

Write to us at P.O. Box 719, Baudette, MN 56623-0719  
or call us at 1-888-634-2202

E-mail us at: [nsec@wiktel.com](mailto:nsec@wiktel.com)  
Find us on the Web at: [www.northstarelectric.coop](http://www.northstarelectric.coop)

## Welcome to 2009!

This marks North Star Electric Cooperative's 69<sup>th</sup> year of service to you, our member-owners. It has been a privilege meeting your needs in the past, and we look forward to meeting your energy needs in the future.

## Rate adjustment

Because our wholesale rates are increasing 13 percent, our retail rates will also be adjusted. Your fixed charge will NOT change, because the reason for the adjustment is all about recovering the increased cost of power we purchase to resell to you. The retail price per kWh in 2009 has gone from 7.7 cents to 8.4 cents.

This enclosed bill is for any electricity you used in 2008, plus a prepayment of your 2009 fixed charge.

### *If paying monthly is more appealing to you,*

- 1) We can easily accommodate your request to transfer to monthly billing.
- 2) You may also choose to have your monthly payment paid automatically from your checking or savings account (ACH). Once established, we would continue to send you a bill for your records, but you would not need to send anything back to us. There is no charge for this service.
- 3) Budget billing is available to the monthly billed members, which would make your automatic payment the same every month, except the bill due July 5, when actual usage is reconciled with budget billed amounts.
- 4) We are now offering ebill. This allows members to see their billing information as soon as it is calculated, no matter where they are, any time of any day. Having an e-mail address and knowing your account number is all it takes to sign up on our Web site. Members who live away from North Star country find this helpful, as it eliminates the need to wait for the postal service to deliver your bill. This works really well with the free ACH method of payment (see above). Ebill does provide the option of paying with a credit card or e-check, but there is a \$3.95 convenience fee with that. Most members on ebill are using the free ACH method or sending in a check.
- 5) Our AMR (automated meter reading system) is now reading 96 percent of our meters, eliminating the need for most of our monthly-billed members to self-read their meter(s).

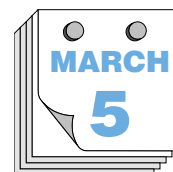
6) The monthly rate is exactly the same as the seasonal rate. Monthly bills are mailed late in the month, and payments are due on or before the 5<sup>th</sup>. 1.5 percent is added to the bill if the payment is late, and another \$5 is added if a disconnect notice is printed. With ACH, late fees are eliminated, and the payment is set up on the 5<sup>th</sup> to be taken from your bank account a day or two later.

Annual billing was created for the convenience of members who move around during the year and prefer a single, annual billing in the winter. If you still prefer the convenience of the annual billing, but don't like one large payment each winter, you may send prepayments at any time during the year to reduce the annual amount due.

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

## Due date

PLEASE NOTE THAT YOUR DUE DATE IS MARCH 5, 2009. IF THIS CREATES A PROBLEM FOR YOU, PLEASE CALL US TO AVOID DISCONNECTION OF SERVICE. If your payment is late, a 1.5 percent late fee penalty will be added each month until paid. The enclosed bill is the only statement you will receive. If an account is disconnected for non payment, there are additional fees: a \$50 disconnection fee, a \$75 reconnect fee (\$150 if after hours), payment for all energy used up to the disconnect date, plus the full annual prepayment. The extra fees and the inconvenience can be avoided by making a quick call to our toll-free number (1-888-634-2202) before the due date.



## Meter readings

It's a good idea for you to read your meter once in awhile and keep tabs on your usage. That will allow you to identify if your usage is unusually high and correct it early. We will be reading your meter monthly with the AMR (automated meter reading) system, but only the December reading is uploaded to the billing system for calculating energy usage in the past year.

## Power failure . . . Will your seasonal home be okay?

We always advise members to have someone check on their homes while they are on vacation or, in the case of the seasonal member, when they are gone for an extended time. You never know when a power failure, either in the home or supply lines, will occur. If seasonal homes are not going to be checked regularly, we would recommend the homeowner consider draining the water pipes, turning the breakers off, and otherwise preparing the home to be unattended. You never know if a suicidal squirrel will decide to scamper across your transformer, blow the fuse, and not live to report the outage for you.

## Capital credits

To explain what capital credits are is actually quite simple. Since we are a non profit cooperative, the margins belong to the members (the owners, like you). At the end of the year, the total margins (co-op income in excess of costs) are prorated among the members based on the amount of their current year billing(s) from North Star. These capital credits are temporarily retained and invested back into the cooperative as capital to fund system improvements, etc.



To explain to a member when he or she may expect a refund is more difficult. The board of directors annually evaluates the financial impact of paying capital credits. In the last 30 years North Star has returned \$6,932,102 of capital credits to its members, like you. You may even have a credit on the enclosed billing statement for capital credits being returned to you.

As for the taxation of capital credits, it is our understanding that you are not required to include this on your income tax return unless one condition exists: if you receive a capital credit check for a refund from a year in which you deducted electricity as a business expense, you must claim the refund, or a part of it, as income.

We hope this explanation has answered any questions you may have. Further questions can be answered if you contact either of our offices.

### Other items of interest

Our Energy-Our Future was our theme for the annual meeting. State and federal legislators are brewing quite a storm under the guise of fighting climate change. This makes coal an easy, and plentiful, target to tax, and because most of the power you buy is generated from coal in North Dakota, your electric bill is where the tax dollars will come from. Some of that tax money will be spent to develop new technologies, but not all. You need to be an informed voter and ask your legislators tough questions, like, "What effect will the legislation you support have on the affordability, reliability and availability of electricity?" "How much of the cap and trade (carbon tax) money will be spent on research required to make emissions-free electric plants an affordable reality?" Learn more at [www.ourenergy.coop](http://www.ourenergy.coop), or contact us for more information.

### Where does your power come from?

Have you ever wondered how and where your electricity is generated? If you'd like to join a group of North Star members on a bus tour this summer to Center, N.D., to find out everything you wanted to know about power supply, but were afraid to ask, this trip is for you! Contact Wayne at [waynensec@wiktel.com](mailto:waynensec@wiktel.com), or toll-free at 1-888-634-2202. If you can't make the trip, but still want to know, there's a nicely done brochure on [www.minnkota.com](http://www.minnkota.com). Click on the Power Plant tab, and select the Milton R. Young brochure.

### Scholarships for high school seniors

Our future is in the hands of our young people, and to support their post-secondary education, North Star provides scholarship opportunities to students whose parents or guardians are North Star Electric Cooperative members. Even if your primary residence is outside of the North Star territory, your student is eligible to visit one of our local schools for the cooperative knowledge-based scholarship testing. We also participate in the local schools' Dollars for Scholars programs.

### Monthly newsletter

We have a monthly newsletter for the year-round residents, and if you are interested in receiving it, just let us know. We would be very happy to add you to that mailing list.



### North Star Electric Co-op belongs to YOU

... and the other members who purchase electricity from this cooperative. Your capital credits are your portion of your ownership in the co-op. As a member-owner, you and your neighbors elect a director representative to the board of directors. These elections by district now occur with a mail vote or at the annual meeting held early in October, although the nomination process begins in the summer. We'd love to see you at the annual meeting.

We hope you found this newsletter informative and helpful. We appreciate your patronage and look forward to meeting your needs. We are just a phone call away, so please let us know whenever we can be of help to you. Have a good winter!

*Write your account number here. Put this by your telephone.*

#### CALL DURING OFFICE HOURS

Baudette ..... 218-634-2202 or toll-free 1-888-634-2202  
 Littlefork ..... 218-278-6658 or toll-free 1-888-258-2008

#### FOR OUTAGE REPORTING AFTER HOURS

218-634-2603 or toll-free 1-888-6outage (1-888-668-8243)

# NOTICE

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

### State Electrical Inspectors

*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.)



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### Call before you dig!

Minnesota Statewide One Call  
 Notification Center

**1-800-252-1166**

For underground utility locations, you must call 48 hours in advance before beginning any excavations.

**It's the law.**