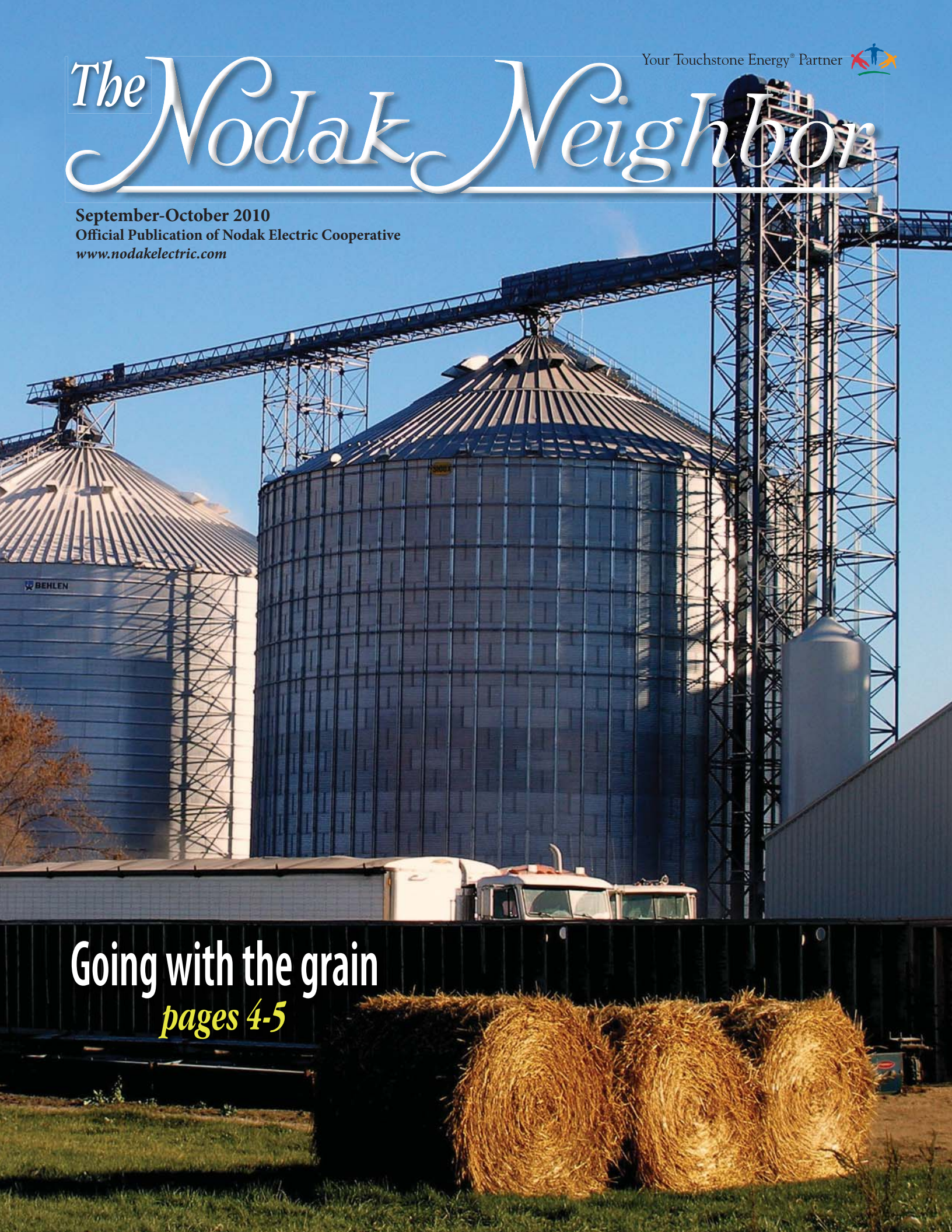


The Nodak Neighbor

September-October 2010

Official Publication of Nodak Electric Cooperative

www.nodakelectric.com



Going with the grain
pages 4-5

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Tip of the month

It may be time to replace your refrigerator. A fridge made before 1993 could cost more than \$100 each year to operate. A new ENERGY STAR®-qualified model could cut your related energy costs in half. In addition, newer models keep food fresher longer.

Source: U.S. Department of Energy

On the cover: Micada manufactures structural support equipment for the grain handling industry near the Red River Valley and around the world.

Sept. 20, 2010 Electric Rate Changes
(Inclusive of Facility Charge)

General Service – Urban

KWH/MONTH	OLD RATE	NEW RATE	\$ DIFFERENCE	% DIFFERENCE
100	\$ 17.00	\$ 18.50	\$ 1.50	8.82%
300	\$ 31.00	\$ 33.70	\$ 2.70	8.71%
500	\$ 45.00	\$ 48.90	\$ 3.90	8.67%
700	\$ 59.00	\$ 64.10	\$ 5.10	8.64%
900	\$ 73.00	\$ 79.30	\$ 6.30	8.63%
1100	\$ 87.00	\$ 94.50	\$ 7.50	8.62%
1300	\$101.00	\$109.70	\$ 8.70	8.61%
1500	\$115.00	\$124.90	\$ 9.90	8.61%
1700	\$129.00	\$140.10	\$11.10	8.60%
1900	\$143.00	\$155.30	\$12.30	8.60%
2100	\$157.00	\$170.50	\$13.50	8.60%
2300	\$171.00	\$185.70	\$14.70	8.60%
2500	\$185.00	\$200.90	\$15.90	8.59%
2700	\$199.00	\$216.10	\$17.10	8.59%
2900	\$213.00	\$231.30	\$18.30	8.59%
3100	\$227.00	\$246.50	\$19.50	8.59%
4000	\$290.00	\$314.90	\$24.90	8.59%
5000	\$360.00	\$390.90	\$30.90	8.58%
6000	\$430.00	\$466.90	\$36.90	8.58%

General Service – High Density

KWH/MONTH	OLD RATE	NEW RATE	\$ DIFFERENCE	% DIFFERENCE
100	\$ 26.00	\$ 28.35	\$ 2.35	9.04%
300	\$ 40.00	\$ 43.55	\$ 3.55	8.87%
500	\$ 54.00	\$ 58.75	\$ 4.75	8.80%
700	\$ 68.00	\$ 73.95	\$ 5.95	8.75%
900	\$ 82.00	\$ 89.15	\$ 7.15	8.72%
1100	\$ 96.00	\$104.35	\$ 8.35	8.70%
1300	\$110.00	\$119.55	\$ 9.55	8.68%
1500	\$124.00	\$134.75	\$10.75	8.67%
1700	\$138.00	\$149.95	\$11.95	8.66%
1900	\$152.00	\$165.15	\$13.15	8.65%
2100	\$166.00	\$180.35	\$14.35	8.64%
2300	\$180.00	\$195.55	\$15.55	8.64%
2500	\$194.00	\$210.75	\$16.75	8.63%
2700	\$208.00	\$225.95	\$17.95	8.63%
2900	\$222.00	\$241.15	\$19.15	8.63%
3100	\$236.00	\$256.35	\$20.35	8.62%
4000	\$299.00	\$324.75	\$25.75	8.61%
5000	\$369.00	\$400.75	\$31.75	8.60%
6000	\$439.00	\$476.75	\$37.75	8.60%

General Service – Rural

KWH/MONTH	OLD RATE	NEW RATE	\$ DIFFERENCE	% DIFFERENCE
100	\$ 34.50	\$ 37.60	\$ 3.10	8.99%
300	\$ 48.50	\$ 52.80	\$ 4.30	8.87%
500	\$ 62.50	\$ 68.00	\$ 5.50	8.80%
700	\$ 76.50	\$ 83.20	\$ 6.70	8.76%
900	\$ 90.50	\$ 98.40	\$ 7.90	8.73%
1100	\$104.50	\$113.60	\$ 9.10	8.71%
1300	\$118.50	\$128.80	\$10.30	8.69%
1500	\$132.50	\$144.00	\$11.50	8.68%
1700	\$146.50	\$159.20	\$12.70	8.67%
1900	\$160.50	\$174.40	\$13.90	8.66%
2100	\$174.50	\$189.60	\$15.10	8.65%
2300	\$188.50	\$204.80	\$16.30	8.65%
2500	\$202.50	\$220.00	\$17.50	8.64%
2700	\$216.50	\$235.20	\$18.70	8.64%
2900	\$230.50	\$250.40	\$19.90	8.63%
3100	\$244.50	\$265.60	\$21.10	8.63%
4000	\$307.50	\$334.00	\$26.50	8.62%
5000	\$377.50	\$410.00	\$32.50	8.61%
6000	\$447.50	\$486.00	\$38.50	8.60%

Note: All three rate tables do not include renewable energy market adjustment charge.



George Berg
President & CEO

Look for the silver lining

As we reported two months ago, our wholesale power cost from Minnkota Power Cooperative is escalating, and we reluctantly have adjusted our retail rates (see tables on page 2). The rate change will go into effect on Sept. 20, so you will first see it on the power bill you receive in late October or early November.

For most typical usage residential accounts, it will increase your monthly bill by about 8.8 percent. If you use 1,000 kilowatt-hours, the rate increase will be between \$6.90 and \$8.50 per month, depending upon which rate class you are in.

The obvious question is why are our wholesale costs going up so dramatically in recent years? The graph below shows the percentage increase for each year since 2001 for our wholesale power rate in black and our retail rates in blue. As you can see at this time, our wholesale rates are roughly 70 percent higher than in 2001, while our retail rates with this rate increase will be 30 percent higher than 2001.

The number one reason Minnkota's wholesale rates have been increasing is due to required environmental upgrades to its power plants costing hundreds of millions of dollars. These upgrades result in higher debt service, higher depreciation expense and even higher operating expense than in previous years.

A second reason for Minnkota's higher cost of power is related to the market value of excess energy in its system. During the past several years, Minnkota has secured more than 357 megawatts of power from large wind farms

to satisfy present and future state renewable energy mandates and objectives in Minnesota and North Dakota. Most of this energy comes through agreements with NextEra Energy Resources, a world leader in building wind farms. While the added wind-related capacity satisfies Minnkota's need for renewable energy, it also gives them hundreds of millions of kilowatt-hours of excess energy, which they must purchase at contract rates and resell into a depressed market at prevailing market rates.

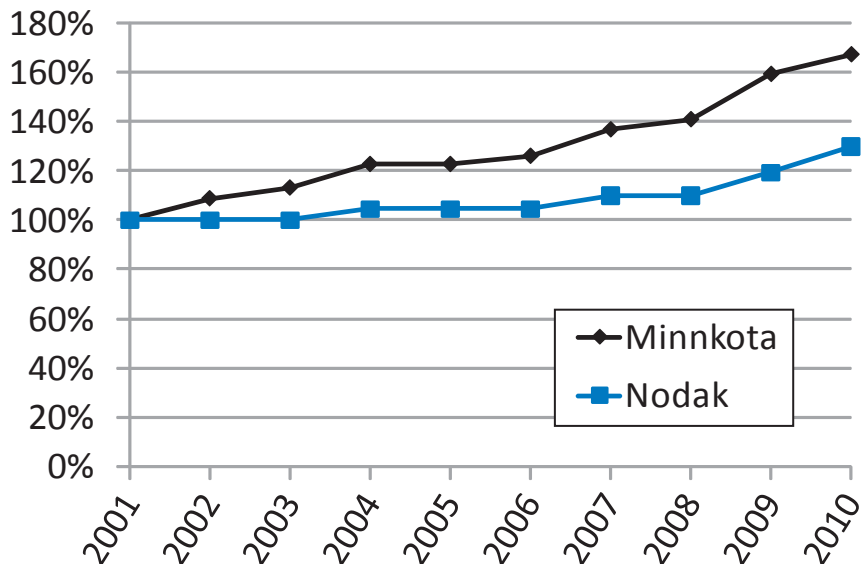
Market rates the last two years have been extremely low due to the recent downturn in the economy. As you probably know, the losses resulting from resale of excess energy is being recovered through a 5-mill energy surcharge on your electric bill. We had hoped the market would recover by the end of 2010, but we now forecast it will

remain low through the end of 2011.

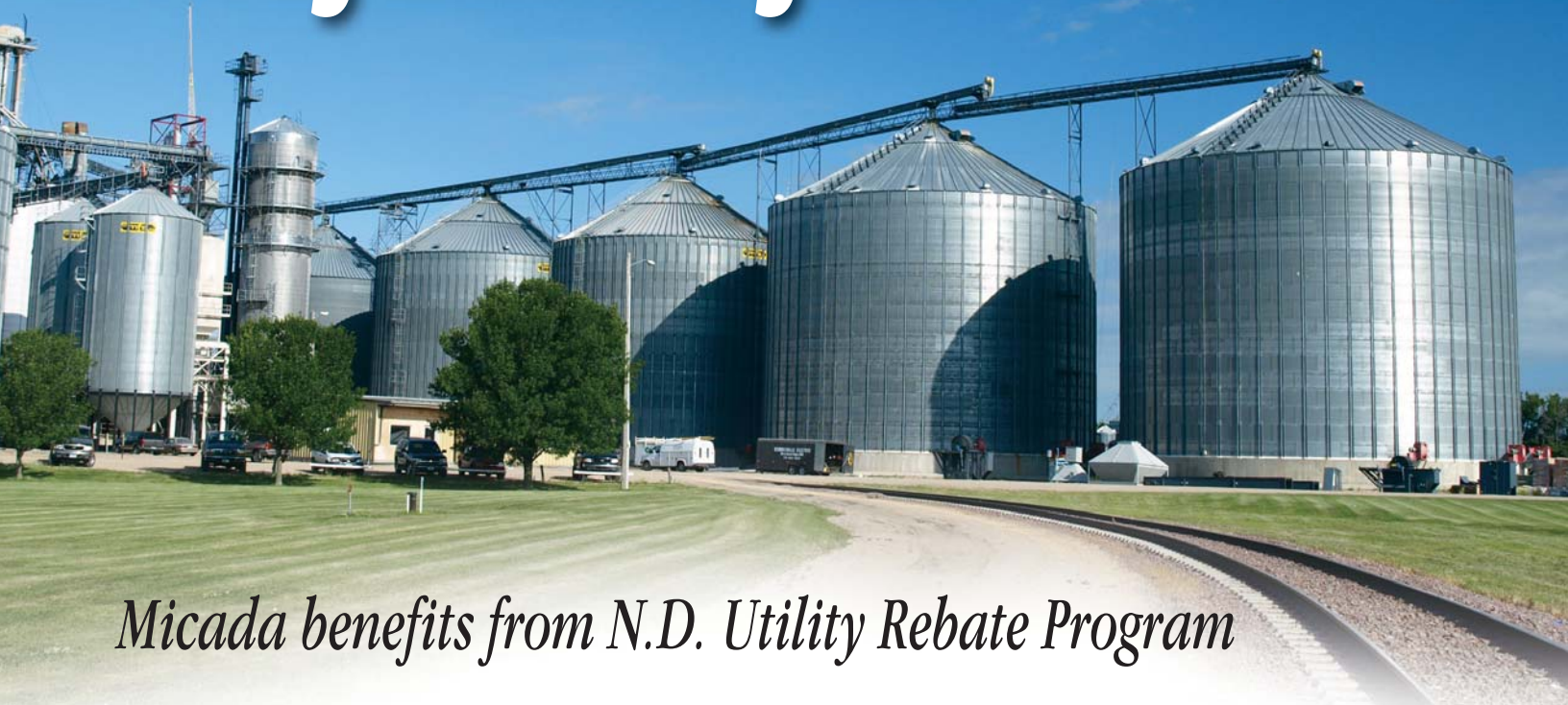
We can understand how frustrating it is to receive notification of an electric rate increase. We can assure you there is no pleasure in dealing with the costs that have been and will continue to put upward pressure on the cost of generating electricity.

While much of the cost increases are related to environmental requirements, we still have not been impacted with what might be coming down the road relative to reduced carbon emissions. This legislation, sometimes referred to as cap-and-trade legislation, will only further escalate the cost of generating electricity in this country. The only silver lining in the cloud is that we are still fortunate to live in North Dakota where electric rates continue to be among the lowest of any region of the country.

Wholesale Cost of Power vs. Retail Rate
Compared to year 2001



Going with the grain



Micada benefits from N.D. Utility Rebate Program

Surrounded by rich, productive farmland, it's no surprise Micada has its roots in the local agricultural scene. But with each passing harvest, the company has experienced growth that reaches well beyond its corner of Hope, N.D.

Micada specializes in the manufacturing of custom-built handling and storage equipment. Grain hopper bottoms and storage bins make up the bulk of its production numbers. About 1,000 hopper bottoms are produced each year. A hopper can be erected in conjunction with a new storage bin, or retrofitted to an existing structure.

General Manager Don Kosolofski says the company stays with each project from start to finish, a process that includes manufacture, delivery and installation.

"It doesn't matter if we're dealing with a single farmer or a major commercial account, we want to make sure that we're there to

make the process as easy as possible for the customer," Kosolofski said.

Micada works in all 50 states and has recently completed projects in Tahiti and Ukraine, which Kosolofski considers to be a "hot spot." He estimates 70 percent of the company's projects are completed within a 350-mile radius of Hope.

"Obviously there's a lot of potential here being so close to the Red River Valley," Kosolofski said. "But we're seeing growth all over."

Branching out

In addition to the hopper bottoms and storage bins, the company manufactures catwalks, leg towers, skid systems and bulk and weigh tanks. Kosolofski doesn't like to put a limit on Micada's product line, because it tends to expand with each project.

"Our niche is that we custom build everything," Kosolofski said. "Rarely do our engineers see the same kind of thing twice. It can be demanding at times, but it keeps it

exciting too."

Micada is nearing its 20th year in operation. The Hope location originally started as a branch of a Lancer, Sask., company, but was bought out and is now independently owned.

When Kosolofski opened, he started with three employees. Today, Micada has 45 year-round employees and hires about a dozen subcontractors. The company's manufacturing facility is comprised of three buildings and about 30,000 square feet. The largest building is used for massive grain hoppers and bins. The other adjacent buildings focus on towers, catwalks and other smaller projects.

"We have very high quality workers in our shop," Kosolofski said. "When you're custom building, you need that. We keep them pretty busy. Right now we're running a day shift and a partial night shift. We've added five new employees this year to keep up with our growth."

After the equipment has been

manufactured, Micada sends most of its products out by truck. The prefabricated structures require very little field labor, according to Kosolofski.

Finding savings

While operations at Micada have been busy recently, the timing couldn't have been better for the company to consider energy-efficient upgrades.

The North Dakota Utility Rebate Program offers residential and commercial co-op members cash rebates to promote energy efficiency and renewable energy in the state. Under this program, residential consumers have a \$5,000 limit and commercial consumers have a \$15,000 limit per utility customer.

Micada installed 78 high bay lighting fixtures that will result in \$6,201 in potential energy savings annually. The company applied for an energy efficiency rebate through Nodak Electric and the North Dakota Utility Rebate Program. Micada received \$5,680 to help cover the initial costs of the upgrade — the largest that has been acquired by a Nodak member thus far.

Money for the rebate is provided through the American Recovery & Reinvestment Act. The North Dakota Association of Rural Electric Cooperatives received a grant for \$2.4 million from the North Dakota Department of Commerce to promote renewable energy and energy efficiency. About \$2.1 million will be used directly for rebates. As of Aug. 30, remaining energy efficiency rebate funds total \$1,158,360 and renewable energy rebates total \$739,402.

“It was a great deal for us,” Kosolofski said. “We were pretty surprised. When we looked at the numbers, it was a no-brainer.”



Micada recently upgraded to new energy efficient lighting fixtures in its manufacturing areas through the North Dakota Utility Rebate Program.



Micada custom builds its entire product line, including hopper bottoms and bins, bulk and weigh tanks and high strength steel support systems.

Go green and save!

Take advantage of the savings available through the North Dakota Utility Rebate Program!

The North Dakota Association of Rural Electric Cooperatives has received nearly \$2.4 million in grants to provide rebates to co-op members who install energy-efficient heating and cooling systems and appliances. Both residential and commercial customers qualify. Contact Nodak Electric Cooperative or visit us online at www.nodakelectric.com for more information.

Fall burning

Fall will soon be here and with it comes the annual ritual of burning. Nodak Electric would like to remind our members to be safe with fire this fall.

When burning close to power poles, we suggest raking the debris away from the base. Trim away any large stocks that may have grown close to the pole as this will lessen the chance of catching the pole on fire or damaging pole grounds.

Members should use caution when burning close to any of our underground equipment. Heat from a fire can melt the exterior cover as well as the elbows and ground wires inside. Please contact our engineering and operations department if you have questions or concerns about burning close to any of our facilities.

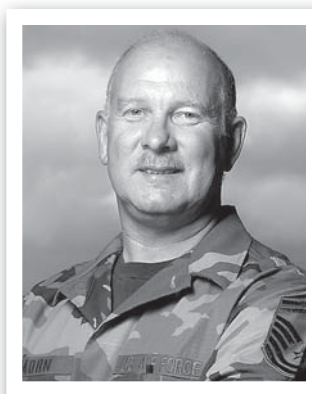
Mohn retires from National Guard

Gordy Mohn, Nodak tech crew foreman, retired from the National Guard after 38 years of service.

He joined the Guard in March of 1972 during the Vietnam War era where he spent the first six years of his career in aircraft mechanics, mostly working on 101 and F4 motors. He then transferred to the civil engineering division where he was an exterior electrician (lineman). He retired in December 2009 as Chief Master Sergeant.

Mohn was deployed 41 times during his career. He assisted with many of the Guard's humanitarian relief efforts, helping to build a school in Honduras, a hospital in Saint Kitts (located in the West Indies) and assisting with the recovery effort following Hurricane Katrina.

During his career, Mohn has been all over the world and met many wonderful people. Overall, he feels the Guard was a great experience.



Harvest in the Valley is under way and farmers are into one of the busiest times of the year. Long hours and dangerous working conditions are accepted as a normal part of the life of a farmer, but no one should become a statistic for the sake of getting done a day or two earlier. Below are some safety tips for farmers:

- Stay alert. Take breaks – get out of the cab and walk around every few hours.
- Know where your co-workers are. Visibility is poor around large machinery. Many deaths are the result of bystanders being run over or crushed between machines.
- Never trust hydraulic systems when working under a machine. Always use a safety prop if you must work under a header or other heavy machinery.
- Never step over a rotating PTO. A few extra steps to walk around the tractor isn't worth losing your life over.
- Shut down before working on a machine. If the combine becomes clogged, shut off the motor, not just the header, before attempting to unplug it by hand.
- Never stand on grain that is being moved. Every year people "drown" in grain carts and grain bins that are being emptied.
- Keep grain auger grates and shields in place.
- If you must move machinery on a roadway after dark, have working headlights and flashing front and rear warning lights.

Source: The NEBLINE Farm Views

Use portable generators safely



Many rely on backup electric generators for emergency power when the electricity goes out. If you are considering purchasing a backup generator, take proper safety steps before operating it in your home or business. Improper installation or use could be dangerous to you and your family, friends, neighbors and electric utility crews trying to restore service.

Properly connecting a generator into your system is critical for safe and effective use. A licensed professional should install a permanent standby electric generator.

Before you operate any standby or backup generator, make sure it has a transfer safety switch or that your power is cut off at the breaker box to prevent backfeed. Backfeed can be dangerous for crews working to restore power.

Some homeowners choose smaller, portable generators to power essential electrical equipment during outages. For safe operation of portable generators, keep the following safety tips in mind:

- Read and follow all operating instructions.
- Never plug a portable electric generator into a wall outlet or connect directly to a home's wiring. This can energize utility power lines and injure others.
- Electrical backfeed also can damage the generator and home electrical equipment.
- Make sure the generator is properly grounded.
- Don't overload the generator with more appliances than the generator is rated to handle.
- Use shop-type electrical cords designed for heavier outdoor use to connect appliances.
- Many generators are equipped with twist-lock connects to reduce accidental disconnections due to vibrations.
- Always keep the generator outside in a dry, protected area, away from windows or air intakes where deadly exhaust fumes can enter living spaces.
- Before shutting down a generator, turn off and unplug all appliances and equipment being powered by the generator.
- Turn off the generator and allow it to cool before refueling.

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I certify that all information furnished on this form is true and complete. I understand that anyone who furnishes false or misleading information on this form or who omits material or information requested on the form may be subject to criminal sanctions (including fines and imprisonment) and/or civil sanctions (including civil penalties).

World's most expensive dirt

Dust dollars off your energy bill by changing air filters regularly

The most expensive dirt in the world may lurk in your home's heating and cooling system. If neglected, dust collecting in the equipment's air filter could increase your energy bills hundreds of dollars every year and result in costly repair or replacement costs.

Dirty filters cause a system to work harder and break down faster. That's because unfiltered dust and grime work into critical parts, creating friction that causes unnecessary wear and, eventually, failure.

As you move around your home, you drive dust into the air from carpets, drapes and furniture. Pets generate dust particles by shedding, grooming and tracking in dirt from outside.

Regardless of where it comes from, dust trapped in a heating and cooling system air filter leads to several problems, including:

- Reduced airflow in the home and up to 15 percent higher operating costs.
- Costly duct cleaning or replacement.
- Lower system efficiency.

Every time a system with a dirty filter kicks on, the day of reckoning – total replacement – draws closer. To avoid this expense, change filters monthly when a system is in regular use. Discuss cleaning the unit and ductwork with your heating and cooling service professional.

While most types of filters must be replaced, a few filters are reusable. They are available in a variety of types and efficiencies, rated by a Minimum Efficiency Reporting Value (MERV). MERV, a method developed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, tests filter effectiveness. The higher the MERV number, the higher the filter's effectiveness at keeping dust out of your system.

To learn more about how to save energy around your home, visit www.TogetherWeSave.com.

