

Happy New Year!

January 2017

Newsline

The final countdown...

Scholarship deadline closes Jan. 31, 11:59 p.m.

Students: Don't wait until it's too late to apply for the Les Beach Memorial Scholarship — and your chance at a \$4,000 scholarship!

This year's graduating high school seniors whose parents or legal guardians are LCP members have until 11:59 p.m., January 31 to apply.

To complete the electronic application, 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.

To qualify, the student or the student's parent/legal guardian must be a member of Lake Country Power, meaning they receive electric service directly from the co-op at their residence or cabin.

Transcripts and letters of recommendation from teachers will be accepted through February 15, but all other student-submitted materials must be complete by Jan. 31 or the student won't be considered. Visit lakecountrypower.coop (community/scholarships) for application tips and more information.

Don't wait until the clock strikes midnight.



Lake Country Power

A Touchstone Energy® Cooperative

Energy that Powers Our Lives

IN THIS ISSUE

Election Process Underway
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Win Youth Tour Trip to D.C.
EnergyWise Rate Changes



STUDENTS:

**Win a
FREE TRIP to
Washington,
D.C.,
on the
Youth Tour!**

See page 4

BOARD MEETINGS

January 31—9:30 a.m. at
Grand Rapids Service Center
February 21—9:30 a.m. at
Kettle River Service Center

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" and click "Events."

Election process underway

The nomination process for Lake Country Power board of director positions begins January 19, 2017. The three-year board terms for District 3 (George Harvey, incumbent), District 6 (Don Simons, incumbent) and District 7 (Craig Olson, incumbent) are expiring.

Any Lake Country Power member who has voting rights in Districts 3, 6 and 7 and is interested in seeking nomination for the board of directors should follow these procedures:

1. Pick up a nomination packet, and complete a qualification questionnaire confirming you meet all qualifications for director as described in Article III,

Section 2 of the Bylaws of Lake Country Power.

2. Submit a nomination petition signed by 15 Lake Country Power members. If a husband and wife have a joint membership, it will be counted as one signature.
3. Submit a board candidate biography of no more than 180 words in length.

Nomination packets will be available at all three service center locations beginning January 19. The deadline for submitting nomination materials is 4:30 p.m., February 8, at the Grand Rapids Service Center.

The notice of the annual meeting



and ballots for electing directors will be mailed to all members of Lake Country Power between March 30 and April 4.

The annual meeting will be held Wednesday, April 19 at The Reif Center, Grand Rapids, MN.

Registration begins 4:45 p.m. with the meeting to follow at 6:00 p.m. An evening meal will be served during registration. If you have questions regarding director elections, contact Tami Zaun at 800-421-9959, ext. 7152.

Energy, elections and wild weather

Join us for co-op conversation and a 'cup of joe'

Whether it was weather, outages or elections, 2016 was a year we won't soon forget. We can't control nature, but as we look to the New Year, we're working on ways to improve reliability, response and results in many different ways.

We invite you—as a member-owner—to join LCP at an upcoming district meeting and find out how the co-op is working to hold down rates and costs

while improving reliability and service. Each meeting starts with a light supper at 5:00 p.m., followed by staff updates and time for member questions. If you cannot make your district meeting, you are welcome to attend another member meeting.

R.S.V.P. by calling Angie Hanttula at 800-421-9959, extension 4521 or 218-322-4521, or e-mail ahanttula@lakecountrypower.com.



DATE	TIME	LOCATION	TOWN/DISTRICT	R.S.V.P. By
January 24	5:00 p.m. - 7:00 p.m.	Hope Lutheran Church, 204 Elm Ave., Moose Lake, MN	Moose Lake – District 9	January 17
January 26	5:00 p.m. - 7:00 p.m.	Remer High School	Remer – District 5	January 19
February 1	5:00 p.m. - 7:00 p.m.	South Ridge School, 8162 Swan Lake Road, Culver, MN	Culver – District 7	January 25
February 2	5:00 p.m. - 7:00 p.m.	Cromwell Pavilion	Cromwell – District 8	January 26
February 7	5:00 p.m. - 7:00 p.m.	Balsam Township Community Center, 41388 Scenic Hwy., Bovey, MN	Bovey – District 4	January 31
February 9	5:00 p.m. - 7:00 p.m.	American Legion, Orr	Orr – District 1	February 2
February 16	5:00 p.m. - 7:00 p.m.	Side Lake Community Center, Side Lake (look for sign: French Town Hall)	Side Lake – District 3	February 9
March 2	5:00 p.m. - 7:00 p.m.	Grand Ely Lodge	Ely – District 2	February 23
March 9	5:00 p.m. - 7:00 p.m.	Spang Hall, 35402 Spang Road, Hill City	Hill City – District 6	March 2

Seeking applications for Youth Tour



Lake Country Power sponsored Averie Seibert of McGregor on the 2016 Rural Electric Youth Tour.

Deadline is March 3

LCP is seeking applications from high school juniors and seniors to attend the Rural Electric Youth Tour in Washington, D.C., June 2017. The first three qualifying applications received will win 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.

“Thank you Lake Country Power for the once in a lifetime opportunity that was so graciously bestowed upon me,” said Averie Seibert, LCP’s 2016 Youth Tour delegate. “The trip was so enlightening. I had no idea just how much cooperatives affect our day-to-day lives. I will be sure to promote this wonderful opportunity among my peers!”

Youth Tour involves more than 40 Minnesota high school students – and nearly 1,700 high school students from across the nation – selected by their local electric cooperatives. Students are chaperoned on a weeklong trip to visit Washington, D.C. They not only learn about electric cooperatives, but also about American history and

Planning continues to replace Grand Rapids Service Center

LCP continues to move forward with plans to build a new service center in the Grand Rapids area. The co-op is reviewing options to replace the current headquarters building.

The current facility is nearly 50 years old and undersized for modern trucks and equipment. The number of office employees also outnumbers the amount of space available for employees and members.

Local meetings

LCP has been meeting with officials to secure property

near the existing service center location. As of this writing, the co-op has not entered into an agreement, but continues to look at options.

A new building represents a long-term investment for LCP in Itasca County and will employ local contractors and construction crews. Initial plans call for a 40,000-45,000 square-foot building to replace the existing site.

Next Steps

The timeline calls for detailed estimates and contractor

proposals within the next few months. The board has approved looking for alternative sites near the existing headquarters location to maintain LCP’s local presence and safer, easier access to the headquarters office for members.

The board will approve the project in several steps, including site selection, design and construction phases. The plan calls for construction in 2017 and 2018, with the existing service center property along U. S. Highway 2 east of Grand Rapids to be put up for sale following completion of construction.

the U.S. government, and experience history up close by visiting national monuments, the Smithsonian Museums, and various historic sites.

More important, students have the opportunity to meet and interact with congress, senators and legislative staff. Being able to ask questions and have a conversation with elected officials is an important part of being an engaged citizen.



Contact Tami Zaun at 218-326-7152 or tzaun@lakecountrypower.com for more information.

How to Apply

It’s easy! Just complete LCP’s easy application.

- Go to lakecountrypower.coop
- Go to the “Community” tab and then click “Youth Tour”
- Click “Application for Youth Tour” to open the file. Complete and submit everything that’s requested in the application.

Submit application materials no later than 4:30 p.m., March 3, 2017 to Lake Country Power, 2810 Elida Drive, Grand Rapids, MN 55744, or e-mail tzaun@lakecountrypower.com.

EnergyWise rate change reflects rising power costs

Wholesale power costs have increased for off-peak and interruptible heating and water heating loads. As a result, members will see a slight increase to EnergyWise programs on February bills.

“We purchase wholesale power and pass through power cost increases at the beginning of each year as we experience them,” said Greg Randa, LCP general manager. “General service rates won’t be affected and the monthly Service Availability Charge won’t change. We’re passing through increases in the area where we’re seeing a change in wholesale power costs.”

EnergyWise Rates - kWh

Program	2017	2016
Off Peak	0.0495	0.048
Dual Fuel	0.0615	0.060
Freedom Heating	0.0765	0.075
Peak Shave	0.0765	0.075
Interruptible Water - 8-hour	0.0615	0.0600

The changes in EnergyWise program prices are related to higher prices for power during off-peak hours in the Midwest regional power market where LCP’s power supplier, Great River Energy, buys and sells power.

One other change in rates will affect three-phase energy-only commercial accounts. The facilities charge for energy-only commercial rates will be increasing to better reflect the cost of service for the 225 businesses within this rate class.



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

Market redefines role of coal

Work safely. Maximize output. Minimize interruptions.

Those three objectives have long served as an unofficial credo for Great River Energy power plant operators and engineers. By operating plants with as few interruptions as possible, electric service remained reliable, and generation resources were economical in the Midwest energy market.

Certain power plants are considered “baseload” resources, which means they are relied upon to meet the baseline demand for electricity demand every day. They were designed to run day and night at high outputs, and have historically been coal- and nuclear-powered.

“In the past, we wanted to park our power plants at the top,” said Great River Energy Vice President and Chief Generation Officer Rick Lancaster, referring to operating plants at their highest output. “In today’s energy market, there is added value for plants that can reduce output – flexibility is an enviable trait.”

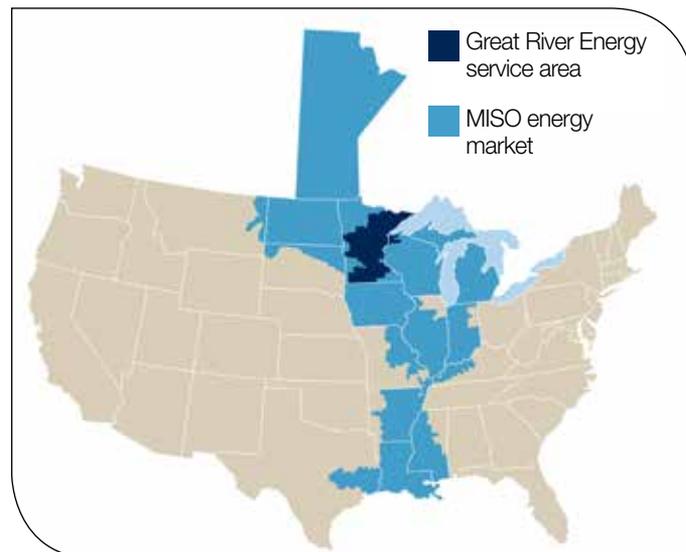
Intermittent Effects

A rise of smaller, dispersed and intermittent renewable generation resources – primarily wind energy – has had major market effects that are shaking up the economics of baseload plants.

Because there is more energy available, market prices have fallen. And, since the output of renewable resources swings up and down depending on the wind, there is a growing need for generation resources that can adjust their output.

“The roles of baseload and renewables have changed dramatically,” said Great River Energy President and CEO David Saggau. “Coal and natural gas power plants are now called on to be the steadying force in the market.”

While natural gas power plants are often designed to accommodate fluctuations in supply and demand, not all coal plants are designed to do that. To remain competitive in today’s power market, Great River Energy has charged its staff with adapting the cooperative’s largest power plant, Coal Creek Station, to these new market forces. All generation resources now need to be supplemental to wind.



Redesigning Operations

- Employees answered the call and made a number of operational changes and minor modifications that will enable the 1,146-megawatt Coal Creek Station power plant to ramp down to less than 300 megawatts.
- “By reducing production at the right times, we not only reduce costs, we also reduce our carbon dioxide emissions,” said Great River Energy Vice President and Chief Market Officer Jon Brekke. “There is significant – and growing – value in flexibility.”
- Coal will continue to be important for an aspect of electric service that is often taken for granted: reliability.
- “On a cold winter night, it’s really nice to have a coal pile next to the power plant,” added Lancaster.

Energy Assistance Providers

Should you find it difficult to pay your electric bill this winter, these agencies can provide additional assistance and more information.	Bois Forte Tribal 800-221-8129	Mille Lacs Band 320-532-7880
AEOA 800-662-5711	Carlton County 800-642-9082	Pine County 800-450-7263
• Virginia 218-749-2912	Cass County 218-547-1340	Salvation Army Offices: 800-842-7279
• Duluth 218-623-3011	Fond Du Lac Tribal 800-365-1613	• Cloquet 218-879-1693
Aitkin County 800-328-3744	Itasca County 800-422-0312	• Grand Rapids 218-326-5620
Bi County CAP 800-332-7161	Kootasca 877-687-1163	• Duluth 218-722-7934
	Lake County 218-834-8400	• Hibbing 218-263-5096
	Lakes & Pines 800-832-6082	• Virginia 218-741-1889
	Leech Lake Tribal 866-864-8668	St. Louis County 800-450-9777

Non-Discrimination Statement

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Lake Country Power is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Ave., S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

We weathered a difficult season
of storms together in 2016.

Thank you for your support,
understanding and amazing resilience.

*All the best to you and your
loved ones in 2017!*



Recipe Corner

New Orleans Soufflé Onion Dip

Leslie Lagerstrom, Cromwell

- 3 – 8 oz. packages cream cheese, softened
- 2 cups grated parmesan cheese
- ½ cup Mayonnaise
- 2 – 3 large Vidalia onions, sauté until clear in olive oil and 1 tsp butter
- Paprika for sprinkling on top



Mix all ingredients with mixer very well. Pour in 9x13 greased casserole. Top with extra cheese and then paprika. Bake 350 degrees 20 – 25 minutes until brown and bubbly. Serve with Ritz crackers or tortilla chips.

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

According to the Consumer Electronics Association, the average household owns 24 consumer electronics products, which are responsible for 12 percent of household electricity use. ENERGY STAR-certified audio/video equipment is up to 50 percent more efficient than conventional models.

Source: EnergyStar.gov

Cold weather rule effective October 15

In 1991, the Minnesota Legislature passed a law that includes electric cooperatives in the Cold Weather Rule. The law provides that utilities must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

1. Household income of the customer is at or below 50 percent of the state median income. Income may be verified on forms provided by LCP or by the local energy

assistance provider.

2. The customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household; and

3. A customer receives from LCP referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

The law does allow for LCP to disconnect when it is necessary from October 15 to April 15, so please act promptly. LCP works with members during the Cold Weather Rule period, just as we do throughout the year. We don't want to

interrupt service to any member, but in a cooperative, all members suffer when any bill remains unpaid. If bills remain unpaid, this amount must be absorbed by members who faithfully pay their bill each month. LCP would rather work with members to establish and maintain adequate payment schedules of their past due bill, but sometimes disconnection must be made when necessary, within the limits of the law. Before disconnecting service to residential customers from October 15 to April 15, the cooperative must provide the following information:

- notice of proposed disconnection (disconnection notice);

- statement explaining customers' rights and responsibilities;
- list of energy assistance providers;
- forms available for customer to request cold weather disconnect protection; and,
- a statement explaining the payment plan to secure continued service.

If you receive a disconnection notice this winter, you must act promptly. If you do not meet all the conditions of the Cold Weather Rule, mutually acceptable payment arrangements can be set up to prevent interruption of an electric service. Please contact Lake Country Power if you have any questions about the Cold Weather Rule.

October 25, 2016 • Regular Monthly Meeting

The following reports were given:

President Long reported about conversations he's had with members about topics in Newsline and the Ely Outpost.

Holding company President Harvey reported about activities since the Sept. meeting.

General Manager Randa reported about Great River Energy's projection for increased energy sales, shut-down of Stanton Station, Northland Connection operations and dividend to owners, matters concerning a new Grand Rapids service center, Cloquet franchise agreement, Ely Outpost completion timeline and LCP's new website launch in October. LCP's storm expenses are about \$2.2 million, which includes invoices received from other companies that assisted LCP during service restoration. Discussed the process to submit information for state and/or federal funds to help cover storm expense. The State of Minnesota changed its law in 2014 which now excludes cooperatives from being eligible for state funding. LCP will not receive FEMA funding either because the counties did not forward LCP's information on time.

The following actions were taken:

Approved the 2017 board meeting dates, locations and times.

Approved the 2016 capital credit retirement recommendation as prepared and presented by staff.

Approved the 2017 director election timeline.

Approved a resolution to support LCP contributing \$2,000 to each United Way agency in the co-op's service area, for a \$6,000 total contribution.

Approved a resolution to support the APEX Clean Energy Holdings, LLC — Dakota Range Wind Energy purchase to approve alternate purchase from Nextera Energy Resources — Steamboat Wind Energy Center.

Approved a property acquisition resolution for Lake Country Power to pursue an agreement with the City of Cohasset for property acquisition west of the current Grand Rapids service center along U.S. Highway 2 and start the clock on a new construction timeline for the Grand Rapids service center.

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 Jan. 2017. Cheryl Bunes of Bovey captured this lovely scene on Prairie River after a heavy snowfall.

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 1-800-421-9959.

Newsline

Published monthly by Lake Country Power
2810 Elida Dr., Grand Rapids, MN 55744
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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 — October 2016

	2016	2015
Electric Operating Revenue	\$ 70,980,761	\$ 69,071,971
Cost of Purchased Power	37,394,147	37,120,979
Distribution Expense - Operations and Maintenance	12,438,420	10,502,221
Consumer Accounts Expense & Informational	3,305,207	3,281,463
Administrative and General Expense	4,811,964	4,762,887
Depreciation, Interest Expense and Other Deductions	12,179,360	12,507,663
TOTAL ELECTRIC OPERATING EXPENSES	70,129,098	68,175,213
Net Electric Operating Margins	851,663	896,758
Non-Operating Margins	1,473,307	997,552
TOTAL MARGINS BEFORE SUBSIDIARIES	2,324,970	1,894,310
Net Income (Loss) from Subsidiaries	188,705	113,833
TOTAL MARGINS	\$ 2,513,676	\$ 2,008,144
TOTAL kWh SOLD (YEAR-TO-DATE)	489,041,569	508,988,312

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.