



A Touchstone Energy
Cooperative

Newsline

June 2007

BOARD MEETINGS

June 26 – 9:30 a.m. at
Virginia service center

July 24 – 9:30 a.m. at
Grand Rapids service center

August 28 – 9:30 a.m. at
Kettle River service center

HOLIDAY OBSERVED

All LCP offices will be closed July 4 in observance of Independence Day. If you experience a power outage, please use our IVR (interactive voice response system). Our phones are answered 24 hours a day.



PHONE NUMBER LISTINGS

Our phone number is 1-800-421-9959. Please be aware old phone directories still list old contact numbers. Our primary contact number is toll-free, 1-800-421-9959.

KILL A WATT

Learn how much electricity your appliances use with a device called the Kill A Watt meter. The kit is available for two-week check-out at our service centers and also the Arrowhead Public Library system. Check one out today and take control of your energy costs.

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Lake Country Power site draws Menards investment in Virginia

Lake Country Power has reached an agreement with Menard, Inc., to sell its service center in the heart of Virginia's Highway 53 retail district to the home improvement retailer.

"This is a transaction with lasting impact and benefits," said Rick Lemonds, Lake Country Power's general manager. "The sale allows us to effectively replace aging and outgrown office, warehouse and garage facilities in the Virginia area and convert the site to a higher and better use that will benefit the entire community."

The city will also benefit from the change to retail development at the site.

"Menards will be a great addition to our retail community in Virginia," said John Tourville, operations director for the city. "By adding a respected home improvement retailer to the area, we expect all businesses along the Highway 53 retail corridor will be strengthened. The preliminary plans look very good."

Lake Country Power began marketing the location in 2006 after an exhaustive look at ways to consolidate service center

functions to save member's dollars.

"We're committed to working in the communities we serve and to operating as efficiently as possible," Lemonds said. "We're very pleased that this project will help improve the cooperative's operations and provide a retail opportunity for the City of Virginia."

Lake Country Power was represented in the real estate process by David Rasmussen of Integrity Resources, LLC, Duluth. The cooperative will continue to maintain a service center in or around the Virginia area and is looking for a suitable replacement location.



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Rick Lemonds,
Lake Country Power general manager

Get online faster with WildBlue

Quick...connect the dots. What does the Lake Country Power area have to do with Kourou, French Guiana?

The answer is fast Internet service for rural communities.

In April, Northland Connect, which provides WildBlue high-speed, satellite Internet service to Lake Country Power members, announced the start up of a new satellite - WildBlue-1.

The new satellite triples the capacity and availability of the service. That means rural areas and small towns will have more access to the high-speed Internet world.

"People in rural areas have waited for an affordable alternative to dial-up," said Ken Howe, general manager of Northland Connect. "With this new satellite, we can bring high speed Internet to more people in those areas."

Northland Connect will celebrate the two-year anniversary of its launch this June. Four cooperatives, Lake Country Power, Arrowhead Electric Cooperative, East Central Energy, and North Itasca Electric, came together to form Northland Connect to provide WildBlue service to members.

The numbers are impressive. Over 2,600



Honey Blacklock uses WildBlue satellite Internet service at her home in Moose Lake. She's now able to shop online and use her home computer more efficiently. WildBlue Internet is up to 30 times faster than dial-up and is offered through Northland Connect.

subscribers now use the service, 1,200 in the Lake Country Power region alone. And the numbers are growing. In fact, because of nationwide demand for WildBlue, Northland Connect had to stop adding subscribers twice in the last two years.


The new satellite will take care of that issue, but Howe said it illustrates how excited rural residents are to join the high-

speed Internet world. With speeds up to 30 times faster than dial-up, it's easy to see why rural residents are switching.

"When you tell people they can surf the Web at fast speeds, work more productively, download music and movies, share photos with family and friends and more, you get people's attention," Howe said. "Plus, the cooperatives assist in the marketing as a service to members."

WildBlue is available for home or office use and nearly all computers used today meet its minimum system requirements. A trained installer will set up the system, and all billing and service questions are handled locally. The service includes an e-mail address and some web site space.

"We were frustrated with the speed of dial-up," said Honey Blacklock of Moose Lake. "We decided to cancel our second phone line because it was about the same price, and we're very pleased with it. Whether we're shopping online, checking e-mail or just moving through screens, it's much faster."

For more information about Northland Connect, log on to www.northlc.com or call 866-567-1919. 

Annual meeting focuses on key co-op operations

More than 450 members filled the Myles Reif Center in Grand Rapids on April 21 for the Lake Country Power annual meeting.

President Robert Bruckbauer discussed the Board's perspective on minimizing rate increases while investing in long term technology.

"Automated meter reading will be a valuable tool in the years ahead," said Bruckbauer. "The system promises many opportunities to conduct business better on behalf of members."

General Manager Rick Lemonds provided an update on Lake Country Power's efforts to hold down costs and improve reliability. He reported that revenues were up significantly in 2006 over 2005. Wholesale power costs were stable last year, but have increased \$10 million since 2001 and are expected to continue rising. The co-op is in the second year of a \$48 million work plan

designed to improve the electric system and is increasing its investment in right of way clearing to improve reliability.

Members defeated a floor motion that would have put the facilities charge on the ballot for a membership vote next year.

Lake Country Power Holding Company President Sherman Liimatainen provided an update on the co-op's subsidiaries. He announced that the subsidiaries made combined revenues of nearly \$21 million last year.

Director election results were also announced:

District 2:

Jack Huhta, Gilbert 509 votes
Charles Mistek, Ely 749 votes
Charles Renner, Ely 160 votes




District 4:

Carter Pettersen, Grand Rapids . . . 424 votes

District 8:

John Manninen, Wright 311 votes
Danny Smith, Tamarack 457 votes
Franklin Turnock, McGregor 313 votes

Immediately following the adjournment of the meeting, the board of directors elected Robert Bruckbauer as President of the board; Richard Wallin, Vice President; Carter Pettersen, Secretary; and Don Simons, Treasurer. 

Help save money and energy: Wait 'til Eight

Lake Country Power members have the power to make a difference this summer by participating in the Wait 'til Eight program from June through August.

Here's how. People use a lot more energy in the summer months. On very hot and humid summer days when energy usage is particularly high (peak usage days), Lake Country Power will issue a "Wait 'til Eight" advisory on local stations.

When you hear these advisories, simply take a few easy steps to curb your energy usage until after eight o'clock. It will save you money by helping your cooperative save money.

Why is this program so important in the summer? It's the law of supply and demand. Energy use is much higher in the hot summer months as air conditioners kick into high gear to keep us cool. This leads to higher prices.

We understand wanting to stay comfortable, but increasing energy usage drives up costs. To meet the need for

more electricity in the summer, higher cost generation like natural-gas fired peaking plants are activated to keep up with the energy appetite.

The less energy we use when the prices are high, the less members have to pay. Summer energy rates are 50 to 75 percent higher than other times of the year. So everything you do to conserve electrical use lowers your monthly bill.

The Wait 'til Eight advisories are most important on the five or six hottest days of the year. Here's where you can hear the advisories:

- 96.9 FM – KMFY, Grand Rapids
- 96.1 FM – KGPZ, Grand Rapids
- 97.9 FM – WEVE, Eveleth
- 610 AM – KDAL, Duluth
- 95.7 FM – KDAL, Duluth
- 102.5 FM – KRBR, Duluth
- 98.9 FM – KTCO, Duluth
- 94.5 FM or 1450 AM – WELY, Ely
- 96.5 FM – WKLK, Cloquet



Tips to save energy:

- Choose meals that don't contribute additional heat to the home.
- Delay running the dishwasher.
- Set the air conditioner to 78 degrees or higher.
- Delay washing and drying clothes until after 8 p.m.
- Turn off excess lights and draw curtains and draperies closed
- Participate in Energy Wise® programs like Cycled Air Conditioning®

SHELTER CORNER



Making Homes Healthier and Energy Efficient

Energy Star dehumidifiers save you money and keep you dry ...

High humidity in a basement, crawlspace or storage area can result in a very unhealthy environment due to mold growth, musty odors and dampness. A dehumidifier is used to remove excess moisture from the air. Some of the most common indications that you may need a dehumidifier include wet stains on walls and ceilings, stuffy feeling in a room, rotting wood, condensation on windows, musty smells, and allergies. If the air in your home is too moist, it will encourage the growth of bacteria and mold, which are common allergens.

Savings with ENERGY STAR means a product meets strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the Department of Energy. ENERGY STAR qualified models have more efficient refrigeration coils, compressors, and fans than conventional models, which means they

use less energy to remove moisture. An ENERGY STAR qualified model removes the same amount of moisture as a similarly-sized standard unit, but uses 10 to 20 percent less energy. In fact, the energy saved by an ENERGY STAR qualified dehumidifier could power your refrigerator for six months!

Special Offer!

Lake Country Power members now have an opportunity to purchase these Energy Star rated Santa Fe High Capacity dehumidifiers directly from Lake Country Power and receive a \$150 product rebate directly from Shelter Companies.



Regular price for Lake Country Power members: \$1,095

Special price after Shelter rebate for Lake Country Power members: \$945

Unique features of the Santa Fe Dehumidifier:

- Removes up to 100 pints of water per day
- Portable unit with four casters
- Built-in dehumidistat control
- No buckets to empty (6' drain hose)
- Replaceable filters
- Factory installed six foot power cord; 115 volt with ground.
- Five year equipment warranty

\$150.00 REBATE for Lake Country Power MEMBERS!

Offer good until August 30, 2007. One dehumidifier per co-op member. For more information call Cindy Haverland at 952-516-3403 at Shelter Companies or visit us at www.sheltersupply.com.

Hit the road with Lake Country Power

Ever wonder where your power comes from? Sign up for Lake Country Power's popular Coal Creek Tour or Wind Farm Tour and find out.

Coal Creek Tour


The Coal Creek tour is scheduled for September 12, 13 and 14. Members will get the chance to tour the generation

facilities owned by our wholesale supplier Great River Energy. You'll see Falkirk Mine, Coal Creek Station, Stanton Station and tour Fort Mandan at Headwaters Fort Mandan Visitors Center.

The facilities are located west of Bismarck, North Dakota. We'll travel in a comfortable, air-conditioned bus and stay two nights at the Ramkota Hotel in Bismarck.

Wind Farm Tour

The Wind Farm tour is scheduled for September 18 and 19. We'll tour Trimont Area Wind Farm and Lakefield Junction Station, a 515 megawatt peaking plant located in southern Minnesota.

You'll learn about wind power and the costs, construction and capabilities of a wind turbine. Plus, you'll get to see where your power is generated on peak demand days and look inside the base of a turbine. 

Sign me up before the bus fills up!

- Coal Creek Tour:** Enclosed is my check for \$105 per person (payment due August 29).
- Wind Farm Tour:** Enclosed is my check for \$90 per person (payment due September 4).

Name(s): _____

Address: _____ Telephone Number: _____

Room Preference: Smoking Nonsmoking Diabetic: Yes No

Pick-up location: Grand Rapids service center Kettle River service center Virginia service center

Emergency Contact (Name and phone): _____

Please mail this registration form indicating your tour preference (or both) and payment(s) to Tami Zaun, Lake Country Power, 2810 Elida Drive, Grand Rapids, MN 55744.

CONDENSED BOARD MINUTES

March 29, 2007

Regular Monthly Meeting

The following reports were given:

President Bruckbauer reported about the meeting he and other Lake Country Power staff attended with an architect concerning the facilities project. He also reported on an automated meter reading meeting with Cannon Technologies. Bruckbauer and Director Simons reported on their attendance at the National Rural Electric Cooperative Association's annual meeting.

General Manager Rick Lemonds reported on the Minnesota Court of Appeals Hearing concerning the loss of service territory to the City of Grand Rapids.

The Court will make its decision by June 28, 2007. Lemonds reported the co-op received notice from Rural Utilities Service that LCP's \$43 million loan has been approved. Rick discussed GRE's decision to buy out of RUS. Lemonds also reported on LCP's effort to gain tax-forfeited property near the Winton substation which would be used to upgrade the substation and potentially be a new location for an outpost serving the Ely area.

The following actions were taken:

Authorized Director Hankner to attend the 2007 NRECA Legislative Conference.

Approved to place all non-essential construction work on hold until RUS loan fund issues are resolved.

Consolidated Operating Statement

Year-to-Date – March 2007

(Preliminary and un-audited – prepared for *Newsline* prior to board acceptance)

	2007	2006
Electric Operating Revenue.....	\$16,716,305	\$14,506,818
Cost of Purchased Power	\$8,100,961	\$7,511,351
Distribution Expense —		
Operations and Maintenance	1,800,170	1,408,059
Consumer Accounts Expense & Informational	649,631	577,742
Administrative and General Exp.	1,183,253	1,114,169
Depreciation, Amortization and Interest Expense.....	3,163,073	2,435,627
TOTAL ELECTRIC OPERATING EXPENSES	\$14,897,087	\$13,046,948
Net Electric Operating Margins.....	1,819,218	1,459,870
Non-Operating Margins.....	(35,686)	187,073
TOTAL MARGINS BEFORE SUBSIDIARIES.....	\$1,783,532	1,646,943
Net Income (Loss) from Subsidiaries (reported quarterly).....	(166,967)	(140,000)
TOTAL MARGINS.....	\$1,616,565	\$1,506,943

How to report power outages

When outages occur, our interactive voice response (IVR) phone system can gather outage reports from members and help us get your power restored faster. The following steps explain how to use IVR:

- 1. Call 1-800-421-9959:** When all call center representatives are handling other calls, your call will go into the IVR system. When using IVR, your primary telephone number at your service location is your identification number to use when you contact us about an outage. If using a cell phone, be sure the signal is strong enough to work properly with IVR.
- 2. When the system asks, press 1 to report a power outage:**
 - If you have more than one account with us, choose one of the accounts to help identify yourself.
 - You may hear information about an outage affecting your area after the system identifies you with a specific outage. This is the "aware" feature that improves the co-op's outage communications and reduces call volume.
 - Depending on the outage significance, you may hear a pre-recorded message giving information about an outage before the system asks you to respond.
 - Describe the outage cause if you know it.
 - Hang up. (The IVR system will inform you when it has sufficient information so our crews can be dispatched to restore your power.)
- 3. Dispatch takes action:**
 - The information you enter through the IVR system will automatically be sent to dispatch so we are aware of your outage and can send crews to your area.

Newsline

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Lake Country Power Service Centers:

Grand Rapids • Kettle River • Virginia

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www.lakecountrypower.coop



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