


The

Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner 

VOLUME 49 NUMBER 11

BAUDETTE, MINNESOTA

NOVEMBER 2004

Annual meeting well attended



Close to 225 members registered at this year's meeting. \$570,479 in capital credits were returned to the members as a credit on their September electric bill.



The Sindelir band from Baudette entertained the crowd before the annual meeting.



Around 450 members enjoyed an excellent meatball/mashed potato dinner prepared by the Lake of the Wood school kitchen crew and served by members of the National Honor Society



Bonnie Horne was the lucky grand prize winner of \$200.



Northstar's annual meeting was well attended this year..

Annual Meeting Prize Winners

2004

Ralph Lewis
Oliver Kellogg
Barbara Larson
Gloriann Fischer
Cora Ravndalen
John Krouss
Elwood Gubrud
Gerald Buegler

Roger Johnson
Everett Jacobs
George Larson
Richard Kuntz
Dan Zimney
Robert D. Johnson
Arnold Peterson
John Haglund

Walter Haack
Penny Maki
Paul Nelson
June Olson
Robert Lovell
Einar Sundin
Norma Ulrich

**North Star offices
will be closed
Nov. 25 and 26 for
Thanksgiving.**

Have a nice holiday!

The Enlightener

November 2004

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Gunder Hallan Vice President
Michael Hanson Secretary-Treasurer

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L.J. Anderson, Bruce Polkinghorne,
Allan Nygaard, Randy Bergan, Mike Trueman
Wayne Haukaas Editor

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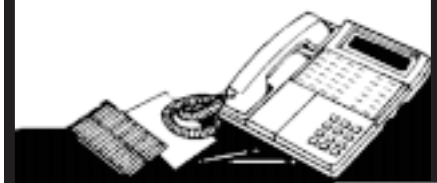
**If calling long distance,
call toll-free**

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634-2603**



September 2004 Operating Report

Revenue	\$ 588,686
Cost of Power	\$ 289,530
Operation, Maintenance, Administration	\$ 229,163
Depreciation, Interest	\$ 130,644
Margin on Operations	\$ (60,651)
Average use per Residential	886
Total kWhs Sold	6,344,238

Off-Peak Loan Program for Automatic Backup Systems

If your off-peak backup heating system is in need of repair or replacement, we may be able to help.

From 1977 to 2000, we had an average of 34 hours of load control per heating season. This past heating season, we had 414 hours. The years of 20 to 40 hours of control are gone. This year, Minnkota Power Cooperative estimates 400 to 600 hours of load control.

You must have a reliable backup heating system.

North Star Electric will lend up to \$2,500 for upgrading members' existing off-peak backup systems when the following terms and conditions are met:

1. On approved credit.
2. \$2,500 maximum.
3. 6 percent interest.
4. 1 to 3-year term.
5. Payment will be added to existing electric bill (\$25 minimum per month).
6. \$35 filing fee.
7. Must be existing off-peak member.
8. Automatic backup system only (no wood or manual systems).
9. Must furnish sales receipt from contractor or vendor.
10. Job must be completed before loan is approved for payment by our member services department.
11. Outstanding loan balance at termination of service is due in full.

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.



A great annual meeting

By Dan Hoskins
General Manager

This year went by pretty darn fast. It seems like we didn't get much of a summer, but the evening of the annual meeting was pleasant, and I can say that the annual meeting that your Cooperative just held at the Lake of the Woods School was yet another successful gathering.

The annual meeting went very well, and for those of you who were unable to attend, here is the way it unfolded. The evening started with a very nice supper prepared by the kitchen workers of the Lake of the Woods School and served by the National Honor Society. Between supper and the meeting, you could relax in the auditorium and listen to some nice music by the Sindelir Band. Then just before the meeting was called to order, the band played the National Anthem.

Board of Directors President Steve Arnesen opened the 64th annual meeting and announced that there was indeed a quorum with 219 registered members. Pastor Shawn Brandon gave the invocation. (373-08-008-01 Bruce/Sharon Sundvall) No Bylaw vote was held this year because of a printing error that went out in the *Enlightener*, so the board felt that it was too confusing to have a Bylaw vote with any changes this year. Attorney Steve Anderson explained this to the audience.

Legal counsel then asked for nominations for the positions of directors from each of the three districts in-

volved; District 1 was Steve Arnesen, District 4 were L.J. Anderson, SharRay Palm and Stacy Novak and District 5 were Mike Hanson and Tom Mock. With no nominations from the floor, the election was held with Steve Arnesen winning District 1, L.J. Anderson winning District 4 and Mike Hanson winning District 5.

North Star Electric's Manager of Finance and Administration, Ann Ellis, gave the annual financial report. Ann is an accountant and knows that sometimes the numbers report can be very boring, so she adds a little game to it; this year, her game was Memberdy (Jeopardy). She gave a very nice report and kept all members on the edge of their seats trying to catch one of the \$10. airplanes.

Next, on the agenda, was the long-winded General Manager of North Star; yes, yours' truly. This year, I spoke about the decision to dissolve the DBS business, and I did take my share of the evening, but there was some information that the membership needed to hear, and I provided that info. (My goal next year is under 15 minutes!)

Our guest speaker this year was the delightful and talented General Manager of the Minnesota Rural Electric Association, Mr. Mark Glaess. Mark had some bits of wisdom to share with the audience and, with his professional appearance and verbiage, is never at a loss for words. He gave the crowd a little humor and

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Reliable backup systems

Because increased load control hours are predicted in the future, electric off-peak heating installations must be capable of 400 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. As the winter heating season sets in, North Star Electric stands ready to assist our members with their electric home heating options.

De-icing products

What can you do to keep your driveway clean and clear this winter?

Three common de-icing products are sodium chloride, or rock salt, potassium chloride and calcium chloride.

Rock salt is the least expensive, but doesn't work well in the cold. Calcium chloride is the most expensive and works in much lower temperatures.

Experts say it's a good idea to liberally sprinkle your driveway and sidewalks with a de-icer before a freeze. It's also a good idea to keep sand or kitty litter around for better traction when pulling out of the driveway.

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

*"None of us is as smart as all of us."
—Ken Blanchard*

Continued from page 3

some very interesting information concerning the WildBlue Internet that will be coming your way soon.

President Arnesen returned to the podium, and after there was no further business to discuss, started the part of the meeting that all members are interested in, especially after sitting through a meeting, the door prizes. The meeting then ended with a motion and a second and the 64th North Star Electric Cooperative, Inc. Annual meeting was in the books.

To put on an annual meeting is not just a run-of-the-mill situation that happens every month, so there are a lot of people that need to be appreciated. I would like to extend my thanks, first of all, to all the employees; they did a great job coordinating everything, then to the Lake of the Woods School for allowing North Star Electric to have this meeting at their facility. I would also like to thank President Arnesen and the Board for their professionalism in running this meeting so openly and, last but not always first, our members; your presence makes this event well worth the time and effort. Thank you!

Stay Safe and God Bless,

And the winner is. . .

The winner of the \$50 drawing from those who returned our recent survey is. . . Wesley Horne of Littlefork! Congratulations, and thank you to all of you who returned our cell phone survey last month.

Cell phone survey results

The results of the survey were mixed. We interpreted many of the answers to indicate that an improved cell service/signal strength was sought, but what we would offer would be acting as an agent of Cell2000/Unicel with the very same service being offered by other agents. Our focus was the area around Littlefork and Big Falls as there are no cell phone providers locally in those two communities.

North Star will not be cell phone agent

With the results of the survey and study of the issue, we have decided to not expand into the cell phone business. We thank you for returning the survey and letting us know what was on your mind.

Budget time. . . rates

Short and sweet. . . we will not be needing additional revenue from your electric rate in 2005.

At your service we remain

Winter is near

What are this year's load control predictions?

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

As the winter season sets in across the Upper Midwest, North Star Electric Cooperative's off-peak heating members may be wondering how much load control is expected this heating season.

Minnkota Power Cooperative, North Star Electric's wholesale power supplier, is estimating 400 to 600 hours of control for the 2004-2005 winter season if the weather and other factors remain normal.

"Last year, we predicted from 400 to 700 hours, but actually exercised control for 414 hours," said Jim Burley, Minnkota system operations

manager. "This year's estimate of 400 to 600 hours, like those of past years, depends heavily on our ability to purchase affordably priced wholesale electricity in the marketplace during peak times."

The choice to control the off-peak loads is an economic one. When wholesale electricity is available at 4 cents per kilowatt-hour (kWh) or less, Minnkota purchases power from the marketplace and serves the off-peak loads. However, if the price of power exceeds that target price, Minnkota opts to use its highly effective and cost-saving load management system, shielding members from the often volatile energy marketplace.

Effective load cycling

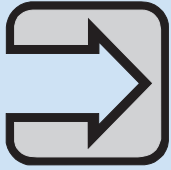
Minnkota's reasoning behind the slightly lower estimate is based on the

proven success of cycling Category 2 loads – the thermal storage-type loads such as storage heaters and slab floor heat. These loads are capable of being turned off daily during the early morning and evening peak-use periods and returned to service at other times.

"After reviewing our 'after-the-fact' data from last winter, we realized that this cycling has had a good impact on reducing our power supply costs," Burley explained.

The value of daily cycled loads is actually quite simple: The Minnkota-associated systems are able to shift the energy supplying these loads from higher-cost, on-peak periods to lower-cost, off-peak periods. And members receive the benefits of electric heat at economical interruptible rates.

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West End News

By *Steve Ellis*
Baudette District Operations Supervisor



With fall, comes the cold and the snow; with this, our efforts change some from building new services to doing more maintenance. This month, we will be doing our seasonal meter readings, circuit breaker testing and cleaning, right-of-way cutting and trimming.

We will also spend time planning for the spring and summer of 2005. Plans for 2005 include the replacement of some old 15 kV underground cable in the Pitt area, as well as replacement of other bad cable

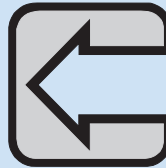
areas such as the Twin River cable and more of the same in the Swift area. These cables have been a problem for members and North Star alike; they were put in some 25 to 30 years ago and have started to fail, so every year we have tried to change out the most problem areas. This will have to continue until it has all been replaced.

Until next time, stay safe! Happy Thanksgiving from all of us to all of you.



East End News

By *Allan Baumgartner*
Littlefork District Operations Supervisor



This past month, our crews have been working on new services and replacing underground power lines that have been giving us outages and major problems to fix during the past several winters. These problems were mostly due to the frost heaving road beds where they were installed years ago. (556-10-011-03 Bernie Ziemba) In all cases, new routes were planned for our new cables. A contractor with a directional boring machine installed heavy plastic pipe very deep on road crossings, so we were able to install the new power lines.

New services are going to keep

our crews busy right up to freeze-up this year; we're going to quit taking underground jobs after November 1, but will try and build the ones that have come in late in October.

Outages have been minimal this month, which helped us get all the construction work done that we were able to do. We only had five individual outages all month which is pretty good.

Our crews have read all of our seasonal meters and did line patrol on our lake meters. We discovered some maintenance work that we will have to take care of on Rainy Lake before freeze-up.

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

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



Have you filled your tank yet?



Highlights of the board of directors meeting

October 6, 2004

These are the highlights from the board of directors meeting held on October 6, 2004. Detailed minutes are available at the Cooperative for member review. Regular board meetings are 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. They acted upon usual, routine business. In addition, they voted to identify the recipients of unclaimed capital credits including the Kabetogama EMT First Responders, the Williams Senior Center, the Indus School for playground equipment, the sponsorship of a trip for the Lake of the Woods Industrial Tech class to the power plants in North Dakota, the City of Big Falls for park improvements, Baudette's Volunteer Fire Department and the First Responders, the Littlefork VFW Auxiliary to buy calling cards for the men and women stationed in Iraq, the Littlefork/Big Falls High School Yearbook, the Lake of the Woods Food Shelf, and River Valley Development Assn. They also voted to approve Board Policy #3.91 – Fire-Retardant Clothing.

Management and operations report

Manager Hoskins reported on the Rural Electric Management Assn. meeting, inspection of the Cooperative by RUS Field Representative Tim Bohan and Federated Rural Electric Insurance, AMR (automated meter reading) proposals from vendors, investigation of possibly joining with other rural electric cooperatives in the quest to provide high-speed Internet access via satellite and WildBlue service, results of the water testing at the Littlefork office, offering North Star's services to Lake of the Woods County to aid with billing if a county sewer project is implemented, and a request

by a member to voice his concern that early payout of capital credits are discounted for the present value of money. Manager Hoskins also reported on Operations Department issues including completion of contract jobs, completion of county road move jobs, outages, returning the track-digger to service following repairs, anticipated delivery of the new bucket truck, safety training, purchase of fire-retardant clothing, cable replacements, and recurring transmission problems in the small bucket truck. Manager Hoskins also reported on a concern voiced by another member regarding the proposed bylaw amendments which revealed a misprint in the September Enlightener causing the board to withdraw a vote at the Annual Meeting. The board had earlier recognized the burden on the Nominating Committee and that only a small number of votes are needed to be elected. Further study of the bylaws will be done. Manager Hoskins asked the board to consider amending the line extension policy to provide for enforcement of the board's intent, which is to give a 300 foot allowance to people building a new service to their primary home. Director Bergan expressed that he would also like consideration for the member who builds a costly line extension when another member connects to it. Action on the line extension policy was tabled.

Office report

Finance Manager Ellis provided the financial report and also reported that the auditors had completed their field work, the capital credit payments had been applied to bills or checks had been written in September, the health insurance premium costs for 2005 had been received, security in the two offices, budgeting, the upcoming annual meeting, and exploration of business opportunities.

Compliance and member services report

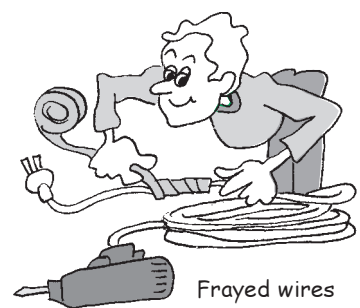
Manager of Compliance and Member Services Haukaas reported on load management, DirecTV issues, annual meeting plans, the disinfection of the water in Littlefork, the State's CIP (conservation improvement plan) report certifying that the co-op has spent \$94,000 on qualified conservation efforts rather than sending those funds to the State, and plans for future CIP spending as the State places more emphasis on energy efficient appliances.

Board reports

Director Polkinghorne reported on the recent Minnkota board meeting, and Square Butte Delegate Bergan reported on their quarterly board meeting.

With this meeting being the last one for retiring Director James Palm, the board expressed their appreciation to Mr. Palm for his 16 years of dedicated service to the members and his many contributions.

Electricity: Use it wisely



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

Snowbirds on the monthly billing

Contact us before heading out for the winter

Each year we receive inquiries concerning what should be done if you leave your home or close your resort for the winter. Whether you leave for a short vacation or for the entire winter, please notify me at the Baudette office. Call Pat Olson at 634-2202 or toll-free (888) 634-2202.

If you are on the monthly billing, the most important thing to remember is to read your meters before you leave and report those readings to me. I will use those readings to figure your charges up to date and then, depending on what you plan to leave running while you're gone, I will set up an estimate. It is also helpful to know the estimated time you plan to be gone and a winter address, if possible.

If the estimated bill is not totally accurate, any differences will be adjusted on the first billing after you return home and report the actual readings to me.

You may choose to pay your bills monthly while you are away, but then you could forget to make a payment. Your account will pick up penalties and run the risk of possible disconnection. Most members find it more convenient to take care of their bills in advance.

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 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

*Neither rain,
nor snow,
nor the dark
of night . . .*



Electric co-op line workers are trained to deal with any power emergency. But there's one thing that can't be taught – dedication.

Dedication to duty is a quality line workers are born with. That's why you'll see them in a driving storm repairing downed power lines. That's why your power is restored in the middle of the night.

That's why they decided to be line workers in the first place. And they expect no special awards or recognition.

It's reward enough for them to know your family is safe and warm – regardless of the weather.

**Gopher State
One Call**



It's the LAW

CALL BEFORE YOU DIG

Minnesota Statewide One Call
Notification Center

1-800-252-1166

The natural gas factor

The price of natural gas plays an important role in determining the number of off-peak control hours each heating season. (140-06-037-02 Marlan/Jackie Pearson) Why? Because natural gas fires much of the region's new peaking generation facilities.

"Escalated natural gas prices translate into higher wholesale power costs on the open market," Burley noted, emphasizing that when wholesale power is costly, the value of the load management system is at its greatest.

Currently, price futures for natural gas are in the \$6 to \$7 per thousand cubic feet price range for December and January, which is approximately the same as a year ago. But because futures for natural gas don't always develop, Burley said he analyzes natural gas reserves, which eventually contribute heavily to setting the price for the fossil fuel.

"It's a simple case of supply and demand," he said. "If harsh weather conditions on the East Coast cause the current reserves to be depleted, prices will climb and so will wholesale power costs from the gas-fired peaking units."

Value of off-peak systems

Unlike the fluctuating price of fossil fuels such as propane, fuel oil and natural gas, North Star's off-peak rates are low and stable. Even with increased hours of control, off-peak electric heating is the most cost-effective option for members today.

"A blend of off-peak electric heat and a fossil fuel backup is still significantly less expensive than heating with either straight natural gas, propane or fuel oil," said Wayne Haukaas, manager of compliance and member services for North Star.

Minnkota and the associated distribution systems have invested millions of dollars in the load management system since it was created in 1977, helping to keep power costs affordable across the region.

"Load management is a tremendous tool for Minnkota to use to keep wholesale power prices competitive and our members' winter heating bills low," Haukaas said. "Now and into the future, the system will be more fully utilized to realize the full potential of its benefits."

Jim Palm retires after 16 years on board



Jim Palm receives a lamp from Board President Steve Arnesen as a thank you for 16 years of service.

After 16 years, or four terms of service, Jim Palm retired as board member for District #5. Jim was first elected to the North Star Board at the annual meeting in October of 1988. At that time, the Cooperative had under 5,000 members; today, we have over 6,200. During the last 16 years, Jim has seen many changes. A few of the major changes were the building of the new office/shop headquarters in Baudette and the entering and exiting of the DBS business. Jim was also involved with the hiring of two General Man-

agers for the co-op and is pleased with the choices they made.

Jim, and his wife, Arlysse, have 3 sons, 1 daughter, 8 grandchildren and 7 great-grandchildren. Jim and Arlysse are very involved with their family and will be doing some traveling now that he is retired. Jim also plans on more fishing, gardening, feeding deer and being a good steward to the land. We wish him the very best in his retirement.