

August 2016

Newsline

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Operation Round Up®: \$1.7 million for hope and help since 2004

It happened again — just as it has every three months since 2004.

Through the assistance of Lake Country Power's participating members, the Operation Round Up® Trust Board recently approved \$46,250 in contributions to local community programs during its quarterly meeting.

The cooperative's Trust Board reviewed and considered 60 grant applications and distributed funds to 51 projects and programs this past quarter. Since the program's inception 12 years ago, more than \$1.7 million has been distributed to nearly 1,400 community-based projects and programs.

The Community Kids Education Resource Service was a recent grant recipient. This non-profit organization provides a safe place for teens to participate in quality programs, activities, and have resources available to them in a positive recreational setting.

"Little bit by little bit, we're making this thing something we can all be proud of. Kudos to all the people

who've caught the vision!" said Ron Nielsen of Community Kids Education Resource Service. "Thank you to the Trust Board, and special thanks to the co-op members who participate by giving to Operation Round Up."

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 contribute in a one-year period is less than \$12. Applications are available at www.lakecountrypower.coop, and deadlines are quarterly: February 15, May 15, August 15 and November 15.

Visit www.lakecountrypower.coop (Community Service/Operation Round Up) for a list of the most recent recipients in June.



Recipients representing 51 local projects and programs received funding in June.

BOARD MEETINGS

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

September 27—9:30 a.m. at Mountain Iron Service Center

HOLIDAY OBSERVED

LCP offices will be closed September 5 in observance of Labor Day. If you experience a power outage, please use our IVR (interactive voice response system). Our phones are answered 24 hours a day.

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."



Overcoming distractions through principles and purpose

By Dale Long, District 1 Director

I don't know if the Founding Fathers could have anticipated the 2016 Presidential campaign. Then again, I'm not sure we could have either.

Despite current events on the national stage, The Founding Fathers put together a system of government that has proven to be profound, prolific and ... political.

Democracy is defined as:

- A system of government in which all the people are involved in making decisions about its affairs, typically by voting to elect representatives
- Government by the people, and rule of the majority
- A government in which the supreme power is vested in the people and exercised by them directly or indirectly through a system of representation usually involving periodically held free elections

Politics are defined as:

- Activities that relate to influencing the actions and policies of a government or getting and keeping power in a government
- The opinions that someone has about what should be done by governments: A person's political thoughts and opinions

Similarities in governance

We see both elements in all levels of government – and governance. We see it with school boards, city councils, church boards, state legislatures, Congress ... and, yes, electric cooperatives.

Electric co-ops are democratic organizations. Lake Country Power is owned by the members and for the members the co-op serves. The board is democratic and majority rules.

With a core set of co-op principles as our guide, we operate with a sense of purpose and an obligation to serve.

We provide service to areas that for-profit utilities chose not to years ago – because it wasn't profitable to extend and maintain thousands of miles of electric lines for the limited number of consumers who live in the woods, or along our lakeshores.

As a result, farmers, loggers, resort owners and others stepped in and stepped up to establish the electric cooperative movement. President Roosevelt signed Executive Order No. 7037 establishing the Rural Electrification Administration (REA) in 1935.

Our fathers and grandfathers founded electric co-ops on democratic principles. Co-ops are still democratic. Sometimes we experience the political dynamic as well.

The Political “Process”

We see it in national politics – political operatives create crisis, cast stones and misrepresent facts to create doubt, incite anger and bring about division.

It happens locally too. When it occurs, it takes the focus off what's most important—the responsibility to ensure the co-op is financially



healthy and viable so the service members receive is safe and reliable.

Fiduciary Duty

The role of an elected director is to act in good faith and in a manner that is in the best interest of fellow member-owners. We listen and address individual concerns as best we can without prejudice or harm to LCP's mission to provide reliable service for the benefit of all members.

Electric cooperatives are owned and governed by members. The LCP board is accountable to members through an open election process. There are nine districts. Each director serves a three-year term, and three director seats are up for election each year.

As a board, we guide and assess the cooperative's performance. It is the board's responsibility to oversee the financial health, safety, reliability and service of your cooperative.

Not everyone agrees with our decisions. Not everyone agrees with our policies. When that is the case, the opportunity for change happens with, and through, elections.

As we see with the rancor at the national level, sometimes the process is messy. Sometimes political rhetoric gets more play than actual facts.

Detractors have been around since the early days of electric co-ops. We still have detractors, so it's more important than ever for members to be engaged and involved in your electric co-op.

The LCP board is made up of members and is accountable to the member/owners of the co-op. The board believes in open, transparent communication to ensure members are engaged, informed and receiving accurate information.

Positive. Proactive. Transparent.

That's our approach. And we believe it's the best – and only – way to trump political rhetoric that is intended to divide, rather than unite around a common purpose and cause that benefits all members, not just a few.

Dale Long was elected by members in Lake Country Power District 1. He can be reached at 218-757-3634 or jlong004@centurylink.net.

Report your outage in "lightning speed"

with smart hub



When the power goes out, you want it reported and restored as quickly as possible. When you don't have your co-op's toll-free number handy it can flair frustrations and nerves.

Don't worry, there's an easier way to report outages. With the Smart Hub app, you can report your outage to Lake Country Power in "lightning speed." This fairly new mobile technology is spreading in popularity among the cooperative's membership. And more members are finding it to be their preferred method of reporting an outage.

How does it work?

First you'll need to sign up for a Smart Hub account. It's free. Simply visit www.lakecountrypower.coop to get started under the "My Account"

tab. After this first step is done, download the free app from iTunes or the Android Marketplace. Search for "Smart Hub" in the app store.

Use the app to report your outage. Through instant messaging, your message will go directly into Lake Country Power's dispatch center. A pop-up message and siren sound notifies the dispatchers instantly through their computers. Dispatchers give the outage immediate attention by entering it into the system and assigning a crew to restore your outage.

Before the next outage happens, sign up for a Smart Hub account, download the app and familiarize yourself with the many capabilities that are available at your fingertips.

Construction underway on Ely Outpost



As announced in the May *Newsline*, the Ely Outpost is too old, too small and isn't adequate for crews or equipment. Construction is underway this summer on the new outpost building that will be approximately 5,000 square-feet.

The building will be strategically located east of Ely near Lake Country Power's Winton Substation. Some of the work that's been completed through June includes:

- Contractor completed the blasting that was needed because of ledge rock in the area
- Leveled the yard area
- Plumbing work
- Sewer tanks have been installed
- Lake Country Power staked the site for electric service

Manage your energy use with these handy apps

If you want to manage your energy use, there may be an app that'll work for you. The following is a snapshot of a few energy efficiency mobile apps. These apps are available for Apple and Android systems.

Nest

Owned by Google, created by Nest Labs and linked only to the Nest thermostat, this free app has several useful features. You can adjust your home thermostat by simply using your smart phone, iPad or iTouch—whether in your car or on your couch.

App users can view and edit a thermostat schedule and keep an eye on how much energy is being used. You can also opt to receive extreme temperature alerts before your pet overheats or your pipes freeze. In addition, there is an option for smoke and carbon monoxide alerts, among others.

Together We Save

Touchstone Energy@ Cooperatives offer the Together We Save app, which enables users to calculate the energy use of many household appliances based on national averages. This free app includes roughly 100 calculators that determine the projected energy use and cost of particular appliances and activities.

The app also offers 100 practical energy-saving tips. For Touchstone Energy@ Cooperative members, the Together We Save app calculates energy costs based on your actual utility rates for even greater accuracy.

Smart Hub

The Smart Hub app transmits utility data enabling consumers to see near real-time information about their energy use. Essentially, this app helps consumers better understand how and when they use energy. The Smart Hub app was developed by National Information Solutions Cooperative (NISC) and uses the same data as the Smart Hub web portal. Members can pay their utility bill



Above: The Lennox iComfort app.

using their mobile device, report outages and view your balance. Register for Smart Hub online at www.lakecountrypower.coop.

Lennox iComfort

Like the Nest app, the Lennox iComfort app is only compatible with Lennox products – in this case, the Wi-Fi thermostat. It has similar features to the Nest, in that users can remotely control their home thermostat and other settings. In addition, the app allows users to program the system to an energy savings "away mode" when no one is home. For example, you can select the settings you wish to run, then cancel the "away mode" as you return home to ensure a comfortable temperature awaits you.

Your trusted energy resource

While these apps employ the latest technology to maximize your ability to manage your use, the next generation of energy apps will likely integrate across multiple platforms—managing your thermostat, appliances, water heater, home electronics and other devices from the convenience of your smart phone. In the meantime, while app technology continues to evolve, your best resource for saving energy and money is your local electric co-op.

Always a good value for members

Flip a switch and electricity is there. Plug in your phone overnight and you'll stay connected all day. Electricity is convenient, sure, but is it a good value?

Any way you look at it, the answer is yes.

Over the past five years, electricity rates have increased an average of 1.5 percent annually. That's lower than education (3.7 percent), rent (3.0 percent) and bread (2.5 percent).

Not only are increases slow, they're also steady. Because of the multitude of technologies and fuels used to create electricity, it resists wild price fluctuations common with other energy sources.

"Think of it like an investment portfolio," said Laureen Ross McCalib, resource planning manager for Lake Country

Power's wholesale electricity provider Great River Energy. "By keeping diversified resources that produce power using coal, natural gas, wind – and even household trash – we are able to have a long-term, reliable source of power for our members, at lower risk."

Electricity rate increases don't need to result in higher bills. The simplest ways to counteract rising prices is by simply using less energy, or being smarter about the way you use it.

"We've seen members reduce their bills by replacing old appliances, converting to off-peak water and space heating programs, installing air-source heat pumps or going on our other Energy Wise programs," said Jeff Sheldon, manager, energy services and business development. "Many members have seen their bills level off, or even decline over time."

It all adds up: Investing in a reliable electric system

How much does one OCR* cost?



Answer: d

- A. \$210 B. \$8,060
- C. \$1,100 D. \$1,998

*Oil-circuit recloser. LCP has 1,279 OCRs. A device that protects electric lines by momentarily interrupting service when a fault occurs, then restoring power automatically when the fault is cleared. This keeps outages from occurring when temporary problems happen, like branches touching a line.

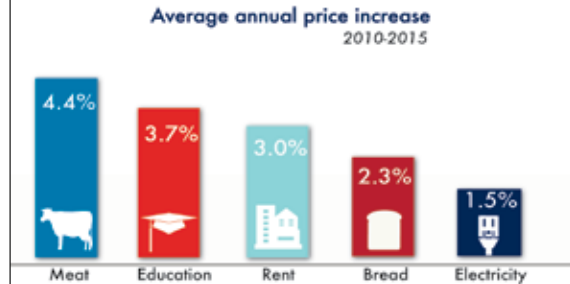
Notice to Cogenerators

In compliance with Minnesota Rules Relating to Cogeneration and Small Power Production, Chapter 7835, Lake Country Power is required to interconnect with and purchase electricity from cogenerators and small power producers that satisfy the conditions of a qualifying facility. Lake Country Power will provide free information to all interested members regarding rates and interconnection requirements. An interconnection application is required and subject to approval from the cooperative before a qualifying facility interconnects and operates in parallel with the cooperative's distribution system. Any disputes over interconnections, sales and purchases are subject to resolution by the Minnesota Public Utilities Commission. For more information, contact Jeff Sheldon at 218-326-7146 or jsheldon@lakecountrypower.com.

Electricity Remains a Good Value

The cost of powering your home rises at a slower pace than many of your typical expenses.

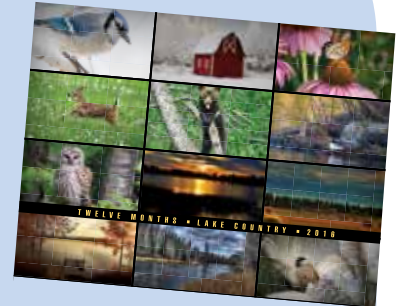
Compare the average price increases of these expenses each year over the last five years and the value of electricity shines.



Source: U.S. Bureau of Labor Statistics Consumer Price Index

Final Reminder: Co-op calendar contest ends Sept. 1

The 2017 co-op calendar contest closes at 11:59 p.m. on September 1. 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.



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.

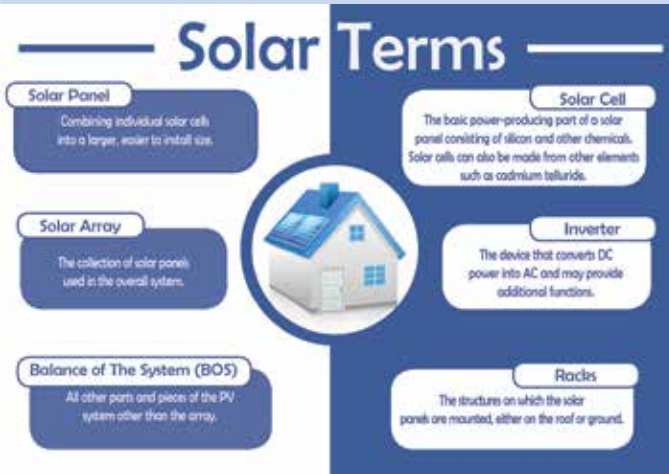
Photo Contest Guidelines

- Only Lake Country Power members may enter the contest. (LCP employees and their immediate families and spouses are not eligible to enter the contest.)
- 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.
- 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.
- You may submit up to 10 photos (separate e-mails required), but we may limit each photographer to no more than two winning entries.
- 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).
- Only horizontal pictures will be accepted. Vertical photos do not qualify.
- Photos must be e-mailed to tzaun@lakecountrypower.com. All entries must be received by 11:59 p.m. on September 1, 2016.
- Photos must not include people.
- Winning photographers automatically give Lake Country Power permission to use winning photos in the calendar, in other publications, member presentations or electronically online.

Solar equipment 101

The typical solar photovoltaic (PV) system has two main components, the panels and the inverter. Disconnect switches are also necessary so the system can be safely isolated for maintenance and other reasons.

Each solar panel is composed of many smaller cells that are all connected and together produce a certain amount of direct current (DC) electricity. When the system is being designed, the number of panels used is determined by the amount of electricity required and the amount of space available to mount them. The collection of panels is called an array.



Since solar cells generate DC power, but our homes and businesses use alternating current (AC) power—the next major system component is the inverter. This piece of equipment converts the DC electricity into AC power, which flows into your home. Like the panels, the inverters are evolving and becoming more capable with many now bearing the “smart” label indicating they can play an active role in the smart grid.

Many consumers are surprised to learn that heat has no part in the production of the electricity. In fact, solar panels increase in efficiency as temperatures drop. This often strikes people as odd since many solar arrays are shown in desserts and other hot, arid locations. A solar array will produce at its best on a cold, clear winter day all things being equal.

PV systems are installed in what is called a grid-tied configuration. This means that the system will only operate when electricity is present on your co-op's power lines. When a power outage occurs, the inverter automatically shuts down the flow of electricity from the solar array. Without this protective feature, the PV system could potentially back feed electricity into the co-op's lines, becoming a life-threatening danger to line crews and anyone in the area.

While systems are sized to come close to the expected electrical needs of the member, there is no way to continuously match the output of the array to the current need for electricity. At times, the amount of solar power may be more than needed. At other times, it will be less.

Storage is the final piece of the renewable energy puzzle. In the past, a battery system could cost as much as the total PV system. Today, companies like Tesla are bringing battery systems to the market that allow PV system owners to extend the capability of their investment.

Capital credit allocation reflects your co-op investment

Earlier this summer, Lake Country Power allocated \$2.1 million of the 2015 margins in the form of capital credits in accordance with the cooperative's bylaws. The allocation represents your respective share of Lake Country Power's 2015 net margin and patronage capital allocated to Lake Country Power by Great River Energy. Allocation notices were mailed in May/June.

The line items, listed on your 2015 Notice of Capital Credit Allocation represent the amount of margin allotted to your capital

credit account. The allocation is based on the amount of electricity that was used during the 2015 year. Until capital credits are returned through a board approved general retirement, your allocation is invested to improve the reliability and service of your cooperative.

Your capital credit account represents your share of ownership in the co-op, and is used to reduce the amount of bank financing for equipment like electric lines, utility poles, substations, transformers and trucks.

Recipe Corner

Quick White Chicken Chili

Yvonne Leino, Automba, MN



- 2 lbs. chicken breasts, cook on stovetop and shred
- 1 onion, chopped
- 2 cans (15 oz.) cannellini beans (white kidney beans), rinse and drain beans. Mash one can of beans.
- 1 can (4 oz.) chopped green chilies
- 1 tsp. cumin
- ½ tsp. oregano
- ¼ tsp. pepper
- 1 (14.5 oz.) can chicken broth

Combine all ingredients in Dutch oven. Cover and simmer on stove for 45 min. Be careful not to scorch the bottom.

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.



ENERGY EFFICIENCY Tip of the Month

Is your room air conditioner working overtime? Reduce air leaks by installing rigid foam panels (instead of the commonly used accordion panels) in between the window frame and unit, and secure with duct tape. *Source: energy.gov*

May 24, 2016 • Regular Monthly Meeting

The following reports were given:

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

General Manager Randa provided a written report to the board. He also reported about the Great River Energy member manager's meeting, Northland Connect, stray voltage, a building committee meeting, construction of the Ely outpost, new service applications and rebuilds, and a decrease in call volume through LCP's call center, among other highlights.

Director of Finance and Administration Mark Bakk reviewed the March financials.

The following actions were taken:

Approved Directors Forsman and Carlson to attend the Certified Cooperative Director Fast Track, which includes five courses.

Approved the 2017 LCP annual meeting be held April 19 at the Myles Reif Performing Arts Center in Grand Rapids at 6:00 p.m.

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 August 2016. Andrene Myrum of Iron says Stone Lake in the Sax-Zim Bog is a great place to enjoy beautiful summer sunsets.



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

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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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Lake Country Power Service Centers:
Grand Rapids • Kettle River • Mountain Iron
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Comparative Operating Statement

Year-To-Date — May 2016

	2016	2015
Electric Operating Revenue	\$36,894,930	\$37,233,935
Cost of Purchased Power	19,175,588	19,918,088
Distribution Expense - Operations and Maintenance	4,085,303	4,206,716
Consumer Accounts Expense & Informational	1,640,052	1,551,388
Administrative and General Expense	2,631,063	2,653,395
Depreciation, Interest Expense and Other Deductions	5,839,642	5,972,551
TOTAL ELECTRIC OPERATING EXPENSES	33,371,649	34,302,139
Net Electric Operating Margins	3,523,281	2,931,797
Non-Operating Margins	999,902	511,233
TOTAL MARGINS BEFORE SUBSIDIARIES	4,523,183	3,443,030
Net Income (Loss) from Subsidiaries	(246,534)	(420,730)
TOTAL MARGINS	\$4,276,649	\$3,022,300
TOTAL kWh SOLD (YEAR-TO-DATE)	281,508,034	299,957,280

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.