easily and are very expensive to replace. Also, never touch a downed power line as it can be on the ground and still be energized; if you see this, or any other hazard, please contact us immediately! Stay safe! After-hours outage number: 634-2603 or toll-free 1-888-6outage.

East End News

By Allan Baumgartner
Littlefork District Operations Supervisor



Our crews are still building and upgrading services. In many cases, a service upgrade requires more work than a brand new service. Besides installing a new service, our crews still have to remove the old system, which in most cases is too small (and in the way) or not close enough to the new construction site.

Throughout the summer we continue to get a lot of work from dead or leaning trees. It seems like after the July 2 windstorm, the calls on bad trees keep coming in. Lake States Tree Service is finished with our contracted rights-of-way brush spraying for this summer. We concentrated on the west side of both the Baudette and Littlefork systems.

We did get some time to install the new tie-line on Rainy Lake, which provides a loop feed to many of the islands we serve. We got a chance to use the new tie-line right away when we replaced the 32-year-old cable that was feeding Stop Island with new cable.

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

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

August 6, 2003

These are the highlights from the board of directors meeting held on August 6, 2003. Detailed minutes are available at the Cooperative for member review. The next regular board meeting is tentatively set for October 1, 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 accept the minutes from the Safety Committee meeting, to approve the District 8 and 9 Nominating Committees, and to approve a \$432,866 capital credit retirement calculated by adding 15% of members' 2002 capital credits plus 100% of their remaining 1982 credits and 1% of all other years.

Management and operations report

General Manager Hoskins reported on the Minnkota Managers' meeting, load control, strategic planning, and WildBlue Ka band satellite Internet estimated pricing. He also reported on Operations Department issues including right-of-way spraying, work plan projects, outages, the after-hours outage dispatching and personnel.

Office report

Office Manager Ellis provided the financial report and commented further on director elections, district membership counts, capital credit retirement options, the FFB loan, rising interest rates, unclaimed capital credits and scholarships.

Compliance and member services report

Manager of Member Services Haukaas reported on upgrading subscriber equipment in preparation for the availability of Duluth's NBC station via DirecTV, a DBS employee meeting, the temporary squeeze on equipment availability, P4 access card changeouts, the Littlefork District Fair booth, entertainment for the annual meeting, load management and the continued high price of LP.

Board reports and other discussion

Minnkota Delegate Brzoznowski reported on the monthly Minnkota board meeting, and Square Butte Delegate Arnesen reported on their quarterly meeting. MREA Manager Mark Glaess addressed the group and reported on statewide and NRTC activities. Attorney Brink announced his plans to retire October 1.



District 8—Gunder Hallan

Gunder Hallan is seeking re-election for another four-year term from District 8. He has served as a director on the North Star

board for the last 16 years and has held the office of the vice president for the past 5 years.



District 9—Julian Brzoznowski

Julian Brzoznowski is seeking re-election for another four-year term from District 9. He held the

office of board president from 1984 to 1998 and has served as a director on the North Star board for the last 20 years.

Julian also represents North Star on the Minnkota Power Cooperative board.

Snowbirds on the monthly billing

Contact us before heading out for the winter

Each year we receive inquiries concerning what should be done if you leave your home or close your resort for the winter. Whether you leave for a short vacation or for the entire winter, please notify me at the Baudette office. Call Pat Olson at 634-2202 or toll-free (888) 634-2202.

If you are on the monthly billing, the most important thing to remember is to read your meters before you leave and report those readings to me. I will use those readings to figure your charges up to date and then, depending on what you plan to leave running while you're gone, I will set up an estimate. It is also helpful to know the estimated time you plan to be gone and a winter address, if possible.

If the estimated bill is not totally accurate, any differences will be adjusted on the first billing after you return home and report the actual readings to me.

You may choose to pay your bills monthly while you are away, but then you could forget to make a payment. Your account will pick up penalties and run the risk of possible disconnection. Most members find it more convenient to take care of their bills in advance.

**Have you filled
your tank
yet?**



It's been very busy in the DBS department this past month! We continue to get calls daily for upgrading equipment for the upcoming Duluth networks. Remember, if you haven't phoned in to get your equipment exchanged yet, you may want to do so as soon as possible. Just to recap what's been previously mentioned regarding this: The cost to exchange both your receiver and antenna is \$49.99 installed, the cost to exchange just your antenna is \$29.99. The monthly fees are expected to be the same at our LOW price of just \$1 per month, per network!

Keep in mind, once the local channels are up and running, the east and west coast feeds for that particular channel will no longer be available to you. For now, it will just be the NBC east/west coast feeds that will be dropped when NBC/KBJR of Duluth airs in approximately December. ABC and CBS will be at a later date that we do not have confirmation of yet.

In addition to receiving local news, weather and sports, the new upgraded receiver has the interactive weather channel! You can program in your city and state (or any other area that you may be interested in) and have access to the weather and forecast each time you enter channel 492!

A network for and about Rural America!

RFD-TV, the nation's first 24-hour television network with educational and informational programming targeting Rural America, has been added to the DIRECTV programming lineup! Channel #379 can be viewed once you have upgraded your DBS satellite equipment to the new style multi-satellite dish antenna – the same style that is used for receiving local networks. There is no additional charge to you for this channel – it is FREE, as long as you have the above mentioned equipment to receive it. You can then enjoy programs such as Horses on RFD-TV, Rural News, Classic Tractors, Farm Bureau Today, Traditional & Ethnic Music and Rural Youth.

**... Have we given you enough reasons to upgrade and exchange YOUR equipment?
Call our office today!**

STARZ! Freeview

There will be a FREE preview of the STARZ! family of movie channels to all residential subscribers!

From 6 a.m. Friday, Sept. 26
To 6 a.m. Sunday, Sept. 28.

Tune in and see what you've been missing!

Freeview events for October

Tune to DIRECTV channel #103 and enjoy Meat Loaf in Concert, Train in concert and The Lord of the Rings: The Two Towers special, exclusive DIRECTV® FREEVIEW® Events, premiering Oct. 3, and airing every weekend throughout October. We are proud to present these concerts to you – at no additional charge – as our way of saying, “Thanks for allowing us to serve you!”

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

BLOCKBUSTER TICKET

only on DIRECTV

Movies ONLY \$3.99 when you order by remote!

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.

North Star
ELECTRIC COOPERATIVE
Your Touchstone Energy® Partner 

Why don't you just install some windmills so you don't have to control so much?

Dave: Availability of wind energy at any given time is even less predictable than the weather. Electric loads do not directly correlate with the availability of wind energy. In fact, our two wind generators are often not producing energy (no wind) during peak load conditions. Because of this unpredictability, wind energy is not the answer to Minnkota's or our nation's energy needs.

You're controlling my heat at 20 degrees; what's going to happen when it gets cold this winter?

Dave: As a participant in the off-peak program, you have agreed to allow your heating energy to be controlled when our system cannot economically serve your off-peak load. Load control is not only dependent on the weather. There are other situations that could factor into Minnkota controlling load for all off-peak members, such as an unexpected generator outage. An adequate backup heating system would be a good recommendation.

Do you ever see a need to limit the number of members on electric heat?

Dave: From a Minnkota perspective, we are not in a position to do this, but that decision is really up to North Star and the other Minnkota member owners.

Dan: Right now we see no need in limiting the number of members on electric heat. We have quit advertising the off-peak program and electric heat at this time.

There you have it, right from the boss himself. These are just some of the questions that we have coming our way quite often. We probably missed some that you would like to ask, so what I would suggest is that you either attend our annual meeting in Littlefork on Oct. 10 or send in your questions and we will get you the answer.

Don't forget the annual meeting at the Littlefork/Big falls High School on Friday, Oct. 10. We will start serving supper at 5:00 p.m. with the annual meeting to start at 7:00 p.m. (795-21-023-05 John C./Lorraine Ruelle) We look forward to seeing you there!

I would like to thank Dave Loer of Minnkota for taking the time to sit with me and answer those questions.

Until next time, God Bless.

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. In the future, you can expect 400 hours or more per heating season.

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

Giving medicines to children

Teach your children to use medicines wisely by following these suggestions:

- Read the directions on the label with your child and follow them exactly.
- Give all of the medicine prescribed even if your child feels better after only a few doses, especially when taking antibiotics.
- Tell your child to report any unexpected side effects or reactions.
- Teach children to be smart medical consumers by encouraging them to ask questions such as these:
 - Why do I have to take it?
 - How long do I have to take it?
 - When do I have to take it?
 - What side effects could I have?

