

The Nodak Neighbor

January/February 2012

Official Publication of Nodak Electric Cooperative
www.nodakelectric.com

Your Touchstone Energy® Partner



Off-peak heating for
Energy efficient shops

Pages 6-7

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David Hagert, Doug Lund,
Lee McLaughlin and Paul Sigurdson
President & CEO Mylo Einarson
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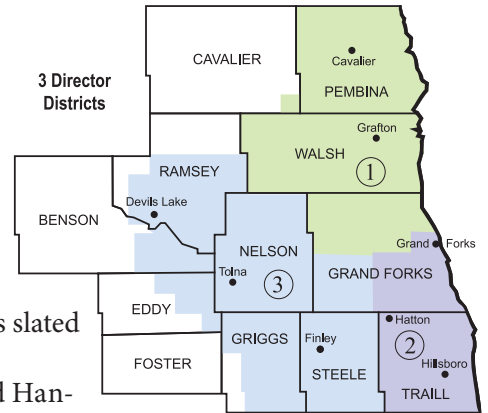
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Three director positions open

Nominating committee members appointed

The board of directors has appointed the committee on nominations. At its meeting scheduled for 10 a.m. Thursday, Feb. 9, 2012, at the Nodak headquarters building, 4000 32nd Ave. S., Grand Forks, the committee shall prepare and post a list of nominations for the director positions slated for election.

Committee members are: Richard Hanson, McVile, 332-4796; Lawrence Kadlec, Pisek, 284-6289; Valerie Krogstad, Hatton, 847-3019; Paul Klose, Hoople, 894-6266; Julie Lemm, Hillsboro, 636-5465; Harvey Puppe, Hensel, 257-6847; Glenn Rethemeier, Larimore, 343-2668; Paul Retzlaff, Aneta, 326-4235; and Phil Sandford, Michigan, 259-2434.



Three director positions open

Three director positions will be open at the annual meeting on March 31, 2012. The directors whose terms expire in 2012 are:

- District 1 – Paul Sigurdson**
- District 2 – David Hagert**
- District 3 – Doug Lund**

Nomination by committee

If you are interested in being nominated or would like to nominate an individual, you may contact one of the committee on nominations' members.

Nomination by petition

Nominations may also be made by petition signed by at least 15 cooperative members. The signed petition must be received at Nodak's headquarters by Feb. 15 in order to verify nominee qualifications and allow sufficient time for voting by mail.



Blaine Rekken
Customer/Energy
Services Manager

Nodak promotes Rekken to customer/energy services manager

Blaine Rekken will serve as Nodak Electric Cooperative's new manager of customer and energy services. He has worked for Nodak since 1990. Rekken will replace Duane Hafner, who has retired after 44 years of service at Nodak.

A native of Kindred, N.D., Rekken holds a degree in agricultural mechanization from North Dakota State University, as well as majors in economics and business administration. He, his wife and two children live on a farmstead near Mayville.

On the cover: Jeff Prudhomme utilizes off-peak electric heating in his new shop near Grand Forks. He installed a 15-kW electric boiler that qualifies for a discounted rate under the program. To learn more about off-peak heating, see story on pages 6-7.

New leader at Nodak

Einarson selected as CEO



There's a new face at Nodak Electric Cooperative, but he's no stranger to the organization.

Mylo Einarson became the president & CEO of Nodak in December following the retirement of George Berg. Einarson joined the cooperative after nearly two decades as city administrator in his hometown of Grafton, N.D.

"I am really excited about the opportunity to join Nodak," Einarson said. "I've always had a passion for the electric utility industry. I look forward to working with the board and the employees to provide the same level of service the membership has come to expect."

As city administrator, Einarson advised the mayor and city council on all facets of government and operations, supervised municipal employees, developed annual operating budgets and established electricity rates.

"I've always gravitated toward

the electrical side of the business," Einarson said. "It's my passion. To be able to pursue that passion full time is what drew me to the Nodak position."

Einarson has represented Grafton on the Northern Municipal Power Agency (NMPA) board since 1993 and was selected president in 1999. He has since held a position on the board of directors of Minnkota Power Cooperative. Einarson has worked closely with Nodak staff and directors in these positions, assisting in business planning, risk identification and budget and rate development.

"I think that experience will prove to be a tremendous help," Einarson said. "I've had the opportunity to look at the challenges that we're

facing from both the wholesale side of the business and from the retail side."

Einarson pointed to new rules and regulations as a big challenge the organization faces.

"There are some major challenges we'll face in the coming years related to environmental regulations," Einarson said. "Regional Haze is a big issue right now, but there are other regulations on the horizon that have the potential to significantly impact our rates. We need to ensure that we're doing everything we can to provide the best energy value to our members."

Einarson graduated from the University of North Dakota with a bachelor's degree in accounting. He is a certified public accountant (CPA).

"I'm a proud UND grad and a strong supporter of the university,"

Einarson said.

"I'm at UND hockey games all the time. Now I won't have as far to drive."

In his spare time, Einarson enjoys being with his two children. His hobbies include golf, hunting, fishing,

playing guitar and painting.

Einarson sees his new position as a chance to continue to serve the area where he grew up.

"I've been in this area my whole life," Einarson said. "I love the Red River Valley and North Dakota. This is my home." □

"I look forward to working with the board and the employees to provide the same level of service the membership has come to expect."

—MYLO EINARSON
new Nodak president & CEO



Changes mark new year

*Mylo Einarson
President & CEO*

With my first entry in *Perspective*, I'd be remiss if I didn't take a few lines to extend a heartfelt "thank you" to George Berg for his 37 years of service to Nodak. George worked tirelessly over the years to ensure that our members received reliable, safe electricity at the lowest price possible and for that we are all very grateful. I want to wish George good luck in his retirement from all of us here at Nodak. It's been well deserved.

In the November 2009 issue of *The Nodak Neighbor*, your then President & CEO George Berg announced the addition of a 0.5 cent per kilowatt-hour surcharge on all retail rates. That surcharge was a direct pass-through of a 0.5 cent per kilowatt-hour surcharge from our power supplier, Minnkota Power Cooperative.

You may not recall, but as George explained in his article, that surcharge was necessary to offset significant losses Minnkota was experiencing due to its investment in renewable energy. Minnkota is subject to a renewable energy mandate in the state of Minnesota and a renewable energy objective in the state of North Dakota.

To meet these new renewable energy goals, Minnkota entered into 25-year agreements to purchase wind energy from large wind farms near Langdon and Valley City, N.D. While it was necessary to secure this renewable energy to meet the mandates, only

a small amount of the electricity generated is actually used to meet our member needs. The balance of this energy is sold into the regional markets at somewhat unpredictable prices. Prior to 2009, much of this excess power could often be sold at a profit, which helped to keep our rates low. Since the economic downturn, Minnkota has been forced to sell the excess power at a significant loss, in many cases for less than half of the contracted price to purchase the energy. For the past two years, the 0.5 cent surcharge has been used to offset those losses.

The good news I have to share with you is that at the December meeting, the Minnkota board of directors set in motion a reduction of the 0.5 cent surcharge to 0.3 cents effective now until March 2013. Your Nodak board of directors quickly followed suit and reduced the surcharge you will see on your monthly bill to 0.3 cents as well.

While this is a modest decrease, it is welcome news. For someone using 1,500 kilowatt-hours per month, this will result in a reduction of \$3 to their monthly bill. An electric heating customer using 20,000 kilowatt-hours will see

a reduction of \$40 in their annual heating costs.

At this time, it is still unclear if any other adjustments will have to be made to our retail rates for 2012. We are hopeful that with the projected growth in sales and no unexpected expenses, we can avoid the need for a rate increase this year. As you can probably imagine, a warm dry December and record

high temperatures in the first part of January make meeting those projections difficult. These relatively balmy winter conditions can result in lower-than-projected revenues and a higher wholesale power cost per kilowatt-hour.

Your Nodak board and staff are closely

monitoring the situation and are committed to doing our part to keep expenses in line. A decision will be made in the next couple months about what we'll have to do with our rates, but Mother Nature will undoubtedly have a great deal of input into that decision. Until then, enjoy the warm winter and the lower monthly bills.

"The good news I have to share with you is that at the December meeting, the Minnkota board of directors set in motion a reduction of the 0.5 cent surcharge to 0.3 cents effective now until March 2013. Your Nodak board of directors quickly followed suit and reduced the surcharge you will see on your monthly bill to 0.3 cents as well."



Winter safety

Winter increases the potential for house fires and other threats such as carbon monoxide poisoning, but they can be prevented by taking a few simple precautions. The following fire safety tips can help you maintain a fire-safe home this winter:

- ✓ Never use ovens, ranges and grills as a primary or supplementary heating device. They may overheat and cause a fire, and can produce deadly fumes.
- ✓ Install carbon monoxide detectors in every home to warn of deadly gas levels.
- ✓ When using a space heater, never use an extension cord. Never hang items to dry above the heater and never leave the space heater unattended.
- ✓ Make an escape plan that shows two ways out of every room and have everyone practice the plan before an emergency strikes.
- ✓ Test your smoke alarm at least monthly by pushing the test button or by blowing smoke into the detector. Vacuum out the alarm at least once a year and make sure to replace the battery twice a year.
- ✓ Inspect and clean your chimney annually before each heating season, especially if it has not been used for some time.
- ✓ Never burn charcoal indoors. Burning charcoal can give off lethal amounts of carbon monoxide.

Source: www.usfa.fema.gov

Did you know?

Did you know you can run a test at home for energy loss?

Most homeowners know that air infiltration through windows and doors is one of the leading causes of energy loss. However, many of these same homeowners probably don't know how to check if their windows and doors are leaking or not. To help save energy, try these three simple tests to check the tightness of windows and doors:

1. Place a dollar bill between the door and the door frame or between the window sash and sill. With the door or window closed, attempt to remove the dollar bill, if it slides out easily, you are losing energy.
2. Shine a flashlight around the edges of your door at night. If you can see light from the other side, you are losing energy.
3. Swipe a moist hand around the edge of your doors and windows. If you feel a draft, you are losing energy. This test works best on cold, windy days.

If any of the doors or windows fail these tests, the best low-cost option would be to install a new threshold, door sweep or new door jamb weatherstripping. For windows, adding weatherstripping and caulking around windows, or installing low-cost plastic sheets over windows will help prevent energy loss.

Source: weatherizationsource.com and energysavers.org



Energy saving tip:

Do space heaters really save?

Space heaters can add significantly to your monthly electric bill. A 1,000- to 1,500-watt electric space heater will consume anywhere from 1.0 to 1.5 kilowatt-hours (kWh) per hour. When space heaters run day and night, the costs add up.

For example, a 1,000-watt space heater operating for 12 hours per day at a power cost of \$.094 per kWh adds \$33.84 more to a monthly electric bill. A 1,500-watt space heater running for the same amount of time adds more than \$50.76 each month. Using space heaters instead of centralized, more efficient heating units may increase the overall energy cost of heating.

If space heaters are used sparingly and safely, they can ultimately allow a consumer to use less energy than just central heating. This is because a centralized unit is designed to heat all the rooms to a thermostatically checked temperature. If a homeowner only wants a certain room or area warmer for a short period of time, it may prove more economical to use a small space heater. Do not operate any plug-in style space heater unattended.

However, any space heater costing more than \$75 will eat up any energy savings. As far as the meter is concerned, 1,500 watts will produce the same amount of heat regardless of whether it comes from a \$400 space heater or a \$40 unit.



A new farm shop is under construction at LeClerc Farms near Oakwood, N.D.

Off-peak heating for Energy efficient shops



By installing a 62-kW electric boiler in his new shop, Ernie Vettel of Caledonia, N.D., is set to enjoy a warm workspace and Nodak's low off-peak electric heating rate.

Two of the most important factors when designing a farm shop for energy efficiency and comfort are a properly insulated structure and a well-designed heating system. Most farm shops built today are planned with daily use in mind, for summer and winter months. To be useful in the winter, more customers utilize hydronic (hot water) floor heating, where the piping is either tied to the rebar in the concrete or buried in the sand under the slab. Under floor heating allows for a more evenly heated space, provides for long-term heat retention, warms the surrounding surface faster and dries wet floors more quickly.

When planning a farm shop, don't compromise on insulating the foundation and structure. Ideally, it is best to insulate the

slab perimeter and foundation to a depth of 4 feet with 2-inch polystyrene insulation with an R-value of 10 or 12. This measure will prevent heat from migrating around and under the slab. Insulation installed under the slab floor will cause the floor to warm up more quickly, but no insulation will allow for a greater heat reservoir to draw from for extended outages or load control. Walls should be insulated to R-values of 15-20 and for ceilings an R-value of at least 30 (or higher if desired). It is important to also install a vapor barrier of 6-mil polyethylene between the inside wall or ceiling panels and the insulation to keep moisture out of the insulation. Doors should be insulated with an R-value of 10.

Placement of the doors and windows can also affect the

overall energy efficiency of the building. Large overhead doors should be located to face away from prevailing winter winds, which are typically from the northwest in our area. Windows should be minimal to reduce conductive heat losses and face south to maximize the amount of sun exposure for radiant heat in the winter and minimize the heat gain during the summer.

Designing a properly sized heating system depends mainly on the heat loss of the structure. Total heat loss can be estimated by considering such factors as the R-value of the structure, how long the doors are open, air leaks (air exchanges), the physical size of the building and operating temperature. Knowing the total heat loss in Btu/hour will determine the size of the boiler needed for the floor heat and the size of any quick recovery heater needed when the doors have been opened. Approximate heating system

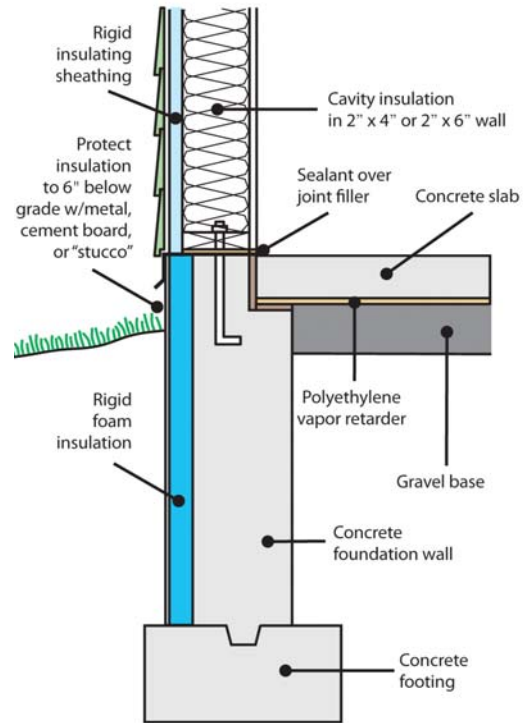
sizes can be 50 Btu/hour per square foot of shop floor area; however, an accurate heat loss calculation will further refine the heat requirement. Ceiling fans properly spaced can move warm air to lower areas.

A shop heated to 55 or 60 degrees is quite comfortable. To maintain those temperatures, the floor is 15 to 20 degrees warmer, accounting for building losses. Setting the temperature higher can cause discomfort.

Nodak Electric offers an attractive off-peak rate of \$0.0515/kWh for electric controlled floor heating systems. The underfloor heat acts both as a primary and backup heating system so no additional heating appliances are necessary. If you are interested in installing electric floor heat in your farm shop, call Nodak's energy services department.

Source: R-value and operating degree information from Iowa State University Extension and Outreach, Publication PM 2089P August 2011.

EXTERIOR SLAB-ON-GRADE INSULATION



Foam boards are the most common form of exterior slab-on-grade insulation. The above grade portion must have UV and structural protection.

Source: A Builder's Guide to Residential Foundation Insulation, by Joseph E. King and Gene Meyer, Kansas State University, fall 1999.

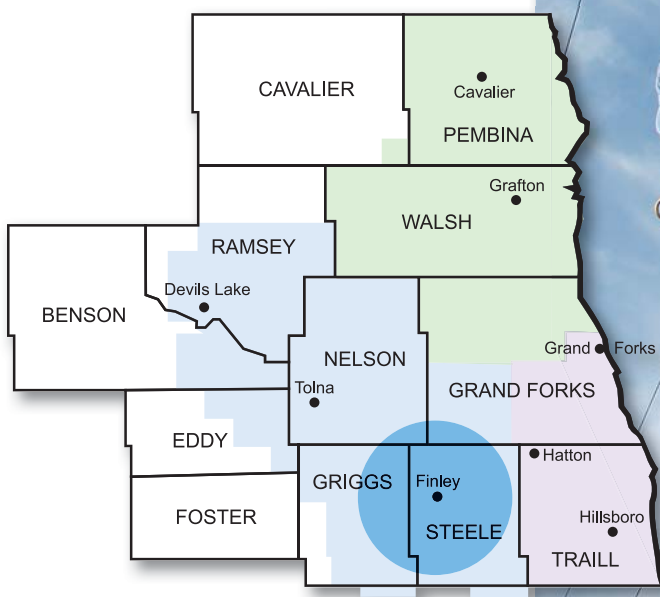
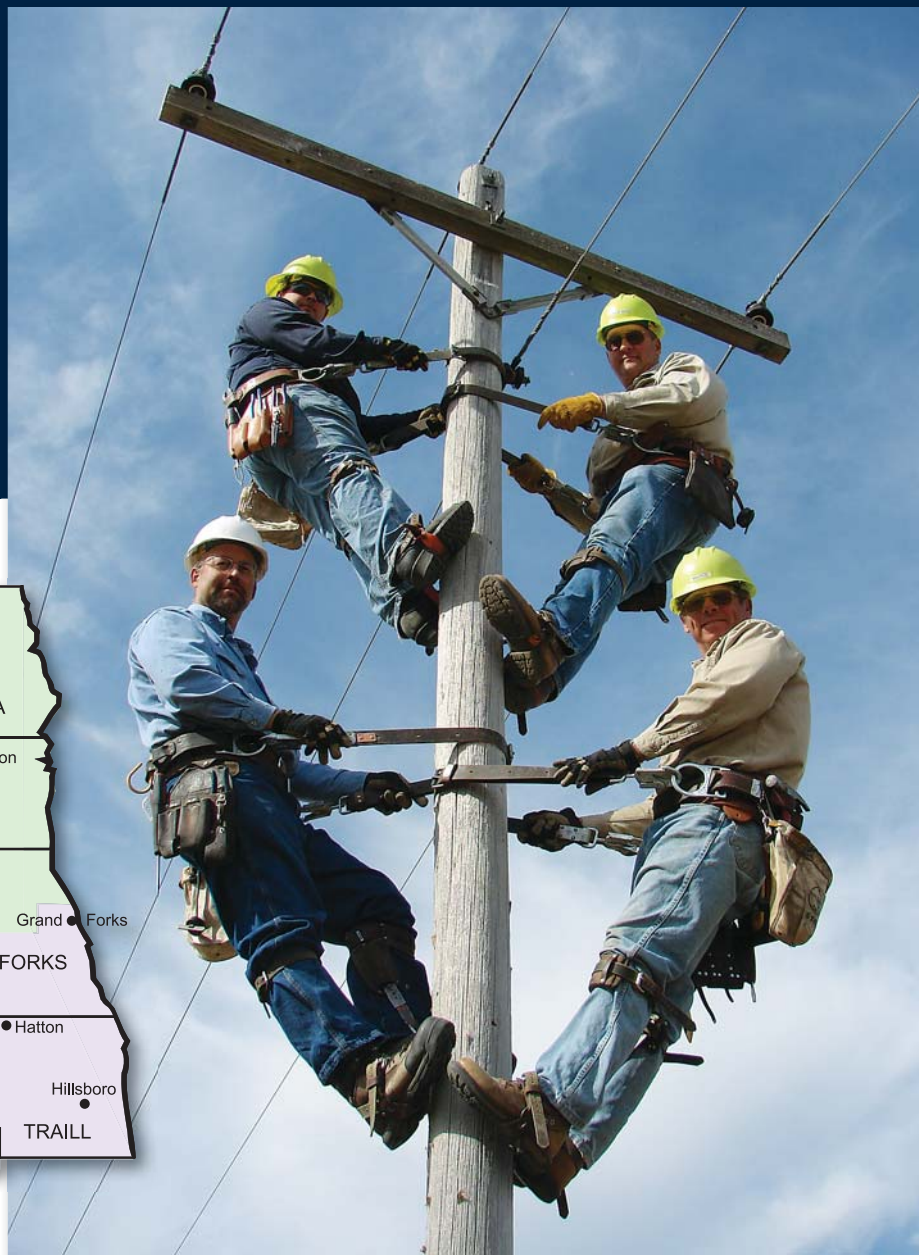


A well-insulated shop is one of the most cost-effective ways to cut energy costs and help heating systems operate more efficiently, as shown in the LeClerc shop.



The Vettel shop uses spray foam ceiling insulation to reduce heat loss and keep work areas at a comfortable temperature.

Meet your Finley crew



Finley crew – (top, from left) Chris Hovland, apprentice journeyman lineman; Dave Brag, district crew foreman; (bottom, from left) Jeff Sloan, lead lineman; and Maurus Karboviak, journeyman lineman.