


The

Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner 

VOLUME 50 NUMBER 3

BAUDETTE, MINNESOTA

MARCH 2005

March is Food Shelf Month

North Star Electric is working with the area food shelves, collecting money and food donations to help our neighbors in need. As of March 1, we have collected 231 pounds of food and \$801 in donations. You can also help. Stop by either our Baudette or Littlefork office to pick up a free compact fluorescent lamp. If you would like more, additional lamps are just \$1 each. (Limit six lamps per household.) The money will go to our area food shelves. This way you can save money on your electric bill and help the food shelves in our area at the same time.

North Star Electric Cooperative donated 231 pounds of food to the Koochiching County food shelf. Pictured are Steve Arnesen, board president and board member for district 1; Randy Bergan, board member for district 3; Mary Thydean, Koochiching County food shelf volunteer; Dan Hoskins, general manager; and Allan Nygaard, board member for district 6.



Energy tip: Compact fluorescents save money and energy

ENERGY STAR labeled light bulbs, or compact fluorescent light bulbs (CFLs), are up to 75 percent more efficient than standard incandescent light bulbs, give off the same light output and last up to 10 times longer.



CFLs have changed a lot in recent years. They are available in various sizes to fit almost any lamp, chandelier or other light fixture, including dimmable and motion detector fixtures. The bulb's appearance ranges from a globe shape to two slender tubes twisted like a coil.

“You’ll find the quality of light is equal to that of incandescents,” said Phil Smith, energy specialist. “And there is no hum or noise that is sometimes associated with older tube-shaped fluorescent lights.”

CFLs emit the same amount of light as standard bulbs, but because they use significantly less energy than incandescent bulbs, they have lower wattage ratings than people are accustomed to purchasing. For example, a 15 watt CFL (363-03-002-01 Randy/Carol Orton) replaces a 60 watt incandescent bulb, an 18 to 20 watt CFL replaces a 75 watt bulb and a 25 to 28 watt CFL bulb replaces a 100 watt bulb.

While all CFLs use less energy than incandescent light bulbs, it is a good idea to watch for the ENERGY STAR symbol when shopping around.

The potential savings on energy

bills is significant. The typical household spends about 10 to 15 percent of its electrical bill, an average of \$110 a year, on lighting.

Source: Minnesota Department of Commerce

Pick up your FREE compact fluorescent lamp

Stop by either our Baudette or Littlefork office to pick up a FREE compact fluorescent lamp. If you would like more, additional lamps are just \$1 each. (Limit six lamps per household.)

The money raised from this will go to our area food shelves. This way you can save money on your electric bill and help the food shelves in our area at the same time.

The Enlightener

March 2005

Published monthly by

North Star Electric Cooperative, Inc.
Baudette, MN 56623

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

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**Electrical
after-hours
emergencies
1-888-6OUTAGE
(1-888-668-8243)
634-2603**



January 2005 Operating Report

Revenue (includes annual seasonal billing)	\$ 939,390
Cost of Power	\$ 503,793
Operation, Maintenance, Administration	\$ 230,141
Depreciation, Interest	\$ 129,677
Margin on Operations	\$ 75,779
Average use per Residential	2,555
Total kWhs Sold	15,103,310

Planning to build after the snow melts?



**You'll need
electricity on
your site**

Call North Star
Electric Co-op
now to make
arrangements.

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

WE NEED YOUR METER READING!

Please read your meter on or as near the 25th of EACH month as possible. We must have your reading by the 5th of the next month to avoid an estimated bill. If a bill consecutively estimates two times, the crew will read the meter and a \$15 fee will be added to the account.

— Please Note —

Bills that are past due will be charged a 1.5 percent late payment fee. Bills that are 30 days past due will also be charged a \$2 delinquent notice fee.

Facility charge

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. 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 Member Minimum – \$17.

You see, even in the beginning, the men and women who started North Star Electric Cooperative had a vision that they could provide electricity to the rural areas, but that the member would have to help pay for the service. So the first membership meeting, held in 1940 and attended by 300 members, voted in the \$5 membership, which is still the fee, and the first minimum bill, \$3.50 and yes, for that \$3.50 you did get 40 kWh. But that electricity was used largely for lighting the home and that lighting was very limited.

My how times have changed! So let's look at the Member Minimum and see just how it is figured and where it goes. Your Cooperative has a cost of service analysis (425-10-001-04 Chris Balaski) done by our consulting engineering firm. This analysis will tell us how much the minimum charge should be, along with what we should be charging for the energy portion. This is done for every different type of energy user we have on our system – resi-

dential, seasonal, commercial, industrial and large power, plus our controlled loads.

When this analysis came back to us, it showed us that to recover the costs associated with the infrastructure, service costs and maintenance of plant, we should be charging about \$33 per month for our residential and/or seasonal accounts and then the kWh could be less than it is. But over the years, the staff at North Star Electric, along with your board of directors, has 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.

Most all electric Cooperatives, municipals or IOUs (investor-owned utilities) have a minimum charge of some kind and the amount is based on what we call density. Some Cooperatives may charge as little as \$7 per month, but their account density could be 25, 40 or even a higher number of members per mile of line. But if you have less accounts per mile of line, then your minimum charge will have to be greater because your plant and maintenance costs will be approximately the same as those with a higher customer density. North Star Electric serves approximately 6,300 accounts over 1,350 miles of line. That equates to about 4.67 accounts



By Dan Hoskins
General Manager

per mile of line, which is stretched over approximately 5,500 square miles of northern territory.

So with our minimum monthly charge, we help defray 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 kilowatt-hour charge.

So you see, the Member Minimum bill 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.

God Bless you and our troops. Stay Safe.

Dan

Parents of high school seniors

Are you aware of North Star Electric's Knowledge Scholarship? To qualify, the parent/guardian must be a member of North Star

Electric, and your child must take a short test about your cooperative that provides electricity to your home. North Star Electric will be awarding five scholarships, one for \$1,000 and four for \$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 included in the six pages of study material that North Star provides. A couple hours of study time could pay off with a \$1,000 scholarship. Last year, only 42 took the test.



CURRENT ELECTRICAL INSPECTORS

State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection with the State Board of Electricity and be inspected by a Minnesota electrical inspector.

■ Koochiching and St. Louis counties:

Lee Herseth

10078 Gappa Road

Ray, MN 56669

Phone: (218) 875-3028

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

■ Roseau and Lake of the Woods counties:

Laurence Otto

60426 County Road 12

Warroad, MN 56763

Phone: (218) 386-2299

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



Office notes

From Ann Ellis, Manager of Finance and Administration

“The purpose of life is a life of purpose.”

– Robert Byrne

**Make plans to
join us in
June 2005
for our annual**

POWER PLANT TOUR



Watch for more
information
in our April issue of
The Enlightener.

**Great fun, great food,
great accommodations
and educational as well!**

Capital credit allocations

Be sure to take a close look at your billing statement this month so you don't miss the information about the capital credits you earned in 2004. Because we are a cooperative, anything left over after our expenses are deducted belongs to you, the members. You receive your share in the form of capital credits based on the amount of electricity you purchased during the year. Your capital credits are your ownership/investment in the cooperative and will be paid to you at a later date. Last year we paid close to a half million dollars to members, and overall we have returned \$5.4 million. How many other businesses give you back their profits?

AMR

The first shipment of AMR-equipped electronic meters will arrive any day now. Until the communication equipment is installed and tested, please continue to read your meter.

We will also be changing out the off-peak meters, so your cooperation to make your off-peak installation available to our employees is appreciated.

As a member, I am quite anxious to give up the meter reading task. I'm sure you'll appreciate it too!

At your service we remain...

Time to reset clocks and change smoke alarm batteries

With daylight saving time starting April 3, you should remember to change something other than your clocks. The National Fire Protection Association (NFPA) recommends that you change the batteries in all your smoke detectors. According to NFPA, smoke detectors have reduced the number of home fire deaths by half since they were in homes during the 1970s. Ninety-five percent of the homes have at least one smoke detector. Unfortunately, a third of those smoke alarms won't sound due to dead, missing or disconnected batteries according to NFPA.

While changing those batteries this spring, keep these other smoke alarm tips from NFPA in mind:

- Don't paint the smoke alarm or place decorations near it, which might cause it to not work properly.
- Test smoke alarms monthly by using the alarm's "test button."
- Replace the batteries for your smoke alarms every spring or when the alarm "chirps."
- Regularly clean your smoke alarm to keep it in working order.
- Your smoke alarms should be replaced once every 10 years.
- Never "borrow" a battery from a smoke alarm.

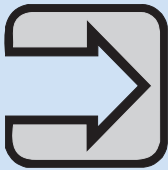
Gopher State One Call



**It's the LAW
CALL BEFORE YOU DIG**

Minnesota Statewide One Call
Notification Center

1-800-252-1166



West End News

By Steve Ellis
Baudette District Operations Supervisor



AMR (automated meter reading) is the newest project that we have been working on at North Star Electric. Equipment has been coming in and some has been installed.

Our plans will start with all members who are served by the Wheeler substation. Equipment will be installed in that substation, and all meters will be changed out with new electronic ones. This project will be completed in 2005.

Members must continue to read their own meter, until they have been notified by us that they no longer need to send us readings.

The rest of the system members and substations will be installed in 2006. When this new metering system is up and running, you will no longer need to read your own meters, which I would guess will make many of you happy to not have to remember this task, or not to mention wading through the

snow in the wintertime. This system will not only read your meter for usage but it will help us gather information and monitor voltages that we can use to better serve your needs.

Our crews have completed the annual meter reading and line inspections; they will be out fixing problems that they have identified.

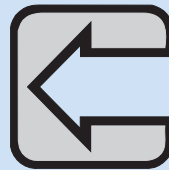
We have also been working on the work plan for the summer of 2005. Some projects in these plans include (383-03-004-03 Rolland Haight) replacing 2.2 miles of underground cable in the Pitt area and switching the feed to that area out of the new Wheeler substation to help reduce the load on the Williams substation. Replacing old underground cable that has been giving both us and some of you problems will be a priority.

Until next time stay safe and think spring!



East End News

By Allan Baumgartner
Littlefork District Operations Supervisor



Our linemen have been removing trees under the power lines throughout the town of Littlefork. In some cases, just trimming back the limbs is all that is needed, where they are along the sides of our lines. We will still have some alleys and back-lots to get at when the snow goes down. It has been more than 10 years since we last did this kind of work in town and a couple of good windstorms last summer showed us it was time again.

Another one of our crews has been changing out old air gap transformer lightning arresters on our

system. We will be targeting the islands on Rainy Lake as soon as the ice goes off the lake.

I have the staking sheets finished for the two work plan jobs we need to complete this summer to finish our 2002-2005 work plan. One is a main feeder underground cable replacement, and the other is a new underground mainline in the Pelland Junction area.

As of the 25th of February, we have only had three individual outages this month. All were caused by birds or squirrels.

Problems paying your electric bill?

Energy assistance may be available!

If you are receiving a low income or suffering from a temporary financial shortfall, the following agencies may be able to assist you with your electric bill. We urge you to contact them immediately to avoid disconnection if you feel you are eligible for aid.

- **Lake of the Woods County Community Services**
P.O. Box G-0200
Baudette, MN 56623
Phone: 634-2642
- **Northwest Community Action Council**
312 N. Main St.
P.O. Box 67
Badger, MN 56714-0067
Phone: 218-528-3258
or 1-800-568-5329
- **Koochiching County Community Services**
1000 5th St.
International Falls, MN 56649
Phone: 283-7000
- **Kootasca Community Action, Inc.**
2232 2nd Ave. E.
P.O. Box 44
International Falls, MN 56649
Phone: 283-9491 or 1-800-559-9491
- **Kootasca Community Action, Inc.**
1213 SE 2nd Ave.
Grand Rapids, MN 55744-3984
Phone: 1-800-422-0312
- **Arrowhead Economic Opportunity Agency**
702 3rd Ave. S.
Virginia, MN 55792-2797
Phone: 1-800-662-5711
or 218-749-2912



Today's energy marketplace

Several factors influence load control decisions

By Michael Nisbet
Senior Publications Editor
Minnkota Power Cooperative, Inc.

Change is inevitable.

Seasons change. Opinions change. And so has the regional wholesale power market. As a result, control hours for off-peak electric heating customers have increased significantly during the past five years.

“With the implementation of the federal law requiring an open-access transmission system, many more utilities and energy traders now have access to the low-cost generation resources in the Midwest,” said Al Tscheppen, Minnkota Power Cooperative vice president of Planning and System Operations. “Nowadays, wholesale power prices are much more volatile and prices are generally higher than they were five years ago.”

A case in point: When cold weather strikes the east coast, prices for wholesale electricity in the Midwest region actually increase as eastern power traders are bidding against Minnkota and other utilities to purchase additional electricity to serve their native loads.

“Firm” vs. “off-peak” power

In utility jargon, off-peak electricity is “non-firm,” meaning it is subject to being turned off when overall system load rises above Minnkota’s economical resources. “Firm” electricity is the power used for lights, computers, refrigerators and other electrical devices, and is not subject to load control.

“Minnkota’s ability to sell off-peak electricity to the associated systems is based solely on our ability to buy it economically, when it’s available,” said Jim Burley, Minnkota system operations manager.

“Minnkota has ample capacity for serving firm, or general service loads,” Burley emphasized. “Whatever is left over after the firm loads are served is available for off-peak or dual heat use.”

Whenever economically priced



John Payne, one of the energy marketers in Minnkota’s control center in Grand Forks, N.D., has seen firsthand the high wholesale power market prices throughout this winter season. The recent skyrocketing price of natural gas is also influencing the wholesale electricity market, as nearly all new electric peaking plants built in the region are fueled by natural gas.

power is available in the wholesale marketplace, Minnkota’s energy marketers purchase it and serve the off-peak loads during periods of high electrical demand. When prices are above Minnkota’s economical ceiling price of 4 cents per kilowatt-hour, the off-peak loads are controlled.

Load control rationale

Beyond the changes in the wholesale energy market, other events can also trigger load control, including

energy purchases from being delivered to the Minnkota service area.

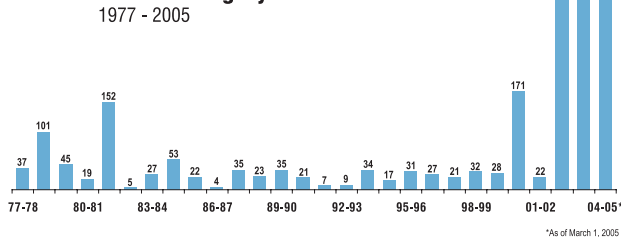
“One of the common misperceptions about load management is that Minnkota controls the off-peak loads to sell that energy to other utilities for a profit,” said David Loer, Minnkota president & CEO. “This is simply not true. Minnkota is owned by its 11 member-owner cooperatives, and they have top priority for all of Minnkota’s generation resources. Minnkota does not control load in order to sell to others.”

Another more recent misperception is that growth around the Fargo/West Fargo area is causing the increased control.

“Growth across the whole Minnkota system does contribute some to increased load control hours, but it is only one of several things that do so,” explained Loer. “The whole Minnkota system is growing at about

2.2 percent each year. The Fargo/West Fargo and surrounding area is included in that figure. The most significant contributor to increased load control

Average Hours of Control Dual Heating Systems 1977 - 2005



cold weather, power plant outages (both emergency and scheduled), as well as restrictions on the high-voltage transmission system that prevent

hours is greater competition for low-cost electricity in the Midwest area, which dramatically increases the market price of electricity.”

Until a few years ago, Minnkota was easily able to buy inexpensive wholesale power to sell as discounted off-peak electricity, even when the total system load was higher than Minnkota’s generating capacity. With all of the factors influencing wholesale power market prices, those opportunities are not as common today.

Future outlook

Good news is on the horizon. Through options secured a number of years ago, Minnkota will be acquiring an increased percentage of electricity generated by one of its low-cost, coal-fired generating plants beginning in 2006 and increasing about 20 megawatts each year through 2009. This increased capacity may not bring with it a corresponding reduction in load control hours, but it is anticipated to limit the increase in control hours each heating season.

Additionally, Minnkota is currently evaluating options for future baseload generation resources. The 2003 Minnkota Power Requirements Study forecasts load growth for the next 10 years at 2.2 percent per year. This forecast indicates that Minnkota will need a new generation facility sometime as early as 2015.

“Because it takes about seven years to build a new power plant from the time a decision is made, Minnkota is about three years away from the time when decisions need to be finalized regarding plant size, location, technology, fuel source and the many other aspects of building a new generating facility,” Loer said.

Despite the increased hours of control, off-peak heating remains an excellent energy value not available to customers elsewhere in the country.

“When it is available, low-cost off-peak electricity will continue to provide the vast majority of the heating energy required for the 50,000 off-peak customers,” Burley said. “Even though control hours are estimated to reach 400-700 hours each heating season, off-peak heating remains the best energy value in the region.”

Highlights of the board of directors meeting

February 2, 2005

These are the highlights from the board of directors meeting held on Feb. 2, 2005. 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.

All directors were present except Directors Hallan and Brzoznowski. They acted upon usual, routine business. In addition they voted to amend Board Policy 5.35 – Annual Leave and to name all directors as delegates to the Minnkota and Square Butte annual meetings. They also agreed to delay a decision on participation in offering WildBlue satellite Internet services pending further study.

Management and operations reports

Manager Hoskins reported on RUS’s ERP (Emergency Response Plan) requirements, the progress of the AMR (automated meter reading) project, and new rates at a central Minnesota electric cooperative that are shifting more emphasis to recovering fixed costs in the fixed charge with a reduced kWh price. This electric cooperative will be charging their residential users \$30/month for the fixed charge, similarly to discussions held at North Star. Manager Hoskins also reported that two seasonal members may be requesting time on a future board agenda to express concern about North Star’s \$17/month fixed charge.

Manager Hoskins also reported on Operations Department activities including finishing up the work plan projects this year, working on a new four-year construction work plan,

work order inspections now being done locally to save money, posting of the opening that will be created when employee Steve Anderson retires, personnel issues, cable replacements and reduced outages.

Office report

Finance Manager Ellis provided the year-end financial report, review of the RUS Form 7, an update on the study of alternate health insurance options, and the progress of implementation of a Member Connections Card, a free discount card given to North Star members that would provide them with discounts at participating local establishments.

Compliance and member services report

Manager of Compliance and Member Services Haukaas reported on load management control hours being in line with pre-season projections, contractor training cost sharing, scholarship checks written to last year’s winners, the CIP program, compact fluorescent light giveaways, food shelf assistance, ENERGY STAR rebate applications, disappointing amount of financial assistance from the DirecTV Orbit Upgrade program designed to help offset the cooperative’s investment in upgrade equipment to prepare for local programming, DirecTV’s announcement of another rate increase, plans for a Marketing Committee meeting, and that the waiting list for WildBlue high-speed Internet satellite service has increased from 21 to 24. He and NRTC Rep. Tom Thorson discussed the pros and cons of WildBlue for North Star.

Board reports

Minnkota Delegate Arnesen reported on that monthly board meeting.

North Star conservation improvement program 2005

You can participate in the efficiency revolution led by ENERGY STAR by insisting on the ENERGY STAR label whenever you buy any home appliance.

You can find out more information about ENERGY STAR and advanced household appliances at the ENERGY STAR Web site: www.energystar.gov. North Star rebates are ONLY available on appliances purchased after Jan. 1, 2005, and are listed on the ENERGY STAR Web site. We will also need a copy of the dated receipt you received from your appliance dealer where you purchased your appliance.

Rebate forms are available at both the Baudette and Littlefork offices and at some of the area appliance dealers.

The rebates will be as follows:

Ground-source heat pumps	\$500
Air-source heat pumps	\$200
Central air conditioners	\$100
Refrigerators	\$100
Clothes washers	\$100
Room air conditioners	\$50
Dishwashers	\$50
Dehumidifiers	\$25
Freezers	\$25



Fried cabbage

In a skillet, fry two large onions in a little grease until brown. Add one head of chopped cabbage. Fry until done. Add just enough water, while it is frying, so it doesn't burn.

This goes good with fried chicken.

Angel hair pasta

(a pasta salad)

1 – 12 oz. pkg angel hair pasta; cook according to directions.

Mix one envelope of Ranch Dressing with one cup mayonnaise and one cup milk. Let this dressing mix stand in fridge for one hour. To this, add one seeded cucumber that has been cut into small chunks and one large chopped onion. Also add salt and pepper to taste and one tsp. dill weed. Add to the angel hair pasta and mix well. Serves eight. (Ummm! Good!!)

Submitted by:
Jennie LaValla
Ray, Minn.

Share a favorite recipe with your North Country neighbors!

Send to:

**North Star Electric
Cooperative, Inc.**

Attn: The Enlightener
P.O. Box 719
Baudette, MN 56623



Electricity: Use it wisely

Frayed wires are dangerous anywhere. They should be repaired at once, by someone who knows how, or better yet, replaced.

