

# Nodak Neighbor

January-February 2009

Official Publication of Nodak Electric Cooperative  
[www.nodakelectric.com](http://www.nodakelectric.com)

Your Touchstone Energy® Partner



101 Low-Cost /No-Cost  
Home Energy-Saving Measures

pages 4-7



Touchstone Energy®  
Cooperatives

# Nodak Neighbor

Official Publication of the  
Nodak Electric Cooperative, Inc.

746-4461 or 800-732-4373

[www.nodakelectric.com](http://www.nodakelectric.com)

The Nodak Neighbor (USPS 391-200) is published seven times a year, Feb., March, April, June, August, Oct. and Dec. for \$1.00 per year by the Nodak Electric Cooperative, Inc., 4000 32<sup>nd</sup> Ave. S., Grand Forks, N.D. 58201-5944. Periodicals postage paid at Grand Forks, N.D., and additional mailing offices. POSTMASTER: Send address changes to NODAK ELECTRIC COOPERATIVE, INC., P.O. Box 13000, Grand Forks, N.D. 58208-3000.

Volume 59, No. 1  
January-February 2009  
Officers and Directors

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Vice Chairman . . . . . David Kent  
Secretary/Treasurer . . . . . Steven Smaaladen  
Directors . . . . . Donna Grotte, David Hagert,  
Doug Lund, Lee McLaughlin,  
Paul Sigurdson and Harvey Tallackson  
President & CEO . . . . . George Berg  
Editor . . . . . Duane Hafner

## Table of contents

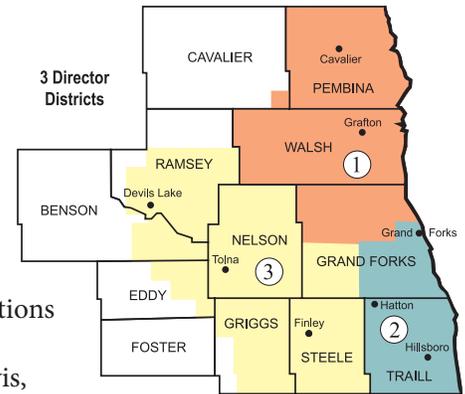
**Three director positions open.** . . . page 2  
**E-billing** . . . . . page 2  
**Property tax reform our top priority** . . . . . page 3  
**101 Low-Cost, No-Cost Home Energy-Saving Measures** . . . pages 4-7  
**A closer look at your 2009 electric bill** . . . . . pages 8-9  
**Notice of hearing to consider the adoption of standards under the Energy Independence and Security Act of 2007.** . . . . . page 10  
**AMR update** . . . . . page 11

# 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. Tuesday, Feb. 10, 2009, at the Nodak headquarters building, 4000 32<sup>nd</sup> Avenue South, Grand Forks, the committee shall prepare and post a list of nominations for the director positions slated for election.

Committee members are: Tony Davis, McVile, 322-4381; Bruce Jacobson, Finley, 524-1901; Lawrence Kadlec, Pisek, 284-6289; Kent Krogstad, Hatton, 847-3019; Julie Lemm, Hillsboro, 436-5465; Kit Midgarden, Hoople, 894-6145; Harvey Puppe, Hensel, 257-6847; Glenn Rethemeier, Larimore, 779-3222; and Paul Retzlaff, Aneta, 326-4235.



## Three director positions open

Three director positions will be open at the annual meeting on April 4, 2009. The directors whose terms expire in 2009 are:

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

\* The cooperative bylaws limit the number of directors from one county in a district to two. Since Nodak presently has two incumbent directors from Walsh County, no one is eligible from Walsh County in 2009.

## 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. 18 in order to verify nominee qualifications and allow sufficient time for voting by mail.

## E-billing We now accept MasterCard, as well as Visa!

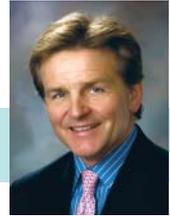
E-billing is an online tool, which allows you to view and pay your bill through the Internet. To learn more about the E-bill option, visit our Web site at [nodakelectric.com](http://nodakelectric.com). Click on "Programs and Services," and then select "E-bill." If you are interested in using the E-bill option, just follow these 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](mailto:nodak@nodakelectric.com).

# Property tax reform our top priority

*This editorial is from the January issue of "North Dakota Living" magazine. Dennis Hill, editor in chief of North Dakota Living, is executive vice president and general manager of the North Dakota Association of Rural Electric Cooperatives, headquartered in Mandan.*



**Dennis Hill**  
General Manager  
North Dakota Association  
of Rural Electric Cooperatives

As the 2009 legislative session begins, we know property tax relief and energy development policies will be among the top priorities on the legislative agenda. These issues are also very important to your electric cooperatives. During the 2009 state legislative session, we're going to ask lawmakers to adopt a property tax reform plan for the state's electric cooperatives that will provide tax fairness for local taxing districts and co-ops and encourage development of energy infrastructure.

The reform plan changes the way co-ops pay tax on wind and other non-coal generation facilities they own, changes the formulas used to determine co-op property taxes on electric distribution and transmission facilities, and modifies how property tax revenues are distributed to local taxing districts, such as counties, cities and school districts.

## How electric utility property is currently taxed

The state's electric utilities are taxed differently from other property taxpayers. Electric co-ops primarily pay formula-based taxes in lieu of property taxes, while investor-owned utilities (IOUs) pay a combination of in lieu and centrally assessed property taxes. For example, both co-ops and IOUs pay a conversion tax on their coal plants in lieu of property taxes. The conversion tax is based on the size of the plant (capacity tax) and its output (production tax). Likewise, co-ops and IOUs pay a tax per mile of line on newer high-voltage transmission lines.

That's where the similarities end. The primary property tax paid by our co-ops on their electric infrastructure is a 2 percent gross receipts tax. The gross receipts tax applies to most non-coal generation income, and to transmission, distribution and other revenues. Gross receipts tax revenue is distributed to taxing districts according to the miles of power lines a co-op has in each local taxing district.

## Key provisions of proposed tax plan

The proposed property tax reform plan has the following key provisions:

- The plan is mandatory for all electric co-ops. IOUs also have an opportunity to be taxed under the plan at their option.
- Wind and other non-coal generation facilities are taxed on the basis of capacity and production in a manner similar to the current coal conversion tax, which won't change.
- All transmission is taxed on a line mile basis, with tax rates increasing with the voltage of the lines. The tax rates start at \$50/mile for the smallest transmission lines and increase to \$600/mile for the largest lines. A declining five-year tax exemption currently provided only for high-voltage transmission lines is expanded to encourage building needed transmission lines of all sizes.
- Distribution facilities will be taxed based on kilowatt-hours sold rather than based on 2 percent of revenue. This means that taxes increase with increased use of electricity, but not automatically because of rate increases.
- Half the distribution taxes are allocated to taxing districts based on distribution line miles in a taxing district and half the taxes are distributed based on sales in each taxing district.

## Why the changes

Legislative committees and your electric co-ops have been studying variations of this tax reform plan for more than a decade. All previously studied proposals required both co-ops and IOUs to be under the same property tax system. While this may be the ideal public policy in theory, the reality is that it is very difficult to achieve consensus on such a comprehensive approach. Therefore, this plan provides flexibility for the IOUs to determine whether to join this plan or not while being fair to taxing districts. We believe it will also be easy to administer, transparent, and uniform in its application to those who are covered by the plan.

When there are different property taxes for businesses performing the same function, tax disparities can arise. This has been the case in the electric utility industry in North Dakota. This plan helps to address these disparities. The Legislature will consider broad property tax relief this session that could result in reduced local mill levies for those taxed on an assessment basis. This type of property tax relief will benefit the IOUs, but do nothing to address the increasing property taxes paid by electric co-ops. Without tax reform, as co-ops increase electric rates to meet rising costs, our property taxes (based on 2 percent of gross receipts) will continue to rise.

Already, co-ops pay about \$8 million/year in property taxes on their transmission and distribution facilities. This is substantially more than the combined IOU property taxes. This creates an uneven tax burden for our co-op customers who ultimately pay these taxes through their rates. In fact, we estimate that co-ops on average pay one-third more than the IOUs as a percentage of retail sales.

This disparity will only widen if something is not done to address it. This proposed reform plan will help restore some parity to the level of property taxes that utilities pay in the state. More importantly, switching from a percentage revenue tax to based on units of energy sold will assure that co-op property taxes do not go up with each rate adjustment.

We also think our local governments that rely on our property tax revenue should be treated fairly. There are tax equity and allocation problems in our current tax system that this tax plan will correct.

In particular, this plan will ensure that co-ops pay taxes fairly to both the rural and urban taxing districts we serve.

Finally, we think the new generation taxes proposed in this plan will provide stable revenue for local taxing districts and fill a void in current co-op tax law that must be addressed.

We look forward to your support of this tax plan. It is the single most important legislation your co-ops will advance this year in the Legislature. Through the legislative session, we'll be providing updates about the progress of this property tax reform plan as well as other legislation affecting our cooperative customers. To stay informed, please check out the legislative section of our Web site at [www.ndarec.com](http://www.ndarec.com). We will update this section daily throughout the session.

# 101 Low-Cost /No-Cost Home Energy-Saving Measures



*Your Touchstone Energy<sup>®</sup> cooperative has compiled this list of low-cost/no-cost energy-saving measures to help you better manage your home's energy costs.*

## Water heating

1. Set water heater temperature no higher than 120° F.
2. For households with one or two members, a 115° F setting may work fine.
3. Install water heater wrap per manufacturer's instructions.
4. Drain 1-2 gallons from bottom of water heater each year to reduce sediment buildup.
5. Install heat traps on hot and cold water lines when it's time to replace your water heater.
6. Insulate exposed hot water lines.
7. Limit shower length to 5-7 minutes.
8. Install low-flow shower heads.
9. Fix dripping faucets.
10. Don't let water run while you are shaving.
11. Don't let water run while brushing your teeth.



## Laundry

12. Wash clothes in cold water. Use hot water only for very dirty loads.
13. Do only full laundry loads.
14. If you must do smaller loads, adjust the water level in the washing machine to match the load size, especially when using hot water.
15. Always use cold-water rinse.
16. Use bath towels at least twice before washing them.
17. Clean your dryer's lint trap before each load.
18. Make sure that the outdoor dryer exhaust door closes when dryer is off.
19. Verify dryer vent hose is tightly connected to inside wall fitting.
20. Check that the dryer vent hose is tightly connected to dryer.
21. Make sure dryer vent hose is not kinked or clogged.
22. Minimize clothes drying time; use moisture sensor on dryer if available.
23. Dry consecutive loads to harvest heat remaining in dryer from last load.
24. Consider using a "solar-powered" clothes dryer, an old-fashioned clothesline.



## Kitchen

25. Use your refrigerator's anti-sweat feature only if necessary.
26. Switch your refrigerator's power-saver to "ON," if available.
27. Clean refrigerator coils annually.
28. Set the refrigerator temperature to 34° - 37° F and freezer temperature to 0° - 5° F.
29. Ensure gaskets around door seal tightly.
30. Unplug unused refrigerators or freezers.
31. Use microwave for cooking when possible.
32. When cooking on the range, use pot lids to help food cook faster.
33. If you are heating water, use hot tap water instead of cold.
34. Remember to use the kitchen exhaust fan when cooking and turn it off after cooking.
35. Let hot food cool before storing it in the refrigerator.
36. Rinse dirty dishes with cold water before putting them into the dishwasher.
37. Use cold water for garbage disposal.
38. Only run dishwasher when fully loaded.
39. Use air-dry cycle instead of heat-dry cycle to dry dishes.



## Lighting

40. Replace any light bulb that burns more than one hour per day with its equivalent compact fluorescent bulb.
41. Turn off unnecessary lighting.
42. Replace outdoor lighting with its outdoor-rated equivalent compact fluorescent bulb.
43. Use fixtures with electronic ballasts and T-8, 32-Watt fluorescent lamps.
44. Use outdoor security lights with a photocell and/or a motion sensor.



## Miscellaneous

45. Turn computers and monitors off when not in use.
46. Make sure electric blankets are turned off in the morning.
47. Turn waterbed heater off when not needed.
48. Turn large-screen TVs off completely when not in use.
49. Turn off stereos and radios when not in use.
50. Remember to turn off hair curling irons and hot rollers.
51. Turn off coffee makers when not in use.
52. Turn off pool pump and/or heater when not needed.
53. Verify livestock water tank heaters are off when not needed.
54. Make sure heat tape is off when not needed.
55. Unplug battery chargers when not needed.
56. Ensure all new appliances you purchase are ENERGY STAR-approved.



## Heating and air conditioning

57. Set thermostats to 78°F in summer, 68°F in winter.
58. Run ceiling paddle fans on medium, blowing down in summer.
59. Run ceiling paddle fans on low, blowing up in winter.
60. Change HVAC filters monthly.
61. When installing new air filters, make sure they are facing in the correct direction. (Look for arrow on side of filter.)
62. When heating or cooling, keep windows locked.
63. Insulate electric wall plugs and wall switches with foam pads.
64. Caulk along baseboards with a clear sealant.
65. Close fireplace dampers when not burning a fire.
66. Caulk around plumbing penetrations that come through walls beneath bathroom and kitchen sinks.
67. Caulk electrical wire penetrations at the top of the interior walls.
68. Close shades and drapes at night to keep heat in during the winter.
69. Make sure drapes and shades are open during the day to catch free solar heat in the winter.
70. Close shades and drapes during the day to help keep heat out during summer.
71. Ensure attic access door closes tightly.
72. Insulate attic access door.
73. Make sure insulation in your attic does not block soffit vents.
74. Do not close off unused rooms that are conditioned by forced-air systems.
75. Do not close supply air registers.
76. Ensure return air grilles are not blocked by furniture or bookcases.
77. Ensure windows and doors are properly weather-stripped.
78. Make sure outside soffit vents are not blocked.
79. Do not use rooftop power ventilators for attic exhaust as they may evacuate conditioned air from your home.
80. Have your HVAC system serviced once per year by a NATE-certified technician.
81. Monitor your home's relative humidity in the summer. If it consistently stays in the 60 percent range or higher, ask your HVAC technician about lowering your central air conditioning unit's indoor fan speed.
82. Ensure window A/C units are weather-stripped.
83. Ensure windows with window mounted A/C units have weather-stripping between the





middle of the top and bottom pane.

84. Remove and clean window A/C filter monthly.
85. Keep “fresh-air” vents on window A/C units closed.
86. Minimize use of electric space heaters.
87. When using the fireplace, reduce heat loss by opening damper in the bottom of the firebox (if provided) or open the nearest window slightly.
88. Caulk around basement windows.
89. In a basement, seal the sill and band joist with durable caulking or foam sealant.
90. Ensure floor registers are not blocked with rugs, drapes or furniture.
91. Ensure your outdoor heat pump/air conditioning unit is kept clean and free of debris.
92. Outside your home, caulk around all penetrations including telephone, electrical, cable, gas, water spigots, dryer vents, etc.
93. Caulk around storm windows.
94. Use heavy-duty, clear sheets of plastic on the inside of windows to reduce the amount of cold air entering your home.
95. Verify your supply air duct “boots” (behind supply air registers) are caulked to your ceiling or wall sheetrock or flooring.

96. If in unconditioned space, verify your ducts are tightly connected to your HVAC equipment.
97. Verify all outdoor doors (including storm doors) close and seal tightly.
98. In two-story homes serviced by one HVAC system, a paddle fan at the top of the stairs can push down hot, second-floor air.



99. Install 15-minute, spring-wound timers on bathroom ventilator fans.
100. Always run your HVAC system fan on “AUTO.” Running it on “ON” uses more electricity and can decrease your air conditioner’s ability to remove moisture.
101. Keep your garage door down. A warmer garage in the winter and cooler garage in the summer will save energy.

## *We’re here to help*

As you can see, electricity touches nearly every part of our lives. The good news is that you control your electric usage.

The even better news is that Nodak Electric is willing and ready to do whatever it takes to help you make your home, farm, school or business as energy efficient as possible.

Off-peak electric heating, for example, is one of the best cost-saving options available for heating your home. Your family can enjoy the convenience of electric heat and save money, too, by installing off-peak electric heating in your new or existing home.

Contact us for more information about energy savings and off-peak electric heating.

701-746-4461  
or 800-732-4373  
[www.nodakelectric.com](http://www.nodakelectric.com)



*Thanks for being  
our member.*

For more helpful energy-saving hints, visit [www.tsesavers.coop](http://www.tsesavers.coop).

# A closer look at your 2009 electric bill

*Environmental projects, rising costs create upward pressure on wholesale power rates*



**A**s a member of Nodak Electric Cooperative, you receive your electricity from Minnkota Power Cooperative. Minnkota generates and transmits electricity for Nodak Electric and 10 other member-owner distribution cooperatives located in eastern North Dakota and northwestern Minnesota.

In March of 2009, Minnkota will be raising its wholesale rates 13 percent. Approximately 60 percent of your electric bill is made up of wholesale power costs. Listed below are some of the cost increases Minnkota is experiencing, which will result in wholesale rate increases during the next several years:

## **Young Station environmental projects**

In order to meet strict regulations set forth by the Environmental Protection Agency (EPA), Minnkota is adding to the emission control equipment at the Young Station. An over-fire air system that reduces nitrogen oxide emissions was installed on Young 2 during its 2007 maintenance outage. Similar equipment will be installed on Young 1 during its next scheduled outage in 2009.

A new sulfur dioxide scrubber will be constructed for Young 1. Enhancements to the Young 2 scrubber are also planned. A new stack will be built for Young 2 to support the more efficient scrubber. The electrical supply systems are also being upgraded to support all of the new emission control equipment and to keep Young 1 and Young 2 as low-cost generation resources for all of the Minnkota member-owners.

In total, \$360 million will be spent on these projects during a short five-year time frame.

## **Load growth**

The demand for electricity is increasing across the Minnkota service territory. The most recent Power Requirements Study indicates loads are projected to continue growing, on average, about 2.5 percent each year for the next 20 years. Additional baseload generation will be needed to meet increasing demands by the year 2013.

Meeting future load growth means Minnkota will have less electricity to sell into the marketplace when it is not needed by the member-owners. These lost sales opportunities result in reduced yearly revenue, which previously helped offset rising costs.

## Construction materials

The cost of conductor and transformers has risen dramatically in the past several years, for both Minnkota and Nodak Electric. The cost of construction metals such as steel, aluminum and copper has more than doubled. Transportation expenses for larger items are also more costly.

## WAPA rate increase

A prolonged drought in the Missouri River Basin has reduced the ability of Western Area Power Administration (WAPA) to generate electricity at its hydro generation facilities. To meet contract obligations to its customers, WAPA has had to purchase more expensive electricity on the market, and as a result, increased its rates.

The Minnkota system purchases approximately 500 million kilowatt-hours of hydropower annually from WAPA. In 2009, the price Minnkota pays for this energy will be \$2.5 million more than in previous years.

## Scheduled power plant outages

Replacement power during planned maintenance outages at the Young Station costs millions of dollars. When a unit is down, which is typically every three years, Minnkota must make arrangements with other regional utilities to purchase the electricity required to serve firm loads. The cost of replacement energy is increasing, primarily due to higher-cost natural gas being utilized in peaking plants to supply this energy.

In 2009, a seven-week maintenance outage is scheduled on Young 1. Replacement power costs are estimated at \$7 million. Coyote Station has also scheduled a five-week maintenance outage during 2009. In 2010, Young 2 will be down for seven weeks, and Minnkota is expecting to spend \$3 million for replacement energy during that time. Maintenance costs, including contract labor, are also on the rise.

## Increased fuel costs

Just as the price of steel, aluminum and copper has risen, so has the price of coal from Minnkota's mine-mouth supplier. Although the draglines are powered by electricity, the price of diesel fuel used by the giant coal haulers and other coal removal equipment has increased substantially.

In 2009, Minnkota's coal costs from BNI

Coal, Ltd. will be \$2.3 million higher than a year ago. Similar or larger cost increases will be experienced at the Coyote Station.

Minnkota is careful to manage increasing costs and make adjustments whenever possible.

"Some costs are within our control, while others are not," said David Loer, Minnkota president & CEO. "Meeting new environmental regulations requires significant investments in our power plants, but these new facilities are necessary to keep the plants on line. Despite our cost increases, which are very significant, Minnkota's wholesale rates to the 11 member-owners will remain quite attractive when compared to other utilities, both regionally and nationally."

In total, Minnkota projects wholesale rates will increase nearly 40 percent during the next few years. In the immediate future, this includes a 13 percent increase in 2009, 7 percent in 2010 and 8 percent in 2011.

Despite rising costs, electricity from Minnkota remains the best energy value in the region.

**"Meeting new environmental regulations requires significant investments in our power plants, but these new facilities are necessary to keep the plants on line. Despite our cost increases, which are very significant, Minnkota's wholesale rates to the 11 member-owners will remain quite attractive when compared to other utilities, both regionally and nationally."**

– David Loer, Minnkota president & CEO

## A note from Nodak Electric Cooperative

As you can see from the adjacent news story, Nodak Electric's wholesale power costs are on the rise this year and in years to come. The increases outlined in the article give you an overview of the types of costs being incurred at the wholesale level of our business.

"It is important to note that we are member-owned," explained George Berg, president & CEO of Nodak Electric, "and as such, we only increase our retail rates to maintain the financial strength of our cooperative and provide you with reliable service."

The good news is Nodak Electric has programs in place to help our members reduce energy use and save you money on your monthly bill. More conservation and energy efficiency programs are currently being developed and will launch throughout 2009.

If you have any questions, please call our office during business hours and ask to speak to one of our energy experts. As your local electric cooperative, we strive to provide you, our member-owners, with the best available customer service.

# Notice Of Hearing

## To Consider The Adoption Of Standards Under The Energy Independence And Security Act Of 2007

To: All members of Nodak Electric Cooperative, Inc. (the “Cooperative”), the U.S. Secretary of Energy, and any affected electric utility.

The board of directors of the Cooperative, acting pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA), 18 U.S.C. § 2601 *et seq.*, as amended by the Energy Independence and Security Act of 2007 (EISA 2007), Public Law No. 110-140, 121 Stat. 1492 (2007) (collectively called PURPA EISA 2007), passed a Resolution at its regular meeting on December 4, 2008, which provides that the Cooperative’s board of directors will formally consider the implementation of the following standards (hereinafter the “PURPA EISA Standards”):

- A. PURPA Standard 16 – Integrated Resource Planning (16 U.S.C. § 2621(d)(16), 121 Stat. 1665)
- B. First PURPA Standard 17 – Rate Design Modifications to Promote Energy Efficiency Investments (16 U.S.C. § 2621(d)(17), 121 Stat. 1666)
- C. Second PURPA Standard 17 – Smart Grid Information (16 U.S.C. § 2621(d)(17), 121 Stat. 1792)

This Notice is provided for the purpose of informing you of the method by which the board of directors will consider the PURPA EISA Standards. You are informed that additional information, including the Resolution passed by the board of directors, may be obtained from the Cooperative’s Web site at [www.nodakelectric.com](http://www.nodakelectric.com) or, in the event that Internet access is not available, by contacting the Cooperative in the manner as stated below. The board of directors has reserved the right to provide additional formality including the establishment of a formal hearing in the event that it determines that a full and adequate record is not available upon which to base its determinations.

Pursuant to PURPA Section 2631(a), the Secretary of Energy, and affected electric utility subject to the regulatory authority of the Cooperative, which might therefore be affected by precedents set in the proceeding, and any electric consumer of an affected electric utility, including any member of the Cooperative, may participate in the proceeding as a matter of right.

All interested participants will be given reasonable opportunity to present comments, data, views, arguments and other evidence in this project under the schedule set forth below. Timely received written comments will be posted on the Cooperative’s Web site ([www.nodakelectric.com](http://www.nodakelectric.com)) as soon as possible upon receipt and in as complete a fashion as practical.

**Communication.** All correspondence to and filings with the Cooperative concerning these proceedings must be addressed to:

Kim Soper, Board Recording Secretary  
Nodak Electric Cooperative, Inc.  
ATTN: PURPA PROCEEDINGS  
4000 32<sup>nd</sup> Avenue South  
P.O. Box 13000  
Grand Forks, ND 58208  
(701) 746-4461

E-mail submissions may also be made, provided that they are submitted as pdf files and directed to the attention of Kim Soper at [ksoper@nodakelectric.com](mailto:ksoper@nodakelectric.com). All persons submitting by e-mail are asked to call Ms. Soper to confirm that their submissions were received.

**Schedule.** The proceeding shall be completed and a written determination issued by the board of directors no later than December 19, 2009. The board of directors approved the following timeline but also authorized the President and CEO to adjust the timeline as necessary to complete the record of the proceeding and the project in a timely and efficient manner. You are advised to check the Cooperative's Web site, or to contact the Cooperative for any changes to the following schedule:

- Submission of initial written comments from members and public: **April 1, 2009**
- Posting and distribution of staff's proposed determination: **April 17, 2009**
- Written reply comments concerning staff's proposed determination: **May 1, 2009**
- Open house for board's initial consideration of staff's recommendation and receipt of verbal questions or comments from members and public concerning staff's recommendation: 9:00 a.m. **May 7, 2009**
- Posting and distribution of staff's final recommendation: **May 22, 2009**
- Board's meeting to consider final recommendation of staff: **June 9, 2009**
- Dated at Grand Forks, North Dakota, this 2<sup>nd</sup> day of January, 2009.

## AMR update

**Do I still need to call in to Nodak if I experience an outage?**

*The answer is* **YES.**

**746-4461 or  
1-800-732-4373**

Nodak is in the final stage of completing the installation of an Automated Meter Reading (AMR) system. The backbone of the AMR communications relies on two major components: Nodak's distribution system and a 900 MHz radio system. This required changing out all meters, installing communication equipment in each substation and building a radio communication network from each substation to the office. The distribution system is used to transmit the information from the meter to the substation, and the radio system transmits the information from the substation to the main office in Grand Forks.

The basic operating principle of the AMR system is as follows:

- A request from the office is sent out to an individual meter or a group of meters by way of radio to the substation and then down the distribution lines to the meter.
- The meter then responds to the request with the information requested.

The meter will not initiate a message to the office without first being asked to.

If an outage occurs, the communication path will be disrupted, resulting in no response back to the office from any meter that is down line from a protective device that has opened up as a result of the outage. This lack of communication response is interpreted as an outage.

Once an outage call is received from a customer, the Operations Center will send a message (ping) to surrounding meters to determine the extent of the outage, which helps the line worker to more quickly locate the cause and restore service sooner.

In summary, since meters cannot communicate to the office when an outage occurs, it still is very important that customers report an outage to the Nodak office. Nodak will then use this information to accelerate the restoration of service to the customer.



The economy. Saving energy. Climate change. All the things  
**YOU'RE TALKING ABOUT**  
—— we're already working out. ——

At Nodak Electric Cooperative, we don't simply send electricity to your home. We look out for you and your entire community. And we do so for a very simple reason – it's our community, too. That's why we are always working to keep the lights on and our costs down. Because we pay the same bills you pay. Your hometown is our hometown. And together, we can't go wrong.

*Nodak*  
ELECTRIC COOPERATIVE

Your Touchstone Energy® Partner 

*Looking out for you.*