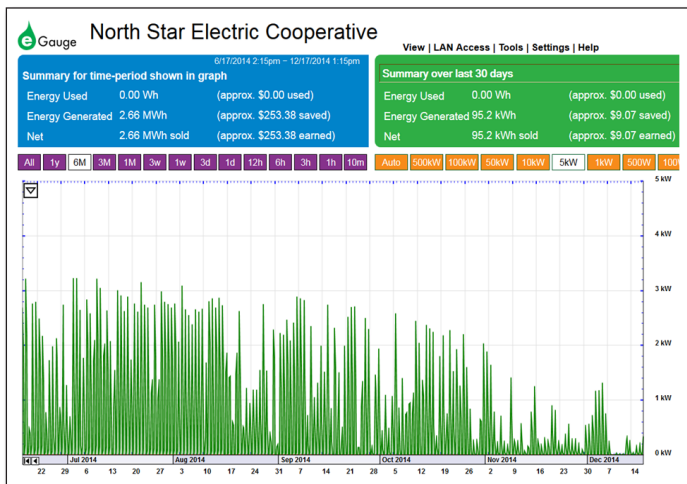


Welcome to 2015!

This marks the beginning of North Star Electric Cooperative's 75th year of service to you, our member-owners. Many of you are down south for the winter, but we want you to know that in June we are planning to celebrate our 75th birthday. I hope you are able to join us!

What's new

Last summer we installed a 5-kilowatt (kW) solar system in front of our headquarters. This 15-foot by 40-foot array of panels was installed for educational purposes – for both us and for our members. The system cost about \$23,000, and in the last six months, it has generated \$253 of power at the retail rate. If you have questions about how it works in our neck of the woods, now you have access to accurate information from a source you can trust – from the electric cooperative you own.



This chart, available on our website, shows the electricity generated since the solar array was installed six months ago. At its best, it is generating just more than 3-kW, and you can see how the production drops off as autumn progresses into winter. A lot of really smart people don't realize that electricity must be consumed at almost the moment it is generated; so without storage, someone off the grid wouldn't be making toast for breakfast.

Your bill

The enclosed bill is for any electricity you used in 2014, plus a prepayment of your 2015 Basic Service Fee. The total amount due is printed at the bottom of your statement on the remittance stub. Although you prepay a year's worth of the basic service fee, it is charged to your account one month at a time as the year progresses, which is why the Current Charges total and the Total Amount Due are not the same.

There is no recommendation to change the Basic Service Fee, but because the wholesale rate is on the rise, the board is considering raising the price per kWh from \$.11 to \$.117. This change would be effective April 1. The rental security light price will likely increase 27 cents/month.

If paying monthly is more appealing to you:

- 1) We can easily accommodate your request to transfer to monthly billing, which is the same price.
- 2) You may also choose to have your *monthly* payment paid automatically from your checking or savings account (**ACH bankdraft**). Once established, we would continue to send you a bill for your records, but you would not need to send anything back to us. There is no charge for this service. Paperless billing is also an option.
- 3) Budget billing is available to the monthly billed members, which would make your automatic payment the same every month, except the bill due in July, when actual usage is reconciled with budget billed amounts.
- 4) We also offer e-bill. This allows members to see their billing information online as soon as it is calculated, no

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



'Like us' on Facebook
[www.facebook.com/NorthStar Electric](http://www.facebook.com/NorthStarElectric)

matter where they are, any time of any day. Having an email address and knowing your account number is all it takes to sign up on our website (www.nse.coop). Members who live away from North Star country find this helpful, as it eliminates the need to wait for the postal service to deliver your bill. This works really well with the free ACH bankdraft method of payment (see above). E-bill does provide the non-recurring option of paying with a credit card or e-check, but there is a \$3.95 convenience fee with that. Most members on e-bill are using the free ACH bankdraft method or sending in a check.

- 5) Our AMR (automated meter reading system) is reading 98 percent of our meters, eliminating the need for most of our monthly billed members to self-read their meter(s).
- 6) The monthly rate is exactly the same as the seasonal rate. Monthly bills are mailed close to the 6th of the month, and payments are due on or before the 20th. 1.5 percent is added to the bill if the payment is late, and another \$5 is added if a disconnect notice is printed. With ACH bankdraft, late fees are eliminated, and the payment is set up on the 20th to be taken from your bank account a day later.

Annual billing had been created for the convenience of members who moved around during the year, couldn't supply monthly meter readings, and preferred a single, annual billing in the winter. If you still prefer the convenience of the annual billing, but don't like one large payment each winter, you may send prepayments at any time during the year to reduce the annual amount due.

Please give Pat Olson, our billing coordinator, a call if you have any questions about your bill or to make any changes to your account (1-218-634-2202, toll free at 1-888-634-2202, or by emailing patsynsec@wiktel.com).

Contact information

There are times when we need to get in touch with you or use your service address (911 address where your meters are). Please take a minute to look at the phone numbers we have printed on your remittance stub. Please make any corrections or additions on the payment stub. Also, if the service address that is printed to the left of your District number (about a third of the way down from the top of your bill) is not correct, please make a note on your payment stub indicating the 911 address or some type of description, like "cabin on county road 8."

Due date

PLEASE NOTE THAT YOUR DUE DATE IS FEB. 20, 2015. IF THIS CREATES A PROBLEM FOR YOU, PLEASE CALL US TO AVOID DISCONNECTION OF SERVICE.

If your payment is late, a 1.5 percent late fee penalty will be added each month until paid. **The enclosed bill is the only statement you will receive.** If an account is disconnected for nonpayment, there are additional fees: a \$75 disconnection fee, a \$75 reconnect fee (\$150 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 by making a quick call to Sue at 1-888-258-2008 before the due date.



Meter readings

It's a good idea to read your meter once in awhile to be aware of your usage. This will allow you to notice if your usage is unusually high and correct it early. We will read your meter monthly with the AMR (automated meter reading) system, but only the December reading is uploaded to the billing system for calculating energy usage over the past year. If you would like to check on your usage and are not in the area, please give us a call, and we can read it for you.

Power failure . . . will your seasonal home be ok?

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 nonprofit cooperative, the margins (co-op income in excess of costs) belong to the member-owners, like you. At the end of the year, the total margins 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. Annually the board of directors evaluates the financial impact of paying capital credits. In the last 34 years North Star has returned \$10 million of capital credits to its members, like you. You may even have a credit on the enclosed billing statement for capital credits being returned to you.

As for the taxation of capital credits, it is our understanding that you are not required to include this on your income tax return 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. If that is the case, you must claim the refund, or a part of it, as income.

We hope this explanation has answered any questions you may have. Just give us a call or drop us an email if you have further questions.

Annual meeting report

At the Oct. 3, 2014, annual meeting in Baudette, 165 households and businesses registered, and about 400 people were served dinner. Board members Mike Trueman and Randy Bergan ran unopposed and were unanimously re-elected to represent the members in Districts 2 and 3. The next annual meeting is tentatively set for Oct. 2, 2015, at the Littlefork-Big Falls School in Littlefork. If you've never attended before, consider joining us for an evening of food, prizes, entertainment, and of course, information and business.

Other items of interest

Where does your power come from?

Have you ever wondered how and where your electricity is generated? There is a nicely done brochure on www.minnkota.com. Click on the Power Plant tab, and select the Milton R. Young brochure. You can also view their wind energy brochures and current output graphs at this site.

Scholarships for high school seniors



Our future is in the hands of our young people, and to support their post-secondary education, North Star provides scholarship opportunities to students whose parents or guardians are North Star Electric Cooperative 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 very happy to add you to that mailing list. It is also posted on our website (www.nse.coop) under the News link.

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 with a mail vote or at the annual meeting held early each October, although the nomination process begins in the summer. So, if you're around, we'd love to see you at the annual meeting.

We hope you found this newsletter informative and helpful. We also hope you find the electricity we provide to be a good value. We do our best to provide you with excellent reliability and customer service.

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 or answer any questions. 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

Lake of the Woods, St. Louis and Koochiching Counties:

Curt Collier

Phone: (218) 966-5070
cgcollier67@gmail.com
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Monday through Friday)

Roseau County:

Scott Stenvik

Phone: (218) 689-5406
Call to set up an appointment between 7 a.m. - 8:30 a.m. (Monday through Friday)

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Bruce Polkinghorne. Vice President
Michael Hanson. Secretary-Treasurer

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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)