

The Nodak Neighbor

November-December 2010

Official Publication of Nodak Electric Cooperative

www.nodakelectric.com

Your Touchstone Energy® Partner



Official Publication of the
Nodak Electric Cooperative, Inc.

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Directors Roger Diehl, Bruce Fagerholt,
David Hagert, Doug Lund,
Lee McLaughlin and Paul Sigurdson
President & CEO George Berg
Editor Duane Hafner

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Snowbirds

If you are planning to leave your home for an extended period of time this winter, remember to call Nodak Electric to make billing arrangements while you are away. Nodak offers automatic checking or credit/debit card payments and online payment options are available as well.

2010 director elections



Lee McLaughlin, District 1



Roger Diehl, District 2



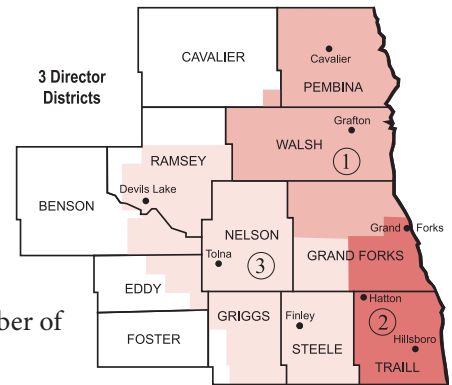
Steve Smaaladen, District 3

Nodak Electric Cooperative, Inc., will hold its 2011 annual meeting Saturday, April 2, 2011, at the Alerus Center in Grand Forks, N.D. Election for three director positions will be held at the annual meeting. Incumbent directors up for reelection are Lee McLaughlin, District 1; Roger Diehl, District 2; and Steve Smaaladen, District 3.

Persons who desire to serve as a member of the Nodak Board of Directors may be nominated in one of two ways:

1. By a petition signed by 15 members of Nodak in good standing. The petition must be in Nodak's office 45 days prior to the annual meeting.
2. A member can be nominated by the Nominating Committee. The committee will be named by the Nodak Board of Directors in February 2011.

If you are interested and would like further information, please feel free to contact Nodak's office at 1-800-732-4373.



Nodak's offices will be closed for the following holidays:

Thanksgiving
Thursday & Friday,
Nov. 25 & 26

Christmas
Thursday & Friday,
Dec. 23 & 24

New Year's Day
Friday, Dec. 31

Happy Holidays!



George Berg
President & CEO

Availability and demand: A balancing act

A friend recently commented he was surprised to read that an electric cooperative such as Nodak would be putting itself at risk relying on market forces. The comment was in response to articles we have written recently about low market prices for excess energy and how this has cost Minnkota Power Cooperative, our wholesale power supplier, and Nodak Electric millions of dollars. His comment was that member-owned cooperatives had no business messing around with market-driven sales and purchases.

Minnkota represents the wholesale side of our business that ensures we will have enough power available to meet our members' needs every hour of every day. It can do this by building and owning power plants, by entering into contracts with other utilities to deliver energy needs or by relying on available power from the regional market at prevailing market rates. In reality, Minnkota always has – and probably always will – use all three of these options to balance the hour-by-hour availability and demand for electricity.

Whether Minnkota builds its own power plants, or contracts with someone else to deliver a specific amount of power, there will always be an imbalance between the amount of electricity available and the amount needed to serve your needs. When Minnkota has too

much electricity, it sells the excess to the market at whatever price is available. If it has excess energy at 3 a.m., it is unlikely its power will have much value. If it has excess energy at 9 a.m. – a normal peak usage time – the excess electricity may have value much higher than Minnkota's cost.

When Minnkota is in the position of having excess electricity, it really has very few options. Minnkota can't store it, and with

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mostly fixed costs associated with the generation, it does little good to reduce the amount generated. The only real choice Minnkota has is to sell the excess.

Similarly, when Minnkota does not have sufficient generation to meet your needs, its options are few. Thanks to a very effective load management program, Minnkota can relieve some of the pressure by implementing load control; however, it still may need to rely on the regional market where some of the immediate needs are purchased regardless of the price.

On an annual basis, the net effect of buying and selling

electricity through the market had little impact on Minnkota's overall cost prior to 2009. Two things changed that year. First, Minnkota completed its plans to secure enough wind generation to satisfy existing renewable energy mandates and objectives in both North Dakota and Minnesota. Minnkota did this by entering into long-term contracts with NextEra Energy Resources to purchase a majority of the output from wind farms near Langdon and Luverne, N.D.

Second, the severe recession in 2008 and 2009 created a big drop in the demand for electricity in the entire Midwest, resulting in a depressed market for excess energy from the regional grid. Minnkota and many other electric utilities found themselves with

more excess energy than normal and market prices that were less than half of the amount before the economic downturn.

The light at the end of the tunnel will come from continued growth within the Minnkota system, which will result in less excess energy to sell each year and a recovery of the energy market, which will come from an overall recovery of the economy. Each year, we expect the adverse impact from excess energy sales to be less than the previous year. In fact, the situation could reverse such that the sale of excess energy has a positive impact on the cooperative.



Blaine Rekken
Energy Services Supervisor

Energy Services Update

Causes for winter season energy consumption increases

As we enter the winter season, Nodak would like to remind you of electrical devices that are the leading contributors to increasing winter kilowatt-hour (kWh) usage and monthly bills. This knowledge may better help you decide what products or practices are important to you.

On average, when comparing energy usage of winter months to summer, customers living in urban or high density areas notice a 35 percent increase in kWh consumed during the winter months, while those living in rural areas will typically experience increases near 71 percent. Some of this disparity between the urban and rural services is explained by rural customers having livestock or load attributed to farming.

Some reasons why home usage increases are from people being inside more, with greater use of lighting and appliances like the TV, computer, refrigerator, stove/oven and space heating. Increases can also come from the use of engine block heaters, stock tank heaters, heated pet bowls and mats, as well as pipe heat tape and deicing tape.

Although an increase in lighting use cannot be eliminated, it can be reduced by shutting off lights in rooms that are not being occupied, or by using more task lighting in areas where you are working. Converting to the correct wattage bulb for the application or a CFL replacement can reduce usage without compromising effectiveness.

One of the largest contributing causes of increased energy use is space heating. A standard 1,500-watt space heater can use up to \$86 per

month if left to operate continuously. If more heat is needed in an area, either make a change to the existing heating system, or have a hard-wired electric unit installed to meet your needs. Do not let space heaters run unattended or operate for extended periods of time, as they can be a safety hazard.

Periodically, vehicles and tractors need to be plugged in so they are ready to start during extreme cold weather. Cars and trucks with block heaters typically have 650-watt elements. A car plugged in for 10 hours will cost approximately \$0.53. A tractor, with a 1,000-watt element, plugged in for the same duration costs \$0.81. In most cases, all that is required is three hours or less to warm a vehicle. By purchasing a timer, one can save up to \$7.50 per vehicle per month.

Some residents operate their furnace fan continuously each month for various reasons. If a homeowner has a heat exchanger, the furnace fan is required to remain on to circulate air throughout the house to remove humidity and air pollutants. Newer fans have at least two speeds. In my house, when the thermostat is not calling for heat, air is circulated with a low fan speed, and when the heating/cooling system is operating, the fan motor speed is increased. At low speed, my furnace fan will consume 333 kWh per month, or \$27 per month, left running continuously. I have recorded some fans operating between 500 and 600 kWh per month on continuous run. When I do not need to run my heat exchanger, I switch the fan to run on auto so that it only comes on when the thermostat

is calling for heat, or is in a cooling mode.

Another method customers use to reduce home humidity is by running a dehumidifier, sometimes year-round. These appliances are usually 600 to 800 watts and can contribute up to \$47 per month, depending on how they are programmed.

One area sometimes underestimated is the usage by a stock tank water heater (1,500 watts), heated pet bowl (50 watts), or heated pet mat (60 watts). Heated pet bowls and mats can contribute up to \$3.50 per month to your electric bill. It would be the same usage as a 60-watt light bulb. These devices usually have a thermostat to regulate the heat, but if left in a very cold location, they may not shut off at all. The same is true for a stock tank water heater. If they operate continuously, they will cost up to \$87 per month.

Some customers use heat tape, rated at 2 watts per foot, to help keep their water or sewer pipes from freezing. Deicing tape for roofs and gutters is around 5 watts per foot. Both of these products may not seem like they would use much energy, but they can significantly add to your monthly bill if long lengths are needed.

These are just a few examples, but they give you an idea of what to look for. Though it is not wrong to use any of these heating devices throughout the winter, wise use can substantially reduce the amount of energy that may be used. Being aware of the potential costs is just one tool in helping you decide what and how long to use.

Children's safety tip:

May your holidays be merry and bright



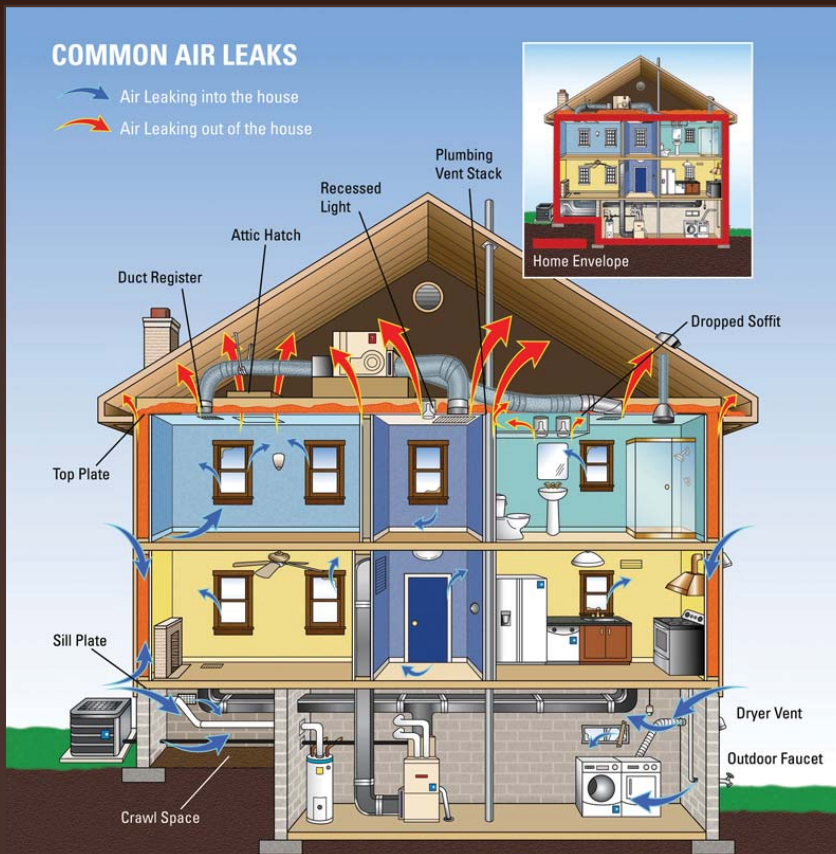
The winter holiday season is a magical time for children. It is only natural for them to be drawn into the excitement created by the colorful lights, flickering candles and shiny ornaments that decorate homes and stores throughout the season.

It is up to adults to plan ahead to ensure that childhood curiosity does not result in dangerous consequences. Keep child safety in mind as you prepare your home for the holidays.

Additional planning may be necessary if you plan to host young guests and do not currently have childproofing measures in place.

Seal your home and save money

Drafty? Air sealing is one of the most significant energy efficiency improvements you can make to your home. Air sealing will not just reduce energy costs, it will also improve your home's comfort and durability. If you add up all the small cracks and leaks in your home, they can be equal to leaving a window open! A little caulk and weatherstripping around doors and windows can go a long way.



Source: U.S. EPA

Is your off-peak heating system

Ready for winter?

It's hard to believe winter is right around the corner. Since weather conditions and future wholesale power market prices make the amount of load control hours hard to predict, all our off-peak members are encouraged to have a reliable, automatic dual heating system in place and ready to use.

To ensure your total comfort this winter, consider the following questions about your backup heating system:

1. Is the system sized to heat your entire home or business?
2. Does it maintain an adequate comfort level?
3. Is it reliable?
4. Is it fully automatic?

Check current fuel prices and be sure to fill your propane or fuel oil tank at the beginning of the season. Also, make sure your tank is large enough to hold an adequate supply. Remember, prices typically rise as demand increases during the heating season.

Our energy services department is glad to answer any off-peak questions you may have. A loan program is also available to assist you in replacing your old, inadequate off-peak heating system.



Winter

load management outlook

As the winter heating season arrives, members who participate in the off-peak electric heating program should expect load control hours to be about the same as the last two years.

Minnkota Power Cooperative, our wholesale energy supplier, operates the load management system from its headquarters in Grand Forks. Winter load management primarily occurs during December and January, but members may have noticed a slight increase during the fall months due to the planned maintenance outage on the Milton R. Young 2 generating plant. With limited outage time planned for the rest of the winter, adequate resources exist to limit control hours.

During generator maintenance outages and peak demand periods, Minnkota makes major purchases from the wholesale energy market. Ample power is available for purchase through the market, but it's not always at an affordable price. By controlling demand during these high-cost periods, affordable rates for all members are maintained and the construction of new generation just to cover peak loads is avoided.

The off-peak electric heating program is for members who use electricity to heat their homes, while still having a non-electric backup heating source. Members continue to heat their homes with their electric heating system, but during periods of peak electric usage, their electric heating is shut off and their backup system is used.

The off-peak program is entering its 35th year of operation. During that time, it has yielded significant financial savings for the entire Minnkota/Northern Municipal Power Agency Joint System.

Cost-effective program

The choice to control off-peak loads is an economic one. By controlling peak loads during high cost periods, members are effectively protected from the volatility of the wholesale energy market.

“The decision on whether to purchase energy from the market or control off-peak loads is based on the current market price, along with season-to-date energy purchases and control hours,” said Todd Sailer, Minnkota energy supply manager.

The off-peak program can provide great savings to the individual user as well. For members

interested in a way to reduce their home heating costs, the program provides a much lower electric rate — about half of the standard retail rate.

“The ability to manage costs and plan for the heating season is one of the many benefits of the off-peak electric heating program,” Sailer said. “With a good backup heating system properly installed and maintained, off-peak customers shouldn’t notice a difference in comfort level when the load control system is called to operate.”

Staying up to date

The best way for off-peak members to keep up with the program is through the load management website. The website has recently been upgraded to better serve members and provide instant updates on the status of load control activity. It will continue to show the current state of load control, recent control history and the last switching cycle. Members are also able to review the last 10 years of load control.

To follow load management in your area, visit www.minnkota.com and click the “Load Management” link.

New employee



Lucas Kindseth

Lucas Kindseth has been hired as an Information Systems Coordinator.

Kindseth grew up in Jamestown, N.D., graduating from high school in 1997. He then attended Jamestown College, double majoring in business administration and management information systems. Kindseth previously worked for Microsoft in Fargo as a Senior System Operations Engineer.

Lucas, his wife, Gretchen, and their three children currently live in Moorhead, Minn. We welcome Lucas to the Nodak family.



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.

Benson County Social Services
701-766-4404

Dakota Prairie Community Action
701-662-6500

Fargo Community Action Agency
701-232-2452

**Grand Forks County Social Services-
Fuel Assistance**
701-787-8535

Griggs County Social Services
701-797-2127

Lakota Community Action Agency
701-345-8515

Nelson County Social Services
701-247-2945

Pembina County Community Action
701-265-8775

Pembina County Social Services
701-265-8441

Ramsey County Social Services
701-662-7050

Red River Community Action Agency
701-746-5431

Spirit Lake Nation – Fuel Assistance
701-766-1206

Steele County Social Services
701-542-2584

Traill County Social Services
701-436-5220

Walsh County Community Action
701-352-0620

Walsh County Social Services
701-352-4499

Have you changed your phone number?

We need your help!

With more and more people moving to the use of cell phones instead of land lines, we need to update our records. If your phone number has changed, please write your phone number(s) on your payment stub when you send it in or call our office at 800-732-4373 during business hours. Our office hours are Monday-Friday, 8 a.m. to 5 p.m.

This information is helpful in an outage situation, or when we have a concern about your electric service. If you have a work phone or cell phone number where we could reach you during business hours, please include that information as well. The phone numbers you provide are for our use only; we respect your privacy and do not give them out to anyone else.

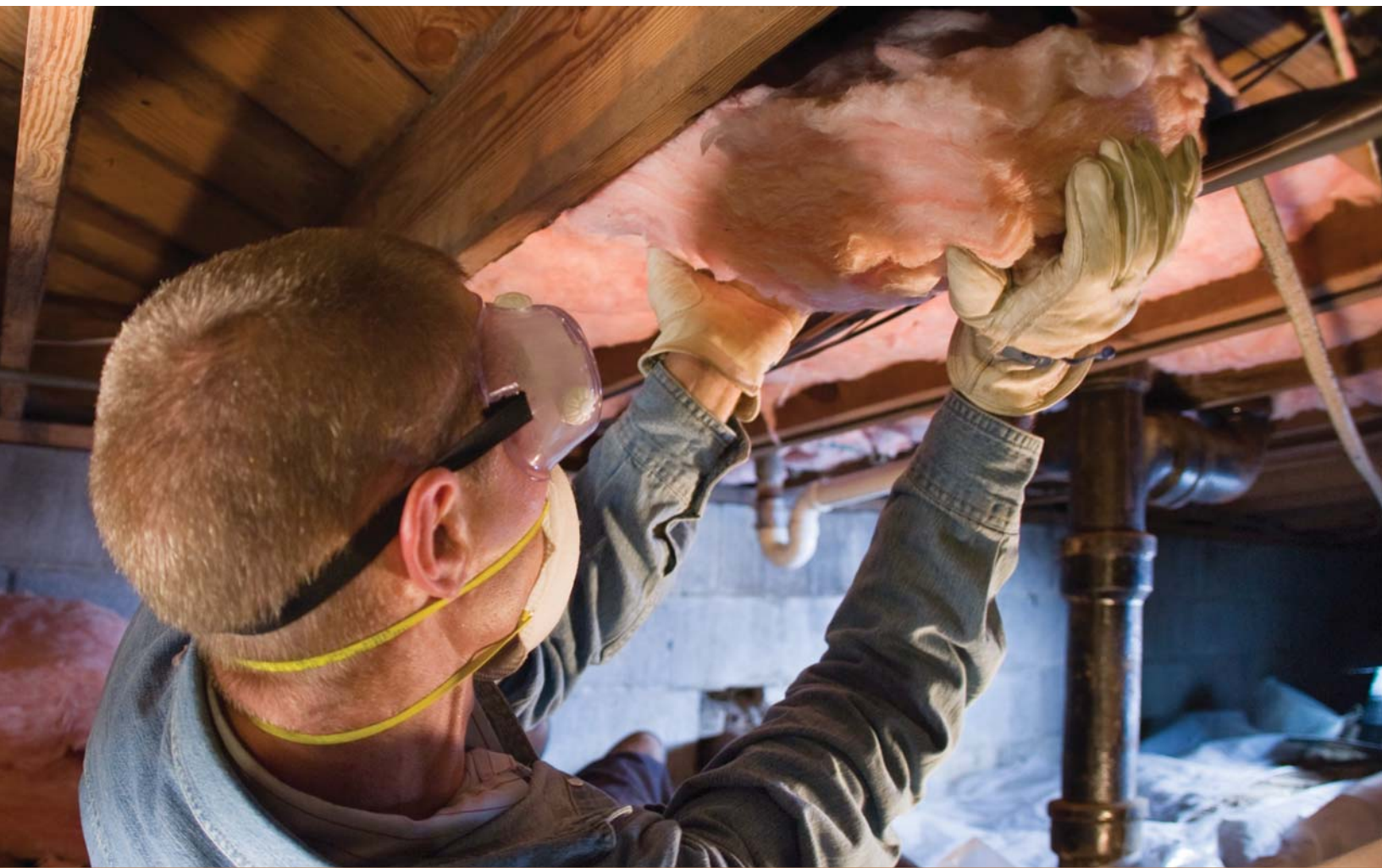


E-billing *Easy online account access!*

If you're interested in learning more information about E-billing, visit our website at nodakelectric.com. Click on "Programs and Services," and then select "E-bill." After reading all about what E-billing has to offer and you are interested in using the E-bill option, just follow the next few steps:

- Have your Nodak account number ready
- Select highlighted option "Click here to enter E-billing"
- Select "If you are a new user"
- Fill out the appropriate information, name, account number, etc., and select "Submit"

It's that easy and you're on your way to accessing your account. If you have any questions, please feel free to call our offices at 701-746-4461 (toll-free 1-800-732-4373) or e-mail us at nodak@nodakelectric.com.



YOU'D BE SURPRISED HOW MUCH MONEY CAN SQUEEZE THROUGH A CRAWL SPACE.

I know I was. But once I insulated the crawl space under my house, my budget became much more comfortable. About \$155 a year more comfortable. What can you do? Find out how the little changes add up at TogetherWeSave.com.