

February 2018

Newsline

Got electricity? Appreciating a modern day marvel

The 20th century contained many of the most important technological advancements in the history of mankind. Obvious examples include engineering feats such as the Panama Canal, the introduction and invention of airplanes, the automobile, computers, cell phones, and trips to outer space.

But all those marvelous successes are useless without their driving force. Electricity.

In fact, in the late 1990s, the National Academy of Engineers and American Association of Engineers selected electrification as the number one engineering accomplishment of the century. And, with our continuing dependency on power, that ranking may never be topped.

"I can see why it would be ranked number one," says Derek Howe, Lake Country Power's director of engineering. "Because basically any of the other things, like putting a man on the moon, required electricity to do that."

Today, this valuable commodity is delivered to rural homes and business by electric cooperatives across the country. Locally, that service is funded and made possible by the member-owners of Lake Country Power, who through their investment, continue to make sure the lights stay on in Minnesota's Northland.

The unseen value of electricity

Most people would likely agree that life without power would be

very hard. In a recent interview with Howe and senior engineer, Joel Hagen, both talked about the value of electricity, and how much it improves our daily lives.

"When you look at the cost for those (other) items, electricity is really in line with what you pay for your cellphone or what you pay for your cable TV, and look what it does for us on a daily basis," Howe says. "It keeps our food cold and certainly helps us achieve all of the things we're trying to do."

Hagen added that inflation has affected electric rates less than that of other products and services available to the public.

"Increases in electricity have been much smaller relative to other commodities. So, for what we get out of it, it is a very good product — very inexpensive," he says. "One of the things I like the best about it, besides having the lights and being able to cook my food and everything, is that I'm not a big fan of hot weather with a lot of humidity. I really appreciate my air conditioning system, and electricity makes it affordable for me."

What is the cost of service?

What is the cost associated with being able to flip a switch anytime for safe and reliable service?

"Power quality, reliability, and safety are some of our biggest components. We also provide some troubleshooting on the system when there's issues," said Howe. "And quality inspection;



Derek Howe, director of engineering; and Joel Hagen (right), senior electrical engineer for LCP.

we go out and inspect to make sure that everything's done to the applicable codes and standards."

Obviously there is also the hard infrastructure costs: The lines, the poles, the substations, the transformers, and the trucks that roll whenever an outage might occur.

Most of these items factor in to compose the monthly service availability charge for each member. Howe explains it as sharing the overall price for safe and reliable electric service. "It's basically the cost of an average service run to each residence, and that's what goes into that average cost."

One more thing

But here in northeastern Minnesota, there is an additional maintenance cost associated with the system that many members may not realize.

"Right-of-way (clearing) is probably the largest factor we have that impacts members' reliability," Howe says. "In any given year, 80-90 percent of our outages are tree related, and so, that's the largest area we can focus on to increase the reliability for our members."

Lake Country Power

A Touchstone Energy® Cooperative

Energy that Powers Our Lives

IN THIS ISSUE

\$2 Million Milestone

Into The Brush Wins

Calendar Contest Opens

Youth Tour Applications Due

BOARD MEETINGS

Feb. 20 – 9:30 a.m. at
Kettle River Service Center

March 22 – 9:30 a.m. at
Mountain Iron Service Center

PRIMARY NUMBER

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

Right-of-Way Investments for 2018

More than \$4 million will be invested in right-of-way maintenance for tree clearing along 895 miles of lines. The work is scheduled for areas near Kettle River, Moose Lake, Sturgeon Lake, Bamum, Cromwell, Big Sandy Lake and Hermantown, which also includes additional storm clean-up near Bergen Lake from the July 21, 2016 blowdown.

So, co-op members share those costs to keep the greatest invention of all-time at our fingertips — safe, reliable and instantly available.

"We are member-owned, and proud of that, and our main concern is for the welfare of our members, and the safety of our members. Cooperatives have done a good job in providing this service," says Hagen.



Privileged to serve you on the LCP board

By George Harvey, District 3

It's amazing what we learn through listening and observation. As a local member-owned co-op, listening to our fellow members – our friends, neighbors and community members is a fundamental piece of the co-op business model.

Whether it's through technological advancements, community contributions or meeting the co-op's mission to deliver safe, reliable electricity, your board and the employees of Lake Country Power use the energy of ideas and the principles of collaboration to better serve you.

Many co-op members like technology, and so an electronic application called SmartHub is catching on with many of you. In fact, nearly 15,000 LCP members are registered for a SmartHub account, enabling them to report a power outage, check the balance of their electric account

or keep up on monthly financials.

SmartHub also lets you make a payment, schedule future payments, receive e-mail and/or text notifications about your bill, view past and current bill statements, review payment history and go paperless. It's a convenient tool. Register for a free SmartHub account online at www.lakecountypower.coop, and be sure to also download the app to your smart device.

The community impact of Operation Round Up® is tremendous. Since October 2004, more than \$2 million has benefited nearly 2,500 community programs and projects in northern Minnesota.

More than \$5 million in economic development loans have benefited business members of Lake Country Power since 1992, helping create jobs, economic growth and business expansion

in the co-op's service area.

Lake Country Power is also committed to helping members find ways to control energy costs. That's why the co-op offers rebate programs for energy efficient products and programs. LCP also encourages and helps coordinate energy assessments. Winter is an excellent time to schedule an energy assessment with a member service representative in the member service department.

Listening improves understanding, builds trust, strengthens relationships and fosters cooperation. It's also crucial to collaboration and success. It might seem a little old fashioned in today's high-paced lifestyle, but that's why Lake Country Power still holds face-to-face meetings with its membership.

A series of nine district meetings

for members will be held throughout the co-op's service area this month and next. Then the LCP annual meeting is another social event for the entire co-op family. We hope you'll make plans now to join the co-op on April 19 at the Cromwell-Wright School for an evening of co-op business, food, fun and prizes.

So, how does your co-op serve you? The same way many of us try to serve our friends, families and communities – by listening. In the service centers, on telephones, through social media exchanges and in face-to-face meetings, Lake Country Power is ready to listen, and then deliver excellent results.

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

Operation Round Up® reaches \$2 million milestone

Operation Round Up® celebrated a milestone in giving the last quarter of 2017. LCP's member-driven charitable giving program surpassed \$2 million in contributions after its trust board approved more than \$46,000 in contributions to local community programs in December.

Since the program's inception in October 2004, \$2,026,915.10 has been distributed to hundreds of community-based projects and programs. The average donation of each participating Lake Country Power member is less than \$6 annually and not more than \$11.88 in one year.

The success of Operation Round Up® is credited to the 69 percent of Lake Country



Power members who participate in the program by lending a helping hand to the communities and residents of northern Minnesota.

"It's a joy to serve on the Operation Round Up trust board, review the applications each quarter, and see what types of community programs are doing so much good for our local communities," said Yvette Schultenover, Operation Round Up Trust Board member. "It's great to know how our members' pennies are being put to good use in so many different and unique ways."

The Remer Volunteer Fire Department was one of 39 recipients in December. The department received \$2,000



District 6 LCP Director Daniel Kingsley with Ross Hogate and Kristian Myers of the Remer Volunteer Fire Department.

toward a new fire hall project. The project involves purchasing and installing a new industrial washing machine for heavy duty washing of fire retardant clothing.

"Everyone on the department is grateful for this grant," said

Kristian Myers, a volunteer fire fighter in Remer. "Without this funding, we wouldn't be able to purchase this type of clothes washer, and it's so important given the link to cancer. Thank you!"

Into The Brush, Inc., wins Touchstone Energy Community Award from LCP

Lake Country Power selected Into The Brush, Inc., art program of Ely, Minn., as the winner of its annual Touchstone Energy Community Award. The co-op chose this fairly new grassroots organization for the fine art stones they paint and give as a special memento to comfort individuals who become terminally ill.

As winner of the Touchstone Energy Community Award, Into The Brush, Inc., was awarded a plaque and \$500 that will go toward supplies to create the fine art stones.

Joe Baltich has painted 30 Lake Superior stones so far since February 2017. He's the program director and lead artist for Into The Brush art program and learning to paint programs, which

is headquartered at the Red Rock Wilderness Store near Ely.

The Stones of Uplifting Light (SOUL) project is an ongoing endeavor. When individuals become terminally ill, Into The Brush paints and ships a fine art stone to the person to remind them of a more joyous time in their life for therapeutic comfort.

"We research the individual through a family member, friend or acquaintance to learn more about them before painting the stone," said Baltich. "SOUL stone recipients often have families who get to keep the stones after their passing, and the comments have been heart-tugging and moving. We know we're making a difference in people's lives."

Lake Country Power is one of the



Accepting the Touchstone Energy Community Award from Lake Country Power for Into The Brush, Inc., is Jackie Hartleben and Joe Baltich.

Touchstone Energy Cooperatives in Minnesota providing a local community award to encourage and recognize local

community contributions. For more information, visit www.redrockstore.com or email intothebrush@gmail.com.

Join us for news you can use

Hot soup on a cold night, too

Be sure to attend LCP's district meetings for news that's steady, stable and reliable. Watch your mailbox for details, and then R.S.V.P. to Angie Hantula at 800-421-9959, extension 4521 or 218-322-4521, or e-mail ahantula@lakecountrypower.com.

DATE	TIME	LOCATION	TOWN/DISTRICT	R.S.V.P. By
January 31	5 - 7 p.m.	Nashwauk Township Hall (Cloverdale Hall), 16470 County Road 8, Nashwauk	Nashwauk — District 4	January 24
February 6	5 - 7 p.m.	Hope Lutheran Church, 204 Elm Ave., Moose Lake	Moose Lake — District 9	January 30
February 8	5 - 7 p.m.	Spang Hall, 35402 Spang Road, Hill City	Hill City — District 6	February 1
February 13	5 - 7 p.m.	South Ridge School, 8162 Swan Lake Road, Culver	Culver — District 7	February 6
February 21	5 - 7 p.m.	American Legion, Orr	Orr — District 1	February 14
February 22	5 - 7 p.m.	Grand Ely Lodge, Ely	Ely — District 2	February 15
March 5	5 - 7 p.m.	Cromwell Pavilion, Cromwell	Cromwell — District 8	February 26
March 19	5 - 7 p.m.	Riemer High School — cafeteria/ commons area, Riemer	Riemer — District 5	March 12
March 21	5 - 7 p.m.	Wuori Town Hall, 7449 Warner Road, Virginia	Virginia — District 3	March 14

CAUTION:

space heaters run up your electric bill

Space heaters are often the culprit for a spike in winter electric bills, according to Lake Country Power's billing department.

Calculate how much it'll cost you to use one 1,500-watt space heater:

- Multiply 1500W by X hours of use = A
- Multiply A by your electricity rate per kilowatt-hour = B
- Divide B by 1,000 = your daily cost

According to the Department of Energy, small space heaters can be less expensive to use, but only if you're heating one room while turning down the thermostat for the rest of the house.

Plus, space heaters are not as efficient as a central heating system. For more information about heating products from Lake Country Power, contact the member service department at 800-421-9959, press 6, or visit www.lakecountrypower.coop (EnergyWise programs).



Co-op calendar contest opens

Deadline moved up by one month

The 2019 co-op calendar contest is officially open for members to begin submitting their beautiful scenic entries. The deadline to submit is one month earlier this year – **August 1**.

The calendar will showcase the photography talents of LCP's membership. Your photography 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.

Request this year's co-op calendar by submitting an online request at www.lakecountrypower.coop, or swing by a service center.

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.

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. One membership (household) 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 will be eliminated.
7. Photos must be e-mailed to bsun@lakecountrypower.com. All entries must be received by August 1, 2018.
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.

Sign up for load control notifications

Text and e-mail notifications available

Sign up for SmartHub at www.lakecountrypower.coop, and then sign up for the notifications you want to receive by text, e-mail or both.

If you want to be notified when heating programs are being controlled for peak demand, such as dual fuel or water heating programs, you can have it with a SmartHub account. If you don't have dual fuel or water heating with LCP, you won't need this notification, but can sign up for other types of notifications that are currently offered.



Last month the Steffes Corporation was highlighted in *Newsline*. Watch the follow-up video that explains more about this company and off-peak heating. You'll find it at lakecountrypower.coop and directly on YouTube at <https://www.youtube.com/watch?v=hnfEgavHzCc>.

How to sign up for Notifications in SmartHub

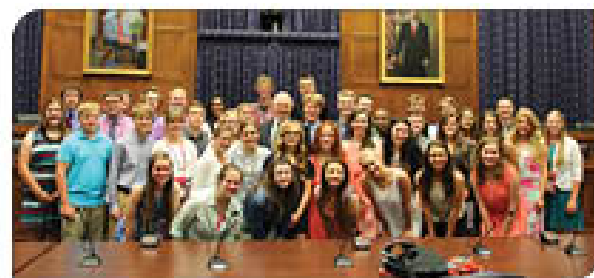
- First you'll need a SmartHub account. It's free, and you can register online at www.lakecountrypower.coop. Sign up from a desktop or laptop computer, or a mobile device using a web browser. Note: The mobile app alone does NOT allow notification management.
- From the SmartHub home page, click the Notifications tab.
- Click the Manage Contacts link in the far left menu. The Manage Contacts page appears, displaying various options for adding email addresses or cell phone numbers for text messaging.
 - Add contacts by choosing the appropriate link on the top of the screen: Add Email Contact and/or Add Text Message Contact.
- Click the Manage Notifications link in the far left menu. The Manage Notifications page appears, displaying various categories of notifications including Billing, Miscellaneous and Reports. If you specifically want to enroll in load control notifications, follow these next steps:
- To enroll in Load Control notifications, click Reports.
- Check the box next to the Load Control Notification.
- Follow the onscreen instructions; click Options to set the available LCP notification types. Determine the type of notification you want — Email, Text Message or none.

Please note: In the event of a rare weekend or holiday control, the load control messages may not be sent out. When in doubt, refer to GRE's load control page at <http://imguide.grenergy.com>.

Spend a week in Washington, D.C.

LCP is seeking applications from this year's high school juniors and seniors to attend the Rural Electric Youth Tour in Washington, D.C., June 20-18. The first three qualifying applicants will receive a \$10 Caribou Coffee gift card from Lake Country Power, so hurry.

Youth Tour is open exclusively to students whose parents or legal guardians receive electric



service from Lake Country Power – a membership perk.

For more information and an application form, visit

www.lakecountrypower.coop > Community > Youth Tour. Applications are due by 4:30 p.m., March 2, 2018.

Energy market benefits members

The electricity that toasts your breakfast and cools your milk could be produced at a wind turbine in Minnesota, a power plant in North Dakota or a hydroelectric dam in Manitoba. And, over the course of a day, you might receive electricity from all three.

Lake Country Power's wholesale power provider, Great River Energy, is a member of the Midcontinent Independent System Operator (MISO), which administers the wholesale energy markets in the Midwest.

All the electricity that serves your home, farm or business is purchased from that market. At the same time, Great River Energy sells the output from its power generation resources into the market.

Participation in energy markets is beneficial for cooperative members because it enables Great River Energy to access a diverse energy market instead of relying solely on its own resources to serve members. And it provides Great River Energy with the ability to sell power from its resources across a wider footprint.

This combination of market opportunities and generation ownership ensures the membership receives reliable power at a low cost. The market also facilitates the flow of energy from where it is generated to where it is needed.

"Market dynamics change. We need to deliver electricity today, but our larger goal is to supply affordable and increasingly renewable power to Lake Country Power for decades to



The Midcontinent Independent System Operator, Inc. (MISO) – the areas shown in green – is a not-for-profit, member-based organization that ensures the reliable delivery of electricity at the lowest cost across high-voltage power lines in 15 U.S. states and the Canadian province of Manitoba.

come," said Great River Energy Chief Power Supply Officer Jon Brekke.

The goal of the MISO energy market is to ensure reliable, least-cost delivered energy. MISO does not own any generation or transmission assets. Instead, it relies on utilities like Great River Energy to build transmission lines and operate power plants to support that goal. According to MISO's calculations, the exchange of energy and other services through a coordinated energy market provides approximately \$3 billion in benefits to the region.

One of Great River Energy's strategies is to position its portfolio of power supply resources to produce the optimum value for members. That includes strategically purchasing some energy from the market when it is advantageous to do so, while maintaining the proper

generation resources to provide reliability and serve members economically in all market conditions.

GRE's 2018 budget: Stable rates, flat sales

Strategic decisions to position its generation portfolio and other cost-saving measures have left Great River Energy (GRE) entering 2018 with stable wholesale electricity rates and a strong financial position.

GRE's revenue requirement is budgeted at \$969.2 million, down more than \$20 million from the 2017 budget. That means lower power costs for GRE's member cooperatives, like Lake Country Power.

Cost savings in operations and maintenance and fuel contributed significantly to the budget reductions. Keeping costs competitive was especially critical as GRE continues to experience stagnant energy sales.

Recipe Corner Reunion Casserole

Marilyn Lindberg,
Cambridge, MN

- 1 pound ground beef
- ½ pound bulk spicy pork sausage
- 1 cup chopped onions
- 2 cups shredded cheese, divided
- 1 medium green pepper, chopped
- 1 can (11 oz.) whole kernel corn, drained (or frozen)
- 1 can (10 ¾ oz.) condensed tomato soup, undiluted
- 1 can (8 oz.) tomato sauce
- 1/3 cup sliced pimento-stuffed olives
- 1 garlic clove, minced
- ½ tsp salt
- 8 oz. wide noodles, cooked & drained

In large Dutch oven, cook the beef, sausage and onion over medium heat until meat's no longer pink. Drain. Stir in 1 cup cheese, green pepper, corn, soup, tomato sauce, olives, garlic, salt and noodles. Transfer to greased 9x13 baking dish. Sprinkle with remaining cheese. Cover and bake 350 degrees for 35 minutes. Uncover, bake 10 minutes longer.

Submit your favorite recipe to Lake Country Power, Attn: Editor, 2810 Elda Drive, Grand Rapids, MN 55744, or e-mail lcaun@lakecountypower.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

Consider insulating your hot water pipes. Doing so can reduce heat loss, allow you to lower the temperature setting and save an additional 3 to 4 percent per year on water heating.

November 28, 2017 • Regular Monthly Meeting

The following reports were given:

President Craig Olson distributed manager evaluation forms to the directors and asked that they return their completed forms to him in December. The information will be compiled and reviewed with General Manager Randa in January.

Greg Randa, LCP general manager, commented about Great River Energy's margins; composition of rate design committee; EnergyWise rates, Northland Connect Internet; a public forum about local democracy; employee team researching AMI systems with other cooperatives; strategic planning; dirt removal in the Cohasset Industrial Park; and the 2018 budget books for board review.

Mark Bakke, director of administration and finance, reported about financial and

administration information. September sales were low compared to budget; invoices are coming for right-of-way work; and renewable energy.

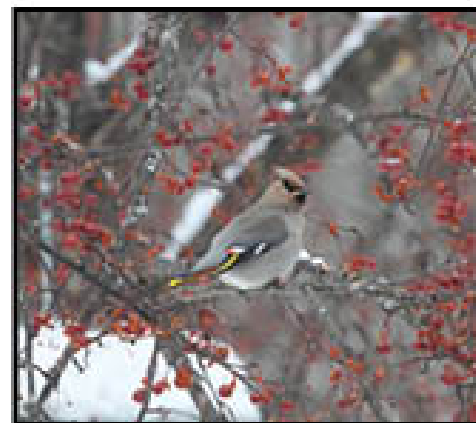
The following actions were taken:

Approved to renew the line of credit with CoBank for \$14.5 million, which is a reduction from \$23.5 million.

Approved to adopt Policy 613: Cogeneration and Small Power Production.

Approved to adopt Cooperative Rules Implementing 216B.164 as it's relative to cogeneration and small power production facilities.

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 800-421-0050 for a printed copy.



This picture earned a spot in the co-op calendar for February 2018. John Brula of McGregor took this photo on Sheeshebe Point, north of McGregor. Birds enjoy the sweet flavor of apples.

Co-op Contacts

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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 1-800-421-0050.

Newsline

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Lake Country Power Service Centers:
Grand Rapids • Kettle River • Mountain Iron
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Happy Valentine's Day!

Comparative Operating Statement

Year-To-Date — November 2017

	2017	2016
Electric Operating Revenue	\$ 80,446,139	\$ 77,938,303
Cost of Purchased Power	42,351,237	40,898,991
Distribution Expense - Operations & Maintenance	12,312,254	13,827,914
Consumer Accounts Expense & Informational	3,939,953	3,712,007
Administrative and General Expense	5,429,688	5,241,913
Depreciation, Interest Expense and Other Deductions	13,397,182	13,212,243
TOTAL ELECTRIC OPERATING EXPENSES	77,430,314	76,893,068
Net Electric Operating Margins	3,015,826	1,045,234
Non-Operating Margins	1,538,824	1,479,159
TOTAL MARGINS BEFORE SUBSIDIARIES	4,554,650	2,524,394
Net Income (Loss) from Subsidiaries	34,662	188,705
TOTAL MARGINS	\$ 4,589,312	\$ 2,713,099
TOTAL KWH SOLD (YEAR-TO-DATE)	554,176,922	544,829,882

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 800-421-0050 for a copy.