


The

Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner 

VOLUME 49 NUMBER 11

BAUDETTE, MINNESOTA

NOVEMBER 2003

2003 annual meeting



Glen Sherf was the lucky grand prize winner of \$200.



Close to 250 members registered at this year's meeting. \$432,866 in capital credits were returned to the members as a credit on their September electric bill.



Several members took advantage of the health fair.



Around 450 members enjoyed an excellent meatball/mashed potato dinner prepared by Mary Thydean and crew.



North Star Electric's annual meeting was well attended again this year.

Annual Meeting Prize Winners

2003

Albert Henrickson
Emma Scott
Harvey Lindquist
Richard Hufnagle
Elwood Gubrud
Henry Sindelir
Joann Coulombe
Susan Nickelson
Vernon James
Paul Turenne
Russ Kingery

Bonnie Siltman
Henry Rieke
Lenora Ubel
Robert Lovell
Orville Larson
Soren Olesen
Frances Thompson
Clarence Sindelir
James R. Linder
Glen Zizka

North Star offices
will be closed
Nov. 27 and 28 for
Thanksgiving.

Have a nice holiday!



The Enlightener

November 2003

Published monthly by

North Star Electric Cooperative, Inc.
Baudette, MN 56623

Subscription 50¢/year for members;
\$1/year for non-members

OFFICERS AND DIRECTORS

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

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

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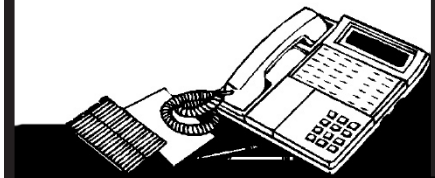
If calling long distance, call toll-free

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**



September 2003 Operating Report

Revenue	\$ 550,179
Cost of Power	\$ 252,636
Operation, Maintenance, Administration	\$ 155,457
Depreciation, Interest	\$ 125,622
Margin on Operations	\$ 16,464
Average use per Residential	882
Total kWhs Sold	6,201,658

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:

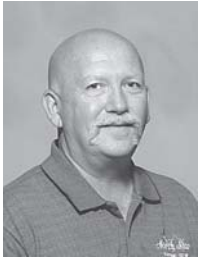
1. On approved credit
2. \$2,500 maximum
3. 6 percent interest
4. 1 to 3-year term
5. Payment will be added to existing electric bill (\$25 minimum per month)
6. \$35 filing fee
7. Must be an existing off-peak member
8. Automatic backup system only (no wood or manual systems)
9. Must furnish sales receipt 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.



North Star Electric has a successful annual meeting

By Dan Hoskins
General Manager

Hi Ladies and Gentlemen, hope all this well with you folks. I know things are going well around your Cooperative. If you didn't get a chance to attend your annual meeting in Littlefork on Oct. 10, then you missed a very good meeting and well, let's just see what you did miss.

You missed a terrific supper that was served before the meeting but don't just take my word for it. Find one of the 450 plus members who had supper with us. You also missed the pre-meeting entertainment and the Sindelir Band from Baudette who also played the National Anthem. Then Board President Steve Arnesen opened up the festivities by welcoming all to North Star Electric's 63rd annual meeting. Pastor Heather Wigdahl, from the Littlefork Lutheran Church, gave a very nice invocation and then Board secretary Mike Hanson gave notice of the 2003 annual meeting and the minutes of the 2002 meeting were approved. Mr. Hanson also gave the Treasure's report of audit and that report was also motioned and approved.

President Arnesen welcomed all of our guests from neighboring cooperatives, and I believe they numbered nine total. President Arnesen introduced Ann Ellis, North Star Electric's manager of finance, for the financial report. Ann's game this year was Trading Spaces or Places as it was changed to, and she had some very willing participants. (654-32-009-07 Charles/Cheryl Hansen) But the financial part of our business we do not play games with and Ann does a professional job.

Ann reported that your Cooperative sold 112,969,581 kilowatts over 1,344 miles of line to 6,162 members, using 25 full-time employees and seven part-time employees, for a total revenue of \$7,447,499. That's pretty good revenue, but if you take the expenses out of there like cost of power,

operating expenses, depreciation and interest paid in, that leaves us with a \$284,114 margin. She also reported that your Cooperative returned back to its members approximately \$435,000 in capital credits.

I was up next with the General

“Your Cooperative returned back to its members approximately \$435,000 in capital credits.”

Manager's report. After I informed the audience of the foundation on which your Cooperative was built, I then proceeded to give a run down on the year's activities. The year in review went something like this, load control (407 hours), cost of service study, electric rates increased, DBS rates increased, open houses at both offices and outages for the year totaled 267, with the average outage rate per member at 1.7 hours.

I also talked about line maintenance that had our crews upgrading lines in the Sturgeon River Road area, north of Williams area, Stop Island, Jackfish Bay, Marhula's and numerous other minor locations. The construction was a big item because we had such a busy year, with more than 12,442 feet of new overhead line installed and 28,820 feet of new underground cable installed, this along with 75 new services and 86 upgrades.

I talked about the new local programming for some of our DBS subscribers and our new venture into serving our customers, WildBlue, an Internet service provided by your

Cooperative via satellite. This new service will be coming your way in 2005.

I also covered some plans for the upcoming year. I got pretty windy and talked a little longer than I probably should have. But when you're excited about something, as I am excited about North Star Electric, I could ramble on for a long time. We have a lot going on at North Star and with us growing each year, things change and times get exciting.

We then had nominations for directors and Julian Brzoznowski of District 9 and Gunder Hallan of District 8 ran unopposed and were re-elected to another four-year term on the Board. These gentlemen do a very professional job for you folks as do all the Board members.

After elections "Elvis" was back in the house. Young Garrett Mastin of Big Falls rocked the house with a couple of Elvis hits that kept everyone all shook up.

David Loer, President and CEO of Minnkota Power Cooperative, was our guest speaker. Mr. Loer talked about load control of the upcoming season, a power cost adjustment that will be handed down to all of us, and the Eastern Blackout.

There was no old business and no new business, so with that we drew for the door prizes, which were very nice, I might add, and then the \$200 grand prize. Then the meeting was adjourned.

So as you can see, you may have missed a great meeting with a great supper, but you can rest assured that your Cooperative is in good hands.

So on behalf of the Board of Directors, management staff, the North Star employees and myself, Thank You for a great year, and we look forward to another one forthcoming.

Stay safe and God Bless.



Office notes

From Ann Ellis, Office Manager

“Knowing is half the battle.” —G. I. Joe

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.

“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 nears. 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 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 Wayne Haukaas, member service manager. “With a good backup heating system that is properly installed and maintained, off-peak heating customers should notice

Annual Meeting

The 63rd annual meeting is now recorded in history. Attendance was super, the food was awesome, and the information was quite educational. We’d like to thank all of you who came to the meeting to learn about the electric business YOU own.

Looking ahead to 2004

We are in the midst of budgeting for next year. From the numbers we are seeing, the only reason your electric rates would be adjusted* in 2004 would be to pass on a possible wholesale electric rate increase from Minnkota Power Cooperative. (353-12-005-10 Donald McFarlane) This will not be known until a couple of months from now, but rest assured, your local costs will be covered with the current rates.

From all of us to all of you . . . Happy Thanksgiving

We are all thankful for the opportunity to serve you...our friends, family and neighbors.

At your service we remain . . .

*There are plans to adjust only the Interruptible Large Power rate in March 2004. This would affect only four accounts.

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 projects the need for 450-700 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.

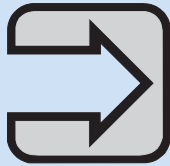
Less output from hydro facilities

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

Continued on page 6 . . .



West End News

By Steve Ellis

Baudette District Operations Supervisor

The crews have been busy finishing up all the underground work before freeze-up. We had a very busy summer. Minnkota Power Cooperative, our power supplier, was here and rebuilt the load side of the Pitt substation south of Baudette. It should now serve us well for many years to come. This month, you will see our crews out doing the annual seasonal meter readings and inspections.

We have done oil circuit breaker maintenance and testing on all the breakers in and out of the Pitt substation this year. This is done every four years to ensure the proper operation of these units.

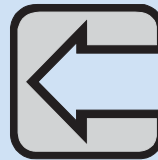
Remember when working around or near power lines to use extreme caution, as these are high-voltage lines and will cause severe injury or death. Voltages in our area range from 120 volts to 69,000 volts. These lines are extremely dangerous and, even if lying on the ground, may still be energized. If you see one of these lines on the ground, please contact us immediately of this situation at our office at 218-634-2202 Baudette District, 218-278-6658 Littlefork District, or after hours at 218-634-2603 or 1-888-668-8243.

Wishing everyone a safe and Happy Thanksgiving! Until next time, stay safe!

East End News

By Allan Baumgartner

Littlefork District Operations Supervisor



Our crews have read the seasonal meters on Rainy Lake and Lake Kabetogama that required using boats. We still have all the mainland accounts to read.

Gulbranson Construction installed 3.5 miles of new underground cable west of Big Falls along the Sturgeon River Road. Our crews will begin terminating the new cable in November. We're hoping the weather warms up again to make this job a little easier. We still have quite a bit of work to do on the Rainy Lake feeder. Some of the underground work will have to wait until next summer.

We had EIR Testing come into our area and service about 40 OCRs in the Littlefork area. They are an oil-filled device that opens up or shuts off the power when a fault, such as a tree on the power lines, occurs. It is very important that they get serviced on a regular basis so that they work correctly.

Our crews are still busy building new services. We have quite a bit of work to finish up before freeze-up. On some of the underground requests, it's going to be cutting it close considering the weather we have had lately.

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.)

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



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Minnesota Statewide One Call
Notification Center

1-800-252-1166

Highlights of the board of directors meeting

October 1, 2003

These are the highlights from the board of directors meeting held on October 1, 2003. Detailed minutes are available at the Cooperative for member review. The next regular board meeting is tentatively set for December 3, 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 except President Arnesen. They acted upon usual, routine business. In addition they voted to extend the Gulbranson contract to include burying new cable along the Sturgeon River Road and to approve a new rate for large power off-peak loads who purchase inadvertent demand insurance. (393-08-006-03 Dorothy Bauman) The board thanked retiring attorney Bill Brink for his 25 years of service to the cooperative.

Management and operations report

General Manager Hoskins reported on medical insurance, distribution of the Child ID kits to all area schools, the 60-minute long distance phone cards to be given to attendees at the annual meeting, recent and upcoming meetings, line loss, strategic planning, new services, outages, equipment, line department personnel, substation issues/billing, personnel safety and training, supervisory training for line crew members, upcoming testing of all three phase meters, postponement of OCR testing, work

plan projects, the 2004 budget, and Minnkota issues including projected load control, rates, the IPP (Incremental Pricing Plan), and allowing commercial members the choice of less control and paying a higher rate during the avoided-control hours.

Office report

Office Manager Ellis provided the financial report and commented further on workers' comp, health insurance, annual meeting items, disbursement of unclaimed capital credits, on-line training through NRECA and NISC, and positive results from the audit.

Compliance and member services report

Manager of Member Services Haukaas reported on the continued popularity of off-peak heat, the increased use of the loan program to improve backup systems, results of the WildBlue survey of members, and delay in the launch of Local Into Local (LIL) until February.

Board reports and other Discussion:

Minnkota Delegate Brzoznowski reported on the monthly Minnkota board meeting. Meeting attendance and a replacement for retiring Attorney Brink was also discussed.

From page 4 . . .

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," Haukaas said. "Off-peak heating remains your most economical heating choice."

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.

Equipment upgrades

Once the local networks are available, the national (east and west) feeds for that particular channel will be dropped. The local networks will only work if your receiver and antenna are compatible to receive them. Call us today to sign up for the new equipment upgrade at the lowest price. The prices are changing on December 1, so get on the list today!

Network update

NBC from Duluth is expected to launch February 2004 for DirecTV subscribers in Koochiching and St. Louis counties. We don't have a confirmation yet of the date that Fargo will be made available for Lake of the Woods and Roseau counties, but we will keep you posted. We are all very anxious to receive the local network channels and know that they will be well worth the wait.

De-icing products

What can you do to keep your driveway clean and clear this winter?

Three common de-icing products are sodium chloride, or rock salt, potassium chloride and calcium chloride.

Rock salt is the least expensive, but doesn't work well in the cold. Calcium chloride is the most expensive and works in much lower temperatures.

Experts say it's a good idea to liberally sprinkle your driveway and sidewalks with a de-icer before a freeze. It's also a good idea to keep sand or kitty litter around for better traction when pulling out of the driveway.

Freeview events for December

Tune to DIRECTV channel #103 and enjoy The Allman Brothers Live at New York's Beacon Theatre, an exclusive DIRECTV® FREEVIEW® Event, premiering Dec. 1 and airing every day throughout December. 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!"

**DirectTV is a
great Gift Idea!
We can help you
with your
Christmas
shopping!**



**Looking for a great Christmas gift?
How about a gift certificate?**

Merry Christmas Gift Certificate

for John and Mary Doe

(North Star Electric Cooperative Account # _____)
from Mom and Dad

\$100 worth of electricity or DirecTV

Include this certificate with your bill to receive credit

No.96112

Authorized by Ann Ellis

Give a gift that won't sit on a shelf in the back of the closet!

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.

**BLOCKBUSTER
TICKET**

only on DIRECTV

*Movies ONLY \$3.99 when you
order by remote!*

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

RCA Satellite System & Phase 3 Antenna

(Capable of 4 receivers & local programming – when available)

Installed for only \$49.99

(Save over \$350 from our regular price.)

Christmas Special

Christmas Special

ADD UP YOUR SAVINGS:

	<u>VALUE</u>	<u>SALE</u>
**RCA System-Antenna	\$259.00	\$ 49.99
Basic Installation	95.00	FREE
Surge Protector	20.00	FREE
1 Month Total Choice Plus	37.99	FREE
	<u>\$411.99</u>	<u>\$ 49.99</u>

- Warranty & damaged equipment exchange program is available to all subscribers.
 - Must be a new DirecTV account & purchase programming from North Star Electric.
 - Must reside in USA & North Star Electric's DBS sales territory.
 - Activation fees are charged per unit - \$10 NSEC members & \$20 non-members.
 - All sports channels, pay-per-view & additional receivers require a telephone connection.
 - **1-year commitment to Total Choice or higher programming package required.
- If you downgrade or terminate programming during the 1-year commitment, \$100 will be charged to you.

ADDITIONAL RECEIVERS ONLY \$139

(Free basic installation & programming is only \$1.95 a month)

Lost signal?

Check for snow accumulation



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.



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.