The Nodak Neighbor

July-August 2011
Official Publication of Nodak Electric Cooperative
www.nodakelectric.com

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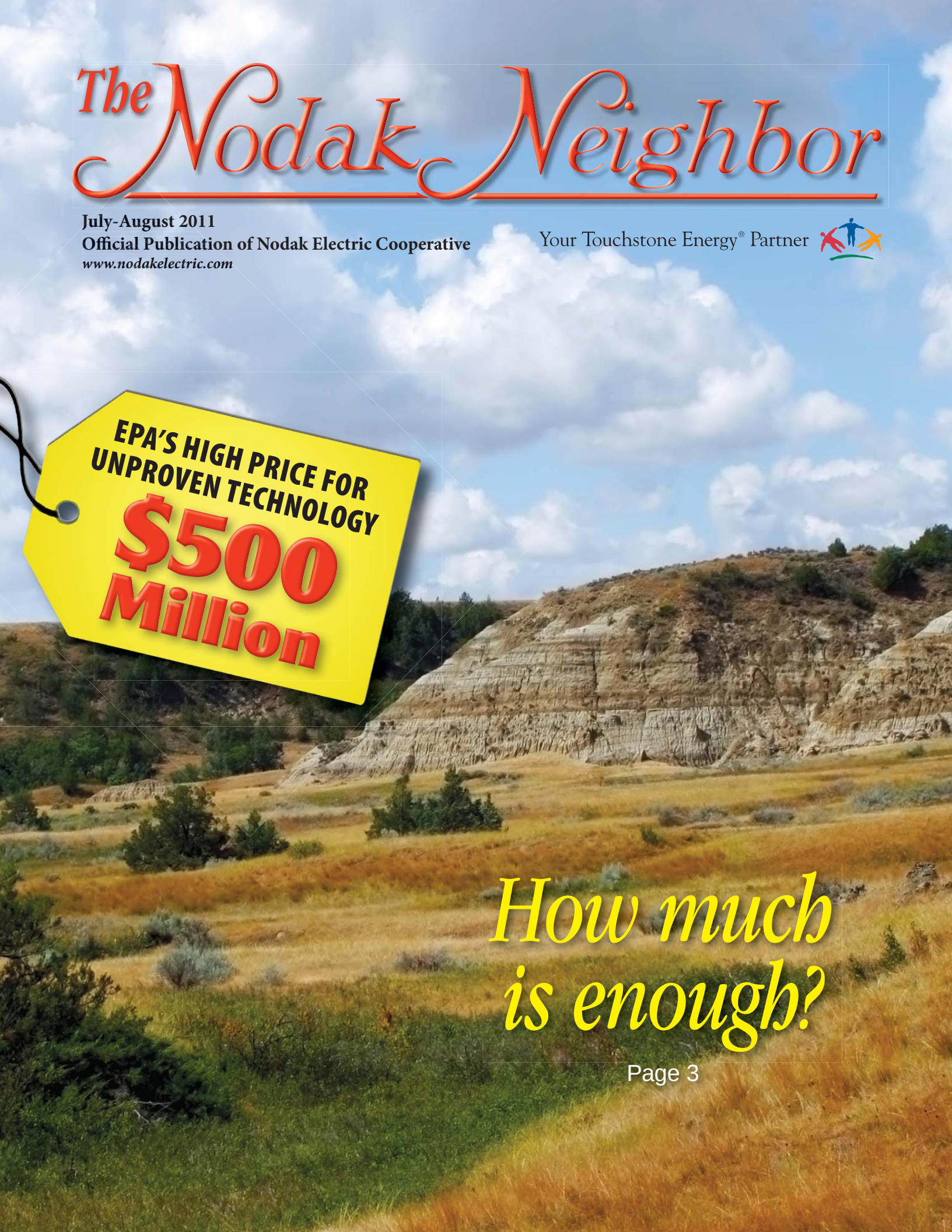

How much is enough?

Page 3

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Table of contents

On the cover

The state of North Dakota and EPA are in a dispute over how the state wants to meet federal Regional Haze requirements at areas such as Theodore Roosevelt National Park.

Hansen earns high honors at Freeman competition

Casey Hansen
Electrical Engineer

Casey Hansen, Nodak's newest electrical engineer, recently graduated from UND in electrical engineering. Before graduation, Casey and a few friends entered their senior project into the annual Freeman Design and Innovation competition.

The competition is held in honor of Andrew Freeman, a 1932 UND graduate and former general manager of Minnkota. The competition encourages individuals or teams of engineering students to present their senior design project to a panel of engineers. Awards are based on the innovativeness of a student's senior design project. Many are team projects with the award divided equally among team members.

Second place went to a project that developed a solar energy supply for a GPS farming transmitting station. Team members who shared $1,000 were Hansen, Nathan Hillerud and Derek Clark. The cash award was presented by Wally Lang, Minnkota's vice president of transmission.

Walcker retires after 35 years

After more than 35 years at Nodak Electric, Russell Walcker retired as lead lineman of the Finley crew.

Russell grew up in Finley and graduated from Finley High School. He joined Sheyenne Valley Electric Cooperative in 1975 with on-the-job training. In 2000, he was promoted to lead lineman.

Russell is looking forward to retirement and spending time with family, golfing and catching some fish on Six Mile Bay in Devils Lake.

Jeff Sloan
Lead Lineman

Sloan receives promotion

Jeff Sloan has been promoted from journeyman lineman to lead lineman of Nodak's Finley crew.

Jeff started in 1989 with the former Sheyenne Valley Electric Cooperative and continued his employment with Nodak following the merger in 2000.

Jeff lives in Finley with his wife, Denise, and has two grown children.

GUEST EDITORIAL

How much is enough?

EPA, state of North Dakota have dispute over emissions

Mac McLennan
President & CEO
Minnkota Power Cooperative

Cooperative members need to jump on board what could be called the "enough is enough" campaign.

If we don't all come together to let the Environmental Protection Agency (EPA) know that they should accept the plan developed by the state of North Dakota to improve visibility at the region's national parks, we could face significant rate increases in the next few years. How else do you pay for more than $500 million in capital investments to put in more emissions-reducing technology at the Milton R. Young Station – technology that isn't proven to work, and even if it did work, wouldn't really improve the visibility?

Minnkota Power Cooperative, our wholesale power supplier, just completed $420 million in capital investments at the Young Station for environmental upgrades. Spending an additional $500 million or more for no perceptible improvement in visibility doesn't make sense.

The dispute between North Dakota and the EPA is over how the state wants to meet the Regional Haze program federal regulations aimed at curbing emissions from coal-based plants and industrial sources to improve visibility at natural areas such as Theodore Roosevelt National Park in western North Dakota. This is a visibility and not a health-based program.

Terry O'Clair, the state Department of Health's air quality director, said the EPA plan will cost plant owners millions of dollars and force them to use technology that is not proven to work on lignite. The state favors a technology that is proven to work on lignite, and will reduce more than 60 percent of the nitrogen oxides (NO_x) emissions. Minnkota has already put that technology in place with Over-Fire Air with Selective Non-Catalytic Reduction (SNCR).

"We're saying this is the best, because we don't know if the other one will work," O'Clair said.

North Dakota officials plan to fight an effort by the EPA to take over the state's Regional Haze program that will affect the Young Station. We plan to help with the battle. We believe EPA should approve the North Dakota Department of Health State Implementation Plan (SIP).

The EPA disagrees with the SIP for addressing NO_x emissions at Minnkota's Young Station and Basin Electric Power Cooperative's Leland Olds and Antelope Valley plants. The EPA wants us to use technology called Selective Catalytic Reduction (SCR) that the agency believes will reduce more than 85 percent of the NO_x emissions leaving the plants' stacks. The EPA has indicated it intends to release its final plan on this Regional Haze issue July 21, then hold a public comment period.

We hope an agreement can be worked out between the state and the EPA. If not, we're going to need help from the consumers who pay the electric bills. In July, a website will be developed to help facilitate comments on the proposed regulations. Once it is active, we'll let you know, and tell you more about the effort in an upcoming publication.

The bottom line is if we are forced to put in more emissions controls on top of the work we just completed at the Young Station, we could need a 30 to 35 percent increase in revenue each year to pay for it. Obviously a significant amount of the increase would have to come from rate increases.

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Partners for Affordable Energy, a coalition of businesses and organizations in North Dakota, plans a campaign to get the public involved in supporting the state plan. Spokesman Steve Van Dyke said the issue is about visibility, not health.

"The EPA has decided to follow a 'one-size-fits-all' pattern in issuing a federal implementation plan," he said.

This all comes during a year in which the American Lung Association's State of the Air annual report gave eight North Dakota counties "A" grades for lack of ozone, also known as smog.

The association has compiled a State of the Air annual report each of the past 12 years, using local data that is submitted to EPA. This year's report covers the years 2007 to 2009.

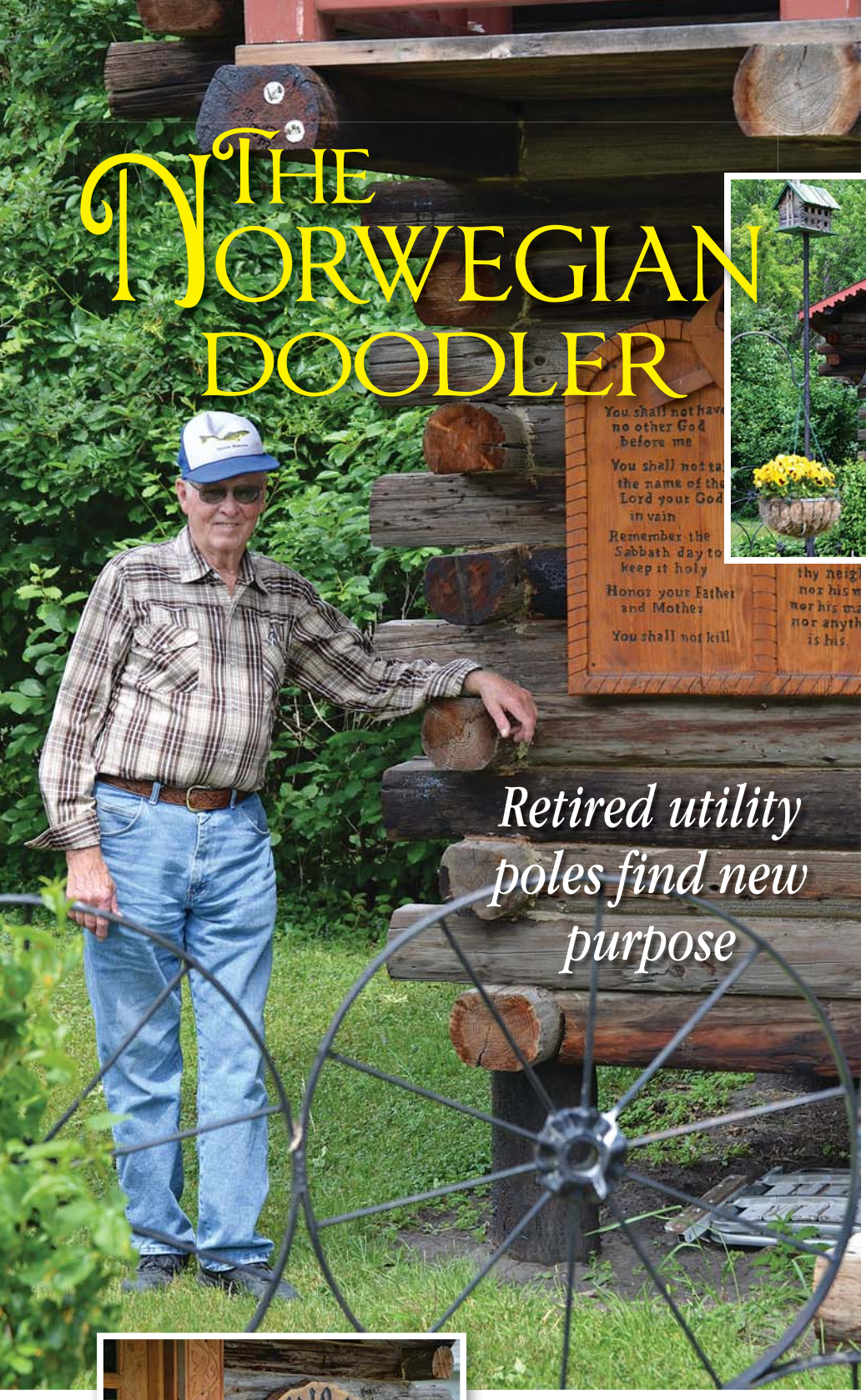
The eight counties, which are chosen because of major population centers or proximity to national parks and grasslands, include Billings, Burke, Burleigh, Cass, Dunn, McKenzie, Mercer and Oliver. Minnkota's Young Station is located in Oliver County. North Dakota is one of 12 states to meet strict federal ambient air quality standards.

"North Dakotans breathe some of the cleanest air in the United States, in part because of emissions control technologies at the state's seven coal-based power plants," Van Dyke said.

The consumers of this region support clean air and have paid for those instruments, but we need everybody to get together and let EPA know "enough is enough."

The Norwegian Doodler

Retired utility poles find new purpose



Otto stands next to the stabbur he built out of retired utility poles. The clock, left, was made from a 207-year-old oak tree.

Otto Aaland has doodled most of his life, blending his love for woodworking with his Norwegian heritage. Early on, he started his doodling by building birdhouses, model homes and furniture. Now, as a retired farmer/rancher from the Hatton area, building kubbestols (Norwegian log chairs) has become his favorite pastime. In fact, he is so good he won the 2006 People's Choice award from the Hjemkomst Center in Moorhead, Minn.

In 2006, his doodling grew into something bigger – building a stabbur (Norwegian storehouse) as a tribute to his Scandinavian heritage. A stabbur consists of two floors, a main cube-shaped room used for storing grain and a slightly larger room on top used for storing fruits, vegetables or smoking meats. Built on stilts to discourage rodents, stabburs were set on narrow piles of rock or inverse cones of wood at each of their four corners. Primitive at best, stabburs did not have windows; grass or sod roofs were the norm.

Otto began building his smaller version of a stabbur by using retired utility poles. Working through the winters, he would cut them down to size. The 2009 Northwood tornado

added to his collection of lumber, one of which was an oak tree estimated to be 207 years old. Otto used part of this tree to make the doors, beams and the clock that he has hanging out front.

The inside is furnished with a variety of kubbestols, along with framed family trees and collectibles from an old schoolhouse. The floor is brightly colored with a Scandinavian design painted by his granddaughter. In 1980, Otto and his daughter went to Norway and were able to bring back the bed where his grandmother was born. It's now placed in the upstairs of Otto's stabbur.

Visitors from across the United States have stopped to visit this little hidden jewel in the Red River Valley – reminiscent of a hard-working, stoic people. A heritage preserved on the prairie of North Dakota by one man's passion and dream.

Various details show the craftsmanship in each of Otto's pieces of work.

Otto also builds model homes and birdhouses.

Otto also built a playhouse for his grandchildren, made from retired utility poles.

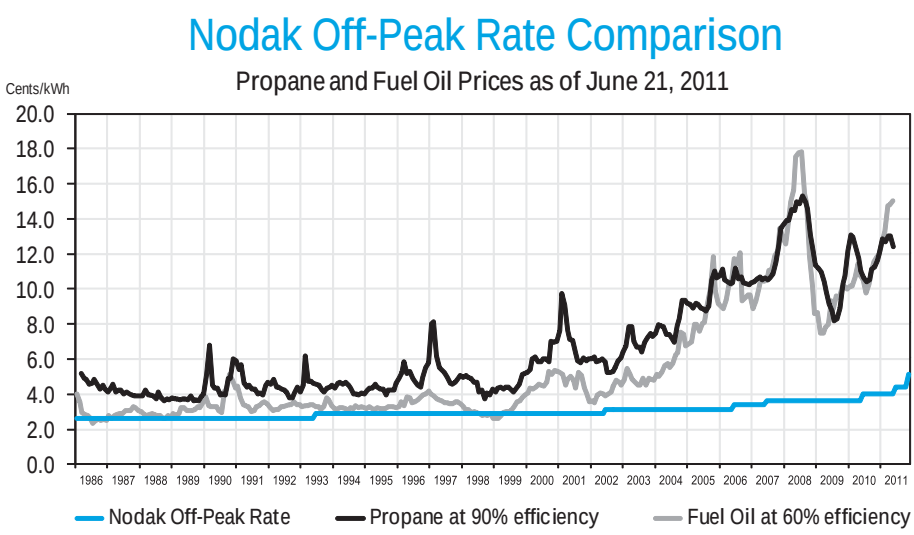
How do Nodak's off-peak rates compare to fossil fuels?

Currently, Nodak Electric offers two separate off-peak rates for two different control plans. Customers with electric heating systems using a fossil fuel backup that can be controlled for extended hours are eligible for the long-term control rate of $0.0515/kWh. This rate also applies to electric slab storage, such as floor heat and thermal storage heaters that can be cycled off twice daily, 7 a.m. to noon and again from 5 p.m. to 11 p.m., Nov. 1 through April 30 of each heating season.

Customers with existing controlled electric heating systems that cannot be controlled for extended periods or be cycled daily, are placed on a short-term control off-peak rate of $0.066/kWh. These loads are controlled up to eight hours per day for no more than four hours at a time.

How do Nodak Electric's off-peaks rates compete with alternative fuels? Presently, the long-term control off-peak rate with the renewable energy charge ($0.005/kWh) added is $0.0565/kWh. A 60 percent efficient furnace heating with No. 2 fuel oil would need to be priced at $1.39/gallon, or a 90 percent efficient furnace heating with propane at $1.36/gallon, to break even with the off-peak rate. The short-term control off-peak rate with the renewable energy charge added is $0.071/kWh. A 60 percent efficient furnace heating with No. 2 fuel oil would need to be priced at $1.75/gallon, or a 90 percent efficient furnace heating with propane at $1.71/gallon, to break even with the off-peak rate.

If you have any questions about your existing off-peak electric heating system or are considering a new installation, please contact the Energy Services Department for more information on how off-peak can benefit you!



Operation Round Up

It's only small change – from 1 to 99 cents a month – but when you multiply that by the generous Nodak members who participate in Operation Round Up, it makes a BIG impact upon your local community.

If, for example, your electric bill is $75.22, it's rounded up to $76. That extra 78 cents goes directly into the Operation Round Up trust fund, total averaging approximately $6 a year. For less than the cost of a soft drink, candy bar or cup of coffee, these pennies offer struggling volunteer fire rescue and ambulance services hope as funding resources and donations have dwindled. In addition, medical equipment for those in need, donations to food shelves and many other worthwhile causes have received funding through this program. Your small monthly contributions can and DO make a difference to your local community.

Requests for assistance are evaluated by a separate board of directors, made of volunteer members from throughout the 10 counties that Nodak serves. This volunteer board meets throughout the year to review applications and decides which causes to support or who are in most need. One hundred percent of your contributions go toward improving the lives of others in your community. Funds are NOT used to support political purposes/issues or electric bills.

In your support of Operation Round Up, you address the charitable needs and provide financial assistance for the counties of Pembina, Walsh, Ramsey, Nelson, Steele, Grand Forks, Griggs, Benson, Eddy and Traill. It's only small change, but a blessing for those who are struggling!

Ample power supply to limit summer load control

The power is in place to meet member demand and keep air conditioners humming along this summer season.

Minnkota Power Cooperative has ample resources to serve its members, even when electricity demand spikes during the hottest days of the year. With no major power plant maintenance outages scheduled this summer, load management hours are estimated to be minimal.

"Load control projections for this summer are based on reliable generation operation and the anticipation that economical energy will be available for purchase from the market," said Todd Sailer, Minnkota energy supply manager. "Extreme weather events and power plant outages will be the driving factor in control hours this year."

Behind more than 600 megawatts (MW) of baseload energy from the Milton R. Young Station and Coyote Station, as well as the recent addition of 357 MW of wind energy, Minnkota has enough power to serve its members at almost all hours of the day this summer. Up to 80 MW can be controlled in the summer and about 350 MW in the winter.

Summer usage has been up across the Minnkota/Northern Municipal Power Agency Joint System. Minnkota had all-time high monthly energy sales in four different months in 2010 – June, July, August and September. Warmer temperatures and modest economic growth drove up summer usage. As a result, 82 hours of load control were necessary last year. Minnkota projects a similar amount of control this year.

Before initiating load control, Minnkota first looks to purchase energy from the MISO (Midwest Independent System Operator) market. Utilities throughout the Upper Midwest use the market to buy and sell energy.

While the economy is relatively stable in Minnkota's service territory, that is not the case in many neighboring states that are part of the regional power market. With a depressed economy, the demand for excess electricity from the market has dropped significantly. Lower demand has made it a buyer's market.

"Wholesale power market conditions are similar to what we've seen over the last two years," Sailer said. "Market prices remain low because of load loss throughout the MISO footprint. This allows us to purchase power much of the time and avoid control."

The load management program is voluntary for members who allow Minnkota to interrupt (turn off) certain appliances, such as water heaters and air conditioners, during peak electric demand periods. In exchange, the consumer receives about a 50 percent discounted energy rate. Some agricultural members also participate by having power to their irrigation systems interrupted.

The summer load management program is in its 14th year of operation. Along with the winter program, load management has been a key to keeping wholesale power costs low. Utilizing load management when economically priced power is not available on the market allows consumers within the Joint System to continue receiving the best energy value in the region.

Nodak ELECTRIC COOPERATIVE

Your Touchstone Energy® Partner

ALWAYS CALL BEFORE YOU DIG

It's that time of year again when, in many parts of the country, you can finally put away the snow shovel and bring out the one designed for digging. Before you begin digging, or allow the professionals to break ground in your yard, remember to call 811 to ensure digging doesn't disrupt underground utility lines.

Utility services that your family depends on such as cable TV, high-speed Internet, landline telephone, electric, gas, water and sewer are buried underground in many communities. Unintentionally striking one of these lines can result in inconvenient outages for entire neighborhoods, harm to yourself or someone else and repair costs.

When you dial 811 several days before you plan to start your digging project, a local one-call center representative will collect your information and notify local utility companies of your intent to dig. A professional locator will then visit the dig site to mark the approximate location of all underground utility lines with spray paint or flags. Once your site has been marked, it is safe to begin digging around the marked areas.

No matter the type of project – putting in a mailbox, installing a fence, planting trees or shrubbery, building a patio or deck, or excavating a new garden area – make sure to call 811 several days prior to digging to have your site properly marked. Visit **call811.com** for more safe digging tips and state-specific information. *Source: ARA*.

One free, easy call gets your utility lines marked AND helps protect you from injury and expense.

Safe digging is no accident: always call 811 before you dig.

Visit **call811.com** for more information.

811 Know what's **below.** **Call** before you dig.

FLAG COLOR GLOSSARY	
Red	**Electric**
Yellow	**Gas - Oil - Steam**
Orange	**Communication - CATV**
Blue	**Potable Water**
Purple	**Reclaimed Water-Irrigation**
Green	**Sewer**
Pink	**Temporary Survey Markings**
White	**Proposed Excavation**