

**MINNKOTA APPROVES
2025 BUDGET AND RATES**

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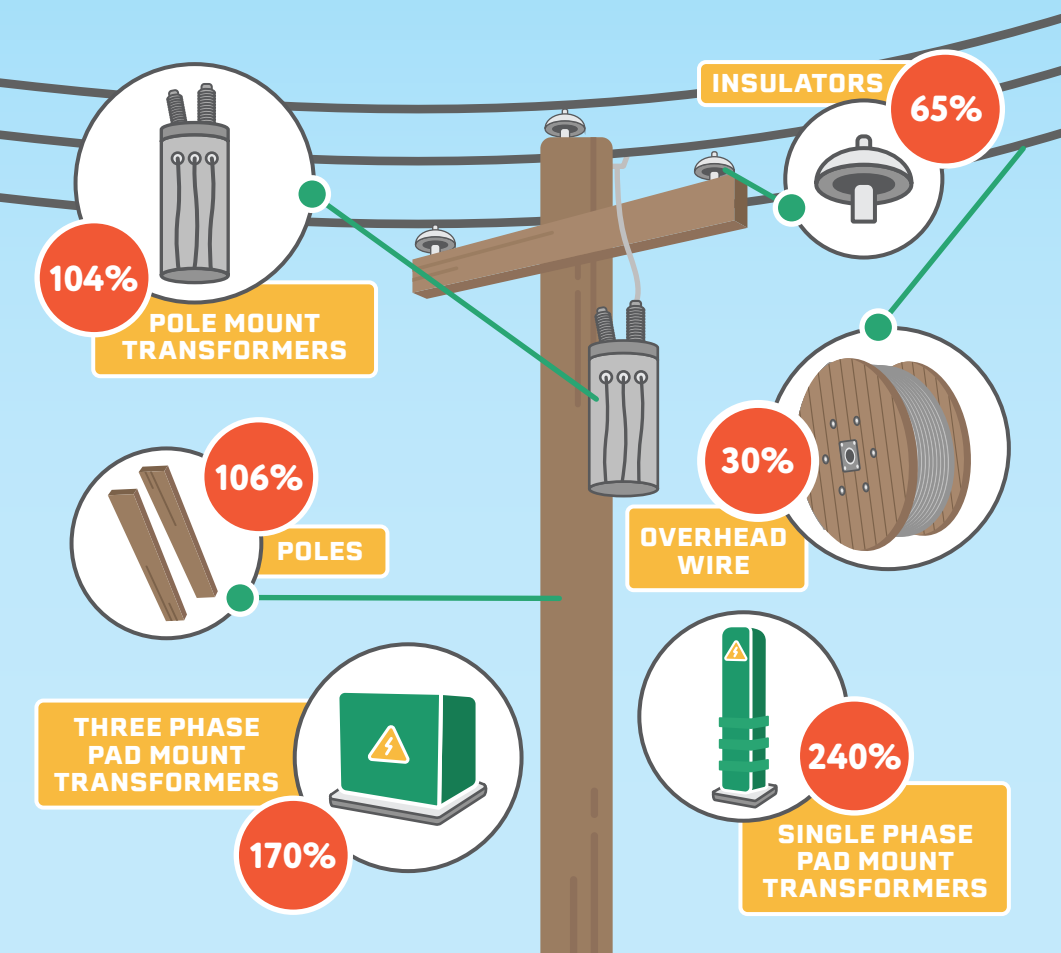
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THE RISING COST OF ELECTRIC UTILITY MATERIALS



Over the past four years, your electric cooperative has experienced an unprecedented increase in the cost of materials we need to deliver power. It's an uptick everyone in the industry is facing, and we – in coordination with your board of directors – have done our best to keep those increases from affecting electric rates. However, to continue providing safe, reliable and fiscally responsible electricity to our members, a small rate adjustment has become necessary in 2025. We will share more information in the weeks ahead.

This graphic shows some of the core components that your electric cooperative needs to operate and the corresponding price increases since 2020. We thank our members for your understanding as we work to ensure you receive the best possible value for your energy dollar. If you have questions concerning your electric rate, please don't hesitate to give your cooperative a call.

Disclaimer: Material price increase numbers represent recent averages in our region. Material prices can and do fluctuate.

NORTH STAR ELECTRIC COOPERATIVE, INC. MISSION STATEMENT

To improve the lives of our member-owners by providing reliable electric energy services while maintaining the very highest standards of performance and member satisfaction.

North Star Electric Cooperative

ELECTRIC REBATES FOR 2025

This year is YOUR year to electrify your home and save big money doing it! North Star Electric Cooperative is pleased to introduce our slate of rebates on today's most popular electric technologies, from heat pumps to electric vehicle chargers. One update can go a long way, so let us help you start out 2025 right!

Technology (on off-peak program)	2025 Max Rebate
Water Heating Equipment <i>Includes:</i> <ul style="list-style-type: none"> • 55 gallons or smaller \$125 rebate • 56-99 gallons \$200 rebate • 100 gallons or larger \$300 rebate <p><i>Additional \$100 for new building construction</i></p> <p><i>Additional \$250 available for conversion from existing natural gas or propane to electric water heater</i></p>	\$500

Technology (on off-peak program)	2025 Max Rebate
Electric Heating Equipment <i>Includes:</i> <ul style="list-style-type: none"> • Air-source heat pump or mini-split heat pump* \$150 per ton • Ground-source heat pump \$250 per ton • Plenum heater • Baseboard heater/cove heater • Forced-air furnace • Hanging/wall unit heater • Radiant underfloor heat \$25 per kW • Electric boiler • Brick storage room unit or furnace/boiler • Slab storage - electric cable \$45 per kW 	\$1,500
<p><i>*Air-source and mini-split heat pumps do not need to be part of an off-peak heating system to be eligible for this rebate.</i></p>	

Technology (on off-peak program)	2025 Max Rebate
Electric Vehicle (EV) Charging Equipment <i>Includes:</i> <ul style="list-style-type: none"> • Light-duty (charger for sedans, SUVs, <3/4-ton vehicles) \$750 • Medium-duty (charger for 1- to 2-ton trucks, vans, buses, etc.) \$1,500 • Heavy-duty (charger for >2-ton trucks, vans, buses, etc.) \$2,250 	
<ul style="list-style-type: none"> • \$50 per kW • \$50 per kW • \$50 per kW 	

Learn more about North Star's off-peak program options. Just call our friendly member services team at **218-634-2202** or browse the technology options at **ValueOfElectricity.com!**

HIGHLIGHTS FROM THE BOARDROOM

These are the highlights from Oct. 29, 2024, regular board meetings. All board members were in attendance, with President Arnesen participating by teleconference. In addition to approving routine actions, the board voted to approve RUS forms allowing General Manager Kevin Holen and Finance Manager Robyn Sonstegard to execute and submit RUS forms on behalf of North Star, to accept the audit report for the year ended July 31, 2024, to appoint Shelley Spears as Secretary-Treasurer, and to approve delegates and committee assignments for positions vacated by Lorraine Nygaard, who recently retired from the board.

Staff reports included the safety report, the monthly financial report, the director's portion of the 2025 budget, workers' compensation, new services, upgrades, retirements, work plan projects for 2025, pole testing, right-of-way spraying, work order inspections, load control, ripple receiver inspections and repairs, distributed generation applications, off-peak installations and removals, generator sales, rebates, the annual meeting, concrete repairs at the Littlefork office, the cost of service study, and the rescheduling of the December board meeting. (664-12-030-06, Adam Larson).

Auditor Luke Greden from the firm CliftonLarsonAllen LLP was also a visiting guest at the meeting. He presented the favorable audit report for the year ending July 31, 2024.

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 the co-op at least two weeks in advance to be included on the agenda.

NOTICE TO COGENERATORS

In compliance with Minnesota Adopted Rules Relating to Cogeneration and Small Power Production, chapter 7835, North Star Electric Cooperative is required to interconnect with and purchase electricity from cogenerators and small power producers that satisfy the conditions of a Qualifying Facility. North Star has available and will provide free information to all interested members regarding rates and interconnection requirements. An application for interconnection is required for a Qualifying Facility to interconnect and operate in parallel with the cooperative's distribution system and is subject to approval by the cooperative. For more information, please call Kevin Holen at **218-634-2202**.

STATE LAW FOR ACTIVE DUTY MILITARY

State law offers active military personnel additional payment options for their electric bills. The law covers disconnection, payment arrangements, appeal and annual notice to cooperative members. Similar to the state's Cold Weather Rule, an application must be completed and income guidelines exist. It's available for active duty military personnel, deployed or completing a permanent duty station change.

OFFICERS AND DIRECTORS

President
Steve Arnesen

Vice President
Michael Hanson

Secretary-Treasurer
Shelley Spears

Directors
Randy Bergan
Richard Ferguson
Douglas King
Tom Smith

General Manager
Kevin Holen

DIGGING SOON?

One free, easy call gets your utility lines marked and helps protect you from injury and expense. Safe digging is no accident.

ALWAYS CALL BEFORE YOU DIG: 811 or 800-252-1166.
VISIT WWW.CALL811.COM FOR MORE INFORMATION.

LOOKING FOR SOMETHING?

Past issues of the Enlightener are on our website at

www.northstarelectric.coop

MINNKOTA BOARD APPROVES 2025 BUDGET AND RATES

By Minnkota Power Cooperative

This fall, the board of directors for Minnkota Power Cooperative (North Star's wholesale power provider) approved the cooperative's capital and operating budgets for 2025. The budgets include a rate increase for Class A member cooperatives – the first adjustment to rates since 2017.

"Persistent supply chain and inflationary pressures are impacting almost every aspect of our business," said Mac McLennan, Minnkota president and CEO. "The cost increases for materials and equipment have been significant, forcing us to adapt our strategies and prioritize projects carefully to ensure we continue delivering reliable service to our members while maintaining financial stability."

As a not-for-profit cooperative, Minnkota collects enough revenue to cover its costs as well as a small margin to operate the business. At the same time, it makes investments to ensure safe, reliable and sustainable electricity is available for its members well into the future.

In 2025, Minnkota has budgeted operating revenues of \$479.2 million and expenses of \$474.8 million. The cooperative anticipates using its Revenue Deferral Fund to meet its target margin level of \$14.2 million. The 2025 average rate change of approximately 8.3% will be implemented on April 1.

Minnkota's capital budget includes \$101.7 million in projects, tools and equipment. Of that total, approximately \$23.3 million is reimbursable to the cooperative through other entities.

The capital budget is highlighted by Minnkota's ongoing commitment to addressing aging infrastructure and improving service to the members. Approximately two-thirds of the budget is focused on power delivery system improvements or additions. The cooperative plans to start and/or complete work on five distribution substation rebuild projects and complete reconstruction of three major sections of 69-kilovolt transmission line (251-24-086-54, Joe Fuchs). Upgrades to demand response infrastructure and the addition of distribution automation technology to improve power delivery system visibility at 14 substations will continue.

From a power supply standpoint, Unit 2 at the Milton R. Young Station will undergo a 44-day scheduled maintenance outage to complete projects and conduct thorough inspections in an effort to keep the coal-based unit operating reliably and efficiently. Major outages are scheduled on both Young Station units every three years.

"We have major projects planned, including important upgrades at our power plants and across our entire power delivery system," McLennan said. "While these investments

come at a time of rising costs, they are essential to maintaining and strengthening the reliability of the power we provide to our members. The scope of these projects will demand an extraordinary level of focus, dedication and hard work from our employees, ensuring that we are well prepared to meet the evolving needs of our membership now and for years to come."

Minnkota's financial position is supported by previous years of strong operational performance. The cooperative has a Revenue Deferral Fund in place to manage shortfalls and rising expenses, as well as a Resource Transition Fund to address extraordinary market events and future power supply needs.

Minnkota is rated as an investment-grade utility in 2024. The cooperative currently has an A- rating and stable outlook from Standard and Poor's. Fitch Rating Services rates Minnkota at BBB+ with a stable outlook.

"We're faced with a significant amount of industry change that may require major investments in the not-too-distant future," McLennan said. "Maintaining financial stability is crucial as we navigate future power supply opportunities, while continuing to address aging infrastructure needs spread throughout our power delivery system. We remain grateful for the support and guidance from our membership as we continue forward in the energy transition."

PROBLEMS PAYING YOUR ELECTRIC BILL?

ENERGY ASSISTANCE MAY BE AVAILABLE!

If you recently lost your job or had your hours cut, the following agencies may be able to help you with your electric bill. You may have never needed help before, but maybe today you do.

LAKE OF THE WOODS COUNTY SOCIAL SERVICES

206 8th Ave SE, Suite 200
Baudette, MN 56623-2895
218-634-2642

NORTHWEST COMMUNITY ACTION COUNCIL

PO Box 67
Badger, MN 56714-0067
800-568-5329

KOOCHICHING COUNTY COMMUNITY SERVICES

1000 5th St
International Falls, MN 56649-2243
218-283-7000

KOOTASCA COMMUNITY ACTION, INC.

Grand Rapids, MN 55744-3984
Toll free 877-687-1163
Direct 218-999-0800
Fax 218-999-0220

ARROWHEAD ECONOMIC OPPORTUNITY AGENCY

703 3rd Ave S
Virginia, MN 55792
800-662-5711



STAFF REPORT – SNOWFALL/ ICE AND GALLOPING LINES



Tim Pelach
Operations Manager

Greetings, everyone. Our 2024 has officially closed and I hope everyone had happy holidays.

The crews on both ends had another busy summer this year with a lot of projects going on, and next year is shaping up to look about the same. So, if you are anticipating needing anything next summer, it wouldn't hurt to get on the list sooner than later.

The crews will be working on clearing some rights of way this winter until the snow gets too deep to make it ineffective. This is a never-ending process needed to keep the system in good condition. Next summer we will be doing some more right-of-way spraying after we look at our maps to determine where it would be the most beneficial.

The snowfall and ice that started off winter created a lot of problems on the system, as a lot of you know who experienced outages. In some cases, the wet, heavy snow caused trees to bend and break, which then contacted power lines. Another issue we experienced was the accumulation of ice build-up on the wires that created galloping situations when the wind blew. If the lines get bouncing enough to touch each other, the circuit breakers recognize a short in the circuit and then operate, which causes your lights to go out for a second. Our breakers reset themselves after a short time to start the process over (373-06-002-08, Joan Baade). If the short is bad enough to cause the circuit breaker to have four operations in a short period of time, it will open and stay open until the problem is found and fixed, then must be manually reset. Certainly an inconvenience, but good to know the system was working as it should in an event like that.



ENERGY EFFICIENCY: TIP OF THE MONTH

If you have a home office, look for opportunities to save energy in your workspace. Use ENERGY STAR®-rated equipment, which consumes up to 50% less energy than standard models. Set equipment like printers and scanners to automatically switch to energy-saver mode when not in use or use efficient lamps for task lighting. – Source: [energy.gov](https://www.energy.gov)

PARENTS OF HIGH SCHOOL SENIORS

If you are a current member and a parent or guardian of a high school senior, remember that along with encouraging your student to enjoy their last moments of high school, also encourage them to participate in our Cooperative Knowledge Scholarship competition this spring. This scholarship competition is funded with unclaimed capital credits and is a great way for North Star to support the youth throughout our service area. North Star will award one \$1,000 scholarship and four \$500 scholarships to the students who score highest on the test. Students scoring 60% or better on the test will be entered into a drawing for eight \$100 cash prizes. The odds are good based on the number of students who typically compete.



NORTH STAR ELECTRIC POLITICAL LEADERS

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www.klobuchar.senate.gov
202-224-3244;
Fax: 202-228-2186

Senator Tina Smith
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Building
Washington, D.C. 20510
www.smith.senate.gov
202-224-5641

Congresswoman Michelle
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1004 Longworth House Office
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Washington, D.C. 20515
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Fax: 202-225-1593

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75 Rev. Dr. Martin Luther King,
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Toll Free: 877-838-5537
rep.matt.bliss@house.mn

Representative Roger Skraba
(03A, R)
221 State Office Building
St. Paul, MN 55155
651-296-2190

CURRENT ELECTRICAL INSPECTORS

State law requires that every new electrical installation in any construction, remodeling, replacement or repair shall file a certificate for inspection and be inspected by a Minnesota electrical inspector. For more information, go to the Minnesota Department of Labor and Industries website (dli.mn.gov) and go to the electrical page.

ST. LOUIS and KOOCHICHING COUNTIES

Brian Johnson
612.757.9458

Call to set up an appointment
7 a.m. - 8:30 a.m., Monday - Friday

LAKE OF THE WOODS and ROSEAU COUNTIES

Ronald Ditsch
651.368.2195

Call to set up an appointment
7 a.m. - 8:30 a.m., Monday - Friday

HOME COOKING

Greek Orzo Chicken Salad

This colorful and delicious salad requires almost no cooking, comes together quickly with very little effort and has all you need to make a well-rounded dish.

Prep Time	Cook Time	Total Time	Servings
10 mins	10 mins	20 mins	6

INGREDIENTS

- 2 cups uncooked orzo pasta
- 2 cups chunked cooked chicken
- 10 cherry tomatoes, *halved*
- ½ cup crumbled feta cheese
- 1 can (2¼ oz.) sliced ripe olives, *drained*
- ¼ cup chopped sweet onion
- ¼ cup olive oil

- 2 Tbsp fresh lemon juice
- ½ tsp salt
- ¼ tsp dried oregano

INSTRUCTIONS

1. Cook pasta according to directions. Drain pasta, rinse with cold water and drain well.
2. In a large bowl, combine pasta, chicken, tomatoes, cheese, olives and onion.



3. In a small bowl, whisk remaining ingredients until blended.
4. Drizzle mixture over salad, toss to coat and serve.

*From the kitchen of
Faye Barrett.*

Receive a \$20 energy credit if you submit a recipe and it is selected to run in a future issue of the *Enlightener* newsletter.

COMMITMENT TO COMMUNITY

North Star Electric Cooperative donates unclaimed capital credits to local charitable programs and organizations



Mike Hanson, North Star Electric board director (*right*), presents an unclaimed capital credit check to Sam Clement with the Lake of the Woods Historical Society.

"Commitment to community is a driving force behind your cooperative as we support programs that improve the lives of those who live in the communities we serve."

UPCOMING DATES/EVENTS

05
FEB

North Star will hold its next monthly board meeting on Wednesday, Feb. 5. Please contact us ahead of time if you would like to be added to the agenda.

05
MAR

North Star will hold the following monthly board meeting on Wednesday, March 5. Please contact us ahead of time if you would like to be added to the agenda.

OFFICE HOURS | 7:30 A.M. - 4 P.M. | MONDAY - FRIDAY

Baudette 218-634-2202 or 888-634-2202 | **Littlefork** 218-278-6658 or 888-258-2008
For credit card payment 855-938-3492 | **Online billing** info available via SmartHub app
Electrical after-hours emergencies 1-888-6OUTAGE (1-888-668-8243)
Email us at nsec@wiktel.com | **Visit our website at** northstarelectric.coop

The Enlightener (USPS 024959), is published monthly by North Star Electric Cooperative, Inc., 441 St. Hwy 172 N.W., Baudette, MN 56623-8942.

General manager – Kevin Holen | Editor – Kevin Holen

Subscription price \$1/year. Periodicals postage paid at Baudette, MN 56623. POSTMASTER: Send address corrections to the Enlightener, North Star Electric Cooperative, Inc., PO Box 719, Baudette, MN 56623-0719.

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Like your cooperative for outage updates during the winter season and other useful information.

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