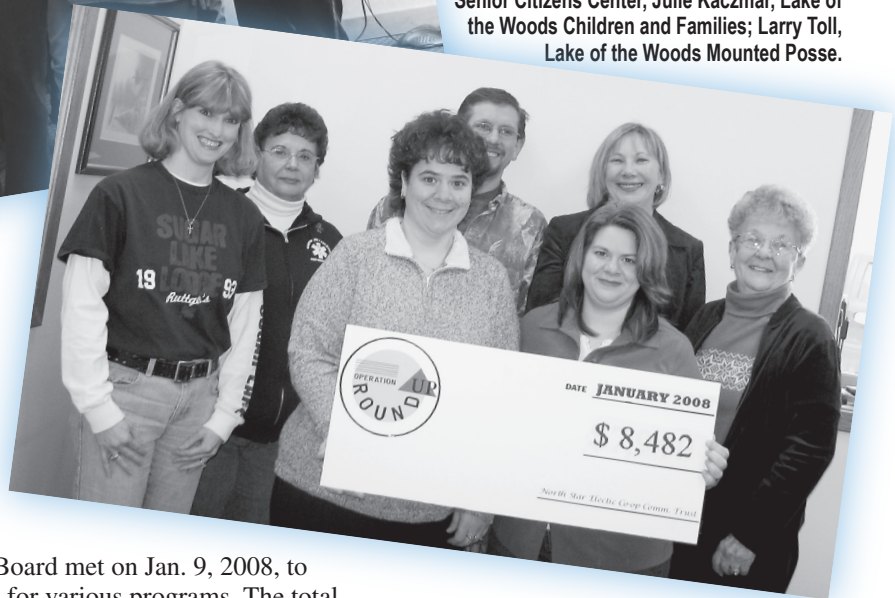




Front row from left to right: Gretchen Thompson, North Star Electric Community Trust Board; Laura Jo Pieper, Lake of the Woods School sixth grade; Brenda Nelson, Lake of the Woods School third & fourth grade; Otto Lee, Lake of the Woods Food Shelf; Barb Jacobs, Birchdale Senior Citizen Center; Dallas Block, Lake of the Woods Mounted Posse. Second row from left to right: Nancy M. Jewell, Williams Senior Citizens Center; Joyce Palm, Lake of the Woods School Band; Brian Marty, Northern Light First Responders; Pam Horntvedt and Sue Nohner, Lake of the Woods Head Start; Jake Jacobs, Birchdale Senior Citizens Center; Julie Kaczmar, Lake of the Woods Children and Families; Larry Toll, Lake of the Woods Mounted Posse.

Operation Round Up helps local programs



The North Star Electric Cooperative Community Trust Board met on Jan. 9, 2008, to review 31 applications they received requesting funding for various programs. The total amount requested was \$40,061. The board had about \$8,500 to work with, so it was not an easy task selecting which group would get funding and what amount they would receive.

Many local programs and organizations benefit from Operation Round Up, a voluntary member-driven fundraising program of North Star Electric Cooperative, Inc., that is designed to provide financial assistance for worthwhile projects and charities in the area. Donations are given to organizations to help make the area a more pleasant and safe place to live. All funds for Operation Round Up are contributed by the member-owners of North Star Electric Cooperative, Inc., and the money is put into a Trust fund that is separate from electric accounts. The Trust is administered by its own board of directors comprised of people from across the area.

Operation Round Up directors are appointed by North Star's board members and must be members of the Cooperative. The Cooperative's general manager is a non-voting member of the board.



Front row picture from left to right: Laura Larson, North Star Community Trust Board; Cindy Hasbargen, Littlefork/Big Falls School first grade; Lisa Simon, Littlefork Kids Plus Program. Second row Sandra Moyer and Bryan Wichner, Kabetogama First Responders; Nancy Anderson, Falls Hunger Coalition; Jean Reichow, North Star Community Trust Board.

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FEBRUARY 2008

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OFFICERS AND DIRECTORS

President Steve Arnesen
Vice President Bruce Polkinghorne
Secretary-Treasurer Michael Hanson
Directors L.J. Anderson,
Julian Brzoznowski, Randy Bergan,
Lorraine Nygaard, Mike Trueman

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

Visit our Web site at

www.northstarelectric.coop

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.

Gopher State One Call



It's the LAW
CALL BEFORE YOU DIG

Minnesota Statewide One Call

Notification Center

1-800-252-1166

Highlights from the BOARDROOM

These are the highlights from the board of directors meeting held on January 2, 2008.

The board acted upon usual, routine business. A lengthy discussion ensued about all of the factors impacting the cost of electricity and where wholesale rates are headed. After cuts at the local level were reviewed and pressure on the availability, in addition to costly legislative mandates, were discussed, the board approved a 7 percent rate increase to become effective 3-20-08. Management was asked to further explore ideas more radical than in the past to reduce costs, understanding that service may be slightly affected. There were many questions about the rate structure. Support was shown for recovering the full cost of service in the monthly fixed charge, regardless of kilowatt-hour usage. A cost of service study was authorized.

Reports from staff included the financial report, the AMR (automated meter reading) project, personnel, load control hours, the wind generators coming online in North Dakota, the infrared camera, the high cost of LP, the impact on the wholesale power bill when plug-in space heaters are temporarily used, liquidating the ETS (electric thermal storage) heating system inventory, Operation Round Up,

power plant tours, plans to meet with legislators, more than 200,000 hours worked without a lost-time accident, safety meetings, work plan projects, the outage report, and electronic communication with board members.

Board members, sitting on the MREA, Minnkota, and Square Butte boards, reported on their meetings, which included discussions on legislative issues, the fate of Minnkota's planned Young 3 coal-fired generating plant, and renewable fuel. There is a need for fossil fuel generators to back up wind power, which is reliable just 36 percent of the time. Comparatively, Minnkota's coal-fired plants are normally more than 90 percent reliable. The alternative to installing backup for the wind power is to purchase energy on the market. Although there is no capital investment with market purchased power, it is financially riskier, especially now with adequate electricity resources dwindling.

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 one week in advance to be included on the agenda.

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.

• St. Louis and Koochiching counties:

Bob Orgon

10111 Roosevelt Rd. S.E.

Bemidji, MN 56601

Phone: (218) 556-3829

Fax: (218) 333-0451

7:00 a.m. - 8:30 a.m. (Mon. thru Fri.)

• Roseau and Lake of the Woods counties:

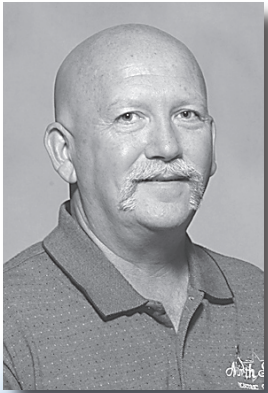
Scott Stenvik

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.)



Dan Hoskins, General Manager

“... the appreciation of electricity is stronger than ever and our lives are dependent on this product.”

The next greatest thing

There was a quote written, I believe by a farmer from Tennessee in the earlier days of electricity, that went something like this: “Brothers and sisters, I want to tell you this. The greatest thing on earth is to have the love of God in your heart, and the next greatest thing is to have electricity in your house.”

Now I believe that this was a very good description of what life was like in Rural America prior to electricity, very religious folks, and then after electricity came into the homes, very religious folks with the comfort of electricity. Consumers appreciated getting and having reliable electric service, but it was more of a luxury because a lot of folks either couldn’t afford it or didn’t exactly know what it was, and now, I believe that the appreciation of electricity is stronger than ever and our lives are dependent on this product.

So your Cooperative has realized this need for electricity by our member-owners. We have made it our mission to

provide dependable, reliable and affordable electric service to our members at our lowest cost. Today’s economics and rising costs have made things very interesting and challenging for us, but I can tell you, our group of employees and directors remain committed to our mission statement that reads:

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

And I might add that we do it by following a number of standards and principles and the seven most obvious are our Cooperative Principles:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Members’ Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Communities

Plus, we are members of a national group called Touchstone Energy® and we believe in the core values that are set in that organization. They are Integrity, Accountability, Innovation and Commitment to Community, and we utilize these values in our decisions.

So you see, electricity has been around for a long time and whether it is a luxury or something we depend on, it has been improving lives since its inception. It truly is the greatest valued product anywhere.

One last thing, the group of employees and directors that I mentioned to you earlier, who work so hard for you by all the standards and values and our mission statement. Well let’s add one more really important value, or principle, to that list: We do it because we care!

God Bless you and our Troops,
Dan

Reliable backup systems a must!

Because increased load control hours are predicted in the future, electric off-peak heating installations must be capable of 600 hours or more of interruption each winter season.

“In order to realize the full benefits of the load management program, it is very important that our members work with a qualified heating contractor to ensure that they have an automatic, adequate and well-maintained backup heating system,” said Wayne Haukaas, Manager of Compliance and Member Service.

The electric off-peak heating program continues to provide great value to members today, just as it did when it was first utilized in the late 1970s. The winter heating season is here, and North Star Electric stands ready to assist our members with their electric home heating options.

Members' corner

We are adding a section called the 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.

Fighting to keep the lights on

PUTTING YOU FIRST

According to the U.S. Department of Energy, demand for electricity nationally will increase by 40 percent during the next 22 years – even with an optimistic projection of a 9 percent reduction in electricity use due to increased efficiency factored in. As the economy expands, the need for power grows right along with it.

Nearly every respected analysis, however, finds that our country is running out of power. And as a result, there's a good chance consumers could experience brownouts and even rolling blackouts in the not-too-distant future if we don't act soon.

A recent report from the North American Electric Reliability Corporation (NERC), a Princeton, N.J.-based non-profit organization charged with monitoring America's power system reliability, confirms that unless more resources come online, it will not be long before the need for power can no longer be met.

The predictions made by NERC shed light on the urgent need to bolster our nation's power grid. It is no longer a question of if but when we need to build – the need is real, and the time is now.

For electric cooperatives, experiencing 2.6 percent overall load growth (twice the national average), we take our responsibility of maintaining a safe, reliable and affordable supply of power seriously. We are working hard to implement a strategy that meets your needs with the right mix of energy efficiency, renewable energy, and new technologies for electricity generation involving clean coal, nuclear and natural gas.

Electric Co-ops are recognized industry leaders in promoting energy efficiency and wise energy use. Simply put, the more we can do to conserve electricity and use it efficiently means fewer power plants must be built in the future.

Renewable energy, like wind and solar power, holds great promise in providing electricity. Consumer-owned electric Co-ops have blazed trails when it comes to developing renewables. Today, more than 80 percent of the nation's 900-plus electric Co-ops supply electricity produced by wind, solar, hydro, biomass (including landfill gas, livestock waste, timber byproducts and crop residue), and other "green power" sources. This makes up about 11 percent of all Co-op kilowatt-hour sales.

But renewables have some limits. Wind, for example, which has the potential to meet 20 percent of the country's electricity needs, must overcome two main hurdles: construction of additional high-voltage transmission lines to bring generation produced at wind farms, usually located in remote rural areas, to population centers; and "intermittency" – the fact that wind only blows 30 percent to 40 percent of the time, and generally not during times of peak electricity use on hot, humid summer weekday afternoons. Electric co-ops are heavily involved in research needed to develop better batteries to store wind and solar energy, a breakthrough that will allow these resources to become full-time sources of electricity. Additional work must take place before these batteries can become viable.

All of these changes will help meet our growing demand for electricity. Yet at the end of the day, electric Co-ops also need to plan for the future – which means building new power plants. Unfortunately, power plant construction costs have skyrocketed in recent years as international demand for coal and materials like steel and concrete continues to climb.

Presently, 50 percent of the nation's electricity supply and 62 percent of electric Co-op power requirements come from coal. Despite rising costs, power

plants built in the near-term will burn coal more cleanly and efficiently than ever before. Even more encouraging, concerns over coal's contribution to climate change could be alleviated within a decade if power plants that capture carbon dioxide gas before it goes up a smokestack, compress it, and then pump it deep underground for permanent storage become available – a real possibility if Congress provides sufficient funding for the necessary research and development.

Nuclear energy also remains part of the solution, even though only a handful of nuclear power plants have come online in this country during the past 20 years, and none have been ordered since the 1970s. Nuclear power – which emits only clean water vapor – generates 20 percent of all electricity in the U.S. and about 15 percent of electric Co-op power needs. Estimates hold that it will take 10 years to bring a single nuclear reactor online.

Providing more electricity and dealing with climate change are important challenges our country faces. (556-42-086-02 Frances Little) Our commitment to you, as we strive to keep the lights on, will be encouraging lawmakers and regulators to seek out practical, long-term remedies to our nation's energy problems based on new technology – solutions that will allow us to continue providing safe, reliable and affordable power in an environmentally responsible fashion.

Electric Co-ops have no magic bullet to offer – only our hard work and a commitment to your best interests. But as we have done for more than seven decades, we will continue to put you, our members, first.

Source: U.S. Department of Energy, U.S. Energy Information Administration and the National Rural Electric Cooperative Association.



PJoin us in June for a **Power plant tour** June 23, 24 & 25



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 23-25. 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 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. Members who have not been on this tour in the past are encouraged to go. For further details, contact Wayne Haukaas at 634-2202 or 1-888-634-2202. Please use the handy registration form below:

Please print names of participants the way you would like them to appear on your name tags. Your deposit will be refunded if the tour is cancelled or if you should find that you cannot make the trip. We will send further details prior to departure. Return with check for \$75 per person or \$125 per couple to:

North Star Electric Co-op

P.O. Box 719 • Baudette, MN 56623

Name _____

Name _____

Address _____

City _____ Zip _____

Phone No. _____

Room Preference: ☐ Smoking ☐ Non-smoking

Have you enjoyed this trip in the past? No/Yes If yes, what year? _____



Resolve to save energy this year

Many people diet as part of their New Year's resolutions. The Alliance to Save Energy urges people to adopt an "energy diet" as well.

Resolve to do just one thing to lower your energy use and challenge your friends, family or colleagues to do the same. Here are some suggestions:

- **Plug energy leaks.** A few dollars worth of sealant and weather-stripping make your home more comfortable and energy-efficient. This will save you more on heating and cooling bills year after year.
- **Replace four 100-watt incandescent bulbs** that burn four or more hours a day with comparable 23-watt compact fluorescent lamps (CFLs) to save around \$200 over the life of the bulbs. CFLs are available at either North Star office for just \$1.50 per bulb.
- **A programmable thermostat** reduces heating costs up to 10 percent. It does this by adjusting the indoor temperature to your daily and weekend routines. For example, it turns the heat down when you are away during the day or when you are sleeping at night.
- **Clean or replace furnace filters regularly.**
- **Insulate heating ducts.** Your system can lose up to 60 percent of its warmed air before it reaches the register, if ducts are not properly insulated in unheated areas such as attics and crawl spaces. Plus, insulate your hot water heater (if it's not an energy-efficient model from your electric Cooperative) and hot water pipes.
- **Look for the ENERGY STAR® label,** which is the government's symbol of energy efficiency, on 40 different types or products. They include appliances, electronics, lighting and more. Check with us on our ENERGY STAR Rebates Program.
- **Open curtains** and other window treatments on your west and south facing windows during the day to allow sunlight to naturally heat your home; close them at night.
- **Turn off kitchen, bath and other ventilating fans** within 20 minutes to retain heated air. When replacing exhaust fans, consider high-efficiency, low-noise models.

North Star will no longer sell or service Steffes ETS heaters

North Star Electric Co-op has received notice that Steffes Corporation of Dickinson, N.D., has done a major change in marketing their ETS room units and furnaces. In the past, they sold directly to electric Cooperatives, like North Star, and we sold the product to our members. Now, Steffes will sell to a wholesale distributor, which will sell only to certified dealers. To find a certified dealer in your area, check Steffes' Web site at www.steffes.com or call 1-888-783-3337.

Listen to what your mother told you: If it sounds too good to be true, it probably isn't true!

You have probably 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. (654-36-001-03 Lucille Qualley) They claim the space heater will not reduce humidity or oxygen, which is true, but it is also true that the electric 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 haven't 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.

— Wayne Haukaas

AMR (automated meter reading) is still being phased in. We have this system working in the 97 percent plus range, with some areas still causing us some problems. We continue to work in these areas, and thank those "waiting" members for their patience.

This winter, the crews have been working on rights of way. Keeping our right of way in control is the best way to keep lines clear of potential problems that cause blinking lights, outages and public safety concerns.

We have changed out some 70 poles this winter in the area east and south of Baudette. These are poles that were identified and rejected by our pole inspection program, which over a 10-year period, takes a close look at our 20,000 poles.

Line inspection is also being done annually to help prevent future problems from occurring. This involves the patrolling of some 1,250 miles of line that are owned and maintained by the Cooperative.

Plans are also in progress for our 2008 work plan. Projects in the Baudette district include the replacement of the old single-phase overhead line north of Williams feeding the Birch Beach area and the line east of Williams along County Road 14, which feeds the area south and east of Williams.

We will also be installing a three-phase regulator bank in the area east of Baudette. This should help us to serve these growing areas better now and in the future.

I would like to thank the members south and east of Swift, and in the Williams to Roosevelt areas, for all the cooperation they extended to North Star this past year while we replaced old cable in those areas.

Have you added any large electrical equipment at your home or business? If yes, service upgrades may need to be done, so please contact us so we can re-evaluate your power needs. Planning ahead, and giving us the heads-up on this type of change, will save all of us the inconveniences and cost of an unwanted outage.

Gopher State One Call (GSOC) needs to be called at 1-800-252-1166 before any mechanical digging is done on your property. (132-06-021-05 David Pedersen) This is the law. Once you have called in your project location, GSOC notifies all of the utilities in your area. They are given 48 hours to respond. This protects the utilities and the member from possible injury or costly repair expenses.

Overhead power lines also need to be treated with extreme caution. These lines carry very high voltages and may cause injury or death if touched. Always maintain a clear distance from them, and notify North Star Electric of any downed lines or damaged equipment. Also, beware while working around these lines. If you have any clearance issues with a line, please notify us immediately! If you'd like to see a short demonstration of live electric lines in situations that you may encounter, you can view it at <http://www.tri-countyrec.com/trico/newsHotLineSafety.asp>.

Remember . . .

Please be careful around all power lines as they are very dangerous! When working around them, always keep their presence in mind; if you see anything unusual, or have any questions about your power lines, contact us for help.

Until next time, so there is a next time . . . Stay Safe!



Steve Ellis
Baudette District Operations Supervisor

West End News



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 8th Ave. SE, Suite 200
Baudette, MN 56623-2867
634-2642

Northwest Community Action Council

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

Koochiching County Community Services

1000 5th St.
International Falls, MN 56649-2243
283-7000

Kootasca Community Action, Inc.

2232 2nd Ave. E.
P.O. Box 44
International Falls, MN 56649-0044
283-9491 or 800-559-9491

Kootasca Community Action, Inc.

1213 SE 2nd Ave.
Grand Rapids, MN 55744-3982
800-422-0312

Arrowhead Economic Opportunity Agency

702 3rd Ave. S.
Virginia, MN 55792-2775
800-662-5711

For more information call North Star Electric.

Operation Round Up helps local programs *(Continued from page 1)*

Organizations from the area may apply for a donation from the Operation Round Up Trust. The applicant must be charitable in nature and be working to meet a need in our area. The Operation Round Up Board meets twice a year and decides if an application meets the guidelines of the Trust and if funds are available.

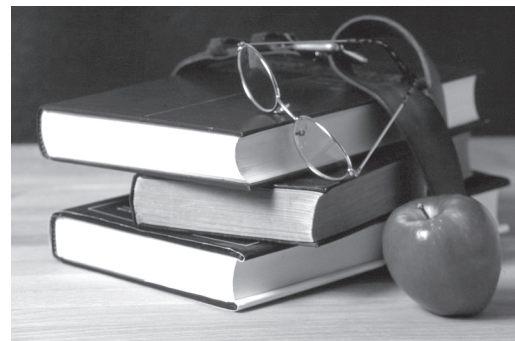
If a member chooses to be part of Operation Round Up, their electric bill is "rounded up" to the next highest dollar. For example, if a bill is \$76.47, the computer will round up the bill to \$77. The additional 53 cents will be placed in the Trust and distributed to local charitable and community-based programs.

About 80 percent of North Star's members have chosen to participate in Operation Round Up and it is expected that contributions will be about \$18,700 each year. That money goes right back into our community.

The average annual contribution from a member is about \$6. The most that could be contributed in a year by a member is \$11.88 (12 months x 99 cents).

At the January 2008 meeting \$8,482 in Operation Round Up funds were distributed to various qualifying programs and organizations throughout the area including:

Lake of the Woods Food Shelf, \$600 – Food shelf
Big Falls Fire Department, \$750 – Radio replacement
Big Falls EMTs, \$750 – Radio replacement
Birchdale Senior Citizen, \$300 – Community Hall lighting
Northern Lights First Responders, \$300 – Update AED defibrillator batteries
Kabetogama First Responders, \$1,000 – Auto Pulse machine
Lake of the Woods Head Start, \$350 – Trikes and stability balls
Lake of the Woods School Band, \$400 – Drums for marching band
Williams Senior Citizens Center, \$400 – Ventilation system for kitchen
Lake of the Woods School 3rd & 4th grade, \$200 – Field trip to pioneer farm
Littlefork Kids Plus Program, \$400 – After school tutoring
Lake of the Woods School 6th grade, \$200 – Admission fee State Capitol
Littlefork/Big Falls School 1st grade, \$282 – Stability balls
Lake of the Woods Mounted Posse, \$500 – Trailer for search and rescue equipment
Falls Hunger Coalition, \$500 – Food shelf
Littlefork Fire Department, \$500 – Training room
Northern Lifecare Center, \$500 – Unexpected pregnancies program
Lake of the Woods Children and Families, \$250 – Summer youth program
Kootasca Community Action, \$300 – Home heating assistance



Parents of high school seniors

Are you aware of North Star Electric's Knowledge Scholarships? To qualify, the parent/guardian must be a member of North Star Electric, and your child must take a test about your cooperative that provides electricity to your home. North Star Electric will be awarding five scholarships, one \$1,000 and four \$400, plus a chance to win one of eight \$50 cash awards for scoring more than 50 percent on the test.

Most of the test answers will be in the study material that North Star provides. A couple hours of study time could pay off with a \$1,000 scholarship. Last year, only 39 students took the test. The information meeting and test will be given in mid-April.

For more information about the scholarships, please call Wayne at North Star Electric or check with the guidance counselor at your school.

