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\$3 Million Capital Credit retirement to benefit all members in December

More than \$44 Million returned, overall

The power of membership is alive and well again this Christmas season. A capital "credit" will appear on Lake Country Power member electric bills this month. The co-op's nine-member board authorized a capital credit retirement of \$3 million. Capital credits are the cornerstone of co-op membership.

Member equity, or capital credits, is created when any earnings (revenues minus expenses) are left over at the end of each year. This creates a margin. At the end of each year, the co-op assigns each member's account a share of the margin, known as an allocation. As long as you are a member, and using energy, your allocation — your share of ownership — grows over time. When financial conditions allow, the board retires, or returns, part of your allocation through a capital credit retirement.

Before returning these margins back to members, electric cooperatives use the capital to help offset the cost of debt for equipment and materials used for the construction and maintenance of the electric distribution system. This helps lower financing needs.

"While the co-op is not-for-profit, we are required by our federal government lender to make a margin in order to provide safe

and reliable electric service," said General Manager Greg Randa. "Our goal is to provide you with electricity at a price that is as close to cost as feasibly possible. Over time, co-op margins are returned to members in the form of capital credits."

2017 Retirement Details

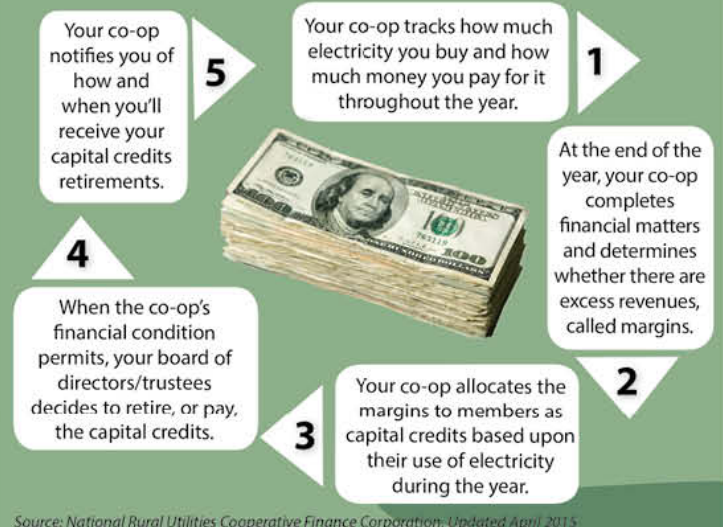
This year's capital credit retirement is \$3 million. A member's general retirement amount will result from one, or all of the following calculations.

The oldest years represent more than \$2 million of the overall total being retired:

- Members from 1988 and 1989 will receive the entire (100%) LCP portion of their unretired capital credits, and/or
- Members from 1990 will receive 70% of the LCP portion of their unretired capital credits due.

How Do Capital Credits Work?

Because electric co-ops operate at cost, any excess revenues, called margins, are returned to members in the form of capital credits.



Source: National Rural Utilities Cooperative Finance Corporation, Updated April 2015

The remaining \$1 million will be retired on a percentage basis (approximately 2%) of all former and current members' total LCP portion of their unretired capital credits.

Active members will see a credit on their December '17 billing statement. Inactive members (those who've moved off the system) will be mailed a check to their last known mailing address if the amount is \$10 or greater.

Checks will be mailed starting Dec. 13, 2017.

Between Lake Country Power and its three predecessor cooperatives, more than \$44 million in capital credits has been returned to members through the years. For more information about capital credits or a current list of capital credits that remain unclaimed by former members, visit lakecountrypower.coop.

CURRENT BILL INFORMATION									
RATE CODE	METER	DATES	METER READING PRES	MULTI PREV	PLIER CODE	USAGE	DESCRIPTION		
10		12/01 - 11/01	156537	154634	1	1903	ENERGY CHARGE @ .113600		
							SERVICE AVAILABILITY CHG:		
							MN STATE SALES TAX		
							ST. LOUIS COUNTY SALES TAX		
							CAPITAL CREDIT APPLIED		
							OPERATION ROUND-UP		
							TOTAL CHARGES THIS STATEMENT		

An example to show the credit listing on your bill

BOARD MEETINGS

Dec. 14 – 9:30 a.m. at Mountain Iron Service Center
Jan. 30 – 9:30 a.m. at Grand Rapids Service Center

HOLIDAY OBSERVED

All LCP offices will be closed December 25 and 26 for Christmas, and January 1 for New Year's Day. 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.

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 are posted at lakecountrypower.coop. Go to "Community" and click "Events."



What would life be like without electric co-ops?

By Jason Long, District 1 Director

In the movie classic, "It's a Wonderful Life," the lead character, George Bailey, wishes he had never been born due to financial troubles and other issues. Through the help of Clarence, his guardian angel, George begins to see how many lives would've been affected if he never did exist. In the end, George comes to realize that, even with problems and hard times, he has a wonderful life with great friends, family and a supportive community.

Have you ever stopped to think about this concept? Often, I wonder what our lives would be like today if our co-op pioneers had never started the electric cooperative movement 80 years ago. Our lives would be so much different and our rural communities would be different today, too, without the support co-ops give.

Co-op History 101

Co-ops like Lake Country Power have a critical and important role in our communities. They provide

the goods and services to rural areas that was originally shunned by other types of electric utilities. That's right. One hundred years ago, investor-owned utilities and other utilities knew it wasn't profitable to extend electricity to the rural hinterlands where hardly any people lived.

From an economics and business perspective, in order to turn a profit you had to serve the populated areas and forget about the rural areas. Big cities, towns and heavy commercial loads were given top priority for this reason, but not country dwellers.

As you can imagine, this didn't sit well with rural folks. They saw the conveniences electricity provided, and they wanted it too for their farming operations and livelihoods. So, rural folks banded together as a community of their own and got the federal government involved. Long story short, funding was provided through the Rural Electric Administration (REA) so rural citizens could begin the process

of rural electrification. Electric cooperatives were formed, and the people who started the work became the member-owners of the co-op.

Side-by-side, these co-op pioneers dug holes by hand, placed the poles by hand and strung the lines by hand. It was hard work, but they were determined to make a better life for themselves and future generations of co-op members.

Co-ops build Community

It's hard to believe, but 1.3 billion people in the world still live without reliable electric service. If it weren't for the co-op pioneers, you and I might still be living in the dark doing life the hard way. I'm very thankful for their foresight, strength and persistence to get the job done. I hope you are, too.

I also hope you're aware of the

community support electric cooperatives provide. Lake Country Power provides support in several ways – through rural economic development loans to small businesses, Operation Round Up® charitable contributions, scholarships for youth, electrical safety programs, savings through the Co-op Connections® Card, and the Rural Electric Youth Tour, to name a few.

As the electric business of the 21st century continues to evolve, you can count on Lake Country Power to meet all of your energy needs. The co-op will always be here to help improve the quality of our communities and your life.

Jason Long was elected by members in Lake Country Power District 1. He can be reached at 218-240-9611 or jaselong@gmail.com.

Lake Country Power provides Revolving Loan Fund for marina expansion



Handberg's Marina (www.handbergs.com) recently received a \$100,000 Revolving Loan Fund from Lake Country Power to support its expansion to build a new repair and retail marine store in Crane Lake, Minn.

Pictured (left to right): Jeff Sheldon, LCP; Lori and Jeff Sanborn, fourth generation owners of Handberg's Marina; Mark Olson, LCP; and Jason Long, District 1 Director for Lake Country Power; along with employees from Handberg's Marina.

Do you have unclaimed capital credits?



Check for your name online

More than 17,000 members may have money waiting in the form of unclaimed capital. Sometimes when members move away, time marches on and it's easy to lose track of your former electric provider. As a result, leaving a forwarding address with the co-op isn't exactly top priority as other matters are in the moving process.

If you know of anyone who moved off Lake Country Power's system and may have unclaimed capital with the co-op, please have them check the new and updated list that's available online at www.lakecountrypower.coop. Look under "My Account" and then "Capital Credits" for the listing.

If you have any information, please call LCP at 800-421-9959, and press 5 for billing. Any monies not claimed will be used toward Lake Country Power's scholarship program for students pursuing higher education beyond high school.

Students: Get ready for January 1, 2018

Scholarships open on LCP's Website

Graduating high school seniors whose parents or guardians are LCP members should apply for the Les Beach Scholarship. The scholarship application process opens January 1, and must be completed electronically from the co-op's website by 11:59 p.m., January 31.

To complete the electronic application and submit electronic letters of recommendation, go to www.lakecountrypower.coop (under "Community," click the "Scholarships" tab).

Scholarship recipients can qualify for up to \$4,000 over four years to help pay for college or technical school. Scholarships



are renewable for up to eight semesters, and students must maintain a grade point average of 2.5 or higher. They must also have a full-time enrollment status.

Lake Country Power offers

Scholarships for higher education

Lake Country Power offers scholarship opportunities to qualified students pursuing higher education. The co-op's scholarship program includes the following scholarship categories for students whose parents or guardians are Lake Country Power members:

1. **High School Scholarship Program:** renewable up to a total of \$4,000 (\$500 per eight semesters)
2. **Community and Technical College Scholarships:** \$1,000

1. High School Scholarship Program

The Lake Country Power Les Beach Memorial Scholarship for graduating high school seniors is renewable up to a total of \$4,000 (\$1,000 per year for eight semesters) for qualifying students.

1. For students:

Beginning January 1, 2017, qualifying students will be able to apply for scholarships online at www.lakecountrypower.coop. Applicant must submit an online application. The written essay and student portion of the application is due no later than 11:59 p.m., January 31, 2017, and will be sent to the LCP Electric Trust Board for review and consideration. Two letters of recommendation (teachers or a counselor) must be submitted electronically by the teacher or counselor by February 15, 2017. Transcripts are due by February 15, 2017. Open this PDF for the "Student Checklist" to review and double-check the information you will need in order to complete your application.

2. For scholarship program administrators and foundations:

Given the additional responsibilities and commitments associated with a renewable scholarship program, Lake Country Power's Operation Round Up® Trust Board now oversees the review of scholarship applications and selects scholarship recipients annually for the 34 area high schools within Lake Country Power's service area.



[High School Eligibility & CRITERIA \(click to open\)](#)

[Application tips and guidelines](#) are available by clicking this link.

[Poster](#) provided to all schools for student awareness.

[Here are the scholarship details.](#)

[Other regional scholarships](#) available

scholarships to one student, per year, at more than 30 high schools in the LCP service area. Scholarships are also offered for home-schooled students and to students who qualify in the "at-large" category, as defined on LCP's website.

Letters of recommendation from teachers will be accepted via the

online link through February 15, but all other student-submitted materials must be complete by Jan. 31.

Get an energy assessment this winter

If your electric bill seems higher than normal and you haven't changed any routines in your home, it may be time to look into the situation through an energy assessment, and perhaps an audit by a certified energy auditor.

Lake Country Power is your contact for general energy assessments and is your liaison for professional home energy audits by certified energy auditors. The cost of an energy assessment is covered by Lake Country Power, while the cost for a blower door test or infrared analysis is covered by the homeowner.

During a home energy assessment, a complete analysis is done to your home within 1.5 - 2 hours by a certified energy auditor. The auditor will check your appliances, electronics, the home's envelope and structure, water heater, lighting, air handling and heating/cooling system.

Energy assessments can be performed any season, however, winter is an opportune time so any cold spots, air leaks or door drafts can be detected with an infrared camera.

Once the energy assessment is complete, the certified energy auditor will prepare a complete report for the homeowner and Lake Country Power. Recommendations are also provided within the report to help homeowners identify any improvements that can be made to help save energy and reduce electric bills. Lake Country Power will provide information about rebates and EnergyWise programs when the certified energy auditor requests follow-up.

If you'd like an energy assessment or audit, contact Lake Country Power at 800-421-9959, press 6. A member service representative will help assess your general



situation and provide the certified energy auditor with your contact information. The auditor will

contact you to schedule an appointment.

Reflecting on life along co-op lines - Part II

Ed and Loretta Janzen's life together in rural Minnesota has spanned 67 years of marriage. They raised a family, grew a farm, and owned a store just south of the Iron Range.

Together, they have experienced some of the most profound changes in modern history. Their story represents a generation of Americans who have witnessed a major transformation in lifestyle; including farming, community, travel, technology and the pace of life in general.

The following is an excerpt, from a recent interview with Ed, covering topics that convey the change from simple, but rugged rural America to present-day life in the country. Change, brought in part, by co-op electricity to areas that are still "off the beat'n path."

This is Part II of a two-part interview. Part I appeared in the November 2017 issue of *Newsline*. To read the entire story, visit www.lakecountrypower.coop. Ed and Loretta's story (continued), in his words:

Volunteering

"As far as the local community at the time, it was help your neighbor and they'll help you. I don't know, it was more volunteering than now, I believe. Like when we started our fire department here at Kelsey, a couple of neighbors decided to have a little meeting ... and decided we gotta build a fire hall and get a truck or do something.

"We didn't have anything. If there was a fire in a home someplace, we would get a call on the old crank phone, and tell us where the fire was and we'd just grab what we could — a bucket, and whatever, and run over there and see if we could help and carry some stuff out of the house or put the fire out."

Travel

"Well, back then, people didn't travel as much as we do now. I remember being on the farm as a kid. We would go to Virginia or Duluth, usually both of those once a year. That was our big feature trip

and the rest of the time we stayed right in the locality here.

"We would go to the post office, which was at the store here in Kelsey to get the mail. We'd probably do that once a week. My parents would go out on Saturday night just to do a little extra shopping in between

Kelsey and Meadowlands; that was our community at that time.

"We didn't travel very much. Whereas, nowadays, I mean, we get hungry for an ice cream cone, we'll drive to Duluth. It's just different. It's foolish in a way, but, I mean, now you can do it and we do — we travel a lot."

Television

"Oh, my, it's so different now. We never thought about television back in those years and, of course, now we wouldn't do without. I think we've got about four in the house right now that we can use.

"I did television work for many years when TV first came out ... I had electronic training from the Air Force and then I did take some evening course in television in Duluth.

"I happened to stop in at a shop in Eveleth and he was hiring, so I started working TV. I worked there for a little over 10 years. I feel I made a lot of friends, I think I did fair work anyway, and it was interesting. The pay wasn't the greatest but it kept us going."

Community

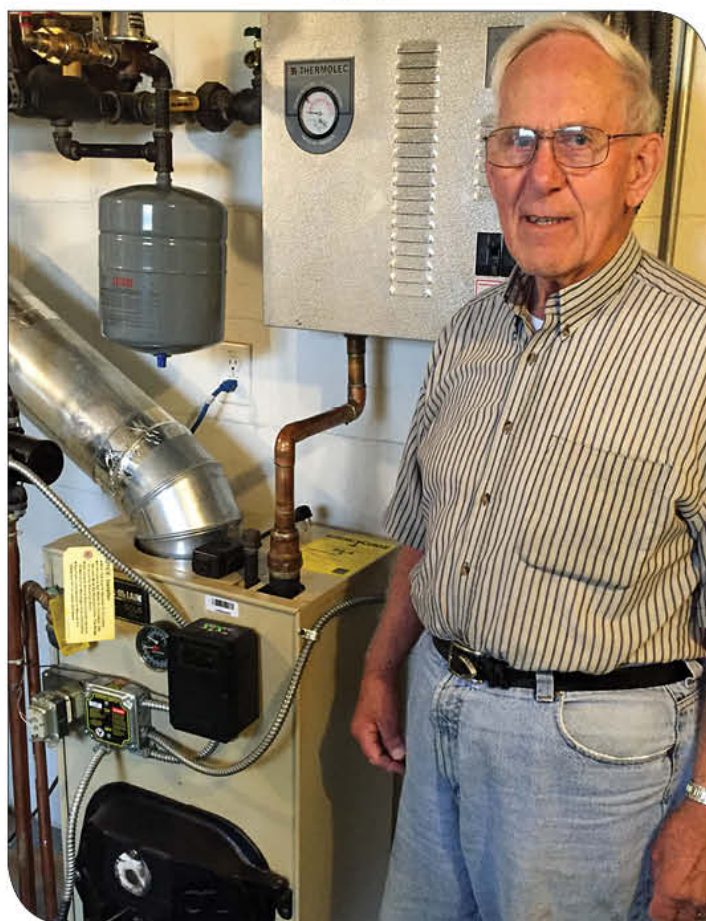
"In my childhood that was pretty much the standard back then. If your neighbor needed help with whatever, you'd go and help them and they would do the same thing for you.

"There was never dollars and cents involved. You just did these things and if you helped somebody you felt good about it, and when you got help from them, you also felt good about it. So, it was just the way things were as far as I'm concerned. We had a lot of help that way.

"Even when we had our fire here in



Ed and Loretta Janzen, Kelsey, Minn., above, and Ed, below, standing next to their dependable dual fuel heating equipment.



2009, there were people here the night of the fire. I remember people that we hardly knew. Anything they could help you with, they were willing. 'Whatever we have, it's yours,' they would say. So, we've had really good support from all the neighbors around the area."

Pace of the times

"I remember my father telling us kids back in the '40s that things are going so fast nowadays. He said, 'I don't know how in the

world we'll ever keep up.' And looking back it seems like it was such a slow time to me now, but he was under the same impression that I am right now because things were moving too fast.

"So, as time goes along, you've got to keep adjusting to keep going with the times. Of course, there's always advancements, and in later years it seems like things are going very fast. But, I do slow down, too, and that's probably why things are going faster by me."

Go Brighter and Greener with LED Lights

LED lighting products account for 60 percent of the holiday and seasonal lighting sold in the U.S. each year.

A 1,000-bulb strand of miniature, incandescent lights uses **408 watts** of energy, while a 1,000-bulb strand of LED mini lights consumes **48 watts** of energy.



Source: Underwriters Laboratories



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*



ENERGY EFFICIENCY Tip of the Month

Purchasing electronic gifts this holiday season? Remember to purchase ENERGY STAR®-certified electronics and give the gift of energy efficiency.

Visit www.energystar.gov/productfinder for a full list of efficient products.

Request your 2018 Co-op Calendar

3 ways to get your free 2018 co-op calendar from Lake Country Power:

1. Request one online at www.lakecountrypower.coop
2. Visit one of LCP's service centers in Grand Rapids, Kettle River or Mountain Iron
3. Complete, clip and mail this request form



Please mail me a 2018 co-op calendar! Thank you.

Name: _____

Address: _____

City/State/Zip: _____

Account Number, for membership verification: _____

Mail this request form to: Lake Country Power, attn. Angie Hanttula, 2810 Elida Drive, Grand Rapids MN 55744. We will process and mail your calendar within 3 – 4 weeks after receiving the request. Calendars offered to LCP members on a first-request, first-serve basis. Limited availability.

Request your copy today!

Recipe Corner

Cranberry Christmas Cake

Viola Johnson, Effie, MN

- 3 Tablespoons butter
- 1 cup sugar
- 2 cups flour
- 1 cup milk
- 3 tsp baking powder
- ¼ tsp salt

Mix all ingredients well. Then add 3 cups whole cranberries. Pour into a 9x9 square pan. Bake 350 degrees for 35 – 40 minutes. Serve a hot butter sauce over the baked cake...

Butter Sauce

- 1 cup sugar
- 1 Tablespoon flour
- ½ cup butter
- ½ cup evaporated milk
- 1 Tablespoon vinegar

Mix all together, and stir over medium heat until bubbly. Remove and add 1 tsp. vanilla. Serve hot over cake. The sauce keeps well in fridge.

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.



September 26, 2017 • Regular Monthly Meeting

The following reports were given:

President Craig Olson thanked LCP management for planning the LCP strategic planning session, and the board for their participation. A follow-up strategic planning session was scheduled. Olson reported about the discussions he's had with General Manager Randa. Olson attended the NRECA regional meeting.

Greg Randa, LCP general manager, reported about discussions with Great River Energy; Northland Connect Internet service; strategic planning; approval by St. Louis County for LCP to store poles at the Ely Outpost pole yard; local democracy legislation; 2018 medical insurance bids; and recent storms causing outages.

General Manager Randa also reported financial and administration highlights.

The following actions were taken:

Approved Director Olson's attendance at the 2018 National Rural Electric Association annual meeting in February.

Approved to authorize General Manager Randa to sign the contract with Short Elliott Hendrickson Inc., for grading and site

preparation in the Cohasset Industrial Park for the new headquarters service center.

Approved to add Director Kingsley to the LCP Building Committee.

Approved the quote from Brady Martz to conduct LCP's year-end audit for the upcoming five years.

Approved a resolution to support Enbridge Energy's preferred route for the Line 3 Replacement Project.

Approved a \$100,000 Revolving Loan Fund for Handberg's Marine in Crane Lake for a term of 10 years dated Oct. 1, 2017, at an interest rate of three percent.

Approved a resolution to support mineral exploration and the new energy economy on Minnesota's Iron Range.

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 December 2017. Drew Brockett of Ely, MN, photographed this pine marten in his backyard.

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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:
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Comparative Operating Statement

Year-To-Date — September 2017

	2017	2016
Electric Operating Revenue	\$65,927,746	\$64,553,776
Cost of Purchased Power	35,127,452	34,342,938
Distribution Expense - Operations & Maintenance	9,650,423	10,914,957
Consumer Accounts Expense & Informational	3,227,217	2,958,179
Administrative and General Expense	4,487,877	4,438,415
Depreciation, Interest Expense and Other Deductions	10,636,656	11,153,598
TOTAL ELECTRIC OPERATING EXPENSES	63,129,626	63,808,088
Net Electric Operating Margins	2,798,120	745,688
Non-Operating Margins	1,385,583	1,223,344
TOTAL MARGINS BEFORE SUBSIDIARIES	4,183,703	1,969,032
Net Income (Loss) from Subsidiaries	34,662	188,705
TOTAL MARGINS	\$4,218,365	\$2,157,737
TOTAL KWH SOLD (YEAR-TO-DATE)	439,763,762	444,270,756

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.