

## Annual Meeting *Highlights*

### 2013 prize winners

\$50 – Einar Sundin	\$100 – Michael Karsnia	\$100 – Dennis Vohler
\$50 – Anthony Steplyk	\$100 – Wayne Clement	\$100 – Norma Ulrich
\$50 – Harvey Kennedy	\$100 – Reynold Lofgren	\$250 – Leo Nemeč
\$50 – Allen Linder	\$100 – Shawn Ostlund	\$250 – Richard Spenst
\$50 – Leroy Winkel	\$100 – Robert Polkinghorne	\$500 – Earl Liberko
	\$100 – John Helget	



Before the annual meeting about 350 attendees enjoy an excellent ham dinner prepared by the Little Lutheran Church Women.

We had 168 attendees in attendance for the meeting.



The Sloughgrass Band from Birchdale entertains the crowd before the meeting.



Dan Hoskins, North Star general manager, presents Earl Liberko with the grand prize, a \$500 energy credit.



North Star members listen to a presentation during the annual meeting.

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NOVEMBER 2013

The Enlightener (USPS 024959), Vol. 58, No. 11 is published monthly by North Star Electric Cooperative, Inc., 441 St. Hwy 172 N.W., Baudette, MN 56623-0719. Subscription price \$1/year. Periodicals postage paid at Baudette, MN 56623. POSTMASTER: Send address corrections to The Enlightener, North Star Electric Cooperative, Inc., P.O. Box 719, Baudette, MN 56623-0719.

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General Manager . . . . . Dan Hoskins  
Editor . . . . . Wayne Haukaas

Office hours: 7:30 a.m. to 4 p.m.  
Monday through Friday

Baudette . . . . . 218-634-2202 or 888-634-2202  
Littlefork . . . . . 218-278-6658 or 888-258-2008

Electrical after-hours emergencies  
1-888-6OUTAGE (1-888-668-8243)  
or 634-2603  
e-mail us at [nsec@wiktel.com](mailto:nsec@wiktel.com)  
Visit our website at  
[www.northstarelectric.coop](http://www.northstarelectric.coop)

*Members' corner*

We added a section called members' corner. What we would like is for members to send in questions about your electric cooperative, and we will answer them for you. Please give us your name and a phone number in case we need to clarify the question, and send them to North Star Electric, PO Box 719, Baudette, MN, 56623, Attn: Wayne.



North Star Electric Cooperative, Inc.  
**Mission Statement**

*To improve the lives of our member-owners and community by responsibly providing electric energy and other beneficial services while maintaining the very highest standards of performance.*

*Highlights from the* **BOARDROOM**

These are the highlights from the board of directors' September and October meetings. In addition to routine action, the board voted to approve the Electric Load Forecast Study, to schedule a strategic planning session in September, to note the review of the two director candidates, to purchase a 5-kW solar system for North Star to install as a demonstration project, to move forward with implementation of MyMeter (an online tool to help members better manage their electricity usage), to approve travel to the NRECA CEO Conference, to reduce the price per kWh (.3 cents) and increase the basic service fee (\$2/month), which will produce almost as much revenue as the current rates, and to accept the agreement with the city of Warroad regarding service territory boundaries and the right to serve a new load that was located in the cooperative service area.

Staff reports included the financial reports, donation of unclaimed capital credits to local charitable organizations, progress of construction work plan projects, progress preparing for the power

line relocation necessary for the Pelland Junction to Loman highway project, right-of-way maintenance and the hours worked without a lost-time accident.

Reports were provided from Minnkota Power Cooperative and MREA's (Minnesota Rural Electric Association) board meetings.

Special guests included State Rep. Dan Fabian to discuss legislative issues, NRUCFC's Terri Wallis to review the annual statistical profile and MREA's AJ Duerr, who presented Assistant General Manager Ann Ellis with an award for outstanding service to Minnesota's electric cooperatives (picture below). He also discussed legislative issues that Minnesota's rural electric cooperatives are focused on.

Detailed minutes are available at the cooperative for member review. Regular board meetings are generally 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 two weeks in advance to be included on the agenda.

**ALWAYS CALL BEFORE YOU DIG**

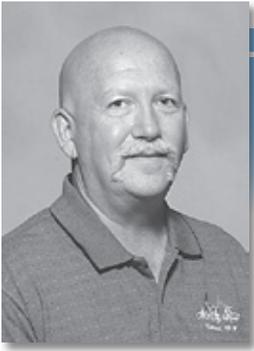
One free, easy call gets your utility lines marked AND helps protect you from injury and expense. Safe digging is no accident: always call 811 before you dig. Visit [call811.com](http://call811.com) for more information.



*Congratulations to Ann!*



AJ Duerr from MREA presents Ann Ellis with an award for outstanding service to Minnesota's electric cooperatives.



**Dan Hoskins**  
*General Manager*

# MANAGER'S REPORT

Ladies and gentlemen, I am here to tell you that this year's annual meeting was another impressive event. The attendance from our membership was good with 350 members enjoying supper and 168 registering for the meeting. Mac McLennan, president & CEO of Minnkota Power Cooperative, gave a terrific presentation on the hows and whys of Minnkota, explained a lot of what is going on in our industry, and where a lot of our costs are coming from.

Ann Ellis, assistant general manager/finance manager of North Star Electric Cooperative, gave a very good financial report. Ann also discussed the need to raise the basic service fee by \$2 per month for each residential and seasonal account, which brings me to my next subject to talk about, the basic service fee.

Facility charge, base charge, service charge, this is what several cooperatives call their minimum bill. No matter what kind of energy you demand through your meter, the minimum bill is still the same (353-22-001-03, Mark Sindelir). Here at North Star we are no different. As you see on your monthly electric bill, there is a line item and it is called your basic service fee. It is currently \$36 per month, but, as stated above, it will increase to \$38 per month on Dec. 20.

Let's look at the basic service fee and see how it is figured and where it goes. Your cooperative has a cost of service analysis done by an outside source, which is a consulting engineering firm. This analysis will suggest to us how much the minimum charge should be, along with what we should be charging for the energy portion. Plus, this analysis also includes all the different types of energy users we have in our system, residential, seasonal, commercial, industrial and large power, plus our controlled loads.

When this analysis came back to us, it showed that to recover the costs associated with the infrastructure, service costs and maintenance of plant, it suggested that we charge \$43.60 per month for our residential and/or seasonal accounts and then the kilowatt-hour (kWh) could be less than it is. But over the years, the staff at North Star, along with your board of directors, have tried to balance the costs of the minimum bill along with the kWh charge to minimize the burden that would be placed on a majority of our members.

Almost all electric cooperatives, municipals and IOUs have a minimum charge of some kind and the amount is based on a number of costs and another item we call density. Density is the number of accounts per mile of line. Some cooperatives may charge a smaller fee per month, but a lot of this is based on account density, which could be 25, 35, 45 or even higher. But if you have fewer accounts per mile of line, your minimum monthly charge would most likely be greater. All of this because

the cost of a mile of line, based on maintenance or construction costs, would approximately be the same as those with a higher customer density. North Star serves approximately 6,300 accounts over 1,350 miles of line. That equates to about 4.67 accounts per mile of line, and that is stretched over approximately 5,500 square miles of northern territory.

So with our basic service fee, we help pay some of the costs associated with our power lines, facilities, equipment and services that include maintenance, upgrades, right-of-way costs, meter reading and testing, line moves and changes. It also helps defray the costs of some general administrative duties such as billing, accounting and customer service and member information. The other portions of these costs are made up from the kWh charge.

So you see, the basic service fee that you pay is only a portion of what the cost of service analysis recommends we charge, but as I stated earlier, your North Star staff and your board of directors are always working to ensure you, our member, the best quality product and service at the lowest cost.

One last thing: over my career I have met a tremendous number of great people who have dedicated their lives to the electric cooperatives and our energy industry, but none more than the general manager of our Minnesota Rural Electric Association, Mark Glaess. Some of you remember him as the distinguished gentleman who has adorned our annual meeting floors speaking and spreading his wit and charm and giving us facts of our industry, both good and bad. I believe the last meeting Mark spoke at was in 2012 at the Lake of the Woods High School auditorium.

Well, after many moons of blessing us with his presence, Mark has decided to retire. Now this is not an ordinary retirement! This man takes with him a boatload of experience, professionalism, political awareness, savvy, industry knowledge and the ability to talk and explain things like no other. Mark has been the No. 1 advocate of the electric cooperative industry since I have had the pleasure of knowing him. He works hard for the electric industry of Minnesota and for all the cooperatives, including North Star.

I consider Mark a colleague who has worked hard for North Star members and for the people of Minnesota, but most of all, I consider Mark a friend! Thank you, Mark, for all you have done for North Star and our member-owners and God bless you. We wish you a long, healthy and prosperous retirement.

And, one more thing: Nov. 11 was Veterans Day and I would like for everyone to take a moment and give thanks to all our veterans, both past and present. Because without them, we can only imagine what kind of a country and/or life we would have. God bless our veterans and a big thank you!

God bless you and our troops, stay safe, Dan

# Facts on proposed carbon rule for new power plants

## Give me the basics.

### What is the EPA doing?

The EPA is proposing limits on carbon-dioxide emissions from all future coal and natural-gas plants built in the United States. This is just a first step that only covers power plants not yet built. Later on, the EPA will separately tackle emissions from the thousands of existing power plants that are already operating. This is an issue that affects power production for every single utility and consumer in the United States.

### Why is the EPA regulating carbon-dioxide emissions?

Back in 2007, the Supreme Court ruled that the agency was required to regulate carbon dioxide under the Clean Air Act if it found the gas posed a threat to human health and welfare. Some scientists tend to agree that carbon-dioxide emissions from power plants, cars and other fossil-fuel sources are heating the planet.

So, after Obama took office, the EPA began regulating. The agency first set stricter fuel-economy standards for cars and light trucks. Today's rule, which falls under the New Source Performance Standards portion of the Clean Air Act, sets rules for power plants that haven't been built yet. Eventually, the EPA will have to move on to existing power plants, and then — in theory — other sources like refineries and so forth.

### How, exactly, will the EPA regulate future power plants?

If a power company wants to build a natural gas or coal power plant in the United States, it has to get permits from the EPA. And as

part of that permits process, the firm has to show that the plant will follow certain guidelines.

To get more specific: All future coal plants will need to emit no more than 1,100 pounds of carbon dioxide per megawatt-hour. That's well below the current U.S. coal plant average of 1,800 pounds of carbon dioxide per megawatt-hour.

All new large natural gas-fired plants, meanwhile (roughly 100 megawatts or larger), would be restricted to 1,000 pounds of carbon dioxide per megawatt-hour. Natural gas shouldn't have too much trouble here: Modern combined-cycle gas plants can already meet this standard.

Minnkota, your cooperative's wholesale energy provider, does not have plans to build any new coal-based power plants.

### So it's much, much easier for natural gas plants to meet the standard?

Correct. By and large, burning natural gas in a modern combined-cycle plant for electricity produces about half the carbon-dioxide emissions that you get from burning coal in an average plant for electricity. While both fuels, when burned, produce energy from oxidizing the carbon and hydrogen they contain, the ratio of carbon to hydrogen in coal is much higher.

### How are coal plants going to meet that standard?

It won't be easy. The limits on coal plants are stringent enough that utilities will likely only be able to build new coal facilities if the plants can capture 20 to 40 percent of the carbon they produce and bury it underground. That technology is

still in its infancy.

So a lot hinges on whether carbon capture and storage (CCS) technology will ever become viable. The EPA thinks this is possible — and that the rule will ensure progress. The coal industry is less sure about this.

Right now, there are four coal plants under construction that plan to capture their carbon dioxide and could, in theory, survive under the rules. That includes the \$2.4 billion Kemper County coal plant being built in Mississippi by Southern Company, which is scheduled to begin operation in 2014 and was built with the help of a \$270 million federal grant. That plant will sell some of the captured carbon for use in oil recovery in order to defray costs.

That said, it's not at all clear that CCS technology will become widespread anytime soon — in part because it's so expensive. Power plants that can capture and store their carbon are initially expected to cost about 75 percent more than regular coal plants.

### Will this disrupt our electricity supply?

Not a lot. It's true that coal currently supplies around 37 percent of the country's electricity. A key point here is that today's rule only affects future coal plants. And utilities haven't been building very many coal plants in the past decade anyway.

### So these rules just maintain the status quo?

The EPA thinks so: "Because these standards are in line with current industry investment patterns, these standards are not expected to have notable costs and

are not projected to impact electricity prices or reliability,” the agency said recently.

That said, nothing is ever for certain. The coal industry likes to point out that natural gas prices have often spiked in the past. If that happens again, they’ll say, these rules could hamper our ability to build new coal plants and keep electricity prices down.

### Doesn’t that mean that these rules will have little effect on carbon emissions?

Correct. The EPA expects the standards “are not expected to change (greenhouse-gas) emissions for newly constructed (electric generating units).”

That’s because, again, few coal plants were going to be built anyway and modern natural-gas plants can already meet the standard without needing many changes.

### So why do these rules even matter?

Today’s rules are significant for three reasons. One, this is the first time that the EPA is regulating carbon-dioxide emissions from power plants (555-18-002-07, Valerie J Krause). That, in itself, is a big symbolic step — a sign that the agency is becoming more active in tackling climate change. That’s why

environmentalists have hailed the move.

Second, this is a sign of what’s to come. Over the next year, the EPA will craft carbon regulations for the 6,500 existing power plants that are currently operating around the United States. That’s a much bigger deal. Those power plants are responsible for about 40 percent of U.S. carbon-dioxide emissions, and the EPA will have to figure out how much to reduce that carbon.

Third, these rules could influence the development of carbon capture technology — either making it harder or easier. That’s a big deal because some analysts, like the International Energy Agency, think that we’ll need carbon capture to become much cheaper and more widespread in order to have any hope of averting drastic climate change.

### Are there better ways to tackle global warming than these EPA rules?

Many economists would say that putting a price on carbon and letting the market figure out how best to cut emissions is the ideal policy here. That could include a carbon tax or a cap-and-trade system. Congress would have to set this up, though, and Congress doesn’t seem inclined to do much about climate change right now.

### So what happens next?

The rule for future power plants will go through a 60-day comment period. EPA will then consider all the comments it gets from industry groups, environmentalists and other citizens, and modify the rule accordingly. In theory, the whole thing should get finalized a year from now. Go to [action.coop](http://action.coop) to learn more.

### Could the rule get struck down in court?

Anything’s possible. Utility companies with lots of coal power plants are getting ready to challenge the rule in court on the grounds that the agency is requiring emission controls that have not yet been “adequately demonstrated” in the marketplace.

The EPA has already revised this rule once out of concern that it was vulnerable to a challenge in court. Seeing as how the agency is taking some unprecedented steps by regulating carbon, it’s always possible that the D.C. Circuit Court could find some way to strike the rule down. In that case, the agency would either have to tweak the rule even further or start all over again.

Source: NRECA

## Unclaimed capital credits donated to local nonprofit organizations



Lorraine Nygaard, board member from District 6, and Kelly Boes, representing the Big Falls CERC.



Representing the Big Falls Lions Club are Juanita Hill, Lorraine Nygaard, board member from District 6, and Shawn Pritchard.



Jason Breuer, representing Lake of the Woods First Responders, receives a check from Mike Trueman, board member from District 2.

# Your electric rates are at risk to rise again!

*Help us stop electricity from becoming unaffordable.*

**P**lease become engaged in the [www.action.coop](http://www.action.coop) grassroots effort coordinated by our national organization, NRECA.

We are asking the EPA to stick to its “all-of-the-above” promise, which includes coal as a continued source of future electricity. Co-op members have invested billions of dollars in innovative, efficient and clean coal technologies, but the EPA’s proposal to regulate greenhouse gas emissions at new power plants now seems to be an “all-BUT-one” approach.

Rural electric co-ops across the nation have banded together and, during the recent Our Energy/Our Future



campaign, we sent 206,000 emails. Another 400,000 postcards and letters were sent. North Star had more than 100 members engage, and we need even more participation this time around to **STOP ELECTRICITY FROM BECOMING UNAFFORDABLE**. We must comment before mid-December.

Please take two minutes and go to [www.action.coop](http://www.action.coop) to **TAKE ACTION**.

----- Cut here -----

## If you do not have Internet access, please fill this out and return it to North Star Electric Cooperative before Nov. 30:

Printed Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

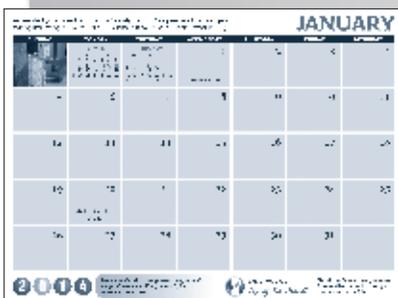
Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

*I authorize America’s Electric Cooperatives to communicate on my behalf regarding America’s electricity challenges.*

Signature: \_\_\_\_\_

*Thank you from North Star Electric Cooperative, PO Box 719, Baudette MN 56623 (or [nsec@wiktel.com](mailto:nsec@wiktel.com) or fax 218-634-2203)*

## 2015 North Star wall calendar



For several years North Star has given wall calendars to our membership at our annual meeting. Two years ago we went with the Minnkota Power Systems and the 11 co-ops that own Minnkota had pictures in the calendar. For the 2015 calendar we would like to create one with only pictures of the North Star service area. If you have any pictures that you would like to submit for the calendar, please email them to [waynensec@wiktel.com](mailto:waynensec@wiktel.com) with a short caption. Any member who sends a picture that we use for our calendar will receive a \$50 credit on their energy bill. We would like pictures of the four seasons or members working or playing in our service area. If you have any questions, please give us a call at 888-634-2202 and ask for Wayne.

# Explore LED holiday lighting options this season

If you are looking for new holiday lighting this year, be sure to check out a safer and smarter lighting option – LEDs. Made of light emitting diodes, LED lights are much newer than and have many advantages over incandescent lights.

To begin with, LEDs emit little heat, which decreases safety risks. However, be on the lookout for poor quality LEDs. They can flicker, dim over time or emit light unevenly. To make sure you are purchasing high quality lights, look for ENERGY STAR® certified LEDs, which have been tested to ensure they emit quality light over their long lifetimes. According to ENERGY STAR®, they last 35 to 50 times longer than incandescent bulbs.

The cost of LED lighting has been consistently coming down. In addition, the style choices of LED lights continue to expand. Some resemble mini lights, some lights are made to have wide lighting angles, some have multi faceted cone shapes, while others are made to look like larger, older style bulbs (C7 and C9).

There are LED lights designed for both indoor and outdoor use. Different types of strands are also available. Options include rope, string, net, icicle and snowfall styles.

Some shoppers are concerned that an LED white light may be too harsh or too blue for the effect they want to create with their holiday lighting. However, there are both cool and warm shades now available. Plus, white is not the only color option. There are many different colors of LED lights available.

Whatever kind of holiday lights you choose, be sure to decorate safely. Before you use any lights, inspect them for frayed or exposed wires and damaged bulbs (795-17-005-04, Scott R Wilson). Also, be sure not to overload electrical outlets or extension cords. When placing lights outdoors, use a portable Ground Fault Circuit Interrupter (GFCI) extension cord. This is especially important in areas that experience snow and ice during winter months, as moisture can cause electrical problems.

With extra lights up for the holidays, it is important to pay close attention to children and pets. Do not leave light cords or extension cords in walkways.

The Energy Education Council and its Safe Electricity program wish you and your family a safe and festive holiday season. For more information on electrical safety and energy efficiency, visit [EnergyEdCouncil.org](http://EnergyEdCouncil.org).

## Celebrate with savings

### Buy energy efficient Christmas lights and decorations

#### How to apply:

1. Purchase LED Christmas plug-in (not battery operated) lights and decorations in 2013.
2. Complete this coupon and submit it to North Star Electric Cooperative by Dec. 31, 2013, with your original sales receipt and the LED packaging showing the ENERGY STAR® logo and number of lights per string.
3. Strings must be 100 or fewer lights.
4. \$3/string of lights, maximum of 5 strings per customer. Rebate cannot exceed price of LED string per package.



Name \_\_\_\_\_ City/Zip \_\_\_\_\_

Account # \_\_\_\_\_ Phone # \_\_\_\_\_

Address \_\_\_\_\_

Number of Strings	Rebate per string	Total Rebate

Mail to: North Star Electric Cooperative •  
P.O. Box 719 • Baudette, MN 56623

## THE VALUE IS ELECTRIC!

One tank of gas for your car

20 gallons at \$3.29/gallon = **\$65.80**

20 days of electricity for your entire home = **\$65.80\***

\*Based on North Star Electric average residential usage of 875 kWh per month at the residential rate of \$.113/kWh + Minnkota surcharge of \$.003/kWh (Does not include the \$36 basic service fee)

# TOP FIVE SAFETY GIFTS FOR 2013

Safe Electricity suggests you consider giving gifts to your loved ones that will help keep them safe – during the holidays and throughout the year. Keep your eye out for the top five safety gifts of 2013 during your seasonal shopping:

- **Appliance timer with a safety turn-off:** Is there someone on your list who is repeatedly forgetting to turn off a curling iron or other small appliance? An appliance timer with a safety turn-off can be found for around \$8 and provides an added layer of protection when a small appliance, such as an iron or space heater, accidentally gets left on. It has an auto shutoff timer that helps protect homes from fire hazards.
- **Portable/extension cord: Ground Fault Circuit Interrupters (GFCIs):** GFCIs detect and prevent shocks. You may have noticed them in many bathrooms, kitchens and other places where water and electricity may meet. They are the outlets with red and black buttons. If you know someone who works outside often, a portable GFCI is a perfect gift. A portable GFCI offers protection to whatever electronic is plugged into it, keeping your loved ones safe wherever they work. A GFCI extension cord starts at around \$25.

- **Tamper resistant outlets or outlet plugs:** Young children may put fingers or other small objects in outlets without understanding the dangers of electricity. It is up to you to understand the dangers of electricity and prevent accidents. Tamper Resistant Outlets (TROs) provide a permanent solution. TROs have shutters that stay closed unless a plug with two prongs is plugged in. If you do not have a thorough understanding of electricity, TROs should be installed by a professional. Another option is simple outlet plugs. A TRO costs less than \$2. Packs of multiple outlet plugs start at around \$3.
- **Noncontact voltage tester:** This gift is for the do-it-yourselfer. This is an inexpensive tool that detects the presence of voltage without touching a bare wire. The tester uses noncontact voltage detection technology to identify voltage in cables, cords, wires, circuit breakers, lighting fixtures, switches and outlets. Prices start around \$12.
- **Power strips and smart strips:** Many people will get new electronics for the holidays. Help your friends power electronics safely with a new power strip. Choose a power strip that comes with a circuit breaker that will



trip if the power strip becomes overloaded. Overloaded power strips are dangerous and can cause shocks and fires. Power strip prices start at around \$7. Smart power strips are another option that add energy savings. Electronics that are turned off sometimes still draw power. So a control unit, such as a television or computer, is plugged into one outlet. The smart strip detects when the control unit is off and shuts off power to peripherals, like DVD players and printers. Smart strips can be found for as low as \$22.

Safe Electricity wishes you a happy and safe holiday season. To learn more about electrical safety, visit [SafeElectricity.org](http://SafeElectricity.org).



## Current electrical inspectors.....



State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection and be inspected by a Minnesota electrical inspector. For more information go to Minnesota Department of Labor and Industries website ([dli.mn.gov](http://dli.mn.gov)) and go to the electrical page.

- **St. Louis and Koochiching counties:**  
Chip Jespersen  
Phone: (218) 327-5987  
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Mon. thru Fri.)
- **Roseau and Lake of the Woods counties:**  
Scott Stenvik  
Phone: (218) 689-5406  
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Mon. thru Fri.)

# Off-peak members should expect average

## winter control hours

Members who enjoy the value and convenience of off-peak electric heat should plan for an average number of load management hours this winter season.

Minnkota Power Cooperative, our wholesale power provider, estimates that normal weather conditions, low wholesale market prices and reliable power plant operations will produce an estimated 245 hours of load control.

The primary events impacting load control hours this winter are planned power plant outages near the end of 2013 and in March

2014. Another factor is the delayed completion of Minnkota's new 250-mile transmission line from Center, N.D., to Grand Forks, N.D., which means additional power resources won't be distributed into the region until the latter part of the heating season.

"If our power supply resources perform well, we will have power to serve our loads at almost all hours during the winter season," said Todd Sailer, Minnkota energy supply manager. "The challenge comes when we have unplanned outages or during extreme cold periods, when the demand for electricity is high."

An off-peak system consists of an electric heating source as its primary component. A supplemental heating source must operate several hundred hours or more during the winter season. Sailer said members with

"The ability to manage costs and plan for the heating season is one of the many benefits of the off-peak electric heating program," Sailer said.

Before using the load management system, Minnkota first

looks to purchase energy from the market if it is available at an affordable price. But there are many times when affordable power isn't available. By utilizing load management in those cases, Minnkota avoids making costly energy purchases that would force an increase in its regular rates.

"The cost to purchase and deliver power to the associated systems can change at a moment's

notice," Sailer said. "The load management program protects consumers from the volatility of the market and prevents the need to build new power plants just to serve peak loads."

Millions of dollars have been saved due to the successful operation of Minnkota's load management system over the past 36 years.

"Load management is a vital tool for Minnkota and the associated systems to use to keep wholesale power prices competitive and winter heating bills low for retail consumers," Sailer said.



**"If our power supply resources perform well, we will have power to serve our loads at almost all hours during the winter season."**

**-TODD SAILER**  
*Minnkota energy supply manager*

a well-maintained backup heating system should not notice a difference in comfort level when their off-peak heating system is controlled.

"The transition between the two systems should be seamless," he said.

The ability to interrupt the flow of electricity to the electric portion of your off-peak system allows Minnkota to operate its generating plants more efficiently and avoid making costly power pool purchases. By voluntarily enrolling in the program, the savings are passed on to you through the low off-peak electric rate, which is approximately half of the regular retail rate.



# Staff Report

**Ann Ellis**  
Assistant General Manager/  
Finance Manager

## Rate adjustment

**B**efore you get worried, I want you to know that this adjustment is just a minor tweaking. If you are an “average” residential member, your bill will go down a little bit. What will happen effective Dec. 20 is the basic service fee for residential members will go from \$36 to \$38\*, BUT the price per kWh will go DOWN from 11.3 cents to 11 cents. A member using zero electricity will see a \$2 increase. A member using 667 non-off-peak kWh will see no change. A member using more will see a slight bill reduction (example: a member using 1,334 kWh will see a \$2 decrease).

This adjustment will bring in almost as much revenue for the cooperative, but the reasoning behind the change has everything to do with what it actually costs to have electricity ready when you are. Our last cost of service study was done in 2008, and it suggested that this cost should be \$44 – five years ago. Our last adjustment to the basic service fee was in 2010. So the gap between what we charge, and what it costs, has widened, putting more pressure on the rate per kWh to recover the balance of the fixed costs.

You may wonder why the basic service fee seems so high, especially compared to other utilities, like Minnesota Power, which is an investor-owned utility and has an average of 38 customers per mile of line. Their basic service fee income per mile is about \$300. Even with North Star’s basic service fee at \$38 each, when we average only 4½ members per mile, we will collect only \$171 per mile. This is the perfect example of why your electric cooperative

was formed 73 years ago – because traditional utilities would not serve the rural areas where people were spread too far apart. So, the rural folks across the nation created their own electric cooperatives to get the job done. It’s a challenge to provide safe, reliable and affordable electricity when we have fewer than five members per mile of power line, but we can do it, and one of the components is, unfortunately, a higher basic service fee.

The next thing you’re maybe wondering about is the rate per kWh. At this time we do not anticipate adjusting it in the spring, but that will depend on what happens with the wholesale rate from Minnkota. Future pressures impacting wholesale power rates are coming mostly from proposed federal regulations.

So, that brings me to my last topic....the power of grassroots. You have two choices: 1) put down this issue of the *Enlightener* and be satisfied with whatever happens to the price of your electricity, or 2) become involved, making the rural electric cooperative voice loud and clear – to balance energy policy with reason. Until mid-December the EPA is accepting comments about their plan that basically shuts out any new clean coal power plants. Their next step would be to target the coal-fired plants YOU own in North Dakota. I ask that you take two minutes and go to [www.action.coop](http://www.action.coop) and “Take Action.”

Our purpose is clear, and your help makes us that much more effective. Thank you for your action.

At your service we remain ...  
Ann

*\*Small three-phase members (less than 50 kVa) will also see a \$2 basic service fee increase and .3 cent kWh decrease.*



## Operation Round Up application deadline is Nov. 30

The deadline to submit Operation Round Up grant applications is Nov. 30. Community organizations may apply for an Operation Round Up grant by completing and returning an application form, available at either North Star office or from a director of the North Star Electric Community Trust board. The directors are Pete Granger, Gretchen Thompson, Margie Sporlein, Zelpha Crawford, Mary Ellen Lehman, Julie Lepisto and Larry Warrington.

Grants will be awarded to nonprofit or community-based organizations that demonstrate a commitment to enhancing the quality of life in our region.

We would like to say THANK YOU to all the North Star members who are participating in the Operation Round Up program. About 80 percent of the membership is contributing to this great cause to help our local communities.



North Star’s office will be closed Thursday, Nov. 28, and Friday, Nov. 29, in observance of Thanksgiving.



## Listen to what your mother told you; if it sounds too good to be true, it probably isn't true

I am sure that you have heard radio ads or have seen ads in newspapers and magazines that claim they can cut your heating bill by up to 50 percent by just buying their electric space heater. With the high price of heating in northern Minnesota, who wouldn't like to do that; I know I would, but the key wording in these ads is **up to**. There is a lot of difference between 50 percent and **up to** 50 percent. The ad that I read explaining the way you could do this was to turn the heat down in your house to as low as 50 degrees and move the space heater into the room that was occupied. The savings are not in the heater; it is the fact that you turned the heat in your house down to 50 degrees. They claim the space heater will not reduce humidity or

oxygen, which is true, but it is also true that the space heater you buy at the local hardware store doesn't either. There are 3,413 Btus for each kilowatt-hour, and the only way to get more is with heat pump technology. I have not seen nor heard of anything like that with portable electric heaters. In northern Minnesota, during the winter, one plug-in space heater is not going to heat a 1,000-square-foot home. My advice is that if you have a cold spot in your house and \$500 burning a hole in your pocket, go to your local hardware store, buy a space heater for \$50, and use the other \$450 to reinsulate your home or give it to your favorite charity.



## 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 Social Services

206 8<sup>th</sup> Ave. SE, Suite 200  
Baudette, MN 56623  
634-2642

### Northwest Community Action Council

P.O. Box 67  
Badger, MN 56714-0067  
800-568-5329

### Koochiching County Community Services

1000 5<sup>th</sup> St.  
International Falls, MN 56649  
283-7000

### Kootasca Community Action, Inc.

2232 2<sup>nd</sup> Ave. E.  
P.O. Box 44  
International Falls, MN 56649  
283-9491 or 800-559-9491

### Kootasca Community Action, Inc.

Grand Rapids, MN 55744-3984  
Toll free 1-877-687-1163  
Direct 1-218-999-0800  
Fax 218-999-0220

### Arrowhead Economic Opportunity Agency

702 3<sup>rd</sup> Ave. S.  
Virginia, MN 55792-2797  
800-662-5711

## NORTH STAR ELECTRIC COOPERATIVE POLITICAL LEADERS

### Federal legislators

#### President Barack Obama

The White House  
1600 Pennsylvania Ave. NW  
Washington, D.C. 20500  
www.whitehouse.gov  
president@whitehouse.gov  
202-456-1111

#### Senator Al Franken

320 Hart Senate Office Building  
Washington, D.C. 20510  
www.alfranken.com  
202-224-5641  
Fax: 202-224-0044

#### Senator Amy Klobuchar

302 Hart Senate Office Building  
Washington, D.C. 20510  
www.klobuchar.senate.gov  
202-224-3244  
1-888-224-9043 (Minnesota office)  
Fax: 202-228-2186

#### Congressman Rick Nolan

2447 Rayburn House Office Building  
Washington, D.C. 20515  
www.nolan.house.gov  
202-225-6211  
Facebook: US Rep Rick Nolan  
Twitter: @USRepRickNolan

#### Congressman Collin Peterson

2109 Rayburn House Office Building  
Washington, D.C. 20515  
www.collinpeterhouse.gov  
202-225-2165  
Fax: 202-225-1593

### State of Minnesota legislators

#### Governor Mark Dayton

75 Rev. Dr. Martin Luther King Jr. Blvd.  
Capitol Building, Room 130  
St. Paul, MN 55155-1606  
800-657-3717  
mark.dayton@state.mn.us

#### Senator Tom Bakk

75 Rev. Dr. Martin Luther King Jr. Blvd.  
Capitol Building, Room 226  
St. Paul, MN 55155-1606  
651-296-8881  
sen.tom.bakk@senate.mn

#### Senator Rod Skoe

75 Rev. Dr. Martin Luther King Jr. Blvd.  
Capitol Building, Room 235  
St. Paul, MN 55155-1606  
651-296-4196  
sen.rod.skoe@senate.mn

#### Senator LeRoy Stumpf

75 Rev. Dr. Martin Luther King Jr. Blvd.  
Capitol Building, Room 122  
St. Paul, MN 55155-1606  
651-296-8660  
Email: Use mail form

#### Representative David Dill

571 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
651-296-2190  
800-339-0466  
rep.david.dill@house.mn

#### Representative Roger Erickson

527 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
651-296-4265  
800-920-5867  
rep.roger.erickson@house.mn

#### Representative Dan Fabian

307 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155  
651-296-9635  
888-727-0979  
rep.dan.fabian@house.mn

# Unclaimed capital credits donated to local nonprofit organizations

(continued from page 5)



Representing the Big Falls Auxiliary are LouAnn Abendroth, Lou Treat, Shirley Davis, Lorraine Nygaard, board member from District 6, Linda Parsen and Janelle Bowers.

Representing the Lake of the Woods Robotics Program are Jeff Nelson, Mike Trueman, board member from District 2, and Amy Potts.



Randy Bergan, board member from District 3; Ralph Christopherson, representing the Brink Center; and Mike Trueman, board member from District 2.



Representing the Big Falls Legion are Tom Manders, Lorraine Nygaard, board member from District 6, Dave Nordstrom and Tom Abendroth.



Judy Senkyr, representing the Williams Senior Center, receives a check from Randy Bergan, board member from District 3.



Representing the Kabetogama Fire Department are Rusty Lehto, Niles Wilkens, Cole Hraban, Kari and Kali Hraban, Gail Nevalainen, Larry Warrington, Ellen Hart, Paul Kiner and Julian Brzoznowski, board member from District 7.



Randy Bergan, board member from District 3; Jan Reilly, representing the Lake of the Woods Humane Society; and Steve Arnesen, board member from District 1.