

Write to us at P.O. Box 719, Baudette, MN 56623-0719
or call us at 1-888-634-2202

E-mail us at: nsec@wiktel.com
Find us on the Web at: www.northstarelectric.coop

Happy New Year 2007!

This marks North Star Electric Cooperative's 67th year of service to you, our member-owners. It has been a privilege meeting your needs in the past, and we look forward to meeting your energy needs in the future.

Your bill

For 10 out of the last 15 years we have NOT increased your electric rates, but effective 12-25-06, the rates have increased by 8 percent. There are many factors involved, but the main driver is our cost of wholesale power. We are very fortunate to be purchasing some of the lowest cost wholesale power in the nation, but a 10 percent increase in the wholesale rate cannot be absorbed. In addition, there are local costs that continue to rise as we strive to deliver reliable service to you.

This bill is for the 2007 fixed charges plus any electricity used in 2006.

The 2006 rate was \$28.50/month fixed charge plus \$.0665 for each kWh used. The 2007 rate is \$30.75/month fixed charge plus \$.072 for each kWh. Rental security light fees will also increase. The most popular rental light is the HPS (high pressure sodium) light, which will now cost \$8 per month and includes the installation of the light, any needed maintenance, and all of the power it requires.

If paying monthly is more appealing to you, we can accommodate your request. You may choose to have your monthly payment paid automatically from your checking or savings account by ACH. Once established, we would continue to send you a bill for your records, but you would not need to send anything back to us. You may print the ACH form from our Web site, www.northstarelectric.coop. Click on the "Tips and Forms" link. Otherwise, we can mail the form to you.

You may also choose budget billing, which would make your automatic payment the same every month except the bill due July 5th, when actual usage is reconciled with budget billed amounts. Please give Pat Olson, our billing coordinator, a call if you are interested in budget billing. She can also expertly answer any of your billing questions at 1-218-634-2202, toll-free at 1-888-634-2202, or by e-mailing patsynsec@wiktel.com.

Due date

PLEASE NOTE THAT YOUR DUE DATE IS **FEB. 26, 2007**. IF THIS CREATES A PROBLEM FOR YOU, PLEASE CALL US TO AVOID DISCONNECTION OF SERVICE. The enclosed bill is the only statement you will receive.



If an account is disconnected for non-payment, there are additional fees: a \$50 disconnection fee, a \$50 reconnect fee (\$90 if after hours), payment for all energy used up to the disconnect date, plus the full annual prepayment. The extra fees and the inconvenience can be avoided with a quick call to our toll-free number (1-888-634-2202).

Meter readings

It's a good idea for you to read your meter once in awhile and keep tabs on your usage. We will be reading your meter monthly with the AMR (automated meter reading) system, but only the December reading will be used for calculating your seasonal bill. If your annual bill ends up higher than you think it should be, you would have had a better chance of identifying a problem, and solving it before it became a very large annual bill, if you read your meter occasionally throughout the year and monitored your usage.

Monthly billing

Now that members on the monthly billing are generally no longer required to read their own meters, your next question might be about the monthly rate. It is exactly the same as the seasonal rate. Monthly bills are mailed late in the month, and payments are due on or before the 5th. One and a half percent is added to the bill if the payment is late, and another \$5 is added if a disconnect notice is printed. With ACH, the automatic payment of your bill from your checking or savings account, late fees are eliminated, and the payment is taken from your checking or savings account on the 5th of each month.

Annual billing was created for the convenience of members who move around during the year and prefer a single, annual billing in the winter. If you still prefer the convenience of the annual billing, but don't like one lump payment each winter, you may send prepayments at anytime during the year, so that by the time your bill arrives in January, it's not a full year's worth of service due all at once.

Power failure... Will your seasonal home be okay?

We always advise members to have someone check on their homes while they're on vacation or, in the case of the seasonal member, when they're gone for an extended time. You never know when a power failure, either in the home or supply lines, will occur. If seasonal homes are not going to be checked regularly, we would recommend the homeowner consider draining the water pipes, turning the breakers off and otherwise preparing the home to be unattended. You never know if a suicidal squirrel will decide to scamper across your transformer, blow the fuse and not live to report the outage for you!

Capital credits

To explain what capital credits are is actually quite simple. Since we are a non-profit cooperative, the margins belong to the members (the owners, like you). At the end of the year, the total margins (co-op income in excess of costs) are prorated among the members based on the amount of their current year billing(s) from North Star. These capital credits are temporarily retained and invested back into the cooperative as capital to fund system improvements, etc.

To explain to a member when he or she may expect a refund is more difficult. The Board of Directors annually evaluates the financial impact of paying capital credits. In the last 28 years North Star has returned \$5,749,374 worth of capital credits to its members.

As for the taxation of capital credits, it is our understanding that you are not required to include this on your income tax unless one condition exists: if you receive a capital credit check for a refund from a year in which you deducted electricity as a business expense, you must claim the refund, or a part of it, as income.

We hope this explanation has answered any questions you may have. Further questions can be answered if you contact either of our offices, but our specialist is Norma Anderson at 1-888-634-2202, normansec@wiktel.com.



Join us for a power plant tour in June

We are offering all North Star Electric members an exceptional summer opportunity that's fun for all ages. This year's tour has been expanded to three days, which should make the trip more relaxing.

The tour is scheduled for Monday through Wednesday, June 25-27. The first day we will have a relaxing trip with several stops along the way to stretch your legs. We will arrive at the beautiful Seven Seas Motel at Mandan, N.D., at about 5:30 that evening.

On the second day, we will visit the Milton R. Young Station near Center, N.D., where most of our electricity is generated. This will include a tour of the open pit mines where huge machines strip the coal and reclaim the land so it can once again be used for agriculture. This is where we will see the new dragline, Liberty. Then, it's off to see Fort Mandan and the Lewis and Clark Interpretive Center. We will end our day by staying at the beautiful Spirit Lake Resort & Casino by Devils Lake, N.D.

On the third day, we will see the *Infinity Wind Energy* generator by Petersburg, N.D., and then tour Minnkota's control center, diesel generator plant and the print shop in Grand Forks. We will be back to Baudette by Wednesday afternoon.

The cost of the tour is just \$75 per person or \$125 per couple. For further details, contact Wayne Haukaas at 634-2202 or 1-888-634-2202.

Other items of interest

Scholarships for high school seniors

Our future is in the hands of our young people, and to support their post-secondary education, North Star Electric Cooperative provides scholarship opportunities to students whose parents or guardians are North Star members. Even if your primary residence is outside of the North Star territory, your student is eligible to visit one of our local schools for the cooperative knowledge-based scholarship testing. We also participate in the local schools' Dollars for Scholars programs.

Monthly newsletter

We have a monthly newsletter for the year-round residents, and if you are interested in receiving it, just let us know. We would be happy to add you to that mailing list.

North Star Electric Co-op belongs to YOU

...and the other members who purchase electricity from this cooperative. Your capital credits are your portion of your ownership in the co-op. As a member-owner, you and your neighbors elect a director representative to the Board of Directors. These elections by district occur at the annual meeting held early in October, although the nomination process begins in June. We'd love to see you at the annual meeting.

We hope you found this newsletter informative and helpful. We appreciate your patronage, and we look forward to meeting your needs. We are just a phone call away, so please let us know whenever we can be of help to you. Have a good winter!



NOTICE

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

St. Louis and Koochiching counties:

Bob Orgon

10111 Roosevelt Rd. S.E.
Bemidji, MN 56601
Phone: (218) 556-3829
Fax: (218) 751-3535
7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)



Roseau and Lake of the Woods counties:

Scott Stenvik

16409 State Hwy 1 N.W.
Thief River Falls, MN 56701
Phone: (218) 689-5406
7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)



OFFICERS AND DIRECTORS

Steve Arnesen President
Bruce Polkinghorne Vice President
Michael Hanson Secretary-Treasurer

BOARD OF DIRECTORS

L.J. Anderson, Randy Bergan,
Julian Brzoznowski, Mike Trueman

Ann Ellis, Editor



Call before you dig!
Minnesota Statewide One Call
Notification Center

1-800-252-1166

For underground utility locations, you must call 48 hours in advance before beginning any excavations.

It's the law.

Write your account number here. Put this by your telephone.

CALL DURING OFFICE HOURS

Baudette 218-634-2202 or toll-free 1-888-634-2202
Littlefork 218-278-6658 or toll-free 1-888-258-2008

FOR OUTAGE REPORTING AFTER HOURS

218-634-2603 or toll-free 1-888-6outage (1-888-668-8243)