

Is your refrigerator running (efficiently)?

Household appliances can last for decades, but your 10-15-year-old refrigerator may not be as efficient as a newer model — and it may be costing you on your electric bill. If you're striving for an efficient home, appliances provide an excellent energy-saving opportunity.

First, you should get an idea of the amount of energy your various appliances use. The Household Appliance Calculator on www.MNBrighterIdeas.com will give you a snapshot of the energy and money it takes to operate your appliances. You might be surprised at how much you're spending.

Next, find out how much you can save



by purchasing a new ENERGY STAR appliance. Visit www.ENERGYSTAR.gov to run a cost comparison that measures your old fridge versus a new, energy efficient model. If you purchased your fridge in the early 90s, a new ENERGY STAR model will cost

approximately one-third as much to operate — the savings will add up fast!

Whether you're making your home more efficient, updating your kitchen or just replacing a broken dishwasher, remember to look for the ENERGY STAR label. The label means that the appliance meets strict energy efficiency guidelines set by the U.S. Environmental Protection Agency and the U.S. Department of Energy.

Lake Country Power offers rebates for various appliances, and the rebates change each year. Visit www.lakecountrypower.coop for rebates and application forms. ☑

CONDENSED BOARD MINUTES

June 30, 2009

Regular Monthly Meeting

The following reports were given:

President Mistek stated that the LCP Board Executive Committee met to discuss contracts that the board has with the attorney and other consultants.

Holding Company Board President Liimatainen provided an update regarding financial and other activities that have transpired.

The board considered the advisory motions that were passed at the 2009 annual meeting by members present at the meeting.

General Manager Lemonds provided background on the terms of the Power Purchase Contract LCP has with GRE that allows LCP to purchase ten percent of its energy and capacity from a supplier other than GRE. He then presented the preliminary analysis of the proposals received from six alternate suppliers and requested additional time to study other options.

The following actions were taken:

Approved the 21 May estate retirements in the amount of \$20,955.18.

Authorized CEO Lemonds to pursue additional consulting and meeting with other GRE distribution systems who are also exploring the option to purchase up to ten percent of their future growth from an alternate supplier.

Approved revisions to Board Policy 4, Board Budget, effective July 1, 2009.

Approved revisions to Board Policy 6, Attendance at Meetings, effective June 30, 2009.

Approved Procedure 511, Whistleblower, effective July 1, 2009.

Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at 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.

ADVISORY MOTIONS, CONT'D FROM COVER

Result: The board discussed the financial and legal ramifications of the motion. The cooperative cannot legally separate and segregate different membership groups, such as former or senior members. The action would be discriminatory.

The board's policy committee will review its options in more detail and report back to the board its recommendations for modifications to the bylaws. It was acknowledged that the co-op's strategy, adopted in 2007, to "get back on track" with the retirement of capital credits on an annual basis is an important step in returning patronage capital to members and demonstrate value in ownership. ☑

Consolidated Operating Statement

Year-to-Date – June 2009

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

	2009	2008
Electric Operating Revenue.....	\$36,523,656	\$32,244,618
Cost of Purchased Power	\$19,531,582	\$18,852,305
Distribution Expense —		
Operations and Maintenance	4,292,191	4,408,471
Consumer Accounts Expense & Informational	1,649,926	1,471,676
Administrative and General Exp.	2,467,256	2,342,791
Depreciation, Interest Expense and Other Deductions	6,078,705	5,578,616
TOTAL ELECTRIC OPERATING EXPENSES	34,019,660	32,653,859
Net Electric Operating Margins.....	2,503,996	(409,241)
Non-Operating Margins.....	363,441	100,937
TOTAL MARGINS BEFORE SUBSIDIARIES.....	2,867,437	(308,304)
Net Income (Loss) from Subsidiaries (reported quarterly).....	182,274	(58,985)
TOTAL MARGINS.....	\$3,049,711	\$(367,289)

Editor's Note: These financials are condensed. A complete set of financials can be viewed at 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.

LOAD CONTROL UPDATE

Winter control begins October 7 for members with load control heating programs. This is a good time to tune up your systems for winter. The off-peak water heating weekday control will change from summer to winter on September 23. Dual fuel and freedom heating will be tested October 22 and 24.

Newsline

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BOARD MEETINGS

September 29 – 9:30 a.m.
at Mountain Iron service center

October 27 – 9:30 a.m.
at Grand Rapids service center

November 24 – 9:30 a.m.
at Kettle River service center

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

COUPON REMINDER

The appliance coupons you received in July are valid at Sears through September 30. If you shop at a participating local retailer other than Sears, you'll want to make your purchase by September 30. Download a rebate form online and submit to Lake Country Power for credit.

SOMETHING FOR EVERYONE

Visit www.lakecountrypower.coop and explore a wealth of information and resources related to your electric service and membership. You'll find an archive of newsletters, Kids Komer, scholarship information, heating and cooling options, billing options and explanations, board minutes and financials in a member's area, energy tips, careers and more.

PRIMARY NUMBER

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

Inside

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Board reviews annual meeting advisory motions

During the April 25, 2009, annual meeting, members passed three advisory motions for the board's consideration. The board reviewed the motions during its June 30 meeting, and followed up with additional review in July during a policy committee meeting. Following are the motions that were passed, and the board's response to each consideration:

Advisory Motion #1) *The membership recommends to the LCP Board that the Board report individual director compensation on a quarterly basis in the LCP newsletter sorting out per diem from mileage and other types of reimbursement.*

Result: The board discussed several options, including the present method of publishing total board expenses on an annual basis in the annual report. After reviewing existing reporting forms and methods, the board authorized its expenses be added to the financial section that is posted online within the Member's Area at www.lakecountrypower.com each month.

The listing will include a table of individual director compensation and expenses. The board will also continue to publish expenses annually using the format that has been presented each year in the annual report since 2002.

Advisory Motion #2) *The membership recommends to LCP Board that if the GRE Board does not reduce its 2010 budget and reduce its rate increase to zero by June 2009, the LCP membership recommends the LCP Board file a formal complaint with the Minnesota Public Utilities Commission on behalf of all LCP members.*

Result: The LCP board reviewed Great River Energy's effort to cut its budget forecast for



2010. In January this year, GRE forecasted an average rate increase of 10.5 percent for 2010. During the GRE annual meeting in June, LCP's power supplier announced it has been working diligently to cut costs and reduce the effect of rate increases for its member systems.

The revised average rate increase for GRE distribution members in 2010 has been reduced to a projected 2.3 percent. The board acknowledged and complimented the direct feedback provided by LCP members, and the effort of Lake Country Power's board and management, as well as other GRE distribution system co-op directors and managers, to drive down GRE's rate increase in 2010.

Due to GRE's response and effort to implement an affordable rate increase in 2010, the board decided that filing a complaint with the Minnesota Public Utilities Commission at this time would hinder the effectiveness and positive results that have driven down GRE's projected rate increase for 2010.

Advisory Motion #3) *The membership recommends to the LCP Board that the LCP Board investigate options and ways of paying capital credits to its senior members.*

Reality Check: Climate change must be fair, affordable, and achievable



Rick Lemonds,
General Manager

We need your help. As Congress debates climate change this fall, our voices must drown out special interests and businesses interested in turning a profit. We've got to send Congress a reality check.

Since early this year, Congress has considered a cap-and-trade system to address climate change concerns. This system focuses on reducing carbon dioxide emissions from power plants, vehicles, and factories—essentially, impacting all sectors of the economy. As Congress acts on climate change they will be directly responsible for raising our electric bills. But by how much?

Electric co-ops like Lake Country Power feel it's important for Congress to keep three things in mind regarding climate change. We know rates will go up as a result of any action Congress takes, but any bill should be fair, taking into account regional differences in how electricity is produced. Some states have more low-carbon resources (such as wind or hydro) available than others, but we're all in this boat together. One part of

the country should not benefit at another's expense.

Next, we've got to keep electricity affordable for all Americans. We already have members in Minnesota who barely manage to pay their monthly electric bills, or must choose between paying for medications and keeping the lights on. Even a small increase will be a hardship beyond measure for these folks.

Finally, the goals Congress sets must be achievable. Climate change policy must be realistic and in sync with technology to ensure long-term success. Otherwise we're doomed to fail.

Lake Country Power and others across the nation have been working hard to make sure these concerns are raised—and we need your help.

More than 377,000 co-op members like you across the nation have joined the Our Energy, Our Future™ grassroots campaign, demanding that elected officials keep consumer interests in mind. Their voices had a major impact this

summer, as the U.S. House passed a climate change bill that included more than \$3 billion in rate relief for co-op consumers from initial proposals. Still, that bill fell far short of being fair to consumers. The climate change debate, now moves to the U.S. Senate. We have an opportunity there to make more improvements—and you can impact the outcome.

Your senators as well as members of the U.S. House need a reality check from you, their constituents. Visit www.ourenergymn.coop or www.ourenergy.coop today to send a message about the need for fair, affordable, and achievable climate change legislation. 📧

Putting a Price on Carbon

All climate change policy proposals seek to reduce emissions of carbon dioxide. While the greenhouse gas can be removed from the air (plants and trees are nature's best example), slashing man-made emissions tops the list of climate change remedies. A carbon tax or cap-and-trade tax are the current options for doing so.

CARBON TAX

Q: What is it?

A: A levy on energy sources emitting carbon dioxide meant to cut consumption of fossil fuels like coal, natural gas, and oil. The tax would most likely be based on the actual carbon content, in tons, found in each fuel type. The effectiveness of such a system depends on the actual price established per ton of carbon.

PROS

- Economic certainty: costs are easily tallied up-front
- Resulting revenue could be used for research on new energy technologies, create incentives for non-emitting sources such as nuclear power and renewables, or returned to taxpayers via rebates and other assistance

CONS

- No specific goal for carbon dioxide reductions set
- Sources of emissions could essentially pay to maintain "business as usual"
- If the tax is set too high, prices could skyrocket across the board; electricity bills, as well as the price of goods and services dependant on fossil fuels, would increase

Source: National Rural Electric Cooperative Association

CAP & TRADE TAX

Q: What is it?

A: In its most basic form, a cap-and-trade tax uses market forces to curb emissions of greenhouse gases like carbon dioxide. Each source (like a power plant) has a limit, or set number of allowances, placed on the amount of gases it can release—the cap. Those who make investments to curb emissions under the cap can sell any extra allowances to those who can't make reductions as easily—the trade. The cap-and-trade tax being considered by Congress would sell allowances through an auction, essentially making all sources pay for any amount of carbon dioxide emitted.

PROS

- If implemented well, provides an opportunity to find the most efficient ways to reduce emissions
- Specific environmental targets and goals

CONS

- Financial speculators could ultimately determine the price of carbon, directly impacting electricity bills
- Success of reducing emissions relies on technology that is currently limited, largely untested, and expensive
- If used to generate additional federal revenue, essentially turns electric co-ops into government tax collectors

CONSERVATION CORNER

She won't mow the daisies!



Leo Wilenius,
Manager, Energy and
Environmental Services

My wife and I share the duties of mowing our lawn, but therein lies a rift between us—how to mow. It sounds silly, but here is how it goes.

When it comes to mowing lawns, my motto is, "If you're going to do a job, do it right." And with this, every piece of grass or encroaching forest seedling will succumb to the conformity that is chopped out by our little push mower.

My wife on the other hand,

embraces the task of mowing as something pleasant and in this apparently sympathetic state, she sees beauty in each little plant that seeks its fortune in our yard. Wouldn't you know, our lawn just happens to be a virtual spawning ground for wild daisies and, as you've probably guessed by now, she won't mow the daisies!

If you're a lawn purist like me, you know that a little thing like this can get "under your skin." The reasoning is simple, "Do you want a lawn or a garden?" Anyway, we've come to a truce on the matter and the lawn now features well-trimmed grass along with a patchwork of wild (and very lucky) daisies.

The moral of this story is that each of us has very individual perceptions of what is right, best or preferred. If you've had debates in your home over conservation practices or efficient appliances, don't feel bad—it's a natural and good thing.

The fact is that my wife was also the first in our home to take conservation to heart which was a bit humbling since she "beat me at my own game," so to speak. To retaliate, it was my hope that I'd prevail on this "daisy thing," but sure enough, I'm starting to like the little critters too.

Hope you enjoyed the summer, and remember to save energy whenever you can! 📧

Cold weather rule effective October 15

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. ☎

Survey coming: Residential energy use

Please watch your mailbox for a survey that may be mailed to you from Great River Energy in late October or early November. Members will be randomly selected to participate in the survey. If you are selected to receive a survey, please take a few minutes to complete it and mail it back as the instructions indicate.

Results from the survey will help confirm residential energy usage patterns, saturation of major appliances and interest in the Energy Wise® programs. It's a major component of Great River Energy's long-range load forecast.

Your honest response will be useful as engineers predict future load growth. You'll help shape decisions about new power plants and transmission lines. Your answers will indicate whether the seasonal peaks for electricity will continue to grow, or when it could level off.

The information you provide will have significant impact on Great River Energy's wholesale costs to Lake Country Power and the 27 other electric co-ops served by GRE. Thank you in advance for taking time to complete your survey if randomly selected this fall. ☎

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