


The

Enlightener



North Star
Electric Cooperative, Inc.

Your Touchstone Energy® Partner 

VOLUME 49 NUMBER 12

BAUDETTE, MINNESOTA

DECEMBER 2004

Questions on load control?

Check it out on the Internet. Visit Minnkota's
Web site: www.minnkota.com.

Click on the "Load Management" button and then the "North Star" button. This Web page contains load control plans, the current state of the load management system, the last 30 hours of control and the last switching cycle. Your specific load group information is on your electric bill. Please remember this is Minnkota's current estimate for controlling load. **Control plans can and do change several times each hour.**

Load groups starting with one (water heaters and grain dryers) are for short-term control up to four hours. Load groups starting with two (storage heat) are for medium-term control up to 16 hours. Load groups starting with three (dual heat) are for long-term control.

Illustrated above is what Minnkota's Web site looks like for the current state of the load management system. All of load group 2.01 is controlled and double order 12, 13, 19 and 20 of load group 2.02 are also controlled.

Member Service	Area Code	Last Transmission
NSTAR	07	12/28/01 11:02:12

		Double Order												
		09	10	11	12	13	14	15	16	17	18	19	20	21
L	1.01	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
	1.02	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
O	2.01	OFF	OFF	OFF	OFF	OFF	OFF	OFF	OFF	OFF	OFF	OFF	OFF	OFF
	2.02	ON	ON	ON	OFF	OFF	ON	ON	ON	ON	ON	OFF	OFF	ON
A	2.03	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
	2.04	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
R	3.01	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
	3.06	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
U	3.07	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
	3.09	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON
P	6.01	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON	ON

*North Star
offices will
be closed*
Friday, Dec. 24,
and
Monday, Dec. 27,
for Christmas
and
Dec. 31 for New Year's



*Happy Holidays
from everyone
at
North Star
Electric!*

Coffee & Cookies will be served in both offices from Tuesday, Dec. 28, until Wednesday, Jan. 5.

The Enlightener

December 2004

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Visit our Web site at
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**Electrical
After-Hours
Emergencies
1-888-6OUTAGE
(1-888-668-8243)
634-2603**



October 2004 Operating Report

Revenue	\$ 623,874
Cost of Power	\$ 312,004
Operation, Maintenance, Administration	\$ 188,312
Depreciation, Interest	\$ 127,041
Margin on Operations	\$ (3,483)
Average use per Residential	1,208
Total kWhs Sold	7,618,624

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.



Reviewing 2004

By Dan Hoskins
General Manager

Thanksgiving is now past us, and I hope all of you had an enjoyable holiday with friends and relatives; I know I sure did. With our family spread out all over the country, and although it is impossible to get together with all of them, it is nice to be able to get together with some of them and enjoy their company.

And speaking of company, your Cooperative is a good and stable company, and it rests on the backs of our directors and our employees. Last year alone, your Cooperative went through some good times as well as some difficult times, but as always, the Cooperative withstood the test.

We started out the year by hiring a new attorney, Steve Anderson, from Warroad, to replace the retiring attorney, Bill Brink. I must say, I have seen Bill since his retirement and I believe it agrees with him. We then gave all of our members a small rate increase in March to offset the Minnkota rate increase that was bestowed upon us, but the good news is that, as far as I can see, there is no increase in rates coming in 2005. (Boy, I hope my eyes are not failing!)

We also installed a new Incremental Pricing Plan rate for our commercial accounts; this took some adjusting by not only the members who chose to be on the rate, but by us, the employees. Some of the other highlights of the past year included redistricting of the board of directors districts, union contract ratification, strategic planning session for the board, which includes the future board direction into governance, the annual meeting, and, of course, the dissolution of the DBS business.

The directors made great decisions for the company, and as they come together each month, they are always prepared to face the challenges of the ever-changing industry. And speaking of adaptability, the employees adapt very well. Not only do they have to adapt to the changing industry, but any changes that affect you, our members, such as the ones listed above, affect the employees in one way or another of each department.

I would also like to tell you that during last year the employees of your Cooperative installed 90 new services, had 65 service upgrades, converted 50 accounts to off-peak heat, changed out 130 poles, completed five miles of line moves for road construction, and installed nine miles of overhead lines as well as 13 miles of underground line. (Brett Janicke 132-05-009-04) This shows that not only are we adding members, we are doing a great job of maintaining the lines that we have in place.

Then, on the outage side of the business, we have had a total of 279 outages that affected our system during this past year; that totaled 13,550 outage hours, which breaks down to about 2.1 hours per member. This is higher than we like, but it is still very respectable considering all the chances that Mother Nature, wear and tear, accidents and critters have to cause us problems over the year. I

Continued on page 4

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.)

Reliable backup systems a must

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 services.

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.



Office notes

From Ann Ellis, Manager of Finance and Administration

“Our most valued possessions are those which can be shared without lessening; those which when shared, multiply. Our least valuable possessions are those which when divided are diminished.”

—Hugh Prather



Chunky peanut brittle

Butter the bottom of a 15" x 10" x 1" baking pan with 1 ½ tsp. butter.

Sprinkle with 1 cup peanut butter chips. Set aside.

In a heavy saucepan, combine:

1 ¾ cups sugar

3 Tbsp. light corn syrup

3 Tbsp. water

1 ½ cups butter (no substitutes)

Bring to a boil over medium heat, stirring constantly. Cook and stir until butter melts. Cook without stirring until a candy thermometer reads 300 degrees (Hard crack stage).

Remove from heat; stir in 1 ½ cups coarsely chopped salted peanuts.

Quickly pour into prepared pan; sprinkle 1 cup peanut butter chips and ½ cup chocolate chips over the top and gently swirl the softened chips over the top of the brittle.

Cool before breaking into pieces. Store in airtight container. Yield: 2 ½ pounds.

Different variation: Substitute butterscotch chips for peanut butter chips and replace peanuts with pecans.

Submitted by:

*Dorothy Ziemba
Littlefork, Minn.*

all his work and dedication to the Co-operative. Jim always had the Co-operative and its members' best interests in mind. Thanks, Jim!

I would also like to wish you and your families a Merry Christmas and a Happy and Prosperous New Year.

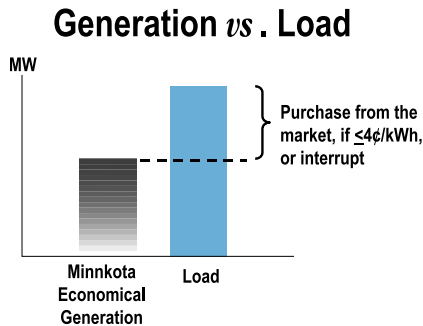
AMR

Although getting your meter readings now is free for the Co-op, there are costs with processing them. But AMR (automated meter reading) is much more than just reading a meter and providing that service to you. It provides other opportunities to save the Co-op money, and would pay for itself. More on this in months to come.

Off-peak control

The number of hours of load control is expected to remain about the same as the past few years – enough that you need to have your backup heating source in good operating condition.

The driving force behind the number of load control hours is still the same as it's been for almost 30 years – the availability of low-cost excess electricity on the market. If Minnkota (our wholesale supplier) can purchase electricity for less than 4 cents/kWh, they will not control off-peak loads. But when the market price goes above that 4 cent threshold (our off-peak residential rate is 3.3 cents), your off-peak loads are controlled, and your backup is expected to keep you warm.



WildBlue

If it's high-speed Internet you want, but aren't living in the right part of the county, soon it won't matter where you live. WildBlue two-way satellite Internet will reach anywhere in the continental United States. (121-31-003-04 Henry/Hazel Kliner) If you are interested in getting on the list, just give us a call.

Last minute shopping?

How about a gift certificate for electricity?

From all of us to all of you...Merry Christmas, and Best Wishes for a safe, healthy and Happy New Year.

At your service we remain. . .

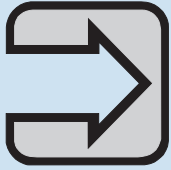
From page 3

also would guess that some of you were not out of power very much, if at all, but on the other hand, I would guess that some of you were out of power more than the 2.1 hours average. Anyway, we are sorry for any inconveniences that these outages have caused you, and we are continuously working to prevent, or at least, minimize outages.

So you see, this past year was a

busy one. The Cooperative has had its challenges every day, but you have such a professional group of people working and overseeing the Cooperative that they handle things as they come, while all the time looking forward into the unknown future and staying abreast of the changes with, as always, your best interests in mind.

In closing, I would like to extend my sincere thanks and appreciation to former Board member Jim Palm for



West End News

By *Steve Ellis*
Baudette District Operations Supervisor



Holiday Greetings!

With winter here, it is time for us to finish up last year's projects and start the planning for 2005. We will be starting our annual line inspection and meter readings. This is done to make sure that all meters and readings are correct; we also examine our lines for safety hazards that may occur over time. It is always better if we can identify and correct problems before they have a chance to cause us even worse problems. So, when you see the Cooperative's truck in your yard or property, this may be what we're doing. This year, we will also be identifying pole attachments from other companies.

We will be replacing some 30-year-old underground cable in the Pitt area on next summer's work plans. Minnkota Power Cooperative of Grand Forks, N.D., will also be building a new 230kV/69kV substation south of Baudette along State Highway #72 next summer. This substation will make transmission service to our growing area much more reliable.

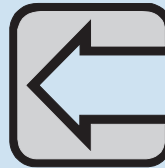
Most of the rights of way have been sprayed in the Williams to Baudette area this past summer. If you have had any problems with the sprayers or your right of way, please contact us in either of our offices.

Until next time, be safe!



East End News

By *Allan Baumgartner*
Littlefork District Operations Supervisor



Our crews have all of our underground cable replacements in and energized. It will be nice to go through a winter without the problems they were giving us and the long outages some of our members had to deal with. In all cases, different routes were chosen and road boring was involved.

Our crews have been finishing up the last underground services that came in this fall. Most of them were in the two land developments on Rainy River and Rainy Lake. We also have three new ones being developed for next year in the Littlefork, Ash River Trail and Rainy Lake areas.

Our crews started reading seasonal account meters, but had to stop to get some line maintenance work done in the Kabetogama area. As soon as they are finished with the line work, they will get back to the seasonal meter readings.

We've had seven outages so far in November. Four were individual ones, and three were mainline outages. (446-21-001-04 Gary R. Johnson) They were caused by a road washing out, electric load and a scheduled one by our crew for new construction work.

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

Have you filled your tank yet?



Highlights of the board of directors meeting

November 3, 2004

These are the highlights from the board of directors meeting held on November 3, 2004. 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. They acted upon usual, routine business. In addition they voted to approve the amended line extension policy, to appoint directors to committees and as delegates to affiliated organizations, to accept the audit report, and to approve the transfer of unpaid final bills to the reserve and collection agency.

Management and operations report

Manager Hoskins reported that although the Cost of Service study indicated that the residential fixed charge could be in excess of \$30/month to cover costs with a reduced charge per kWh and this topic had been discussed during strategic planning, he did not recommend realignment of the rate at this time. He also reported that "governance" has been a common topic at recent meetings. Other topics at recent meetings included member education budgets, load management plans, material inventory sharing tools, the scheduled maintenance outage at the Square Butte plant, replacement power costs, and future generation resources. Items in the works at North Star include studying AMR (automated meter reading) options, Solvay's rate and load management options, WildBlue satellite Internet, the decision to not enter into a cell phone business, and discussions with Baudette's Co-op Services regarding providing administrative support for their driver and customers in the Littlefork area. He also reported on Operations Department topics includ-

ing completion of all the road relocation projects, work plan projects planned for 2005, work created by the 2004 Sectionalizing Study, new services/upgrades, beginning to read the seasonal meters for their annual billing, right-of-way spraying, personnel, safety audits, old spec URD cable replacements, outages, equipment, and plans to hire a full-time apprentice line worker in the Littlefork District.

Office report

Finance Manager Ellis provided the financial report and also reported on health insurance changes, results of the cell phone service survey, office hours in the Littlefork office, the policy manual update, retail rates, and the residential fixed charge. She provided an overview of the audit report with Auditor Stille standing by for questions. She also reviewed the 2005 budget with the board, and reported that it was prepared with no adjustment in retail rates.

Compliance and member services report

Manager of Compliance and Member Services Haukaas reported on load management, the change in number of new off-peak accounts, installing additional lighting outside both office buildings, IPP (incremental pricing plan) metering data for commercial off-peak accounts, WildBlue satellite Internet, and CIP (conservation improvement plan) rebates to be offered.

Board reports

Minnkota Delegate Arnesen reported on their monthly board meeting. Directors Bergan and Brzoznowski reported on the NRECA and NRTC Region VI meeting.

Director Trueman asked that review of the Nominating Committee process be reviewed before the next annual meeting, and Attorney Anderson agreed.

The January board meeting was rescheduled for January 6, 2005.

CFC Field Representative Mike Bunney provided an informative review of North Star's financial ratios and how they compare with our peers on a regional, statewide and national basis.

L.J. Anderson earns director certification



During a week-long training session, L.J. Anderson, North Star Electric Cooperative newly elected

director, earned the Credentialed Cooperative Director certificate from the National Rural Electric Cooperative Association (NRECA). The Minnesota Rural Electric Association (MREA) hosted the certified training at its offices in Maple Grove beginning Monday, Nov. 15, and concluding Saturday, Nov. 20.

Today's electric utility environment imposes new demands on electric cooperative directors, particularly increased knowledge of changes in the electric utility business, new governance skills and a working knowledge of the cooperative principles. Electric co-ops in Minnesota have a commitment to work through the statewide trade association to sharpen this body of knowledge for the member-elected directors serving on the cooperative Board of Directors.

The NRECA Credentialed Cooperative Director, or CCD, program requires attendance and demonstrated understanding of the basic competencies contained in five core courses:

- Director duties and liabilities
- Understanding the electric business
- Strategic planning
- Financial decision making
- Board roles and relationships



**Looking for a great Christmas gift?
How about a gift certificate?**

Merry Christmas Gift Certificate

for John and Mary Doe

(North Star Electric Cooperative Account # _____)

from Mom and Dad

\$100 worth of electricity

Include this certificate with your bill to receive credit

No.96112

Authorized by Ann Ellis

Give a gift that won't sit on a shelf in the back of the closet!

Extremely cold temperatures will affect the operation of your rented security light



If you notice a problem with your security light this winter, such as intermittent failure or it remains dimmer than normal, you're not alone. Severe cold weather, specifically -10 degrees or colder, may seriously affect the operation of security lights.

The problem involves the formation of a gas in the bulb, which can be hampered by the cold. Usually, when the weather warms up, the lights will return to normal operation and will not have to be replaced.

If your security light is owned by North Star, we would appreciate it if you could bear with us during the coldest spells. If the light does not return to normal operation when the weather warms up, please notify our office and we will repair it for you (Baudette 634-2202, Littlefork 278-6658).

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



Gopher State One Call



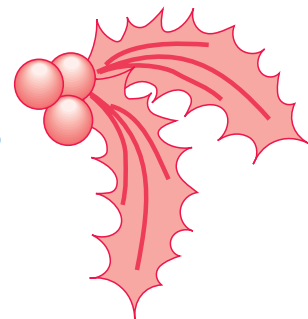
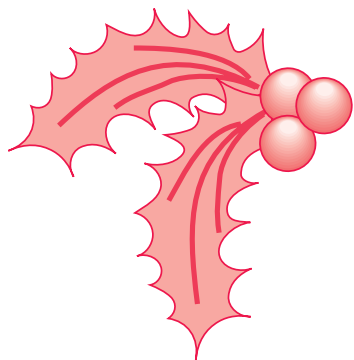
It's the LAW

CALL BEFORE YOU DIG

Minnesota Statewide One Call Notification Center

1-800-252-1166

From all of us to all of you..



A Very Merry Christmas and a Happy New Year!

Board Members

Steve Arnesen, President (District 1)
 Gunder Hallan, Vice-President (District 8)
 Mike Hanson, Secretary-Treasurer (District 5)
 Julian Brzoznowski (District 9)
 Mike Trueman (District 2)
 Bruce Polkinghorne (District 7)
 L.J. Anderson (District 4)
 Allan Nygaard (District 6)
 Randy Bergan (District 3)

Employee	Position	Date of Full-Time Hire	Employee	Position	Date of Full-Time Hire
Dan Hoskins	General Manager	7-23-02	Compliance & Member Services		
Office Personnel			Wayne Haukaas	Mgr. of Compliance & Member Services (B)	11-14-88
Ann Ellis	Mgr. of Finance and Administration (B)	10-17-77	Steve Polkinghorne	Member Service Advisor (L)	7-1-82
Steve Anderson	Draftsman/Purchasing Agent (B)	12-11-69	Kevin Holen	Member Service Advisor (B)	5-6-96
Betty Jo Berg	Bookkeeping Coordinator (B)	4-3-78	Jim Kuehl	Part-time Groundskeeper (B)	
Patsy Olson	Billing Coordinator (B)	1-1-87	Line Crew		
Lynette Dostall	Receptionist/Cashier (B)	2-1-87	Allan Baumgartner	Operations Supervisor (L)	7-1-76
Kathy Hull	Work Order Clerk (B)	3-1-89	Steve Ellis	Operations Supervisor (B)	6-25-79
Susan Williams	Supervisor District Office (L)	4-4-90	Bruce Petersen	Line Foreman (L)	6-27-78
Norma Anderson	Capital Credits & Billing Clerk (B)	1-1-03	Jim Levasseur	Lineman (B)	10-9-72
Carolyn Mastin	Part-time Receptionist (L)		Ron Lee	Line Sub-Foreman (L)	7-1-82
			Gary Hull	Line Sub-Foreman (B)	7-1-82
			Marty Mollberg	Line Foreman (B)	8-16-88
			Todd Thydean	Lead Lineman (L)	9-12-88
			Tim Pelach	Lead Lineman (B)	5-6-91
			Rich Grotberg	Lineman (L)	7-1-96
			Glen Marcotte	Lineman (L)	7-15-02
			Dan Dobson	Apprentice Lineman (B)	11-05-03
			Todd Higgins	Apprentice Lineman (B)	11-05-03
			Matt Brown	Apprentice Lineman (L)	12-16-04

(B) signifies Baudette and (L) signifies Littlefork

