Nodak Neighbor

July-August 2007
Official Publication of Nodak Electric Cooperative
www.nodakelectric.com

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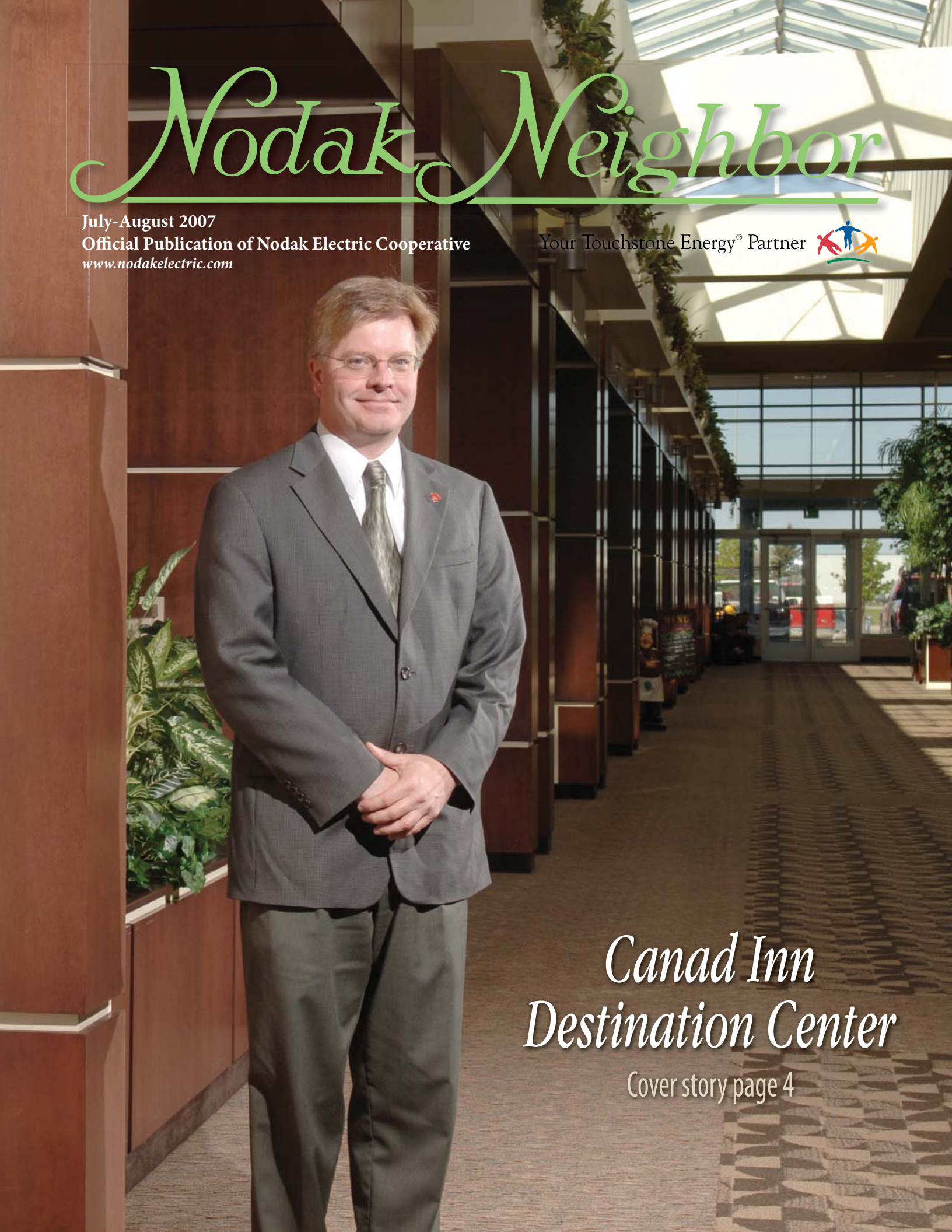

Canad Inn Destination Center

Cover story page 4

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On the cover

Jeff Jasperson is general manager of the Canad Inn in Grand Forks, N.D. Read about this new $50 million destination center on pages 4-5. *Photo by Minnkota Power Cooperative.*

E-bill option proves to be successful

The e-bill option at Nodak Electric Cooperative has been in place for a little over a year and has proven to be a great tool for many of its members. There are about 1,000 customers currently signed up for the program.

E-bill gives you the ability to instantly view information about your bill from your home, office or any place that you have access to the Internet. It also allows you to view your account, enter meter readings and pay your bill online through a secured Web site via the Internet.

To get started, simply access the e-bill site by visiting Nodak's Web site, **nodakelectric.com**.

- Have your Nodak account number ready
- Select **"Programs and Services"**
- Click on **"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. Not only can you look at the current bill that would have actually been mailed to you, but you have the capability of looking back at previous months' bills and payments too. Charts showing views of kWh usage and charges are also at your fingertips.

"Not only do our customers benefit, but it also saves time and money for Nodak by not having to print monthly bills, process payments and for the most obvious of reasons – it eliminates postage costs," said Duane Hafner, customer/energy services manager for Nodak Electric Cooperative.

Three convenient payment methods

There are three options available for paying your bill:

- **Nodak auto pay plan** – automatically withdraws payment from a designated checking or savings account each month. If this is the plan for you, then please call Nodak Electric Cooperative at 1-800-732-4373 or visit our Web site at **nodakelectric.com** to get started.
- **Electronic bank draft** – enter the nine-digit routing number and your account number off the bottom of your check blank from the account in which you would like the amount withdrawn from monthly.
- **Credit card** – Nodak accepts **VISA** credit cards only.

One of the newest features of the system is that it will now even remember your credit card and/or bank numbers if you wish to choose this option. The information is encrypted for privacy.

Once you decide to sign up, Nodak will e-mail a notification that the bill is ready to view online, along with a link to Nodak's Web site. **A bill will no longer be mailed to you after this point.**

Upon entering the e-bill site, you will need your e-mail address and password to sign on to the secured site. A helpful suggestion would be to add this site as a favorite to your browser for future access.

"The customers who have signed up for the e-billing option have seen firsthand how convenient and user-friendly the system is to use," said Hafner.

If you are interested in using the e-bill option, please visit our Web site at **nodakelectric.com**, or call 701-746-4461 (toll-free 1-800-732-4373) and ask how to get signed up for our e-bill service. You may also contact us through e-mail at nodak@nodakelectric.com.

George Berg
President & CEO

Perspective

Keystone Pipeline

A tremendous value for you, our member-owners, and for the state of North Dakota

Hundreds of landowners in our service area have been in contact with representatives from Keystone Pipeline in recent weeks. The Keystone Pipeline is being built to bring crude oil from Alberta, Canada to refineries east of St. Louis, Missouri. I can appreciate how gut-wrenching it might be when a company is proposing to bury a 30-inch-wide pipeline on your land, which, for all practical purposes, will be there forever.

I read recently where someone opposed to the pipeline stated there would be no benefit to North Dakota as far as he could see. In this regard, I need to go on record that the pipeline will be of tremendous value to Nodak and consequently, to all of our member-owner ratepayers.

With the final routing in place, Nodak will have the privilege to serve three of five pumping stations along the North Dakota segment of this line. These pumping stations will be in Walsh County near Edinburg, in Nelson County near Niagara and in Steele County near Luverne.

The total annual power requirements for these three pumping stations are expected to be in the neighborhood of 140 million kilowatt-hours. There is potential for additional pumping requirements at these sites in the future. To put this into perspective, we are budgeted to sell about 757 million kilowatt-hours in 2007. When these pumping stations come online, they will increase our total sales by nearly 20 percent. There has been no event that has had this magnitude of impact on our sales since Grand Forks Air Force Base was built over 50 years ago.

The reason the Keystone Pipeline is so important to Nodak is that in the electric utility world, we are relatively small to begin with; however, by nature, our business is high in fixed costs, which must be paid regardless of the amount of power we sell. If we can increase the volume of energy we sell, we can spread the cost of fixed expenses over more kilowatt-hours. This results in a lower cost per kilowatt-hour for everyone.

> "If we can increase the volume of energy we sell, we can spread the cost of fixed expenses over more kilowatt-hours. This results in a lower cost per kilowatt-hour for everyone."

It is my understanding that the pipeline will be of incredible value to the region due to the property taxes, which will be paid on an annual basis. Much of the region where this pipeline will be located would have little hope of attracting industry that would pay the amount of property taxes comparable to this pipeline. In view of the huge issue the property taxes were during the last legislative session, the timing could not be better.

One of the biggest reasons this pipeline is good for North Dakotans has nothing to do with how much we pay for our electricity, or how high our property taxes are. The most important issue is that this country has a serious problem with some of the countries we do business with for the energy we need. Canada is certainly not one of those countries. We, as citizens, should be ecstatic whenever we can buy oil from a country that is not harboring people who are trying to kill us. This doesn't mean the landowners in eastern North Dakota shouldn't be treated fairly. It only means we don't have a long list of choices to displace Arab oil, and it is important to capitalize on every one of them.

The Splasher's of the South Seas Indoor Water Park is already a popular place for birthday parties and vacationing families.

Open for business

New Canad Inn welcomes visitors to Grand Forks

Reprinted from the May/June 2007 Minnkota Messenger

A Canadian-owned $50 million hotel in Grand Forks, N.D., offers much more than just a place to stay the night.

Attached to the multi-purpose Alerus Center, the Canad Inn features an indoor water park and arcade, three restaurants, a gaming lounge, a gift shop featuring North Dakota and University of North Dakota products, and a business center.

Playmakers Lounge offers a relaxing atmosphere after a busy day.

A full-service day spa is in the planning stages.

"We see this as an all-inclusive place, with a different flavor for everyone," explained general manager Jeff Jasperson. "We have spaces suiting all demographics."

The amenities and entertainment options are anticipated to attract a wide variety of guests.

Community attraction

Grand Forks mayor Michael Brown began touting Grand Forks as a destination city in 2002, soon after the opening of the Ralph Engelstad Arena, the Alerus Center and King's Walk Golf Course, as well as the vast expansion of the south-end shopping district. Another part of that initiative now includes the Canad Inn, which attracts Manitobans as well as others looking for reasons to visit the city.

"I believe the bar will be raised again by

Canad Inns," Grand Forks city council president Hal Gershman said about the anticipated visitor traffic.

Much of that traffic will come from Manitoba. Jasperson said projections anticipate 70 percent of the guests will be Manitobans. The percentage was even higher in the first month of opening "because everyone wants to come and see it for themselves," he said.

On its second weekend after the May 1 grand opening, every available room was booked. The Grand Forks complex is the 10th Canad Inns hotel in the chain, but it has two distinctions: It is the first one built in the United States, and it is the largest venue, with 200 guest rooms.

"The concept is to promote traffic flow both north and south," Jasperson said. "Our brand will bring people to Grand Forks. But we feel we can help promote Winnipeg, too. We think we can serve as a gateway to Winnipeg. In marketing terms, we call it cross-pollination."

Specialty rooms, entertainment opportunities

The hotel, served by Nodak Electric Cooperative of Grand Forks, has two penthouses on the top floor. But they aren't the only specialty rooms. Other options are the family, business and Jacuzzi suites. Rooms such as the Roman Suite, Japanese Suite and South Seas Suite feature distinct décors.

Themed suites cater to children. Such suites have murals on the walls and carry names such as Honey Bear Hut and Ice Castle. The children-themed suites include a separate room with four bunk beds for the kids, along with Playstation 2 and a selection of games.

There are other room options, all of them including wireless Internet access, refrigerators and flat-screen, plasma televisions among the amenities. Every room also includes two historic photographs of Grand Forks.

The ground floor has the entertainment. The Splasher's of the South Seas Indoor Water Park is already a big attraction for families. The park includes a kiddie pool, activity pool, five water slides, a giant hot tub, cabanas and a concessions stand. The park has 12 certified lifeguards on duty at all times.

Reservations have been strong since the Canad Inn opened May 1 of this year. Many different types of rooms are available, for a variety of guests. Some families enjoy rooms with the small living room included.

Marketing director Cheryl Ramberg said birthday party bookings were brisk soon after the water park opening. Another attraction for youth is the Family Entertainment Center arcade, which has multiple interactive games.

The restaurants are Tavern United, a contemporary British-style pub; AALTOS Garden Café, a traditional family-style restaurant; and the upscale 'l Bistro Mediterranean Eatery, where "urban Italian meets contemporary comfort."

Jasperson believes the hotel is in a perfection location, attached to the Alerus Center and the events it attracts, but also within an easy distance to UND hockey games at the Ralph and south-end shopping.

"We're all very excited about the opening," Jasperson said. "And the United States is an exciting place for Canadians to visit."

Warm weather and load con

Summertime program offers savings to participatin

With more economical baseload power supply available from Young 2, the Minnkota Power Cooperative load control program has a small amount of additional capacity this summer.

The 20-megawatt (MW) increase in 2007 is the result of another option that Minnkota exercised to acquire more of the generation from Young 2 at the coal-based Milton R. Young Station near Center, N.D. To date, Minnkota has received two of four 20-MW options, and plans to receive the two remaining in 2008 and 2009, respectively.

While the available supply has now increased, the total energy demand on the Minnkota/Northern Municipal Power Agency (NMPA) Joint System continues to grow each year. The most recent power requirements study estimates load growth at 2.4 percent annually.

Now in its tenth year, the summer load control program, like the winter program that has been in place since 1977, helps keep wholesale power costs for the 11 Minnkota member-owners among the lowest in the nation.

Butch Nystrom, energy marketer for Minnkota Power Cooperative, monitors generation resources, system load and market prices to determine if load management is necessary on a recent summer day.

"The goal of the load control program is to reduce the need to purchase higher-cost electricity from the wholesale market during peak demand periods," said Al Tschepen, vice president of Planning and System Operations.

Less control expected

For the 2007 summer season, Minnkota estimates 225 hours of control will be required. In the summer, nearly 70 MW of load can be interrupted by a signal initiated from the Minnkota energy control center in Grand Forks, N.D.

"When affordably priced, additional power needed during peak use periods is purchased from the market and no load control measures are initiated," explained Todd Sailer, Minnkota energy supply manager.

When wholesale electricity prices are above Minnkota's economical target, the off-peak loads are controlled.

"Many thousands of dollars in power supply costs are saved for each hour that load control is exercised," Sailer said.

Benefits of cooler climate

The Midwest Independent System Operator (MISO), an organization of electric utilities stretching from Manitoba to western Pennsylvania, governs the wholesale market. MISO members buy and sell power to each other during times of need and/or surplus.

Most of the MISO area is summer peaking, meaning that its power needs are greatest in the summer months. By contrast, the Minnkota/NMPA Joint System has its greatest power needs during the winter heating season and is less affected by summer cooling demands.

Summer loads for the Minnkota system, though, are increasing. A recent household appliance study shows that 75 percent of the homes in the Minnkota service area now have air conditioning, an increase from 50 percent just a few years ago.

About 90 percent of the ability to reduce summertime load on the Minnkota system is provided by large commercial customers that agree to switch over to standby generation systems during peak periods. Residential

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ng members

customers also participate in the summer program by agreeing to have certain appliances in their homes, such as water heaters, controlled, and, in some farming operations, to have irrigation systems interrupted.

"Several hundred large customers have voluntarily agreed to have their power interrupted during peak use situations," said Sailer. "These are places like schools, as well as manufacturing and commercial operations, that have backup generation for their use in emergency situations. By agreeing to operate their backups during peak use times, they receive rate incentives from their local distribution cooperative or municipal supplier."

Price factor

The price of power on the open market is the most important factor that determines when Minnkota implements summer load control. The greatest influence on the increased price of electricity in recent years, Sailer said, has been the high cost of natural gas, which is used to operate most peaking plants.

High temperatures affect summer wholesale power prices but there are also other factors, such as generating stations going down for routine or unplanned maintenance, or large transmission lines being unavailable due to storms or other restrictions.

"Some of these events may happen several hundreds of miles away, making local customers wonder why a load control situation exists," Sailer explained.

Ample power is always available in the wholesale market in the summer, but not always at reasonable prices. Utilizing load control when economically priced power is not available allows customers of the Minnkota/NMPA Joint System to continue receiving the best energy value in the region.

Midwest projects adequate power to meet summer demand

The Midwest Independent System Operator, Inc. (MISO) recently announced that the region will have sufficient generation capacity to meet the expected summer peak power demand.

The summer evaluation is an annual review that examines the expected use of power compared to the amount of generation available to meet the needs within the MISO footprint.

The final evaluation for 2007 estimates a peak net demand of 109,099 megawatts (MW) within the footprint of the Midwest energy markets, virtually the same as last summer's peak of 109,157 MW.

Within the larger MISO reliability footprint, which includes companies that do not participate in the Midwest energy market but for which MISO serves as reliability coordinator, the net peak demand is forecast to reach 131,460 MW, an increase of approximately 1.4 percent from last summer's adjusted peak of 129,647 MW.

"Our system review gives us a great deal of confidence in both the fleet of generation providers within our region, as well as the talented group of professionals in our members' and our own operations centers," said Clair Moeller, MISO vice president of Transmission Asset Management. "We are confident that our region will have the electricity it needs to meet this summer's peak demand."

The evaluation was presented as part of the MISO's Summer Readiness Workshop, an annual gathering at which operations teams from member utilities, market participants, regulators and other stakeholders meet to hear the seasonal assessment and learn about new or refined operating procedures in advance of the peak summer demand season.

MISO ensures reliable operation of, and equal access to, 93,600 miles of interconnected, high-voltage power lines in 15 U.S. states and the Canadian province of Manitoba. The non-profit organization is governed by an independent board of directors, and is headquartered in Carmel, Ind., with operations centers in Carmel and St. Paul, Minn. Minnkota is a MISO market participant. For more information, visit **www.midwestmarket.org**.

Automated meter reading

The Nodak Electric Cooperative Board of Directors has authorized the purchase and installation of an Automated Meter Reading system called Two Way Automated Communication System(TWACS). The system will take roughly two and one-half years to install since there is some lead time on the equipment, collection equipment has to be installed at all of the substations, and every meter on the system will need to be changed.

What is automated meter reading?

Automated meter reading (AMR) is a method of reading meters without having to access the member's property or having the member read the meter and provide it each month.

How does it work?

The TWACS system is a power line communication system, which uses the distribution lines to carry data to and from the meters. The information will be collected at the substations and relayed to the office via a 900 Mhz spread spectrum radio system. The data will be accessible for billing, system engineering, dispatch or load management once it has reached the headquarters.

Since this system has two-way capability, Nodak will be able to remotely monitor service interruption to every meter on the system. It can also be used to perform remote disconnects with the addition of a switch in the meter socket.

What can the members do to help the process?

The system will be installed one area at a time. When your area is being installed, the Nodak Electric employees changing your meters will contact you if we need to gain access to your meter, your help in scheduling your meter change will save time and money and will be greatly appreciated.

Why install AMR?

This type of system has many benefits for the Nodak members, including:

Meter reading will be done accurately and consistently without having to send out meter readers or asking the members to provide them. This will allow Nodak to provide very accurate billing and usage records reducing errors and estimated bills. It will also provide on demand readings when an account is changing hands.

We will be able to monitor off-peak loads and make sure that they are controlled when they are supposed to be, reducing the wholesale cost of power and identifying faulty load management equipment.

This system will be capable of providing outage information on demand so that Nodak can identify a problem even if nobody else is aware of the problem. The dispatcher will also be able to tell if the problem is on the member's side of the meter before a crew is dispatched to the member's location.

Will this convenience affect my electric rates?

The AMR installation is not expected to have a direct effect on the electric rates. There will be labor savings immediately when the meters that are currently read by Nodak personnel or contract meter readers no longer need to be read. Further labor savings is expected in the future as the system is fully implemented and longtime employees begin to retire, some of which will not be replaced because of the efficiencies provided by the AMR system.

Nodak pays $806,035 in taxes in 2007

Nodak Electric paid $806,035 in gross revenue taxes in 2007 to 12 county governments in its service area.

The money paid is 2 percent of Nodak's gross revenue. The gross revenue is divided by the miles of line Nodak has in North Dakota. This amount is multiplied by the number of miles in the townships Nodak serves in each county.

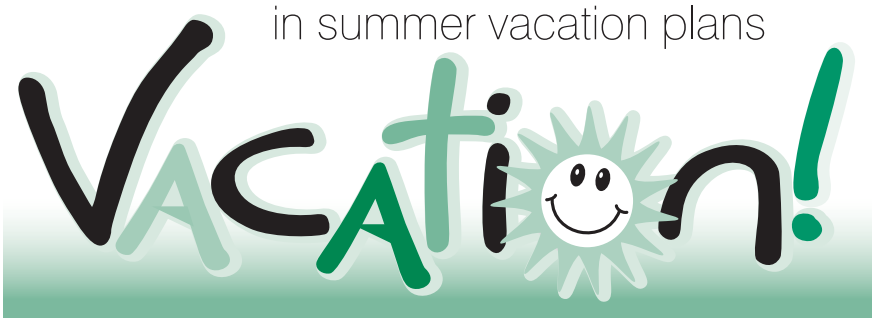
Along with the gross revenue tax, the co-op paid $25,134 in real estate taxes to Grand Forks, Pembina, Ramsey, Steele, Traill and Walsh counties. Nodak's headquarters and warehouse sites are located in these counties.

The taxes Nodak pays each year are distributed the same way the property taxes are distributed. Each county allocates the money differently. Some of the money will finance the school districts and provide for the various programs offered by the counties, cities, townships and park districts.

Taxes paid in 2007

Benson	$ 22,896
Cass	$ 362
Cavalier	$ 1,252
Eddy	$ 16,409
Grand Forks	$187,288
Griggs	$ 54,618
Nelson	$ 82,897
Pembina	$ 95,470
Ramsey	$ 62,453
Steele	$ 67,642
Traill	$ 82,182
Walsh	$132,566

Include home **energy savings** in summer vacation plans



For consumers going on vacation this summer, the nation's electric utilities advise them to make sure their home's energy use takes a vacation as well. Simple tips can save consumers money while they are away.

Air conditioning

Set the thermostat to 85 degrees. If it is a programmable thermostat, use the "hold" or the "vacation" setting to keep it at that temperature.

Electronics

Computers, CD/DVD players, TVs and VCRs – these and other electronic appliances use electricity, even when they are not turned on. Unplug them before leaving.

Lighting

Consumers can improve their energy savings, and their home's security, by using timers to operate lights each night. And by installing compact fluorescent bulbs, or CFLs, in those lamps, consumers will be saving more energy, up to 66 percent less in each lamp, and the bulb will last approximately 10 times longer than a regular incandescent bulb.

Water heating

Turn the water heater's temperature down to the lowest setting. Many water heaters have a "vacation" setting for this purpose. Leave a reminder to turn it back up upon returning home.

- Waterbed owners should unplug the heater, or at least lower the temperature 10 degrees.
- Pool owners should shorten the operating time for the pool filter and automatic cleaning sweep (if applicable). A pool cover can save energy too. According to the U.S. Department of Energy, up to 70 percent of pool heat loss is by evaporation.

Donaree Hardy

Refrigerator

Adjust the refrigerator control to a warmer setting. If going on an extended trip, consider emptying the fridge and turning it off. Remember to leave the door open to prevent mildew.

For more information on how to use your energy more efficiently this summer, and all year-round, consumers are urged to contact their electric cooperative.

Summer storm safety

The Electrical Safety Foundation International (ESFI) encourages consumers to practice caution and safety during summer storms, which at times can be severe. Beware of flooded areas caused by heavy rains – water and electricity do not mix! Below is safety advice to use following a summer storm.

Flooded areas

Be careful when attempting to walk in flooded areas and remember that submerged outlets or electrical cords could energize the water.

Wet electrical equipment

Do not use electrical appliances that have been wet. Water can damage the motors in electrical appliances, such as furnaces, freezers, refrigerators, washing machines and dryers. Electrical parts can pose a shock hazard or overheat and cause a fire.

A qualified service repair dealer should recondition electrical equipment that has been wet. Certain equipment will require complete replacement, while a trained professional can recondition other devices.

Portable generators

Portable electric generators can provide a good source of power, but if improperly installed or operated, can become deadly. Do not connect generators directly to household wiring. Power from generators can back-feed along power lines and electrocute anyone coming in contact with them, including line workers making repairs. A qualified, licensed electrician should install your generator to ensure that it meets local electrical codes.

Other generator tips:

- Make sure your generator is properly grounded.
- Keep the generator dry and do not overload it.
- Make sure extension cords used with generators are rated for the load and are free of cuts, worn insulation and have three-pronged plugs.
- Do not operate the generator in enclosed or partially enclosed spaces. Generators can produce high levels of carbon monoxide very quickly, which can be deadly.
- Use a ground fault circuit interrupter (GFCI) to help prevent electrocutions and electrical shock injuries. Portable GFCIs require no tools to install and are available at prices ranging from $12 to $30.

– Source: ESFI and NRECA

Nodak ELECTRIC COOPERATIVE

Your Touchstone Energy® Partner