

Happy Thanksgiving!

November 2022

Newsline

BOARD MEETINGS November 29 ■ December 22 (9:30 am at Cohasset Service Center. Members welcome)



IN THIS ISSUE

- First responder training
- Scholarship process opens Jan. 1
- Pick up your 2023 co-op calendar
- Dual fuel to see more control

Supply chain, cost issues persist for LCP

Lake Country Power finished commissioning the Goodland Substation this month, the culmination of almost two years of planning, construction and navigating supply chain issues.

Derek Howe, chief operating officer at LCP, credited the cooperative's planning efforts, shared designs across substations and board approval of in-house construction crews in completing the substation before cold weather season, and this year's construction projects despite unprecedented lag times on equipment.

Howe noted that this is the latest LCP has ever commissioned a substation and equipment was borrowed from another substation to finish construction, noting the equipment order isn't due to arrive until spring 2023.

"I'm grateful the board of directors had the insight to hire the construction crews," Howe said. "We wouldn't be getting this done without setting the historical track record of making those significant purchases of materials to get through this crunch. We are better off than most."

Supply chain issues are only expected to worsen into next year, he added, as are price increases on equipment that, combined, are forcing the cooperative to operate with more advanced planning on projects.

Prices on regulators have more than doubled, from around \$35,000 to more than \$70,000 in a year. Substation transformer costs have gone

from \$350,000 to \$625,000 (and transformers on average have seen a 57% increase) and the average cost for a new service is up 36% in a year, from around \$6,078 to \$8,250.

LCP crews started staking 2023 projects ahead of schedule and are already working ahead on staking for 2024 in order to get a grasp on what equipment is needed and enabling the co-op to work with vendors toward on-time deliveries.

One positive Howe points to is that LCP, years ago, committed to annual age-related infrastructure replacements, placing the co-op in a good relationship with all its vendors to have more material on hand for LCP.

Looking ahead, industry leaders foresee even more shortages and price increases on the horizon. The Inflation Reduction Act passed through Congress this year could exacerbate those issues because the money is tied to grants that must be used in a short timeframe. That adds substantial dollars to the market, where companies won't have to worry about how much they're spending to complete projects, during a time when supply is suffering.

"It could get really bad and there's not a real end in sight," Howe added. "In the next five years, demand is going to far exceed supply."

Most of those issues, Howe said, the co-op can overcome but there's concern over lead times on poles next year, which have grown in general from 10 days to 50 weeks. That



timeframe could worsen as equipment and materials are sent to Florida to repair damages from Hurricane Ian's landfall in October. Luckily, LCP has a consignment agreement with its pole providers and should continue to receive poles in 4-6 weeks or less.

"We are one big storm away from not having enough materials," Howe said. "There might be some hiccups next year that we might not be able to overcome. It will be a more challenging year, but my hope is the manufacturers realize the dangers of pushing production offshore. There is a really good chance we'll come out of this stronger than we were going into it with more domestic production." ■



Holiday Observed

All LCP offices will be closed November 24-25 for Thanksgiving. If you experience a power outage, use SmartHub to report the outage. Register for SmartHub at lakecountrypower.coop. Or call 800-421-9959, press #1.

Use your Co-op Connections® Card this holiday season

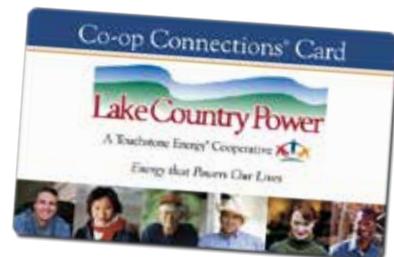
November marks the beginning of the holiday shopping season, with Small Business Saturday happening November 26, but with your Co-op Connections® Card you can help support local small businesses year-round.

This free co-op membership card offers cooperative members deals on products and services to more than 24,000 local and national businesses. The card helps save on automotive, clothing, dining, travel and more.

Each member of Lake Country Power receives the Co-op Connections® Card without cost or signing up, and it's yours to keep — forever. LCP is proud to be part of the communities we service and appreciative of the opportunity to help our members save, while also supporting the local business community.

This Small Business Saturday, you can use your Co-op Connections® Card at various businesses across the Northland. Here's a handful of deals you can take advantage of during your shopping trip:

- Buy any one hot beverage and get the second beverage 50% off, of equal or lesser value at Kunnaris Kitchen & Coffee House (1305 8th St. in Virginia)



- 10% off purchase at Bergquist Gift Shop (1412 Hwy 33 S. in Cloquet)
- 10% off custom framing at Fine Edge Custom Framing (107 N. 4th Ave. in Virginia)
- 10% off any gift item, excluding flowers and plants at Moose Lake Florist's (310 Elm Ave. in Moose Lake)
- 15% off any regular priced merchandise, excluding Ed Levin at Mississippi Diamond Jewelers (6 NW 3rd St. in Grand Rapids)
- \$3 off 2 pounds fully cooked baby back ribs at S&S Meats (1510 NW 4th St. in Grand Rapids)

For more information on the Co-op Connections® Card and a full list of local and national businesses and deals, visit www.lakecountrypower.coop/co-op-connections-card. If you lost your card and need a replacement, call LCP at 800-421-9959, or you may download the app on your smart device by searching Co-op Connections®. ■



Operation Round Up® gives more than \$50,000 to community programs

Through the contributions of Lake Country Power's participating members, the Operation Round Up® Electric Trust Board recently approved \$50,800 in assistance to local community programs during its quarterly meeting.

The cooperative's Trust Board reviewed and considered 47 grant applications and distributed funds to 44 projects and programs this past quarter. Since the program's inception in October 2004, more than \$2.9 million has been distributed to community-based projects and programs.

All funds generated through Operation Round Up® are set aside in a trust fund.

A voluntary Trust Board of nine co-op members administers the trust. Of the funds collected through the program, 100 percent is distributed

to charitable organizations through an application and selection process. The Trust Board uses special guidelines and policies when choosing recipients.

Operation Round Up® is a charitable program unique to electric co-ops, which is designed to provide financial assistance to worthwhile activities and community projects by "rounding up" members' electric bills to the nearest dollar. The average donation of each participating Lake Country Power member is less than \$6 annually. Among Lake Country Power's 43,000 members, nearly 64 percent of all active electric accounts participate in the program through voluntary contributions. Interested members can opt into the Operation Round Up® program by calling the cooperative at 800-421-9959 or using an online form at lakecountrypower.coop.



DNR, GRE and LCP converge at Bear Head Lake State Park



► L-R, Jen Westlund (DNR), Ryan Ferguson (LCP), Dan Cooper (LCP), Jody Popesh (DNR), and Rodney De Fouw (GRE). Great River Energy partnered with the Minnesota Department of Natural Resources to install a cold climate air source heat pump (ccASHp) at Bear Head Lake State Park in Ely. GRE donated \$20,000 toward the project, one of 30 potential state parks in the GRE family of utilities that could host a demonstration system as part of a case study while educating visitors about ASHPs and reducing energy costs.

Safety trailer has universal education message

First responders get first-hand look

In September, Lake Country Power held its inaugural first responder training event related to emergency electrical situations at the service center in Mountain Iron. The turnout was incredible as 90 first responders attended, including those from the Morse Fall Lake Fire Department in my home Ely area, who drove more than an hour on a Thursday night. The training session was repeated in Cohasset the next week and more than 50 turned out for that one. All-in-all, 33 different organizations were represented.



By Mike FORSMAN
District 2 Director

primary use will be traveling to area schools and community events to teach about the danger and safety elements of electricity.

The LCP team pulled together an abbreviated presentation for these events that demonstrated some of the dramatic displays of electrical dangers. It included what happens when a ladder touches a power line, how flying a kite into a power line can kill, and what happens to human body parts when they meet

a live wire. They added a very important element for first responders: How to deal with downed power lines and meter removals during an emergency.

People tend to believe that if a meter is pulled from the base, the home is de-energized, right? Therein lies the danger. It may not be. Lake Country Power has more than 10 different meter configurations depending on the home's setup. A pulled meter in one situation may cut power to a dwelling, but under a different circumstance, power is not interrupted, which could lead to disaster for a first responder dealing with a home fire or other crisis.

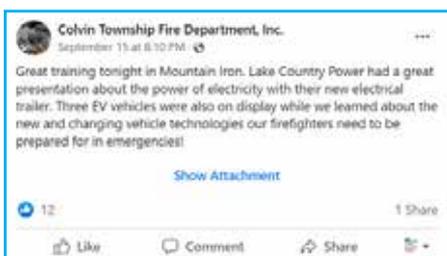


The bottom line is the same for an LCP member and a first responder. Please wait for LCP personnel to arrive to safely de-energize the home. Furthermore, if you see a downed line following a storm or other cause, never assume it is dead. There is no way to know if a downed line is energized, and it may very well cost a person their life.



Feedback from the event was very good. Many said they learned practical lessons to add to their valuable services. Thank you to all our emergency responders; stay safe as you keep us safe! ■

Mike Forsman was elected by members in Lake Country Power District 2. He can be reached at 218-365-5789 or mforsman@lcp.coop.



While the event was promoted as an electric vehicle safety session, how to deal with extraction and electrical fires, the highlight may very well have been the LCP operations department's display of its new safety trailer. The trailer was purchased last year, and its

UNCLAIMED

CAPITAL CREDITS

An updated list on LCP's website, www.lakecountrypower.coop, provides the names of members who have not cashed their capital credit check, or we no longer have a forwarding address. If you have any information, please call LCP at 800-421-9959 (press 5). Any monies not claimed will be contributed to a tax-exempt purpose such as LCP's scholarship or education improvement programs.

'TIS THE SEASON FOR ENERGY SAVINGS

The Christmas season is one of the most energy-intensive times of the year, but that doesn't mean you should keep your twinkling, strobing and glittering decorations packed away. Instead, **use up to 90% less electricity** by switching from incandescent models to durable, longer-lasting LED holiday lighting. And now for a limited time, you can save 10%!

Save 10% on LED holiday lights at energywisemnstore.com/holidaylights



Offer valid Nov. 1 – Dec. 31, 2022.
No coupon code necessary.
Discount applied at checkout.
Member assumes responsibility for all sales tax. While supplies last.

ENERGY WISE MN

LakeCountryPower
A Touchstone Energy Cooperative

People Powering You

This is a regular series of employee spotlights where you'll get to know the people behind your power.

Years served: 1.5 years

Brief overview of my job: I do construction and maintenance of overhead and underground lines.

Why I enjoy working at LCP: Great country to be around.

Family: Wife Abby and daughter, Violet

Community Involvement: Wildland seasonal smokechaser .

Hobbies: Hunting and fishing, especially for walleye. Love small game, mostly birds behind my dog.

One random fact of interest about yourself: I target burbot (known to many as eelpout), a fish that not a lot of people go after.

What did you do before working at the co-op? I served as a Wildland



Matt Bade

Apprentice Lineworker II

firefighter and did some dirt work.

Education/training/background: Attended Minnesota State Wadena Lineschool.

RECIPE CORNER CRANBERRY ALMOND COOKIES



From the Kitchen of:
Rita K. Lahtonen,
Babbitt



- 1 cup butter, softened (2 sticks)
- 1 cup powdered sugar
- 1 egg
- 1 tbsp lime juice
- 1 tsp vanilla extract
- 1 tsp almond extract
- ½ tsp salt
- ½ cup fresh/thawed cranberries, snipped in half
- ½ cup slivered almonds
- 2 cups flour
- Optional tablespoon of cream for softer dough

Mix. Drop by tablespoon on a greased cookie sheet. Bake at 350 degrees for 15-25 minutes.

Submit your favorite recipe to Lake Country Power, Attn. Editor, 8535 Park Ridge Drive, Mountain Iron, MN 55768, or e-mail jburnes@lcp.coop. If your entry is printed in Newsline, you'll receive a \$5 credit on your electric bill. Entries must include name, address and phone number on account.

Request your 2023 co-op calendar



The 2023 co-op calendars are ready... and beautiful! Supplies are limited to a first-come, first-serve basis and two per membership.

Request your free 2023 co-op calendar online at www.lakecountrypower.coop, call 800-421-9959, or pick up a copy at our service centers.



"Where's Willie?"

Find out more about the "Where's Willie?" contest by visiting lakecountrypower.coop/wheres-willie

Dual fuel and home heating options

The scenery and weather are starting to change for Lake Country Power members as we move closer to winter. What does this mean for our dual fuel members? It's a good time this fall to check your dual fuel primary electric heating and backup heating systems.

Dual fuel provides great value for our members, saving a typical home hundreds of dollars a year in heating costs, and operates at a reduced energy rate. Because electric rates are more stable compared to the fluctuations of propane and fuel oil, dual fuel is a more cost-efficient heating option.



By Barbara
SCHMIT
Manager of
Member Service

What is dual fuel?

Dual fuel is a load management program where a home's primary heating system is electric and can be interrupted during peak time control events. An alternate non-electric, typically a fossil fuel or qualifying ETS (electric thermal storage) heating system, is the backup that heats your home during the control times.

Control event days typically occur when there's high demand, high wholesale energy prices, or system emergencies. Dual fuel electric heating sources can be controlled for up to 12 hours at a time and 400 hours per season. A 12-hour control time is rare, but still possible.

Dual fuel requires a separate meter to record the energy usage. Our current dual fuel is billed at 6.65 cents per kWh, which is equivalent to buying propane at \$1.61 per gallon (90% efficient unit) or buying fuel oil at \$2.16 per gallon (80% efficient unit).

Already have dual fuel?

We encourage our existing dual fuel members to take the time to check your dual fuel systems this fall. Here are five practical tips to help keep your home warm when you need it:

1. Operate the electric heating equipment to be sure the system responds to a "call for heat" from the thermostat.

2. Operate the backup heating system (oil or propane) also to be sure the system responds to a "call for heat" from the thermostat. Have your gas or oil furnace/boiler checked periodically by a professional HVAC contractor.
3. Fill your propane or fuel oil tanks now to ensure you'll have adequate supply for your secondary heating system as needed this winter.
4. Get notified directly, by email or text alerts, when dual fuel is being controlled by signing up for load control notifications in SmartHub. Don't have SmartHub yet? Visit lakecountrypower.coop > My Account > Sign In, to get started.
5. If you wish to monitor the control periods of dual fuel throughout the heating season, visit lakecountrypower.coop, then from our home page click on Today's Load.

What to expect this winter

Control times have been fairly limited in recent years, but this winter we're anticipating more control events due to inflationary pressures and supply constraints that are being felt across the energy industry and contributing to the high cost of electricity, natural gas, propane and fuel. Therefore, we're encouraging you to check that your backup system is ready to go.

If you have questions about dual fuel or other load management programs, please call our office during business hours at 800-421-9959, and press 6 for a member service representative.

Have a safe and warm winter! ■



Q: Need to report an outage, or have other issues or questions?

A: Using your SmartHub account makes reaching us easier than ever. Under "Contact Us" click the option "Report an Issue/Inquiry." You'll then have the option of picking "Power Outage" or "Other issues/General Inquiry."

Scholarship process opens January 1



SAVE THE DATE!

January 1, 2023, is important for high school seniors because that's when Lake Country Power's online application process opens for the Les Beach Scholarship. The application deadline is January 31, 2023.

To complete the electronic application and submit electronic letters of recommendation, go to www.lakecountrypower.coop > My Cooperative > Community > Scholarships.

Scholarship recipients may qualify for up to \$4,000 over four years to help pay for college or technical education. Scholarships are renewable for up to eight semesters, and students must maintain a grade point average of 2.5 or higher. They must have a full-time enrollment status at a technical school, community college or university. Qualifying students must also have parents or legal guardians who are members of Lake Country Power.

Condensed Board Minutes

August 30, 2022 • Regular Monthly Meeting

THE FOLLOWING REPORTS WERE GIVEN:

President Olson reported that he virtually attended a special meeting of the Great River Energy board, adding that GRE membership approved the withdrawal of Connexus Energy as a member of GRE. Olson also said he attended an Energy Issues Summit and fielded several calls from members during the month.

General Manager Bakk reported that the Demand Side Management (DSM) committee continues to meet and discuss rates. He noted his attendance at a tour of the Twin Metals Minnesota headquarters in Ely with many business leaders, citizens and elected officials. Bakk noted the estimated number of jobs that would be created at the facility.

THE FOLLOWING ACTIONS WERE TAKEN:

The 2021 Form 990 was reviewed, discussed and approved to be filed with Internal Revenue Services (IRS).

Approved a board resolution authorizing the amendment and restatement of the retirement security and/or 401(K) pension plan. The last restatements were in 2017 and needed to be approved and re-adopted in 2022.

Approved General Manager Mark Bakk as the Voting Delegate and Craig Olson as the Voting Alternate for Cooperative Finance Corporation (CFC) and Federated Rural Electric Insurance.

Editor's Note: These board minutes have been condensed. A full copy of the board minutes can be read at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a printed copy.



▶ Barney Chamberlin of Virginia photographed this handsome moose in her field.

ENERGY EFFICIENCY TIP OF THE MONTH



Is your home heating system ready for the winter chill? One of the easiest ways to keep your system running efficiently is to regularly replace filters. If your central air system has a furnace filter, it should be replaced about every 90 days. If your home is heated through warm-air registers, baseboard heaters or radiators, remember to clean regularly to boost efficiency. Source: energy.gov

Comparative Operating Statement

Year-To-Date — August 2022

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Electric Operating Revenue | \$ 73,646,716 | \$ 63,149,229 |
| Cost of Purchased Power | 41,853,916 | 35,260,403 |
| Distribution Expense - Operations & Maintenance | 12,115,782 | 9,108,276 |
| Consumer Accounts Expense & Informational | 2,764,717 | 2,028,870 |
| Administrative and General Expense | 4,627,786 | 4,078,030 |
| Depreciation, Interest Expense and Other Deductions | 11,190,508 | 11,021,913 |
| TOTAL ELECTRIC OPERATING EXPENSES | 72,552,708 | 61,497,492 |
| Net Electric Operating Margins | 1,094,008 | 1,651,737 |
| Non-Operating Margins | 919,373 | 962,218 |
| Total Margins before Subsidiaries | 2,013,381 | 2,613,955 |
| Net Income (Loss) from Subsidiaries | 75,930 | 1,300,863 |
| TOTAL MARGINS | \$ 2,089,311 | \$ 3,914,818 |
| TOTAL KWH SOLD (YEAR-TO-DATE) | 503,148,330 | 406,469,992 |

Costs related to the severe May and June storms in our service territory had a significant impact on 2022 year-to-date operating expenses. We anticipate disaster aid will be received to offset some of these expenses.

2021 operations included PPP loan forgiveness, which favorably impacted operating expenses and subsidiary operations.

Editor's Note: These financials are condensed. A complete set of financials can be viewed at www.lakecountrypower.coop under "My Cooperative." You'll need to sign up for access if you haven't already. Or call 800-421-9959 for a copy.

Co-op Contacts

| | |
|---------------------------------------|--|
| Mark Bakk, General Manager | 800-421-9959 mbakk@lcp.coop |
| Jason Long, District 1 | 218-240-9611 jlong@lcp.coop |
| Michael Forsman, District 2 | 218-365-5789 mforsman@lcp.coop |
| Steve Raukar, District 3 | 218-966-0298 sraukar@lcp.coop |

Vacant (To be filled spring 2023),
District 4

Robert Bruckbauer, **218-290-8729**
District 5 rbruckbauer@lcp.coop

Daniel Kingsley, **218-697-2628**
District 6 dkingsley@lcp.coop

Craig Olson, **218-393-2276**
District 7 colson@lcp.coop

Vacant (To be filled spring 2023),
District 8

Larry Anderson, **218-428-2722**
District 9 landerson@lcp.coop

Directors are members of the cooperative and are elected to act in the best interests of the co-op with the same care that 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

Published monthly by Lake Country Power
8535 Park Ridge Drive, Mountain Iron, MN 55768
Editor: Jerry Burnes • jburnes@lcp.coop
Lake Country Power Service Centers:
Cohasset • Kettle River • Mountain Iron
800-421-9959 • www.lakecountrypower.coop
This institution is an equal opportunity provider and employer.

