

February 2016

Newsline

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Ramping up for an aggressive clearing plan in 2016

Reliability and safety is the goal

It's going to be another busy year clearing trees and vegetation from Lake Country Power's lines as contractor crews hit the woods. One cycle at a time, and the efforts are paying off with fewer outages and improved service reliability.

"We've become much more aggressive with our right-of-way maintenance work," said Syver Kolden, manager of forestry services. "I'm very thankful for members working with us because it really makes a difference. When we look at the system map during a large outage situation, it's very evident how electric service has improved for the recently cleared areas due to our tree maintenance program."

Nearly 1,119 miles of line will be cleared and maintained this year—an aggressive goal.

The board approved a \$4 million investment for right-of-way clearing and member tree clearing requests. Areas of focus in 2016 include:

- Pike River (north of Virginia)
- Sand Lake (north of Virginia)
- Lakeland areas (south of Biwabik, Gilbert, etc.)
- Peary areas (south of Eveleth)
- Cotton

LCP has 8,235 miles of line total. With the help of contractors, LCP completed 675 miles of line last year in the most difficult terrain on the co-op's system. In 2014, all

1,100 miles of work was finished.

"We'll also be doing some touch-up work with selective herbicide treatments in some of the areas that were cleared in 2014," added Kolden. "It'll be spot treatments only as needed in the northern part of our system."

Three contractors will work on LCP's system this year, including Lake States Tree Service, Northern Clearing and Wright Tree Service, all of which have local crews and are familiar with northern Minnesota.

Right-of-way management is necessary for reliable operations and providing continuous electric service. It also ensures safety for the public and line crews.

Buggers attacking trees

When trees weaken or die, there's a pretty good chance it could be related to a tiny critter or fungus. LCP budgets and responds to hundreds of these "danger tree" requests every year.

Spruce bud worms remain a concern to balsam trees in the northeast part of LCP's service area. We have cleared the most infested areas in the past two years but will need to continue monitoring the right-of-way. When a tree is invaded by this worm, it typically takes three years before the tree dies.

Another concern is hypoxylon canker, a black fungus that attacks aspen trees, increasing the number of danger trees near power lines.



The Emerald Ash Borer has recently been discovered in the Duluth area. It's a greater concern that LCP is watching closely. When the beetle attacks, it doesn't care whether the Ash tree is healthy or ill. Once invaded, the tree dies within one-to-three years. If discovered within LCP's right-of-ways, the infected tree will be cut but the ash wood will not be allowed to leave the quarantine area.

Keep an eye on your Ash trees by looking for dead branches at the top of the tree. This is often a trigger the tree may be infected. Visit emeraldaskborer.info for more information.

BOARD MEETINGS

Feb. 29—9:30 a.m. at
Kettle River Service Center

Mar. 29—9:30 a.m. at
Mountain Iron Service Center

SAVE THE DATE

The annual meeting will be held Thursday, April 28 at the Merritt Elementary School in Mountain Iron. Registration/dinner at 4:45 p.m. Business meeting at 6:00 p.m.

PRIMARY NUMBER

Lake Country Power's phones are answered 24-hours a day.

Our primary phone number is 1-800-421-9959.

EDITOR'S NOTE

Co-op events, including board meeting schedules, are posted at lakecountrypower.coop. Go to "Community Service" and click "Meetings/Events."



The Power of Connections Touchstone Energy's Co-op Connections® Card

By George Harvey, District 3 Director

Your Lake Country Power membership means more than just safe and reliable electricity. With the Touchstone Energy Co-op Connections® Card, it also means up to 85 percent in savings at hundreds of participating local and national retailers. This is just another way Lake Country Power is connecting with members on pocketbook issues.

The Touchstone Energy Connections Card network takes advantage of economies of scale to provide products and services that enhance the unique relationship between co-ops and their members. The card provides co-op members with more than 25,000 money-saving discounts, while at the same time, strengthening a co-op's partnership with local businesses and the community.

Today, this member benefit card is now in the hands of members at more than 468 co-ops in 46 states. The prescription discount alone has saved cardholders more than \$65 million to date.

Lake Country Power members are also saving on their prescriptions. In 2015, members who used the Co-op Connections Card toward their meds saved nearly \$10,500, collectively. That's a savings of nearly 42 percent for their prescriptions. It pays to ask the pharmacist to run the comparative savings between your insurance carrier and what the Co-op Connections Card can save you.

Finding ways to save you money—that's the power of your co-op membership. Learn more at www.connections.coop. Plug in to the power of Lake Country



Power's Touchstone Energy Cooperative membership at www.TogetherWeSave.com.

George Harvey was elected by members in Lake Country Power District 3. He can be reached at 218-741-6633 or gharvey@accessmn.com.

EPA power plant rule sets ambitious emission goals States drafting plans to achieve 32 percent drop in carbon dioxide emissions

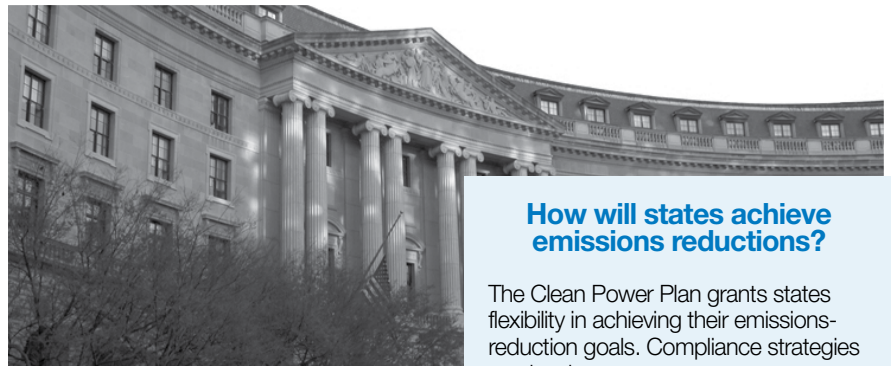
The Environmental Protection Agency (EPA) released its final Clean Power Plan this summer. The rule requires states to meet emissions reduction goals for carbon dioxide (CO₂) emitted from existing fossil fuel power plants (i.e., coal and natural gas).

The Clean Power Plan is expected to achieve a 32 percent nationwide reduction in CO₂ emissions from the power sector in 2030 from 2005 levels.

Like all utilities, Lake Country Power and wholesale electricity provider Great River Energy will be affected by the rule, and they are working hard to help state regulatory agencies prepare compliance plans that minimize negative impacts on members' bills or electric service.

Great River Energy has several teams of employees and consultants working on this issue. They've teamed up to achieve the goals of the Clean Power Plan with the least possible burden on members.

Great River Energy's three coal power plants in North Dakota will be covered by the Clean Power Plan. The plants are among the most efficient and lowest in CO₂



EPA building

emission rates in North Dakota, due in part to Great River Energy's continued focus on improving performance. The organization is working with other utilities and officials as the state of North Dakota develops its plan to comply with the EPA's new rule.

States are required to file implementation plans to the EPA by Sept. 6, 2016. They may request a two-year extension at that time.

How will states achieve emissions reductions?

The Clean Power Plan grants states flexibility in achieving their emissions-reduction goals. Compliance strategies can involve:

- Improving heat rates at coal power plants
- Substituting generation from less carbon intensive power plants (e.g., natural gas)
- Adding low- or zero-carbon generation such as wind or solar
- Providing incentives for consumer conservation
- Trading credits with other sources within or outside the state

Touchstone Energy Community Award supports organization in Cotton

Lake Country Power selected Old School Lives, Incorporated, of Cotton, Minnesota as the winner of its annual Touchstone Energy Community Award. The co-op chose this non-profit organization for the variety of programming it offers to strengthen family values, establish relationships, confirm healthy lifestyles and restore a sense of community.

"I think it's fantastic how this organization does so much for the whole community," said Misty Ryan of LCP. "Their services are broadly based to meet everyone's needs, and they operate on a shoe-string with 100 volunteers."

"When the school was open and operating, it was the heart of the Cotton community," added Tracy Peterson of LCP. "It's intriguing to me how this fairly new organization is using an old, closed school for community enrichment. Old School Lives has truly earned the grassroots nature of this community award."

As winner of the Touchstone Energy Community Award, Old School Lives, Inc., of Cotton was awarded a plaque to display and \$500 that will go toward its community services.



Accepting the Touchstone Energy Community Award for Old School Lives, Incorporated, of Cotton, Minn., is (left to right) Jamie Bowden, Megan Julin, Ginger Kinsley and Ruth Kallberg. In the back is Kourtney Kinsley.

"We are really appreciative to be recognized for this community award," said Ginger Kinsley, executive director of Old School Lives, Inc.

Old School Lives, Inc., is a non-profit faith-based community family services organization that operates many programs and services out of the old, vacated Cotton School. They provide programming for all ages, including art, fitness, health, education, low-income housing, emergency housing, library, environmental education and opportunity, food programs, small business incubators and a variety of

social opportunities. All of these activities is helping build and renew a sense of community in rural central St. Louis County. Old School Lives started May 2012, and now occupies 100 percent of the 65,000 square-foot school.

Lake Country Power is one of the Touchstone Energy Cooperatives in Minnesota providing a local community award to encourage and recognize local community contributions. Old School Lives, Inc., will compete with winners from other Minnesota-based electric cooperatives for statewide recognition and \$1,000.

District meetings to keep members informed

With new rules on carbon emissions and more renewable technology coming online, the energy industry is in a state of constant change and pressure. Lake Country Power is sharing these challenges which include updates on electric rates and the pros and cons of energy conservation.

Lake Country Power's board and staff are connecting with members during a series of nine district meetings. Co-op representatives will also share information about low-cost home heating ideas and the need to ramp up line construction and line clearing projects.

The rural electric cooperative is serving a light dinner for co-op members from 5 p.m. until 5:30 p.m. with a brief after-dinner presentation that will focus on:

- Electric rate changes
- Energy conservation pros and cons
- Low-cost home heating solutions

- Line construction and clearing projects by region

If you're unable to attend your district meeting, you're welcome to attend another member meeting of your choice. All meetings are scheduled from 5:00 p.m. until 7:00 p.m.

For an overview of the full member meeting schedule, please visit www.lakecountrypower.coop.

Upcoming meetings

- February 4: Remer School, Remer
- February 9: Spang Hall, Hill City
- February 23: Grand Ely Lodge, Ely
- February 25: Cohasset Community Center, Cohasset
- March 3: Sand Lake Chapel, Britt
- March 10: South Ridge School, Culver



Watch your mailbox for a special invitation to attend your district meeting. Please R.S.V.P.

Co-op calendar confest opens

The 2017 co-op calendar contest is now officially open.

Together, let's produce another beautiful calendar that showcases the photography talents of our membership. Your pictures should be scenic, capturing the beauty of northern Minnesota's four seasons. The photos are not required to include power lines, but may if you choose.

A panel of judges will select the winning photos in "round one" of the judging process. During "round two," members will select the finalists through a contest on LCP's Facebook page.



If you'd like a 2016 calendar, submit an online request at www.lakecountrypower.coop and we'll mail you one at no charge, or visit one of the service centers. Supplies are going quickly, but a few copies remain available.

Photo Contest Guidelines

1. Only Lake Country Power members may enter the contest. (LCP employees and their immediate families and spouses are not eligible to enter the contest.)
2. Photos must be electronic. Photos must capture the beauty of northern Minnesota. You may submit photos taken in spring, summer, fall and/or winter. The photos must be taken by you, not someone else.
3. Photos will not be accepted if the following information is not provided in the e-mail with the electronic photograph: Name, address, city, state, zip, phone/cell, e-mail, location taken and a photo description.
4. You may submit up to 10 photos (separate e-mails required), but we may limit each photographer to no more than two winning entries.
5. Enter color photos that were taken in northern Minnesota, and are appropriately sized for printing at 12 inches wide by 9 inches high (300 resolution: minimum resolution of 2,700 pixels by 3,600 pixels).
6. Only horizontal pictures will be accepted. Vertical photos do not qualify.
7. Photos must be e-mailed to tzaun@lakecountrypower.com. All entries must be received by September 1, 2016.
8. Photos must not include people.
9. Winning photographers automatically give Lake Country Power permission to use winning photos in the calendar, in other publications, member presentations or electronically online.
10. Winners will receive a \$15 credit on their electric bill. If you are lucky to win with two entries, you'll receive a \$30 credit on your bill. Winners will be notified in October.



Operation Round Up® gives \$177,910 in 2015 to local communities



More than 69 percent of Lake Country Power's members participate in Operation Round Up®. Their participation provides assistance to hundreds of worthy programs and projects in the local communities of northern Minnesota.

During 2015, \$177,910 in contributions were made through Operation Round Up, an increase of more than \$21,400 over 2014. Since the program's inception in October 2004, more than \$1.5 million has been distributed to nearly 1,300 community-based projects and programs.

Operation Round Up® is a charitable program unique to electric cooperatives. It provides financial assistance to worthwhile activities and community projects by "rounding up" member's electric bills to the nearest dollar. The most members could contribute in a one-year period is less than \$12.

Have you thought about contributing some small change to this worthwhile program? Interested members can opt into Operation Round Up by calling Lake Country Power at 800-421-9959 or using an online form at www.lakecountrypower.coop.

Applications are available online at www.lakecountrypower.coop. The next deadline is May 15.

“Thank you so very much for your wonderful grant to Neighbors Helping Neighbors Food Shelf. We used it to give our clients gift vouchers for meat from our local grocery store. They were very appreciative to have this extra help to keep their families fed. The need is great here, and we greatly appreciate your help.”

**— Joen Blomberg,
NHN Food Shelf, Nashauk**

Building power lines in the cold reduces environmental impact

Winter isn't everyone's favorite season, but it can be one of the best times of year to build power lines, particularly in terms of environmental impact.

That's why Great River Energy, wholesale electric provider to Lake Country Power, develops its transmission construction calendar to maximize the benefits of winter construction.

"Winter typically allows crews to minimize disturbances to wetland areas because the ground is already frozen and hard," said Carole Schmidt, Great River Energy's leader, transmission environmental permitting and compliance. "There's less disturbances to the ground during the winter time because most plants have gone dormant and aren't easily disturbed."

In addition, wetland impacts are mitigated during the winter time because crews usually don't have to use matting to reach wetland areas, like they would have to in the summer time. Matting often includes installing large wood planks so that heavy construction vehicles can access the area without leaving large trenches in the soil.

Winter construction also minimizes impacts to the habitat of threatened, endangered and species of concern. In Minnesota, two such species include the Blanding's turtle and the northern long-eared bat. By constructing in winter, crews are able to avoid the nesting and breeding seasons, important to these species' survival.

"The northern long-eared bat and Blanding's turtle populations in Minnesota are on various lists which protect them," Schmidt said.



Crews work to relocate portions of the Ramsey-to-Grand Forks 230-kV line in northeast North Dakota. Winter construction provides many environmental benefits, including minimizing impacts to wetlands and protected species.

"Winter time strategically avoids the more sensitive times of the year when these species are more at risk, including when they have young."



We work hard to keep your coffee hot, your milk cold, your batteries charged and your home warm.

The Value of Electricity
— Energy that Powers our Lives

Do you know your co-op network?

The power behind your power

Every day, Lake Country Power works hard to make sure each of its 43,000 members have the electric power they need. Behind the scenes, employees are working with a network of cooperatives to make that happen. As a co-op member, you're connected to an entire network of cooperatives, including:

Great River Energy: The generation & transmission cooperative that supplies LCP its wholesale electricity.

National Rural Utilities Cooperative Finance Corporation (CFC) and CoBank: It takes a lot of money to run an electric co-op. These two organizations borrow capital to electric co-ops.

National Information Solutions Cooperative: LCP uses this cooperative to send you timely and accurate bills each month.

Federated Rural Electric Insurance Exchange: This co-op offers different types of insurance at an affordable price.

RESCO Electric Utility: It takes a lot of "stuff" to build and operate an electric co-op such as poles, wires, etc. This company provides quick access in seven states to materials at the best price.

Touchstone Energy: 750 electric cooperatives form this nationwide alliance and have access to a wealth of informational materials and benchmarking performance with other co-ops.

Cooperative Response Center: This organization allows your calls to be answered 24 hours a day, 365 days a year.

Recipe Corner

Swedish Potato Sausage in a Pan

Lois Schmidt, Tower, MN

- 1 ½ pounds lean, mild-flavored pork sausage
- 1 ½ pounds peeled potatoes, cut into chunks
- 1 medium onion, quartered
- 1 egg



Grind potatoes and onion with a food chopper fitted with a medium blade. Mix well with pork sausage and egg. Salt and pepper to taste. Put in a greased baking pan. I use a glass 7"x11" pan. Bake at 350 degrees for 1 – 1.5 hours or until the top is well browned. I serve it with frozen California blend vegetable in a cheese sauce. You may double the recipe for leftovers and use a 9"x13" baking pan. The next day the leftovers can be sliced and fried with eggs for a hearty breakfast. Another option would be to add cabbage to the recipe, if you like. This recipe is handy to serve overnight company breakfast.

Submit your favorite recipe to Lake Country Power, Attn. Editor, 2810 Elida Drive, Grand Rapids, MN 55744, or e-mail tzaun@lakecountrypower.com. If your entry is drawn and printed in Newsline, you'll receive a \$5 credit on your electric bill. Entries must include name, address and phone number on account. Recipes will be published as space allows.

November 24, 2015 • Regular Monthly Meeting

The following reports were given:

President Long reported about several conversations he had with members during the past month.

General Manager Randa provided a written report to the board, including verbal updates on various matters. There was discussion throughout his report.

The following actions were taken:

Approved a resolution to support Great River Energy's proposed solar project where GRE would enter into solar power purchase agreements with SoCore Energy.

Approved a resolution to approve the designation of the Endeavor 1 wind purchase agreement, Elk River peaking plant and the Prairie Star wind purchase agreement as

replacement resources for certain retired and retiring resources.

Approved a resolution to sell a certain tract of land, known as the Nashwauk Substation, to Lakes Gas Co.

Approved a resolution to sell a certain tract of land, known as the Cedar Valley Substation, to an independent party.

Approved to award Contracts 2016-11, 2016-12 and 2016-13 to Lake States Construction.

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.



This picture earned a spot in the co-op calendar for February 2016. It was taken by Jerry Barringer of Warba, MN. He used a Canon 70d with a 135 mm lens to photograph his red barn on a very frosty and cold morning.



ENERGY EFFICIENCY Tip of the Month

Did you know that 90 percent of the energy used to operate a washing machine comes from using hot water? A simple switch from hot to cold can save a great deal of energy! Also, consider air drying or even line drying to save even more household energy.

Source: U.S. Department of Energy

Comparative Operating Statement

Year-To-Date — November 2015

	2015	2014
Electric Operating Revenue	\$75,659,803	\$79,841,562
Cost of Purchased Power	40,684,460	44,100,150
Distribution Expense - Operations and Maintenance	11,663,238	11,243,134
Consumer Accounts Expense & Informational	3,624,571	3,499,373
Administrative and General Expense	5,200,351	5,007,272
Depreciation, Interest Expense and Other Deductions	13,593,839	13,311,165
TOTAL ELECTRIC OPERATING EXPENSES	74,766,459	77,161,094
Net Electric Operating Margins	893,343	2,680,469
Non-Operating Margins	996,614	950,126
TOTAL MARGINS BEFORE SUBSIDIARIES	1,889,957	3,630,595
Net Income (Loss) from Subsidiaries	113,833	677,570
TOTAL MARGINS	\$2,003,791	\$ 4,308,165
TOTAL kWh SOLD (YEAR-TO-DATE)	564,943,570	621,655,332

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.

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Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care than an ordinarily prudent person in a like position would exercise under similar circumstances.

Directors set policy, approve strategy and are charged with fiduciary responsibility of the cooperative. Directors do not oversee day-to-day LCP operations. Administration of maintenance, electric service and operations are the responsibility of employees and staff.

Members with questions or concerns about service, billing, outages or other service-related matters should call 1-800-421-9959.

Newsline

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