

# Nodak Neighbor

November-December 2007

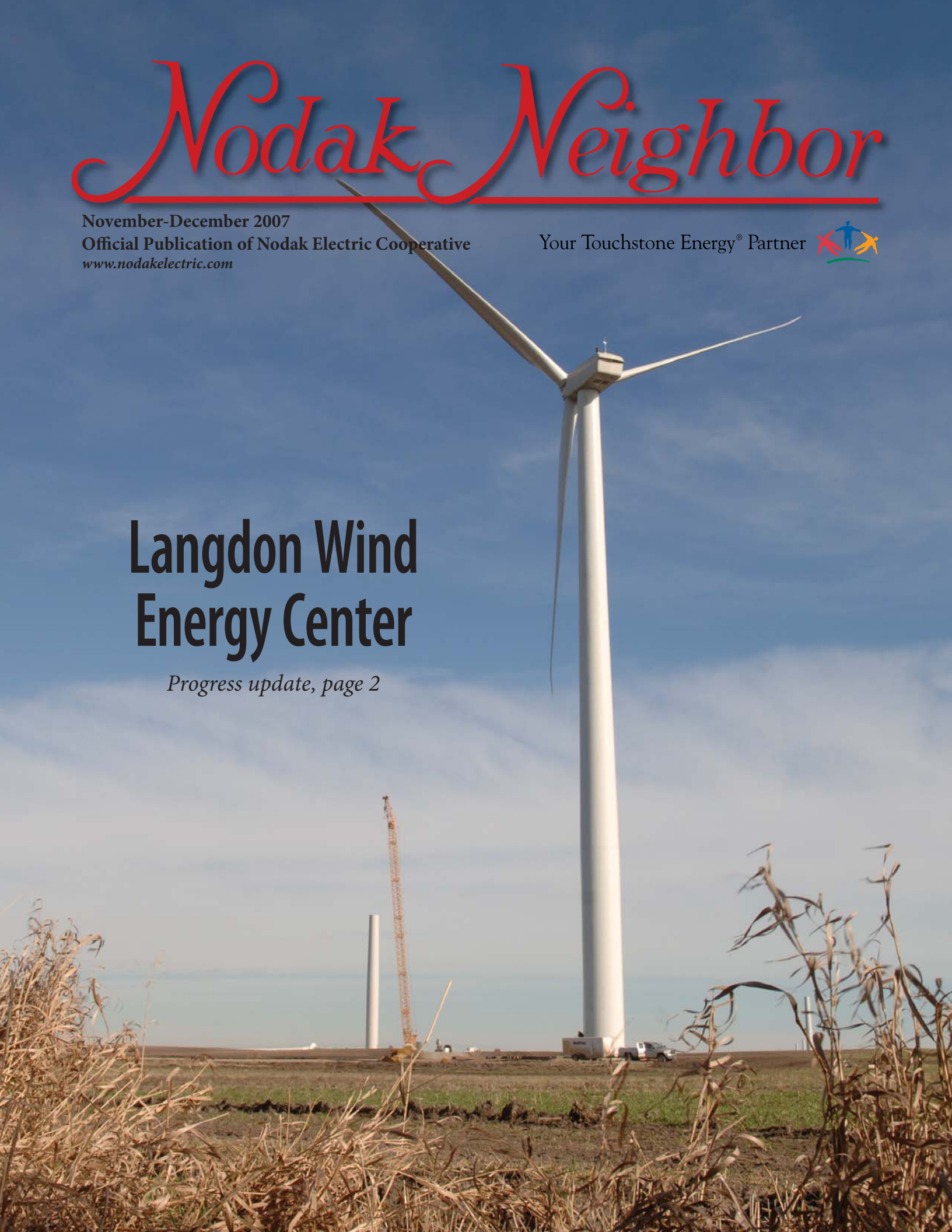
Official Publication of Nodak Electric Cooperative  
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## Langdon Wind Energy Center

*Progress update, page 2*



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Editor..... Troy Olson

## Helping out Northwood



David Kent, Nodak Electric Cooperative board member, presents a check to Richard Johnson, Northwood Mayor, on behalf of the Nodak membership. The Nodak board of directors approved a donation of \$5,000 to the Northwood relief fund.

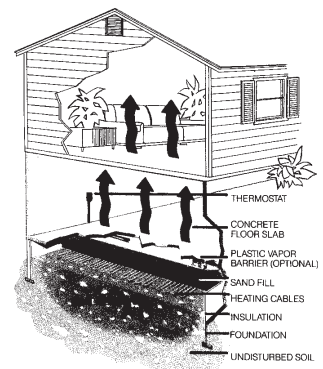
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### Underfloor heating cable repair service

If your floor heating cable is not working properly, call our Energy Services Department at 701-746-4461 or 1-800-732-4373. With more than 15 years of cable repair experience, Larry Zimmerman can diagnose and repair most systems and return them to service with minimal disruption to the slab.

Call today for more details on how we can help you get ready for the upcoming heating season.



### Langdon Wind Energy Center update

The Langdon Wind Energy Center continues to take shape south of Langdon, N.D. Our wholesale power supplier, Minnkota Power Cooperative, will be purchasing approximately 10 percent of Nodak Electric Cooperative's annual power requirements from this new facility once it is online near the end of December.

A total of 106 turbines will soon dot the prairie landscape. At press time, 39 tower base sections were set, 36 tower mid-sections were erected and 16 top sections were in place. Sixteen turbine-generators are installed. At the collector substation, steel work continues and the 34.5-kV rigid bus is being welded. Wiring to the first section of the switchgear building is being installed. Field wiring is being terminated.

The 10.2-mile-long interconnect transmission line, which connects the wind farm collector substation to the Langdon substation delivery point, is 100 percent complete. On the new 35-mile-long 115-kV transmission line being constructed from Langdon to Hensel, eight miles of poles are set, and 23.5 miles are framed.

The project is a joint effort between FPL Energy, Minnkota and Otter Tail Power.



*George Berg  
President & CEO*

## Off-peak heating program is still best heating option

If you are one of more than 5,500 Nodak members who heat your home with off-peak electricity, you are in better shape than most entering the heating season. Short of cutting and burning wood, it is pretty hard to find a lower cost heating alternative at this time.

If you have been taking advantage of our off-peak heating program for more than five years, you probably know that it was even better in the past. It's not that our rate for off-peak electricity is much higher today than in years past, but what you know is that the hours of control time are much greater now than prior to 2003.

During the upcoming heating season, you can expect to have load control and revert to your backup heating system between 300 and 375 hours. For the majority of our off-peak heating accounts, it makes little difference whether we control 50 hours or 500 hours during a heating season. If a dual heating system is working properly, a home should be just as comfortable when the backup system is operating as when the primary electric system is operating. The only difference is that the backup fuel – usually propane or fuel oil – may be more expensive than off-peak

electricity. This will cause the total heating bill for a home to be higher than in past years.

As we have reported frequently, the change in hours of control results from market forces out of the control of Nodak, or our power supplier, Minnkota Power Cooperative. Prior to 2003, in addition to having excess generating capacity, we also had the luxury of buying inexpensive power from the regional market. As a result, when load control would have been necessary, we instead bought affordable energy from the market. This was a win-win decision as we sold more energy to our off-peak customers, and they, in turn, used less fuel in their backup systems.

About this time of year, we are frequently asked if we are going to again have hundreds of hours of load control, or are we going to go back to the good old days? The good old days were, of course, when a customer could enjoy a low-cost, interruptible rate and yet have almost no interruption. We regret that the answer is that it is doubtful the regional market will ever allow us to return to that mode of operation.

My coined answer to many

individuals the past few years regarding load control is that our off-peak heating option isn't quite as sweet as it once was. Still, our off-peak heating program is probably the best option available for heating a home or business.

The price of fuel oil, propane and natural gas have all increased dramatically over the past five years. It is not uncommon to hear of people using these fuels

**“As it has been for decades, off-peak electric heat remains the best option with regard to both price and stability.”**

whose annual heating costs have doubled over this period. Our off-peak rate in contrast has increased only 16 percent over the same five-year period. As it has been for decades, off-peak electric heat remains the best option with regard to both price and stability.

# Winter load management

## Additional generation to red



**Out with the old, in with the new** – the existing integrated high-pressure/intermediate-pressure turbine rotor on Young 2 is removed from its inner casing. The new rotor will provide approximately 20 MW of additional production.

**T**he estimated hours of load control this heating season is down from last winter.

Despite moderate load growth on the system, the anticipated decrease in control hours is attributable to more generation being available this winter than a year ago, according to Todd Sailer, Minnkota Power Cooperative energy supply manager.

“We are estimating that off-peak electric heating customers of the Minnkota/Northern Municipal Power Agency (NMPA) Joint System will experience 300 to 375 hours of control in the 2007-2008 winter season,” he said.

There are three primary reasons why the estimate is not higher than last winter, despite the fact that demand is increasing and energy prices in the wholesale market are on the rise.

“The turbine project on Young 2 will provide us with approximately 20 megawatts (MW) of additional generation,” Sailer explained. “A second source of additional generation will come from the Langdon Wind Energy Center when it comes on line in January 2008. Minnkota will also have access to an additional 22 MW of production from Young 2 when the third of four options starts being delivered on Jan. 1, 2008.”

### **Down from last season**

The winter 2007-08 control hours estimate is considerably less than the 552 hours of control that were required last heating season.

During the first 10 days in February of 2007, two forced outages at baseload generating facilities occurred at a time when wholesale power costs were high and loads across the region were peaking.

# Reduce control hours

By Mike Nisbet  
Communications Supervisor  
Minnkota Power Cooperative

The combination of those factors made exercising load control measures the only economical option.

The cost of wholesale electricity on the open market, which is routinely above 5 cents per kilowatt-hour, is the primary factor in deciding when to purchase supplemental power or to initiate load management strategies.

The price of natural gas, which is the fuel used by much of the region's peaking generation facilities, has a significant influence on the cost of wholesale power. An escalated price of natural gas translates into a higher wholesale cost for the electricity needed to meet system demand.

## Reliable backups required

Off-peak customers who may be concerned about the anticipated 300-375 hours of load control need to ensure they have fully automatic, reliable backup heating systems in place and ready to operate this winter season.

"With a good backup heating system properly installed and maintained, off-peak customers should notice no temperature difference in their homes or businesses when their off-peak loads are being controlled," Sailer noted.

Off-peak customers receive a nearly 50 percent discount in their retail electric rates for maintaining backup heating systems that operate when electric floor heat, water heaters, furnaces and other interruptible loads are controlled.

Practicing load management allows Minnkota to maximize the use of its generating facilities and avoid as much as possible the purchase of higher-priced supplemental power from the wholesale marketplace. As a result, the load

management program benefits all 127,000 retail customers of Minnkota/NMPA-associated distribution systems.

"By controlling electric demand during high-use periods," Sailer said, "Minnkota's wholesale rates are kept affordable and the construction of new baseload generation just to cover peak demand is avoided."

A blend of primary off-peak electric heat with a fuel oil, propane or natural gas backup heating system is significantly less expensive than heating by fossil fuels alone.

"Off-peak electric heating," he said, "continues to be the most economical heating choice."

## An excellent value: off-peak electric heating

Off-peak electric heating remains the best option available for Nodak Electric Cooperative members this coming winter.

"Our off-peak rate remains low and stable, compared to the oftentimes volatile prices of other home or commercial heating options," explained Troy Olson, energy services manager.

Nationally, U.S. households that use fuel oil as their primary heating source will see higher winter heating bills. In comparison, those households depending on natural gas should see more stable costs than the past five years.

Average spending on home heating this winter is forecast to rise by 11 percent, driven primarily by increases in heating oil prices, according to the National Energy Assistance Directors' Association. Heating oil is derived from crude oil, which has been trading above \$80 a barrel, up 35 percent from about \$60 a barrel a year ago.

The American Gas Association said it expects natural gas bills to be more moderate this winter due to ample supplies, including record-high imports of liquefied natural gas. The gas association also noted that supplies of natural gas and prices are influenced by weather patterns.

Nationally, about 33 percent of U.S. households use electricity for heating, compared with 52 percent for natural gas, 8 percent for heating oil and 6 percent for propane, according to Census Department statistics.

# Three long-time employees retire from Nodak Electric in 2007

There are a large number of employees at Nodak Electric Cooperative eligible, or close to being eligible for retirement. This year, three of those eligible employees decided to do just that.

Don Heit, a 36-year employee of Nodak, retired as of March 31, 2007. Don started out his career as a line worker at Nodak, but also spent several years working in collections and meter reading. Don's latest position was as a lead line worker on the Grand Forks crew. Don's experience and knowledge of the Nodak distribution system will be missed.

Bill Lembke, a 33-year employee of Nodak, retired as of Sept. 28, 2007. Bill started out at Nodak as a member of the underground construction crew, but he eventually took over as the main fleet mechanic. He remained an electrical equipment operator even after moving into the shop. Bill was very familiar with all of Nodak's fleet, and his abilities will be missed. We wish Bill the best in his retirement.

Audrey Neva, a 35-year employee, announced that she will be retiring at the end of 2007. Audrey started working at Sheyenne Valley Electric Cooperative in 1972 and has been commuting to Grand Forks from Finley since the two cooperatives merged in January of 2001. Her primary responsibilities at Sheyenne Valley prior to the merger were



plant accounting and radio dispatch duties. At Nodak, Audrey worked in the accounting department to begin with and most recently has been primarily responsible for the dispatch functions. Audrey's knowledge of the distribution system and the accounting process, as well as her organizational skills, are just a few of the things that will be missed.

The Nodak Electric Cooperative board of directors and employees wish Don, Bill and Audrey a long and happy retirement. Thank you for your many years of loyal service to the cooperative.

Nearly half of the current Nodak employee group will be eligible to retire in the next five years. Some will stay on, but there will definitely be opportunities for employment in the coming years at your local electric cooperative.



## Quarterly Operation Round Up® meeting held

The Operation Round Up board held their regular quarterly meeting on Thursday, Oct. 11, at the headquarters building of Nodak Electric Cooperative. Chairman John Vaagene called the meeting to order at 1:30 p.m. Directors Bruce Ellertson, Sheryl Kjelland, Richard Lieberg, Maynard Messer, Hugh Ralston, John Vaagene and Roger Windjue were present. Also present was Nodak board chairman Douglas Lund.

John Vaagene and Hugh Ralston have each served two, three-year terms on the Operation Round Up board of directors. Since the bylaws restrict the directors to two terms, the Nodak Electric board of directors will be selecting replacements for both of these positions. The Nodak Electric board of directors appreciates the efforts of the Round Up board and would like to thank John and Hugh for their involvement over the past six years.

The board reviewed the financial report and discussed the fund balance available for dispersion. The applications were then reviewed, and the applicants listed at right were granted funding at the level stated. The Operation Round Up fund has distributed \$370,300 to individuals and projects throughout the Nodak Electric service area as of the end of this meeting.

Binford Economic Development.....	\$ 500
Cavalier Ambulance Service, Inc.....	500
Cavalier Recreation Dept. ....	500
Cavalier Senior Citizens.....	500
Community Violence Intervention Center .....	1,000
Mr. August Evers.....	1,500
Farm Rescue.....	500
Ms. Julia Hanson.....	1,500
Hatton/Northwood Schools .....	500
Home Delivered Meals.....	500
Kiddie Korner Preschool & Daycare .....	500
Mr. William Littlefield .....	250
Mr. Walker Martin .....	250
Mortar Board National College Senior Honor Society.....	250
Tri-County Crisis Intervention, Inc. ....	1,000
Walhalla Senior Center .....	500
WeeCare Child Development Center.....	500
Freedom Center.....	500
<b>Total .....</b>	<b>\$11,250</b>

# Beware the "magic" bullet when buying heater

If it sounds too good to be true, it usually is. Such may be the case with a 1,500-watt electric heater that is being promoted and delivered in the area. The heater is flaunted as a "new advanced" portable heater that can "cut your heating bill by up to 50 percent." It is characterized as an energy efficient device costing from \$300 to \$600 that will heat up to 1,000 square feet for just pennies a day.

Promoters are calling it a miracle infrared heater. But it is, essentially, simply a 1,500-watt electric resistance heater, meaning that it creates heat by using a heating element (in this case four 375-watt bulbs), which gets warm when power flows through it. Like any other electric resistance heater, it is 100 percent efficient. Like all electric heaters of the same wattage, it will produce 3,414 Btu/hour of heat

for every 1,000 watts it consumes.

According to Troy Olson, Energy Services Manager for Nodak Electric Cooperative, a 1,500-watt heater – no matter what the label – can be the sole heat source for an area up to 300 square feet. "As a rough rule, with electric heating (anything but a heat pump), you need 5 to 10 watts of heating capacity for every square foot of floor area," he says. "As a supplemental heat source, the area can be much larger."

The October issue of *Consumer Reports* compared these heaters to other commonly sold units. The results of the side-by-side comparisons are very interesting. You may want to look further before you spend more than necessary on a space heating product.

## PURPA hearing

The board of directors of Nodak Electric Cooperative, Inc. held a hearing on June 12, 2007, to receive evidence regarding the adoption and implementation of five federal standards for consideration under Title 1 of the Public Utility Regulatory Policies Act of 1978, as amended by the Energy Policy Act of 2005, Subtitle E. The findings, determinations and conclusions of the board as a consequence of the evidence submitted at the hearing are available at the Cooperative's Web site at [www.nodakelectric.com](http://www.nodakelectric.com). Copies of the findings, determinations and conclusions may also be obtained, upon request, from the Cooperative at 701-746-4461.

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# Holiday Greetings

*Nodak's office will be closed  
for the following holidays:*

## **THANKSGIVING**

**Thursday & Friday, Nov. 22 & 23**

## **CHRISTMAS**

**Monday & Tuesday, Dec. 24 & 25**

## **NEW YEAR'S DAY**

**Tuesday, Jan. 1**



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