

Cooperative Connections



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Watch Out For Each Other This Winter



Ben Dunsmoor

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Your cooperative uses maintenance programs, the work plan, and a quick response to outages to ensure our members have a safe and reliable source of electricity.

Winters in the Great Plains can be tough.

The snow we get in northeast South Dakota never picturesquely floats from the sky during the winter months because gusty winds always seem to drive it to the ground sideways.

When temperatures dip to 20 degrees below zero or more the numbers on the thermometer simply become bragging rights in this part of the world because it's so cold your eyelids freeze just as quickly at 20 below as they do at 50 below zero.

And, we always get at least one blizzard warning per winter when it is not even snowing. I'm sure you have all experienced this phenomenon and know exactly what I am talking about.

We have already had a few of these events this winter. During the week between Christmas and New Year's Day about a foot of snow was driven to the ground by the South Dakota wind. Blizzard warnings and road closures made travel dangerous and left many with the difficult task of clearing out drifted in driveways.

I was out of town for a few days over the holidays when we received the brunt of Mother Nature's winter wrath. When I arrived home, however, I was not faced with an iceberg at the end of my driveway from a snow plow, instead, I was welcomed by a clear path to my garage. My neighbor graciously used his snow blower to remove the snow and give me one of the best gifts of the holiday season. It reminded me why we live here. It reminded me that during winter in the Dakotas we all watch out for each other.

Fortunately, we did not have any outages at Northern Electric Cooperative during our December and January winter weather events, but these events - and my experience with my neighbor - are good reminders that your co-op is also watching out for you this winter and all year long. The average Northern Electric member was without power for less than 2.5 hours during 2017 according to statistics from the National Rural Utilities Cooperative Finance Corporation who reported to your Board of Directors in December. That number is well below statistics from the U.S. Energy Information Administration which reports that customers across the United States experienced four hours of power outages during 2016, which is the most recent reporting year.

Your cooperative uses maintenance programs, the work plan, and a quick response to outages to ensure our members have a safe and reliable source of electricity. Our crews are ready and willing to brave the elements to restore power as safely and quickly as possible even during some of the nastiest winter storms. We know how crucial it is to have electricity during the coldest months of the year.

Winter can be long and brutal but in the Upper Midwest, we know the only way we can get through it is by watching out for each other, helping our neighbors, and in the process making winter a little more bearable for everyone in our communities.



(USPS 396-040)

Board President: Donna Sharp

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- Nolan Wipf – Secretary
- Wayne Holt – Treasurer
- Fran Esser
- Victor Fischbach
- Ron Kaaz
- Josh Larson
- Mark Sumption

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Chief Financial Officer: Cathi Podoll

Operations Manager: Mike Kelly

Manager of Member Services: Russel Ulmer

Manager of Information Technology: Derek Gorecki

Communications Director: Ben Dunsmoor - bdunsmoor@northernelectric.coop

Executive Secretary: Kay Albrecht

NORTHERN ELECTRIC COOPERATIVE CONNECTIONS is the monthly publication for the members of Northern Electric Cooperative, PO Box 457, Bath, SD 57427. Families subscribe to Cooperative Connections as part of their electric cooperative membership. The purpose of Northern Electric Cooperative Connections is to provide reliable, helpful information to electric cooperative members on electric cooperative matters and better rural living.

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Northern Electric Cooperative's regular board meeting was held December 20, 2018, at the headquarters in Bath with all directors present. National Rural Utilities Cooperative Finance Corporation (CFC) Regional Vice President Darrin Lynch was a guest for the meeting. As the first order of business, the board approved the November 29, 2018, minutes and November expenditures. The board then reviewed and accepted monthly reports by management including details on financial, operations, member services, safety, communications and IT.

Directors viewed the East River Electric Power Cooperative video report. East River Director Mark Sumption reported on actions taken by the East River board at the December 6, 2018, meeting. South Dakota Rural Electric Association Director Nolan Wipf reported on the SDREA Board Meeting which he attended November 29-30, 2018, in Pierre. The next SDREA Board Meeting will be held January 9-10, 2019, during the SDREA Annual Meeting which will be held January 10-11, 2019, in Pierre. Directors Mark Sumption, Nolan Wipf, Donna Sharp, General Manager Char Hager and Manager of Member Services Russ Ulmer reported on the Mid-West Electric Consumers Association Annual Meeting which was held December 10-13, 2018, in Denver, Colorado.

Manager's Report

General Manager Char Hager's report to the board included the following items:

- Update and discussion on development projects and activities taking place in the community and service area.
- Legal and legislative report.
- Reviewed attendance plans to the SDREA Annual Meeting in Pierre, Jan. 10-11, 2019.
- Reviewed attendance plans to the East River Energize Forum in Sioux Falls,

February 6-7, 2019.

- Informed the board that effective January 1, 2019, the IRS mileage reimbursement will increase from 54.5 cents to 58 cents.
- CFC Regional Vice President Darrin Lynch reviewed the Key Ratio Trend Analysis (KRTA) with the board.

Board Report

The board considered and/or acted upon the following:

1. Approved the date and time of the next regular board meeting for 8:30 A.M. on Thursday, January 24, 2019.
2. Approved payment of legal fees for Harvey Oliver in the amount of \$1,357.88.
3. Approved Work Order Inventories #18-11 for \$134,230.32 and #18-11MC for \$58,512.72 to be submitted to RUS for reimbursement from loan funds for electric plant construction already completed.
4. Approved the fourth quarter estate requests for early capital credit retirements in the amount of \$30,041.83.
5. Set the 2019 Annual Meeting date for September 5, 2019, to be held in Aberdeen.
6. Authorized board attendance to the 2019 Directors Conference, February 9-12, in San Antonio, TX.
7. Authorized Board President to execute the 2019 Fee Schedule Amendment to the Engineering Services Contract with Dalager Engineering.
8. Approved donation of \$1,125.00 to the Conde Fire Department.

Please ask your cooperative manager or director if there are questions on any of these matters.

Financial Report	November 2018	November 2017
kWh Sales	29,394,429 kWh	30,613,267 kWh
Electric Revenues	\$2,573,868	\$2,712,780
Total Cost of Service	\$2,343,782	\$2,577,702
Operating Margins	\$230,086	\$135,078
Year To Date Margins	\$621,548	\$445,270

Residential Average Monthly Usage and Bill

November 2018	3,032 kWh	\$265.14	.0874 per kWh
November 2017	3,148 kWh	\$277.85	.0883 per kWh

Wholesale power cost, taxes, interest, and depreciation accounted for 85.8% of NEC's total cost of service.

Downed and Dangerous

Downed power lines can be deadly. ALWAYS assume a downed power line is live and avoid going near it or anything in contact with it.

Use Precaution

- Downed power lines can energize the ground up to 35 feet away.
- If you see a downed power line, immediately notify local authorities.
- Never drive over downed power lines or through water that is in contact with them.
- Never try to move a downed power line. Even using items that typically are not conductive will not prevent injury or death.

Know What to Do

- The safe way to move away from a downed power line is to shuffle away with small steps, keeping your feet together and on the ground at all times.
- If your car comes in contact with a downed power line while you are inside, stay in the car. Do not touch any part of the car's frame or any other metal. Use a cell phone or honk your horn to summon help. Allow only rescue personnel to approach the car.
- If your car is in contact with a downed power line and you must exit due to fire or another imminent threat:
 - Do not touch your vehicle and the ground at the same time with any part of your body or clothing.
 - Open the door to your vehicle without touching the metal door frame.
 - Jump out of the vehicle with both feet together and so both feet land at the same time.
 - Shuffle away so that the toe of one foot shuffles forward along the length of the other foot, ensuring that both feet are in constant contact and always touching the ground.
- If someone comes in contact with a downed power line or something else that has become electrified, call 911 immediately.
- Never touch someone who has come in contact with a power line. They are energized and pose a danger to anyone who comes in contact with them.
- Remember power lines don't have to fall in order to be dangerous. Always call 811 before you dig and keep yourself and your equipment at least 10 feet from overhead power lines.

Source: esfi.org

Getting Involved

The state legislatures of both Minnesota and South Dakota convened in early January. Need to contact your legislator while in Pierre or Saint Paul? Here's how:

Contacting Members of South Dakota's Legislature:

Go to <http://sdlegislature.gov/> From there, you can search your senator or representatives, see the committees which they are assigned and send them an email. Need to reach them by phone? You can call and leave a message with the Senate at 605-773-3821 or with the House of Representatives at 605-773-3851. You can also send a fax to 605-773-6806.

Contacting Minnesota Legislators:

For contact information on Minnesota house members, visit:

<https://www.house.leg.state.mn.us/members/hmem.asp>

For contact information on Minnesota senators, visit:

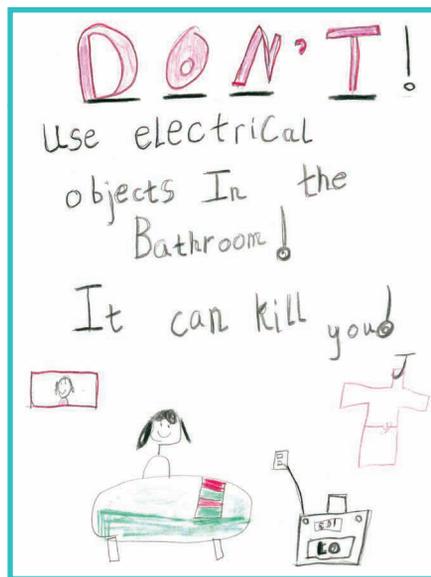
<http://www.senate.leg.state.mn.us/members/index.php?ls=%20-%20header>



A PROGRAM OF AMERICA'S ELECTRIC COOPERATIVES

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KIDS CORNER SAFETY POSTER



"Don't use electrical objects in the bathroom. It can kill you!"

Gracie Biggins,
7 years old

Gracie is the daughter of Jessy and Katie Biggins, Gregory, S.D. They are members of Rosebud Electric Cooperative, Gregory.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.

Bountiful Brunch

Slow Cooker Monkey Bread

- 1 cup (2 sticks) butter
- 1/2 cup granulated sugar
- 1 cup firmly packed light brown sugar
- 2 (16.3 oz. each) cans flaky layers refrigerated biscuits, each biscuit cut into 6 pieces
- 1 T. ground cinnamon

Spray 6-quart slow cooker and outside of wide mouth glass jar with no stick cooking spray. Place glass jar in middle of slow cooker. Melt butter in small saucepan on medium heat. Add brown sugar and stir to combine; set aside. Place cinnamon and granulated sugar in large resealable plastic bag. Add biscuit pieces in batches and shake to coat. Place 1/2 of the biscuit pieces in slow cooker around glass jar. Pour 1/2 of the butter mixture over biscuit pieces. Place remaining coated biscuit pieces in slow cooker. Sprinkle with any remaining cinnamon-sugar mixture in bag. Pour remaining butter mixture evenly over top. Cover slow cooker with clean kitchen towel then with slow cooker lid to secure towel. Cook 1 hour on HIGH. Carefully remove slow cooker insert and rotate. (This allows monkey bread to cook evenly.) Cook 1 hour longer or until toothpick inserted in center comes out clean. With towel and lid still secure, remove slow cooker insert from heat. Let stand 10 minutes. Carefully remove glass jar. Invert monkey bread onto serving platter. Makes 18 servings.

Nutritional Information Per Serving: Calories 302, Total Fat 14g, Saturated Fat 8g, Protein 3g, Cholesterol 27mg, Sodium 491mg, Carbohydrates 41g, Fiber 1g

Pictured, Cooperative Connections

Oatmeal Pancakes

- 2 eggs, separated
- 1/3 cup flour
- 2 cups warm milk
- 2-1/2 tsp. baking powder
- 2 cups quick cooking oats
- 1 tsp. salt
- 1/3 cup oil or shortening

Beat egg whites until stiff. In separate bowl, add warm milk to oatmeal; let set a few minutes. Add egg yolks. Mix in oil, flour sifted with baking powder and salt; mix well. Fold in whipped egg whites. Heat a nonstick griddle over medium heat. Coat pan with cooking spray. Spoon about 2-1/2 T. batter per pancake onto griddle. Turn pancakes over when tops are covered with bubbles; cook until bottoms are lightly browned.

Elfrieda Postma, Sioux Falls, SD

Wake-up Casserole

- 8 frozen hash brown patties
- 7 eggs
- 4 cups shredded Cheddar cheese
- 1 cup milk
- 2 cups cubed ham
- 1/2 tsp. salt
- 1/2 tsp. dry mustard powder

Place hash brown patties in a single layer in a greased 9x9-inch glass dish. Sprinkle with cheese and ham. In bowl, beat eggs, milk, salt and mustard together. Pour over ham and cheese. Cover and bake at 350°F. for 1 hour. Uncover and bake an additional 15 minutes until edges are golden brown and knife inserted in center comes out clean. Makes 8 servings.

Mary Jessen, Holabird, SD

Eggs Benedict Casserole

- 8 large eggs
- into 1/2-inch pieces
- 3 cups milk, divided
- 6 English muffins, cut into 1/2-inch pieces
- 3 green onions, chopped
- 1/2 tsp. paprika
- 1 tsp. onion powder
- 1 (.9 ounce) pkg. hollandaise sauce mix
- 1 tsp. salt
- 3/4 lb. Canadian bacon, cut
- 1/4 cup butter

Spray 9x13-inch baking dish with cooking spray. Whisk eggs, 2 cups milk, green onions, onion powder and salt together in a large bowl until well mixed. Layer half the Canadian bacon in prepared baking dish. Spread English muffins over meat and top with remaining Canadian bacon. Pour egg mixture over casserole. Cover baking dish with plastic wrap and refrigerate overnight. Sprinkle casserole with paprika; cover with aluminum foil. Bake at 375°F. until eggs are nearly set, about 30 minutes; remove foil. Continue baking until eggs are completely set, about 15 more minutes. Whisk hollandaise sauce mix with 1 cup milk in a saucepan. Add butter and bring to a boil, stirring frequently. Reduce heat to medium-low, simmer and stir until thickened, about 1 minute. Drizzle sauce over casserole.

Cortney Reedy, Tea, SD

Please send your favorite seafood, appetizer, beverage or casserole recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in June 2019. All entries must include your name, mailing address, phone number and co-op name.

A Powerful Lesson

Co-ops In The Classroom Program Focuses On Learning, Safety, And Fun

Ben Dunsmoor

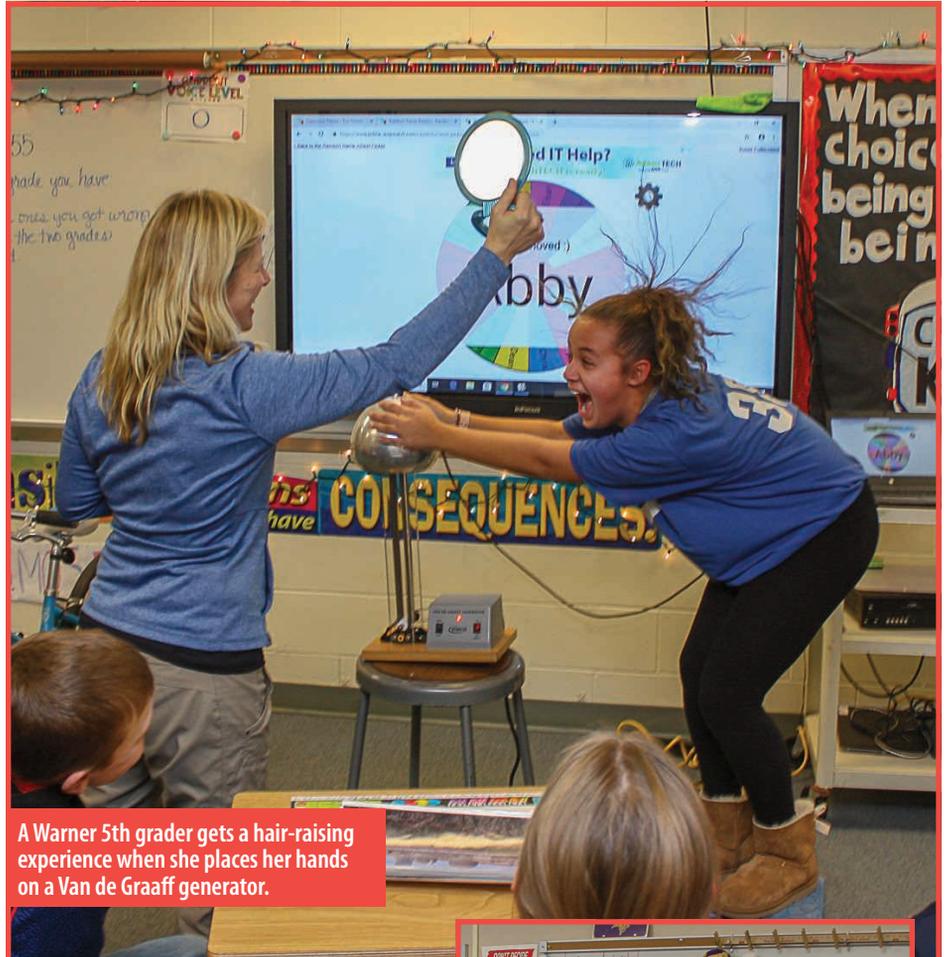
bdunsmoor@northernelectric.coop

When a bicycle is brought into an elementary school classroom it grabs the attention of the students right away. Their curiosity is peaked about the presentation that will take place over the next hour and speculation begins about how the bicycle will be used for the upcoming demonstrations.

A bicycle is just one of the fun and interactive tools used for the 'Co-ops in the Classroom' program which is now in its tenth year.

During the 2017-2018 school year the 'Co-ops in the Classroom' program reached a record 6,500 students at 120 schools in western Minnesota and eastern South Dakota.

“Working with children is a true inspiration,” East River Electric Power Cooperative Education and Outreach Coordinator Jennifer Gross said. “Their excitement for learning and desire to understand concepts is a reward that cannot be quantified.”



A Warner 5th grader gets a hair-raising experience when she places her hands on a Van de Graaff generator.

Gross is in her fourth year as the presenter and coordinator of the 'Co-ops in the Classroom' program for East River Electric Power Cooperative. East River is the wholesale power supplier for 24 rural electric distribution cooperatives – including Northern Electric – and one municipal utility. During the 2017-2018 school year, Gross brought the 'Co-ops in the Classroom' program to a record 6,500 students in 120 schools in western Minnesota and eastern South Dakota.

The goal of 'Co-ops in the Classroom' is to teach students about cooperatives, electricity, efficiency, and safety. Gross starts the hour-long presentations by teaching students about conductors and insulators. A Van de Graaff generator is used to produce static electricity and give students a visible example of how



A Northwestern Area 5th-grade student pedals a bike to power a fan held by East River Education and Outreach Coordinator Jennifer Gross.



A 5th-grade student in Frederick feels the effect of static electricity from a Van de Graaff generator during a Co-ops in the Classroom presentation December 12.

electricity travels and its effects on the human body.

“Co-ops in the Classroom’ teaches students ways to conserve electricity, how to be safe around electricity, helps them recognize where electricity comes from and also introduces them to the cooperative business model and cooperative principles,” East River Communications and Marketing Manager Shayla Ebsen said.

After students learn about static electricity and how electricity travels using the Van de Graaff generator the presentation shifts to the bicycle as students learn how electricity is produced. Volunteers who hop on the bike learn how much energy it really takes to power a light bulb and the household appliances they use every day.

“Hearing them laugh while learning valuable information makes me smile,” Gross said. “The teachers also value the concepts the students learn and their appreciation for the free program makes it very worthwhile for the cooperative.”

In December, Gross partnered with Northern Electric Cooperative to visit six schools in Brown and Spink counties, including elementary classrooms in the Hitchcock, Redfield, Aberdeen Christian, Warner, Fredrick, and North-western school districts. The ‘Co-ops in the Classroom’ program will visit more schools within the Northern Electric service territory in March.

It is a program that continues to grow, and it gives elementary students in the region an interactive glimpse at electricity and what it takes to power their lives.

“This is a great program that highlights how East River and our member distribution systems can team up to make a difference in our region. It also highlights how our cooperative family is committed to advancing the communities we serve,” Ebsen said.

And the ‘Co-ops in the Classroom’ program continues to serve local communities by reaching more students with this fun and interactive learning experience.

Schools that would like the ‘Co-ops in the Classroom’ program to present to their elementary students should have a teacher or administrator contact Northern Electric Communications Director Ben Dunsmoor at 605-225-0310 or bdunsmoor@northern-electric.coop to schedule a presentation.

‘Co-ops in the Classroom’ teaches students ways to conserve electricity, how to be safe around electricity, helps them recognize where electricity comes from, and also introduces them to the cooperative business model and cooperative principles.



Your HVAC system could learn your schedule and regulate heating and cooling for your comfort based upon when you are home.

COMMAND, CONTROL AND ENERGY SAVINGS

Co-op Members Can Benefit from Technology

Derrill Holly

NRECA

Artificial intelligence is changing the way we live and that has the potential to bring major changes to the way we use energy.

Smart home automation, with a utility connection, allows folks from all income levels to become more energy efficient to varying degrees. Using a platform to further tie together appliances and loads, consumers can pick and choose their preferred efficiency routes depending on their lifestyle and budgets.

Turning Words to Actions

According to the Consumer Technology Association, about 5.5 million Wi-Fi-enabled devices are added to the internet each year and by 2020, the total is expected to surpass 21 billion. That has designers and manufacturers of consumer products looking for new ways to add value to their products with Wi-Fi enabled features.



As artificial intelligence devices create opportunities for home automation, consumers will play larger roles in deciding how and when systems in their home are controlled.

Smart thermostats have been around for a while and models that interconnect with home automation systems, like Amazon's Echo, the Wyse Hub and Google Home, get a lot of attention. Apps developed for those products are also available for both Android and iPhone. Many electric cooperatives are offering discounted smart thermostats to not only encourage member savings, but also help manage peak energy demand.

Changing Sources, Changing Needs

As the energy sources we use to generate power evolve and management of the electric grid becomes more agile and sophisticated, the true potential of energy load control provides opportunities for more savings through wholesale power supply. That's challenging electric co-ops to find additional ways to strengthen partnerships with consumer-members who are more interested than ever in actively managing their energy use. Two-way, real-time communications and artificial intelligence offer opportunities to learn consumer preferences and how best to reduce energy during peak demand periods.

New All-Electric Homes

Home automation controllers and smart phone apps are producing an endless string of new commands daily and while

many may not work seamlessly, they are likely to continue to improve.

"We could soon see serial commands allowing your appliances to interact with other devices," said Keith Dennis, senior director of strategic initiatives for the

An all-electric home with energy efficient products and automation features could enhance a consumers' experience.

National Rural Electric Cooperative Association (NRECA), who cited household systems including heat pumps and heat pump water heaters as examples.

"Your HVAC system could learn your schedule and regulate heating and cooling for your comfort based upon when you are home," said Dennis. "Instead of maintaining a steady supply of hot water when no one is home to use it, water could be heated during periods when demand is lowest and electricity costs less and then boosted to ideal temperatures to meet specific needs like bathing, laundry or washing dishes."

Many electric co-ops have supported water heater load control programs for decades. Consumers are not overly concerned

about when their water is heated as long as it is available on demand.

"Manufacturers and vendors are actually building shared access and control into these systems with utilities," said Dennis. "The most successful models in the end will work seamlessly with the co-op to provide value to the member and not necessarily something that is directly managed by the member."

According to Dennis, new induction stovetops, energy efficient convection ovens and some countertop appliances offer more opportunities for efficiency in the kitchen – and the common trait of these efficient products is that they are all electric. An all-electric home with energy efficient products and automation features could enhance a consumers' experience.

While consumers are not expected to quickly embrace many of these new options until they reach the "plug-and-play" level of convenience, smart appliances and home automation systems could within a few years lead to rebates and other incentives designed to encourage electric co-op members to retire older appliances to enhance their home's energy efficiency.

Derrill Holly writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. From growing suburbs to remote farming communities, electric co-ops serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.



WiFi-enabled kitchen countertop appliances are already available and manufacturers are introducing refrigerators and stoves to the marketplace in 2019.



Students Can Apply Now For \$1,000 and \$500 Co-op Scholarships

2019 Scholarship Applications Being Accepted

Students of Northern Electric Cooperative members who are currently enrolled in a post-secondary school - or plan to enroll in the fall of 2019 - can now apply for two co-op-sponsored scholarships.

Bismarck-based Basin Electric Power Cooperative, which generates electricity for Northern Electric Cooperative, is awarding a \$1,000 scholarship to a student within the Northern Electric service territory. Northern Electric is also awarding a \$500 scholarship to a student of a co-op consumer. Students can apply for both scholarships by filling out one Basin Electric 2019 scholarship application which can be found on the Northern Electric website at www.northernelectric.coop/scholarships. Applications can also be picked up at a Northern Electric office.

In 2018, Matthew Sperry of Bath was awarded the \$1,000 Basin Electric scholarship and Sadie Vander Wal of Brentford was the recipient of the \$500 Northern

Electric scholarship. Both Sperry and Vander Wal enrolled in their first year of studies at South Dakota State University this fall.

The scholarship application includes information about the student's academic record, ACT/SAT test scores, work experience, an applicant appraisal from an advisor or supervisor, and a one-page essay on the topic: 'Describe how a cooperative can build a culture to best serve its members.' The entire application must be completed and turned into one of the Northern Electric Cooperative offices in Bath or Redfield by the February 15, 2019 deadline.

A committee of cooperative employees will critically evaluate the applications and award both the \$1,000 and \$500 scholarship from the pool of applicants. Scholarships will be directly paid to the institution where the recipient is enrolled in the fall of 2019.

How to Apply

- **Scholarship Eligibility**

Applicants must be U.S. citizens, under the age of 25, and natural or adopted children of Northern Electric Cooperative consumers/members. Any applicant must be a student who is enrolled, or planning to enroll, in a full-time graduate or undergraduate course of study at an accredited two-year or four-year college, university, or vocational/technical school.

- **How the Selection Process Works**

All applications are critically evaluated using a combination of several criteria including: SAT/ACT scores, grade-point average, work experience, participation in school and community activities, a statement by the student explaining his/her educational and career goals, financial need, and a written recommendation by a third party.

A committee of cooperative employees will anonymously evaluate the applications and submit the entry to Basin Electric for scholarship distribution and select the winning entry for the Northern Electric scholarship.

- **Application**

Applications are available from local high school guidance counselors, on the Northern Electric Cooperative website at www.northernelectric.coop/scholarships, or directly from the Northern Electric offices in Bath or Redfield.

Completed applications MUST BE RETURNED BY FEBRUARY 15, 2019 to:

Northern Electric Cooperative
ATTN: Kay Albrecht
PO Box 457
Bath, SD 57427

For more information contact Kay Albrecht at: **605-225-0310**

Co-op Generosity Shines

Dozens of Donations Gathered For Area Organizations

The generosity of Northern Electric Cooperative employees and members shined during the holiday season. Dozens of toys, hundreds of canned goods, and numerous hats and mittens were collected for local holiday donation drives and charities.

All of the items were delivered to each organization on December 14, so they could be distributed before Christmas.

More than 75 toys were gathered by co-op employees and members at the Bath office for the local 'Toys for Tots' drive. Employees also donated more than 200 non-perishable food and personal care items to the Salvation Army in Aberdeen. Nearly three dozen hats and 60 pairs of mittens and gloves were also collected by co-op employees for the Aberdeen Area Chamber of Commerce Ambassadors' Hat

and Mitten drive. The hats and mittens were distributed to public and private school children in the Aberdeen area on December 18.

"Without Northern Electric's support of this event, we would not have had the impact with donations that we had," Aberdeen Area Chamber of Commerce Director of Member Services and Events Bea Fischer-Smith said.

The employees at the Northern Electric Redfield office not only donated canned goods and toys to the Tri-County Good Samaritan Center but they also collected money to sponsor a student for the 'Nutrition Mission' program at the Redfield School. 'Nutrition Mission' is a partnership between the Redfield Lions Club and school officials. The program provides students in need with backpacks full of food

before they go home for the weekend. The backpacks are filled with items like string cheese, canned goods, cereal, and fruit. The Redfield Lions Club and the Redfield School started the program five years ago and they are currently distributing around 65 backpacks every week.

All of the items donated by co-op members and employees were delivered to each organization on December 14, so they could be distributed before Christmas.



Communications Director Ben Dunsmoor (left) and Chief Financial Officer Cathi Podoll (right) stand next to the hats and mittens donated to elementary school students.



Accountant Megan Spears (left) and Operations Manager Mike Kelly (right) hold toys collected for 'Toys for Tots.'



Network Systems Technician Benji Graczyk (left) and Journeyman Lineman Ben Peterson (right) stand next to the food and personal care items donated to the Salvation Army.

During the 2019 South Dakota legislative session, electric cooperatives are seeking fairness in territory integrity.

CO-OPS SEEK TERRITORIAL INTEGRITY

Fairness Sought When Government Takes Over

Brenda Kleinjan and Jocelyn Romey

editor@sdrea.coop

As the 2019 South Dakota legislative session hits full stride this month, South Dakota electric cooperatives are seeking a fix to a decades-old issue: territory integrity.

The issue has been an ongoing one. It comes to a head periodically when municipal governments take over the territories of cooperatives or investor-owned utilities. For cooperatives, these are areas where the co-ops have served for decades and have incorporated into long-range planning.

What are the issues?

There are two sets of rules that govern changes in South Dakota electric service territory. By law, electric cooperatives and investor-owned utilities (IOU) must collaborate and agree upon changes in service territory between the two. Municipal governments, on the other hand, have the authority to expand their electric service boundaries and take territory from incumbent electric providers. These

differences in the rules favor government-taking of private enterprise.

Electric cooperatives have built the infrastructure needed to serve all areas of their territories. When municipal utilities take away the electric service areas of those co-ops, the infrastructure, including generation, transmission, substations and distribution assets, that has been put into place to serve the load becomes useless. The municipal-taking of incumbent utility territory also greatly limits the incumbent's ability to plan for the future in areas neighboring a municipal utility because the territory is so easily seized by the local government.

Ultimately, South Dakota's consumers are the ones being hurt when the service areas of electric cooperatives are reduced. The left-behind cooperative members bear a greater share of the fixed operating costs, increasing their electric bill. There are fewer members to cover infrastructure and generation costs when a territory is reduced in size. This is especially detrimental to affordability for the members of not-for-profit electric cooperatives.

Why now?

This is an ongoing issue that has never been resolved. Yes, there have been a few amendments made to the law over the years. These amendments have attempted to provide compensation for seized electric service territory. However, the compensation formula doesn't work. Additionally, the efforts of electric cooperatives to work collaboratively with municipals in resolving this issue have been consistently rebuffed, co-op leaders say.

“Applying the same rules to all electric utilities operating in the state will NOT impede municipal annexations. It will force municipal governments to engage in the same conversations about fairness and equity that an investor-owned utility and a cooperative must consider when making individual customer exchanges or making permanent changes to the boundaries,” said Ed Anderson, general manager of the South Dakota Rural Electric Association.

Territorial Integrity is Essential

Current System is Flawed:

Munis can. We can't.

- Municipal utilities can take utility service territory.
- Rural electrics and IOUs can't.

Government Takeover of Private Property.

- Munis can annex and extend service with no negotiations or PUC oversight.
- Selective “taking” of prime territory.
- Cooperatives are ready to serve and can offer highly competitive rates.

Negative Impacts on Utilities, Consumers and Economic Development.

- Upsets long-term planning and duplicates services.
- Reduces growth opportunities and ability to spread costs to a greater number of consumers – it impacts the entire membership.
- Hinders economic development.

Solution:

PROTECT assigned service territories

RETAIN privately negotiated agreements with Public Utilities Commission approval

NO RESTRICTIONS on annexation

South Dakota Laws on Electric Service Territory Boundaries

The original law passed in 1975 established the purchase price for electric facilities in areas annexed by municipalities. The law gave the city 90 days following annexation to offer to purchase the facilities and services rights. The portion of the formula that covers the purchase of wires and poles has not changed over the years. What has changed is the compensation for service rights portion of the formula. As initially placed in statute, the purchasing municipal electric system had to pay 25 percent of gross receipts from power sales to consumers within the annexed area for a period of five years at the municipal utility rate.

- The 1975 law, which was very similar to laws passed in many states at roughly the same time, was designed to protect consumers from the costs and confusion associated with rapid growth and duplication of services associated with that growth. Since then, few states have opened this essential service to full competition and industrial customers, not the average residential or small business customer, have benefited from those changes. South Dakota chose to address the specific needs of large industrial customers by making those loads competitive.
- The 1992 amendment changed that part of the formula to: 25 percent of gross receipts from power sales to consumers within the annexed area for a period of seven years at the incumbent utility rate and extended the time given to the municipality to decide whether they want to purchase from 90 days to one year.
- The 2009 amendment changed that part of the formula to: as compensation for service rights, an annual amount equal to the sum of 25 percent of the gross revenues received from power sales to consumers of electric power within the annexed area. The obligation of the annexing municipality to compensate the utility for service rights shall continue for 11 years from the date of the offer to purchase by the annexing municipality. During the 11-year period, compensation for service rights to any one customer location within the annexed area shall be paid by the annexing municipality for a period of seven years or until the expiration of the 11-year period, whichever is less. Gross revenues received shall be determined by applying the rate in effect by the municipality at the time of purchase. So, the latest amendment extended the overall window from seven to 11 but retained the seven-year cap per customer and went back to the muni rate at the time of purchase.



The BIG Idea Competition first-place winners Avery Weinheimer and Kendra Kleven of Sully Buttes hold a check for their winning idea of Helping Hearts Delivery Service. They are joined by competition sponsors and their advisors for a photo. From left: Troy McQuillen, McQuillen Creative Group; Dr. Tim Mantz, Northern State University; Ashley Hansen, Sanford Health; Vicki Lentz, Sully Buttes advisor; Brady Carda, Sanford Health; Andrew Miller, Presentation College; Kelly Weaver, BIG Idea Committee; and Nathan Gellhaus, Angelhaus.

BIG IDEAS COMPETE

35 Schools Showcase Entrepreneurial Spirit

Kelly Weaver

kelly@growsd.org

An idea for a grocery delivery service for the elderly was the winning idea among 244 entries in the 2018 BIG Idea Competition.

Sully Buttes High School students Kendra Kleven and Avery Weinheimer took first-place in the competition with their Helping Hearts Delivery Service, which aims to deliver groceries weekly and bring hot meals five-days-a-week to the elderly of Onida, S.D. Their prizes included a \$1,000 cash prize, a \$1,000 scholarship to Northern State University, a \$1,000 scholarship to Presentation College and a \$1,000 scholarship to the South Dakota School of Mines & Technology. Their idea also took the top place in the Wellness Category sponsored by Sanford Health, garnering the team an additional \$500 in prize money. Forty-three teams competed in the Wellness Category.

The BIG Idea Competition aims to promote entrepreneurship, spur creative thinking and encourage students to start a business. The competition is coordinated by the Small Business Development Center in Aberdeen, S.D.

Second place went to Butterstick, by Jade Parkin of Rapid City Stevens High School, which is a product where butter will conveniently be stored and ready for use in all situations and for all ages. Second place prizes include \$500 cash, a \$500 Presentation College scholarship and a \$500 NSU scholarship. The \$250 third-place prize went to The 'Wich Doctor by Hattie Muellenbach of Milbank High School, which is a food truck specializing in gourmet sandwiches. The other finalists included Watertown Community Tutor Center by DeLaney Anderson of Henry High School; Stoltenberg Fencing by Christine Stoltenberg of Northwestern High School; Best-a-Essay by Aiden Boerger of Milbank High School; New Outlook by Brianna Jorgenson of Florence High School; and Maria's Boarding and Grooming by Maria Jenkins of Leola High School.

The 2018 BIG Idea winning idea involved a grocery and meal delivery program.



The Marketing Design competition is an option for students to create an ad for their business idea. The \$500 cash award was sponsored by McQuillen Creative Group and 52 entries were judged in this category. The winner was Houghtaling Ultrasound by Danielle Houghtaling of Doland High School, which addresses the need for ultrasound services in the state of South Dakota for the sheep and goat industries. Houghtaling Ultrasound was also the winner of the newly sponsored \$500 cash prize of the Food Animal Agriculture award. The category prize is sponsored by Midwest Ag Supply and 33 entries were in this category. The final event required finalists to make a six minute presentation on their idea for the three final judges – Chad Evans of Centennial Homes, Paul McDonald of Dacotah Bank and Rod Tobin of Siegel Barnett and Schutz. Students also heard from business owners Blain Mikkonen of Grain Designs, Carl Pochop of Colorful Creations and AJ Hoffman of SoDak Sports. They spoke about all aspects of being an entrepreneur. Each panelist shared their achievements and struggles in starting and owning their own business and offered advice for those who might one day want to turn their BIG Idea into reality.

This year's BIG Idea competition also included an honorable mention award

The BIG Idea Competition aims to promote entrepreneurship, spur creative thinking and encourage students to start a business.

for those applicants who scored within 10 percent of the finalists. There were 59 honorable mention idea entries and three honorable mention marketing designs. In addition to the schools listed above, students from the following high schools also participated: Bowdle, Brandon Valley, Brookings, Colman-Egan, Custer, Eagle Butte, Edmunds Central, Eureka, Groton, Harrisburg, Hoven, Lead-Deadwood, Lemmon, Lennox, Madison, Miller, Montrose, Parker, Pierre T.F. Riggs, Redfield, Vermillion, Warner, Watertown, Waverly/South Shore, Wessington Springs, West Central and Yankton.

For the first time, the BIG Idea Competition was able offer an award for teachers. The new prize, the Partners in Business Award, is sponsored by Angelhaus to

reward the networking and mentorship experiences teachers have incorporated into their classroom. This year's recipients of the Partners in Business award are Vicki Lentz of Sully Buttes High School, Jerry Janisch of Milbank High School and Katrina Boyum of Florence High School.

For the second year in a row, CREATE sponsored a Makerspace consultation prize. The drawing includes four consultations, a year of makerspace management software and a final report with a blueprint for starting a makerspace. The winning school was Florence High School.

Sponsors for the 2018 competition included Sanford Health, East River Electric Power Cooperative, REED Fund, Dacotah Bank, Midwest Ag Supply, First Bank and Trust, NSU, Presentation College, Aberdeen Development Corporation, McQuillen Creative Group, Northwestern Energy, Angelhaus, CREATE, Midcontinent Communications and the Tom and Danielle Aman Foundation. The Competition is a result of the input and collaboration of many organizations including: Aberdeen Area Chamber of Commerce, Aberdeen Downtown Association, Aberdeen Catholic School System and Aberdeen School District.

For more information about the competition, see www.BIGIdeaSD.com.



2018 BIG Idea Finalists were, sitting from left, Hattie Muellenbach, Milbank; Avery Weinheimer and Kendra Kleven, Sully Buttes (First Place and Wellness Winners); Jade Parkin, Rapid City Stevens (Second Place); Danielle Houghtaling, Doland High School (Marketing Design and Food Animal Agriculture Winner). Standing are, from left: Christine Stoltenberg, Northwestern; Aiden Boerger, Milbank; Maria Jenkins, Leola; DeLaney Anderson, Henry; and Brianna Jorgenson, Florence.

January 17

Community Club Annual Banquet, Dinner catered by The Knotty Pine Supper Club, Entertainment by Comedian Scott Novotny, Elkton, SD
Tickets 605-542-2681

January 18-19

Media One Funkski, Sioux Falls, SD, 605-339-0000

January 18-19

Winter Show, Sisseton, SD, 605-698-7261

January 18-20

Winterfest, Lead, SD, 605-584-1100

January 25-26

Snowmobile Rally, Deadwood, SD, 605-578-1876

January 25-26

Living History Fair, Lake Area Technical College, School children only on Friday, Open to public on Saturday, Watertown, SD, 605-881-1758

January 25-February 3

Annual Black Hills Stock Show & Rodeo, Rapid City, SD, 605-355-3861

January 26

Sioux Empire on Tap, Sioux Falls, SD, 605-367-7288

January 26-27

Dakota Territory Gun Show, National Field Archery Building, Yankton, SD, 605-665-4537

February 1-3

11th Annual Winterfest of Wheels, Convention Center, Sioux Falls, SD, 605-231-3100

February 2

Lake Hendricks Fishing Derby, Hendricks, MN, 507-828-2113

December 15-March 31:
South Dakota snowmobile trails season, Lead, SD, 605-584-3896



Photo courtesy: travelouthdakota.com

February 2-3

Dakota Territory Gun Show, Dakota Event Center, Aberdeen, SD, 701-336-7533

February 5-9

Winter Farm Show, Watertown, SD, 605-886-5814

February 8-10

Black Hills Sports Show & Outdoor Expo, Rapid City, SD, 605-939-1812

February 9-10

Dakota Territory Gun Show, Trophy Show - The Big One, Convention Center, Sioux Falls, SD, 605-630-2199

February 15-17

Annual Artists of the Plains Art Show and Sale, Sioux Falls, SD, 605-274-4007

February 15-17

Annual Frost Fest, Brookings, SD, 605-692-6125

February 16-17

Dakota Territory Gun Show, Ramkota River Centre, Pierre, SD, 605-280-2438

February 21-23

Sno Jam Comedy Festival, Sioux Falls, SD, siouxfallssnojamcomedyfest@gmail.com

February 22-23

State Wrestling Tournaments, Rushmore Plaza Civic Center, Rapid City, SD, 605-394-4111

February 23

Annual Outhouse Races and Chili Cook-off Contest, Nemo, SD, 605-578-2708

March 1-2

Mardi Gras Weekend, Main Street, Deadwood, SD, 605-578-1876

March 9-10

2019 Gun Show, American Legion Hall, Saturday 9 a.m. to 5 p.m., Sunday 9 a.m. to 3 p.m. MST, Philip, SD, 605-441-8466 or 605-441-1216

March 9-12

Summit League Basketball Championship, Sioux Falls, SD, 605-367-7288

March 15-16

28 Below Fatbike Race, Lead, SD, 605-584-3435

March 23

Annual Ag Day at the Washington Pavilion, Sioux Falls, SD, 605-367-6000

March 29-30, April 5-6

Annual Schmeckfest, Freeman, SD, 605-925-4237

April 5-6

Forks, Corks and Kegs Food, Wine and Beer Festival, Deadwood, SD, 605-578-1876

To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.