

# Jobs at risk in Minnesota


According to an economic study recently conducted by Partners for Affordable Energy (PAE), a regional carbon emissions policy called Cap-and-Trade would seriously handicap Minnesota's economy by 2015. This type of system, which could potentially be written into energy policy, would regulate greenhouse gases, such as carbon dioxide.

The PAE study projects that a state or regional cap-and-trade system will have a negative impact in Minnesota alone:

- Energy prices would increase 33 percent for industries
- Energy prices would increase 17 percent for homeowners
- 21,000 jobs would be lost in Minnesota
- Minnesotans would have \$2 billion less to spend each year than if there were no regional climate change policy

Power plants and manufacturers would be limited in the amount of gases they can release, which is the "cap." Power plants and manufacturers that emit less than the cap could sell their extra allowances to utilities and manufacturers that are not able to make reductions as easily, which is the "trade." A carbon tax or cap-and-trade system will be an enormous tax on consumers, in the form of higher electric rates.


Instead, electric cooperatives are asking state and federal leaders for investments in research and development to support new technologies and clean energy resources that will reduce and eventually eliminate carbon emissions. Co-ops are fighting for the best interests of rural consumers so electric bills don't rise beyond what the average household can afford to pay.

We ask that you take action today. Please visit [www.ourenergymn.coop](http://www.ourenergymn.coop) and begin a dialogue with your legislators about these concerns. Your voice will make a difference. 

## TREE CLEARING, CONT'D FROM COVER

remote areas and basal methods by hand application near sensitive areas such as lakes and towns. Nearly 1,500 acres of lines that will be treated in 2009 were re-cleared almost three years ago.

The remaining budget will be used for special tree requests made by members. Previous years of drought conditions have increased the number of requests since 2005. In fact, 330 tree requests are being carried over from last year. The goal is to finish these requests this spring. Members can help this part of the program by giving Lake Country Power enough lead time to remove dead trees or address other tree-related issues. The winter is typically a good time to handle these requests when more crews are available. It's also helpful when members mark the trees they want removed.

Lake Country Power's right of way program is a critical component to the co-op mission of providing safe, reliable and affordable electric service for our members. 

## CONDENSED BOARD MINUTES

November 25, 2008

Regular Monthly Meeting

The following reports were given:

President Bruckbauer reported about the Great River Energy regional meeting, the Lake Country Power committee of the whole meeting and meetings concerning the 2009 budget.

General Manager Lemonds reported about Lake Country Power's proposal to Essar Steel, Northland Connect and automated meters.

Great River Energy representatives Jon Brekke and Greg Ridderbusch provided the board with information about GRE's actions to address rising rates and margins. They also discussed energy markets, power

cost adjustment history, ongoing capital construction projects and coal refining. LCP board members also spoke out against spending decisions at GRE. The board suggested GRE reduce its expenses and expressed additional concerns over the impact of GRE costs on Lake Country Power members.

The following actions were taken:

Authorized Director Harvey to attend the NRECA Director's Conference, and Director Mistek to attend the NRECA Legislative Conference.

*Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at [www.lakecountrypower.coop](http://www.lakecountrypower.coop) in the "Member's Area." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a printed copy.*

## Energy Efficiency Tip of the Month

Energy bills can be trimmed in winter by setting the thermostat at 68 degrees Fahrenheit while you're awake and back a few degrees when to go to sleep or are away from home. Installing a programmable thermostat can take the thought out of saving energy. More information on what may be right for your home can be found at [energystar.gov](http://energystar.gov).

*Source: U.S. Department of Energy Office of Energy Efficiency and Renewable Energy*

## Consolidated Operating Statement

Year-to-Date – November 2008

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

|   | 2008               | 2007               |
|---|--------------------|--------------------|
| Electric Operating Revenue.....                               | \$58,503,675       | \$55,478,595       |
| Cost of Purchased Power .....                                 | \$32,767,968       | \$28,140,401       |
| Distribution Expense —  |                    |                    |
| Operations and Maintenance .....                              | 8,092,459          | 7,356,249          |
| Consumer Accounts Expense & Informational .....               | 2,900,055          | 2,493,863          |
| Administrative and General Exp. ....                          | 4,196,880          | 3,911,467          |
| Depreciation, Amortization and Interest Expense .....         | 10,390,094         | 11,095,237         |
| <b>TOTAL ELECTRIC OPERATING EXPENSES .....</b>                | <b>58,347,457</b>  | <b>52,997,217</b>  |
| Net Electric Operating Margins.....                           | 156,218            | 2,481,378          |
| Non-Operating Margins.....                                    | 925,030            | 812,950            |
| <b>TOTAL MARGINS BEFORE SUBSIDIARIES .....</b>                | <b>1,081,248</b>   | <b>3,294,328</b>   |
| Net Income (Loss) from Subsidiaries (reported quarterly)..... | 165,158            | (149,431)          |
| <b>TOTAL MARGINS.....</b>                                     | <b>\$1,246,406</b> | <b>\$3,144,897</b> |

*Editor's Note: These financials are condensed. A complete set of financials can be viewed at [www.lakecountrypower.coop](http://www.lakecountrypower.coop) in the "Member's Area." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a copy.*

March 31, 2009 has been set as a public hearing date relative to requirements of the Energy Independence and Security Act of 2007. The hearing is scheduled for 10:30 a.m. in Mountain Iron. For more information, visit the "news releases" section of [www.lakecountrypower.coop](http://www.lakecountrypower.coop).


## Newsline

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## BOARD MEETINGS

February 27 – 9:30 a.m.  
at Kettle River service center

March 31 – 9:30 a.m.  
at Mountain Iron service center

April 28 – 9:30 a.m. at Grand  
Rapids service center

*Editor's Note: Co-op events, including board meeting schedules, are posted at [www.lakecountrypower.coop](http://www.lakecountrypower.coop). Go to "Community & Kids" and click "Events."*

## OFFICE TRANSITION

All LCP offices will be closed President's Day, February 16 for the transition from Virginia to Mountain Iron. All critical equipment for the entire co-op (telephones, crew dispatch and computer servers, etc.) will be moved and tested so the move is seamless for members. If you experience a power outage that day, your call will be routed to our call center support service, or please use our IVR (interactive voice response system).

## SAFE ELECTRICITY.ORG

Visit [www.safeelectricity.org](http://www.safeelectricity.org) today and learn how to stay safe around electricity and electric appliances.

## PRIMARY NUMBER

Lake Country Power's phones are answered 24 hours a day. Our primary phone number is 1-800-421-9959.

## Inside

Power Cost Answers

Shelter Corner

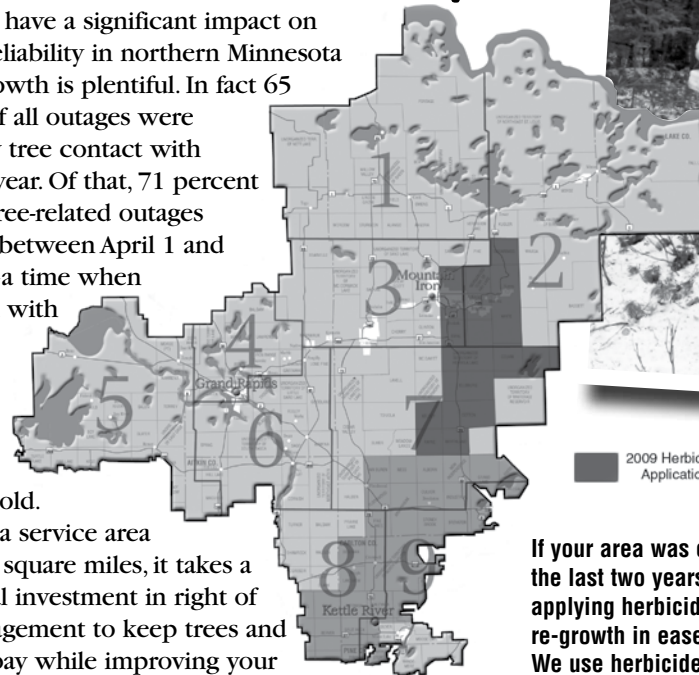
Scholarships Available

Jobs at Risk

## Clearing trees for improved reliability

Trees have a significant impact on electric reliability in northern Minnesota where growth is plentiful. In fact 65 percent of all outages were caused by tree contact with lines last year. Of that, 71 percent of these tree-related outages occurred between April 1 and June 30—a time when leaves sail with the wind and the ground is often too soft for roots to hold.

With a service area of 10,000 square miles, it takes a substantial investment in right of way management to keep trees and brush at bay while improving your electric service. This year, Lake Country Power will invest nearly \$3.8 million in the program.



2009 Herbicide Application      2009 Sub/CKT Reclear

If your area was cut and re-cleared within the last two years, you may see crews applying herbicide to treat vegetation re-growth in easement areas this year. We use herbicide products that are approved by the Environmental Protection Agency and selectively apply treatment while leaving flowering plants and berry bushes alone.

## Plans for 2009

Nearly \$2.7 million will be set aside for a scheduled clearing of trees and vegetation along 800 miles of line.

Another \$400,000 will be used for mid-cycle re-clearing as determined by outage reports and insights from the co-op's area supervisors, lineworkers and members. These are areas that need special attention before the next planned cycle.

It's been proven that herbicide treatments help slow re-growth, which helps keep costs in check for the overall right of way investment. The co-op will invest \$404,000 to treat taller brush and trees using a combination of foliage spraying in more

## Tree Clearing: 2009

You may see tree crews working in these areas this year:

- Grand Lake
- Solway
- Floodwood
- Kettle River
- Crooked Lake
- Cohasset
- Onigum
- Walker
- Esko
- Barnum
- Big Sandy
- Crane Lake
- Cook and Tower ends of Lake Vermillion
- Side Lake
- Beatrice Lake
- Ely
- Sand Lake
- Lakeland
- Cotton
- Canyon
- Peary
- North of Aurora

# Questions answered about power costs

The recent change to the price you pay for power is directly related to wholesale power purchased from Great River Energy. The rising cost of power impacts all of us, and we too are frustrated with the increasing cost of power.

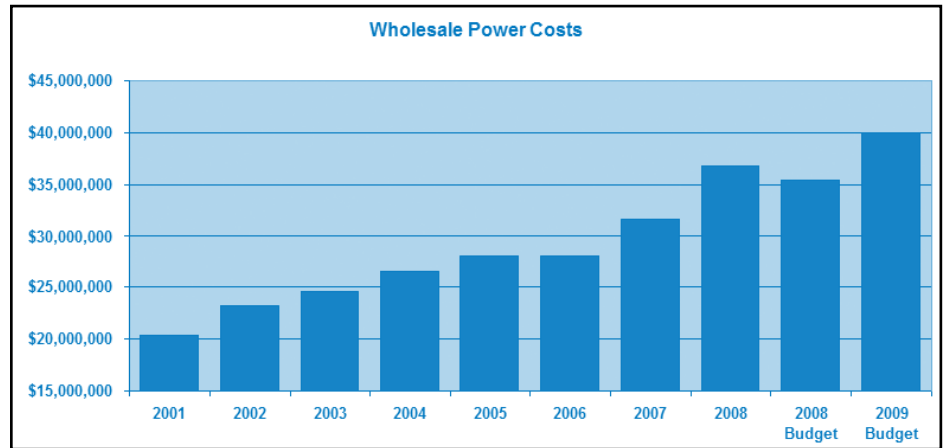
We'd like to address some of the questions you may have about the wholesale power cost rider that's been added to your bills.

## Why not buy wholesale power elsewhere?

Lake Country Power has solicited bids in the past from other power suppliers, both locally and regionally. But other suppliers declined to submit proposals for a variety of reasons, including limited availability of power, the opportunity to sell power elsewhere for a higher return and inadequate transmission links.

## What are we doing about rising power costs?

Lake Country Power's board passed a resolution calling on Great River Energy to cut costs. We have also asked GRE to reverse its decision to pass \$6.8 million in previously-waived power cost adjustments that were applied in late 2008.



The cost of power, purchased from Great River Energy, has increased dramatically for Lake Country Power and its members.

Lake Country Power absorbed power cost increases in 2001, 2002 and 2003, without passing on those added costs to our members. We absorbed those increases, and cut our own costs and continue to look for ways to minimize the impact of rising wholesale power costs on members without impacting our mission to provide you with safe, reliable and affordable electric service.

## How do rates compare with other utilities?

Lake Country Power's rates are very

competitive with other electric cooperatives in northern Minnesota. One significant difference between Lake Country Power and investor-owned or city-owned utilities is that they average between 35 and 55 customers per mile of line, while we average less than six members per mile. The costs for line construction and system maintenance are the same as utilities that serve communities with a higher number of consumers per mile. Utilities with more consumers per mile of line can spread their fixed costs over more households and businesses. ☑

### SHELTER CORNER



Making Homes Healthier and Energy Efficient

## Air exchangers add comfort and filtering benefits

Today's homes are so well-insulated they are practically airtight which is good for energy efficiency but without proper ventilation, the air pollution inside your home may be two to five times greater than outdoor levels according to recent studies by the Environmental Protection Agency. Indoor air quality affects our health, comfort, productivity, and quality of life, and with people spending more time indoors, it is very important the air inside your home is healthy and fresh.

An important element to improved indoor air quality is to remove the stale air in your home and replace it with fresh air.

Heat recovery air exchangers from Venmar are designed to do this. They take the stale polluted air out of your home and replace it with fresh clean air for a healthier environment. In addition, they are energy efficient which means the colder fresh air that comes into your home is heated with warm stale air that is leaving your home through a heat transfer core in the machine.

Recently, Venmar has added several new products (HEPA 3100 and HEPA 4100) that combine the above features with a high efficiency filtering system. These fresh air machines are ideal for those with allergies or asthma concerns and need the benefits high efficiency filtration provides.

Shelter Supply carries a full line of these Venmar fresh air machines, and as a homeowner you can receive a \$50 rebate directly from Shelter on any new Venmar air exchanger as long as it is purchased and professionally installed by a qualified Venmar contractor in your area. This offer is for one machine per home and is good through December 31, 2009.

For more information on how a new Venmar air exchanger can save you money and benefit your home, please call Mark Olson at 877-378-6347 or Cindy Haverland at 1-800-762-8399. ☑



# Cold weather guidelines and assistance

In 1991, the Minnesota Legislature passed a law that includes electric cooperatives in the Cold Weather Rule. The law provides that utilities must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

1. Household income of the customer is at or below 50 percent of the state median income. Income may be verified on forms provided by LCP or by the local energy assistance provider.
2. The customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household; and
3. A customer receives from LCP referrals to energy assistance weatherization, conservation, or other programs likely to reduce the customer's energy bills.

The law does allow for LCP to disconnect when it is necessary from October 15 to April 15, so please act promptly. LCP works with members

during the Cold Weather Rule period, just as we do throughout the year. We don't want to interrupt service to any member, but in a cooperative, all members suffer when any bill remains unpaid. If bills remain unpaid, this amount must be absorbed by members who faithfully pay their bill each month. LCP would rather work with members to establish and maintain adequate payment schedules of their past due bill, but sometimes disconnection must be made when necessary, within the limits of the law. Before disconnecting service to residential customers from October 15 to April 15, the cooperative must provide the following information:

- notice of proposed disconnection (disconnection notice);
- statement explaining customers' rights and responsibilities;
- list of energy assistance providers;
- forms available for customer to request cold weather disconnect protection; and,
- a statement explaining the payment plan to secure continued service.

Please contact Lake Country Power, if you have any questions about the Cold Weather Rule or energy assistance programs. ☎

## These agencies can provide additional assistance and more information about energy bills.

- AEOA, Virginia . . . . 800-662-5711 or 218-749-2912
- AEOA, Duluth . . . . . 218-624-7625
- AEOA, Hermantown . . . . . 218-729-5509
- Aitkin County Social Services, Aitkin . . 800-328-3744
- Bi County CAP . . . . . 800-332-7161
- Bois Forte Tribal Government,  
Nett Lake . . . . . 800-221-8129 or 218-757-3261
- Carlton County Human Services,  
Cloquet . . . . . 800-642-9082
- Cass County . . . . . 888-547-1340
- Fond Du Lac Reservation,  
Cloquet . . . . . 218-878-2668 or 218-878-2603
- Itasca County Social Services,  
Grand Rapids . . . . 800-422-0312 or 218-327-2941
- Kootasca Community Action Council,  
Grand Rapids . . . . 800-442-0312 or 218-327-2941
- Lake County . . . . . 218-834-8400
- Lake & Pines Community Action Council,  
Mora . . . . . 800-832-6082
- Leech Lake . . . . . 218-335-3783 or 866-864-8668
- Legal Aid Service . . 218-749-3270 or 800-886-3270
- Mille Lacs Band,  
Onamia . . . . . 320-532-4163 or 888-622-4163
- Pine County Social Services,  
Sandstone . . . . . 320-629-5600
- Salvation Army, Cloquet . . . . . 218-879-1693
- Salvation Army, Duluth . . . . . 218-722-7934
- Salvation Army, Grand Rapids . . . . . 218-326-5620
- Salvation Army, Virginia . . . . . 218-741-1889
- St. Louis County Social Services,  
Duluth . . . . . 218-624-7625 or 218-729-5509
- St. Louis County Social Services, Ely . . 218-365-8220
- St. Louis County Social Services,  
Hibbing . . . . . 218-262-6000
- St. Louis County Social Services,  
Virginia . . . . . 218-749-7137

# Scholarship season underway

If you're looking for scholarships, you'll want to visit [www.lakecountrypower.coop](http://www.lakecountrypower.coop) for details and information about Lake Country Power's scholarship program. As a Touchstone Energy cooperative, one of our core principals is commitment to community. We have several scholarships for those pursuing higher education and most scholarship funds are made possible through Operation Round Up®.

Applications for the \$1,500 Les Beach Memorial Scholarship are also available online at [www.lakecountrypower.coop](http://www.lakecountrypower.coop) or call human resources at 800-421-9959. The deadline is April 1.

All other Lake Country Power scholarship applications are available directly from area high school or community colleges. Please visit the



school directly for more information or visit the co-op's website. A list of schools is available online at [www.lakecountrypower.coop](http://www.lakecountrypower.coop). To ensure your application is valid, please be sure to follow the directions on the application form.

## Travel opportunity

Juniors and seniors looking for an educational adventure may also apply for the Rural Electric Youth Tour in Washington, D.C. The dates are June 13 - 18. To apply, you may download an application at [www.lakecountrypower.coop](http://www.lakecountrypower.coop) ☎