

# The Nodak Neighbor

January/February 2014

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

Your Touchstone Energy® Partner



*Cover story:*

**Thinking outside  
the boom**

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Official Publication of the  
Nodak Electric Cooperative, Inc.

746-4461 or 800-732-4373

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The Nodak Neighbor (USPS 391-200) is published six times a year, February, April, June, August, October and December 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 64, No. 1  
January-February 2014  
Officers and Directors

Chairman of the Board . . . . . Steven Smaaladen  
Vice Chairman . . . . . David Hagert  
Secretary/Treasurer . . . . . Paul Sigurdson  
Directors . . . . . Roger Diehl, David Kent,  
Doug Lund, Lee McLaughlin,  
Luther Meberg and Les Windjue  
President & CEO . . . . . Mylo Einarson  
Editor . . . . . Blaine Rekken

# 2014 director elections



Lee McLaughlin, District 1



Roger Diehl, District 2



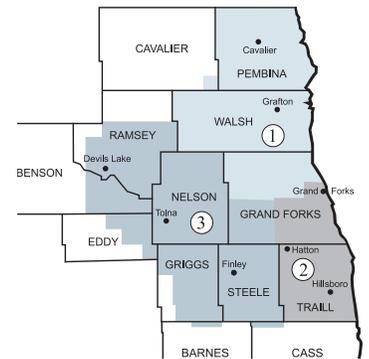
Steve Smaaladen, District 3

Nodak Electric Cooperative, Inc., will hold its 74<sup>th</sup> annual meeting Thursday, April 3, 2014, at the Alerus Center in Grand Forks, N.D. Election for three 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.

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

1. A member may be nominated by the Nominating Committee. The committee will meet **Feb. 11, 2014**.
2. By a petition signed by 15 members of Nodak in good standing. The petition must be submitted to Nodak's office 45 days prior to the annual meeting (Monday, Feb. 17, 2014).

If you are interested and would like further information, please feel free to contact Nodak's office at 701-746-4461 or 1-800-732-4373.



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**Nodak Electric's  
New Business Hours:  
7:30 a.m. - 4:30 p.m.**

**On the cover:** When faced with limited resources to support western North Dakota's oil development, Steffes Corporation located a new steel manufacturing facility in Grand Forks. Story on pages 4-5.

## Promotion, retirements

**Todd Herz** was promoted from engineering representative to energy services specialist starting January 2014. Todd has been with Nodak for eight years.



Todd Herz

**Mark Slominski**, journeyman lineman with the Grand Forks crew, has retired after 37 years of service. Mark started at Nodak full time in 1977 as part of the Grafton crew. He then transferred in 1985 to the Grand Forks crew, where he remained until retirement.



Mark Slominski

**Jim Bjornstad**, journeyman lineman with the Hillsboro crew, retired after 33 years of service. Jim started with the Brocket crew in 1981. He then transferred to the Hatton crew and Hillsboro crew, where he remained until retirement.



Jim Bjornstad

Best wishes to these guys on their new adventures.



Mylo Einarson  
President & CEO

# 2013 was a very good year

**A**s I write this article, we are in the process of closing our books for 2013. When that process is complete, indications are that we will end what has proven to be a very good year.

The term “good year” can mean a lot of different things. Our financial statements will show that December’s extreme cold weather and heavy grain drying brought on by a late, wetter-than-average harvest pushed sales numbers to a new record high. That is definitely one way we could describe 2013 as a good year.

Another way to define it would be to point out that we were lucky enough to escape Mother Nature’s wrath and the crippling storms that some of our counterparts in North and South Dakota experienced this season. We had our share of smaller weather events but managed to avoid the extreme weather that causes widespread outages. Because of that, we were able to continue to provide the same level of reliability you’ve come to expect. I think we could look at that as being a good year.

Wholesale and retail rates stayed steady throughout 2013. In these times of increasing costs and a tightening regulatory environment, a year where we can hold the line on rates is surely a good year.

Certainly, we can also point to the fact that our linemen spent thousands of hours performing an extremely dangerous job, and in all cases were able to avoid any

serious injuries. Bringing our line crews home safe at the end of the day is our highest priority and our number one obligation. We can also say 2013 was a good year because we accomplished that important goal.

Regardless of how you would describe a good year, there are several ways we can look back on 2013 and characterize it as such. On Thursday, April 3, 2014, our 74<sup>th</sup> annual meeting will be held at the Alerus Center in Grand Forks. Along with plenty of good food, fellowship and our annual Board of Directors election, we will detail the events and results of 2013. I would urge all of you to come participate in this important part of your cooperative’s year.

I also want to use some of this space here to make you aware of a change you will soon see on your monthly bill.

For quite some time,

your service has been billed based on a mid-month billing period. Beginning in April, Nodak will be migrating to a calendar month billing cycle. We’re doing this in part because of a similar change by our power supplier, Minnkota Power Cooperative, which implemented the new billing period January 1, and also in part because it will make communication with our members better.

The cooperative will now have accurate information for monthly and yearly totals without the need to make adjustments based on estimates. Our members will now be able to have monthly usage totals

instead of blending two months together, as well as billing periods that may coincide more closely with things such as monthly leases, etc.

Nodak will fully transition to calendar month billing during the April 2014 billing period that begins with the bill our members receive the first part of May. To facilitate this change, the April billing statement will include the new billing period of April 1 through April 30, plus the additional partial month from March 20 through March 31. Subsequently, meters will be read on the last day of each month with payments due by the 25<sup>th</sup> of the following month.

If you have any questions or concerns about the upcoming change in billing cycles, please give our office a call so we can help you work through this time of transition. Until then, we are looking forward to April and the warmer weather that is likely to come with it, and hopefully see you at our annual meeting.

**Beginning in April, Nodak will be migrating to a calendar month billing cycle.**

*Important Date!*

Plan on attending the 74<sup>th</sup>

**Annual Meeting**  
**Thursday,**  
**April 3, 2014**

Alerus Center, Grand Forks, N.D.  
Registration and meal at 5 p.m.  
Meeting at 6:30 p.m.

# Thinking outside the boom

*Dickinson, N.D.-based Steffes expands to Grand Forks*

Companies in western North Dakota are up to their work boots in new business thanks to the black gold springing from the Bakken oil formation.

But with strained labor and real estate markets in the region, many are finding it hard to keep up with demand. Others are thinking outside the boom.

Steffes Corporation, based in Dickinson, N.D., opened its newest production facility in April 2012 on the opposite side of the state – in Grand Forks. Eighty jobs have since been added to design and manufacture the company's steel products.

Rodger Pearson, Grand Forks division manager, said Steffes began looking for an alternate facility after struggling to find workers and room to expand out west.

"Finding quality people who are going to stay year after year was the issue," Pearson said. "To have continuity, which helps us with quality and safety, we need long-term employees."

Not only did Steffes find the quality workforce it was looking for in the Grand Forks area, Pearson said, but it found a near-perfect facility, the former Pribbs Steel building, which came with manufacturing equipment ready to go.

Welders, assemblers and machine operators fill the shop once again, working in two 10-hour shifts each day. Steffes also has professional engineering staff on site.

The main products manufactured at the Grand Forks facility include high-efficiency



**A Steffes natural gas flare is packaged and prepared for shipment at the company's Grand Forks facility.**

**“Finding quality people who are going to stay year after year was the issue. To have continuity, which helps us with quality and safety, we need long-term employees.”**

– RODGER PEARSON, *Grand Forks Division Manager*  
Steffes Corporation



natural gas flares, durable cattle guards, recycle pump stands and other support infrastructure.

“We’re adding more products as we go, but right now the flares are the most significant,” Pearson said.

The Steffes flare is designed to better control gas flows, which allows for a cleaner burn during the oil extraction process.

“You don’t see the big flame; you just see a heat signature,” Pearson said.

### **More than oil**

Pearson estimates that Steffes has nearly tripled its business in the last four years.

While the growth was spurred by oil development, the company also has a strong product base of off-peak heating systems and other custom manufactured goods. The Grand Forks location will also help Steffes tap into new markets and expand.

“We want to add new products, but we couldn’t do that without a facility like we have here,” Pearson said.

Access to reliable electricity from Nodak Electric Cooperative is also essential to Steffes’ success.

“We couldn’t run our machines without it,” Pearson said. “We need a lot of electrical power. It’s critical for us. An outage basically shuts us down, and we don’t make deliveries.”

Inside the 51,000-square-foot facility, automated machines use lasers to cut and bend metal sheets. Workers then weld, assemble and paint each product before it is shipped.

Pearson said proximity to the oil fields isn’t as important as stability on the manufacturing end of the business.

“We were in a constant training routine out there,” Pearson said. “We have workers come in, they stay for a while and either go somewhere else or go back home. You can’t grow a business that way.”

### **Expand east, do business west**

As the economic impact from the oil patch moves east, Grand Forks officials are hoping the addition of Steffes is only the start of oil field business expansion in the region.

The city, along with area businesses and organizations, has launched an initiative to promote the community as a place that could support western North Dakota activity.

Keith Lund, vice president of the Grand Forks Region Economic Development Corporation, said Steffes is the type of company that the initiative hopes to attract.

“The employment that they have generated is a significant contribution to our community,” Lund said. “We think they have an opportunity for growth here, and not just in oil field products.”

Lund said other companies, ranging from construction and manufacturing to truck repair and even large-batch dry cleaners, can benefit from being outside of the oil patch.

“We feel there’s increasing interest in areas outside of the Bakken for business development to support Bakken activity,” Lund said. “There is a recognition that this is a long-term play and investment is following that belief.”



*(Top)* A fresh coat of paint is applied to a recycle pump stand. *(Middle)* A cluster of liquid knockouts await shipment to western North Dakota. *(Bottom)* Steffes employees review plans for one of the many steel products the company manufactures in Grand Forks.



# Subzero temperatures, high market prices force load control

Off-peak heating consumers of Nodak Electric have experienced a jump in load control hours in late December and early January due to a combination of high loads, extremely cold temperatures, low wind production and expensive wholesale power market prices.

The widespread extreme cold weather has driven electric loads to high levels not seen in the Midwest for many years. With temperatures dropping to 20 and 30 below zero across the region for several days, Minnkota Power Cooperative, our wholesale power provider, made a reasonable and economical choice to control the off-peak loads and avoid costly power market purchases.

“Because of these extreme low temperatures and the high demand for electricity, power prices in the wholesale marketplace were well above Minnkota’s economical purchase price,” said Todd Sailer, Minnkota energy supply manager.

Before controlling off-peak loads, Minnkota first looks to purchase energy from the wholesale power

market. When power cannot be obtained economically, Minnkota and the associated systems choose to control off-peak electric systems. The load management program protects consumers from skyrocketing market prices and prevents the need to build new power plants just to serve peak loads.

“The cost to purchase and deliver power to the associated systems can change at a moment’s notice,” Sailer said. “Load management is a vital tool for Minnkota to use to keep wholesale power prices competitive.”

Sailer said that even with the recent cold temperatures, end-of-season load control totals will still be near the preseason estimate of 250 hours.

All members are encouraged to check their backup heating systems, especially those who use propane or fuel oil. Sailer said members with a well-maintained backup heating system should not notice a difference in comfort level when their off-peak heating system is controlled.

“The transition between the two systems should be seamless,” he said.

## *Planning on upgrading your electric service in the spring?*



### Preplanning is essential for Nodak staff.

If you have plans next spring to construct grain drying facilities, a home addition, a new farm building or anything else that requires an increase in electrical usage, please allow enough notice for Nodak personnel.

It is very important to plan ahead so work can be done in time to accommodate the member’s need. This applies to both current Nodak members and new members.

Nodak has a system capacity guideline (policy 401) and a power quality guideline (policy 414) in place, and follows a line extension policy (policy 402) to

aid in the planning of your installation. The following steps can also help in planning:

- ✓ Contact an electrician to help plan for your additional power needs.
- ✓ Members should review the Meter Installation and Transformer Guide (available on our website at [www.nodakelectric.com](http://www.nodakelectric.com) under “Programs & Services”) or call the office at 1-800-732-4373 or 701-746-4461 to have a copy mailed.
- ✓ Once the request has been submitted to our engineering group, Nodak will be in contact with the member to set an appointment to stake the job site, provide a cost estimate and sign the proper forms.
- ✓ The payment of construction work will generally be billed upon completion of a work order, if the member is in good standing.

Nodak urges members to plan ahead with any new services or electric service improvements so projects can be completed in a timely manner. Please call our office if you have any questions regarding our line extension procedures.

# Comment period open on proposed carbon rule



RENEWABLE ENERGY



NUCLEAR POWER



NATURAL GAS



CLEAN COAL

**N**odak Electric is asking its members to help join the fight against onerous proposed carbon regulations.

The U.S. Environmental Protection Agency has launched a 60-day public comment period on its emissions standards for carbon from new power plants, with the three-month old proposal placed on the Federal Register on Jan. 8.

This rule would regulate greenhouse gas (GHG) emissions from new power plants under the Clean Air Act's provisions for new source performance standards (NSPS). Publication started the official comment period (comments due March 10) and, under the NSPS provisions, sets the initial date on which any final standards will apply.

Please go to [action.coop](http://action.coop) to sign up, make a comment and learn more about the new power plants proposal.

Jo Ann Emerson, CEO of the National Rural Electric Cooperative Association (NRECA), recently drew attention to the important role access to all fuels plays in the reliability and affordability of electricity in America. She believes coal plants should remain a vital part of the U.S. energy mix.

"We must be deliberate and purposeful with our energy policy to avoid depriving cost-conscious American families and businesses the affordable, reliable energy they count on as a basic component of everyday life," she said in a NRECA release. "The competitiveness of the U.S. economy depends upon options when it comes to energy and the regional, economic and demographic differences demand flexibility and freedom when deciding which fuels will keep us moving forward."

EPA's proposal sets separate performance standards for greenhouse gas emissions from natural gas-fired and coal-fired plants and concludes that partial carbon capture and sequestration (CCS) is an available control technology for coal-fired power. The delay in publication could delay ultimate finalization of the rule, which could also delay EPA's issuance of its existing power plant rule.

The new version of the proposed rule for GHG emissions for new power plants maintains largely the same determinations as to availability of partial CCS as initially made in September 2013. EPA generally has a year to finalize the new source rule.

EPA is working on proposed NSPS guidelines for GHG emissions for existing power plants, due by June 2014.

According to *Bloomberg*, officials from 15 states that have GHG rules or regional GHG reduction programs, including Minnesota, California and the Northeast states, sent a letter Dec. 16 to EPA recommending that the agency set a performance level in its guidelines based on emission reductions achievable through actions by power plants as well as through use of renewable energy and end-use energy efficiency measures, and that these states receive credit for their own regulatory programs.

Nodak Electric and you as members will need to fight a larger battle, greenhouse gas emissions rules for existing power plants, this summer. That's why we need members to take action now, so EPA clearly hears the message from rural electric cooperatives.

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ENERGY EFFICIENCY

Tip of the Month

**Clean Your Light Bulbs**

A thick layer of dust on a light bulb can obstruct as much as half the light the bulb can actually produce.

**TELL THE EPA TO RECONSIDER ITS "ALL-BUT-ONE" APPROACH**

**ACTION.COOP**



## Meet the Accounting Department

*(Seated, left to right)*

**Tom Edwards**  
Accounting & Finance Manager

**Michelle Markuson**  
Accountant II

*(Standing, left to right)*

**Joe Winkels**  
Accountant II

**Andrew Peterson**  
Plant Accountant