

# CIRCUITS

NEWS FOR DAKOTA ELECTRIC MEMBERS

## 2010



## Providing value to our member-owners

Dakota Electric works hard to make sure the electricity you receive is a good value. We spend your money responsibly, partner with you to find ways to save energy and create tools and programs that save you time and money.

### Spending wisely

We use your money wisely to improve reliability, maintain service quality and bring you programs that increase the value of your electricity. For example, by participating in an EnergyWise® off-peak program, you can actually pay less for electricity used by qualifying equipment while reducing wholesale power costs and keeping rates down for all members.

Also, Dakota Electric employees work hard all year to find ways to operate your

cooperative more efficiently. Your board of directors, along with employees, identified more than 50 items to cut from our budget in 2010 without affecting reliability, member service or safety.

### We work with you

We also work hard to create programs and tools that help you lower the amount of electricity you use, reducing your electric bill.

Our website provides tools, such as our Energy Efficiency House, that will help you identify energy-saving opportunities in your home. You can also find links to energy tips, projects and resources that will help you save energy and money. Visit our website and click on the Energy Efficiency tab at the top to get started.

Dakota Electric also provides rebates to members who purchase qualifying products that use less electricity than traditional models. Rebates are currently available on compact fluorescent light bulbs, LED (light emitting diode) lighting, ENERGY STAR® refrigerators/freezers, air conditioners and air-source and ground-source heat pumps. Rebates change annually so be sure to contact us to verify current offerings.

In addition, we have Energy Experts who will work with you to find the most energy-efficient solutions for your home or business. Contact the Energy Experts at 651-463-6243.

### Keeping you informed

Dakota Electric's commitment as a cooperative is to keep you informed on issues that may impact your bills and on ways you can get involved to help keep future cost increases to a minimum. Visit the News & Events section of our website for a variety of information.

We believe that informed members are energy-efficient members; this saves energy and money for you, for Dakota Electric and for future generations.

As always, we love hearing from our members. Contact us at 651-463-6212 or e-mail [info@dakotaelectric.com](mailto:info@dakotaelectric.com).

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### Upcoming events

Board meeting.....	Dec. 16, 8:30 a.m.
Christmas - Office closed ...	Dec. 23 and 24
New Year's - Office closed.....	Dec. 31

December 2010



Your Touchstone Energy® Partner 



*We entered 2010 like many businesses, with budgets depicting cuts and continuing reduction in the number of employees.*

## 2010: Defined by the recession and regulations

The economic recession has affected Dakota Electric in many ways. We entered 2010 like many businesses, with budgets depicting cuts and continuing reductions in the number of employees.

Despite our efforts to work with members, we continue to have more than 10 percent of our members in some degree of delinquency. Approximately 25 percent of the members disconnected due to non-payment were never reconnected because of foreclosure, or in the case of renters, they just moved away. Dakota Electric will write off more than \$700,000 in bad debt in 2010.

As residential growth slowed, so did growth of schools, shops and businesses. At our peak, Dakota Electric extended service to about 5,000 new services annually. In recent years we averaged more than 2,000 services a year. In 2010, we connected less than 500 new services and anticipate growth will continue to be slow for the foreseeable future.

In addition, the recession had significant effects on energy markets, leading to an excess supply of energy in the regional energy market. Energy-trading experts do not see significant market improvements before 2020.

In the area of regulation and legislation, Dakota Electric along with our power supplier, Great River Energy, has done a good job in meeting or exceeding the mandates and goals set for us. Great River Energy secured additional wind capacity that will allow us to meet the legislative mandate of 25 percent renewable energy by 2025. Additionally, we will spend approximately \$2 million on rebates for conservation programs in 2010. We expect to meet our conservation goal as our members are on pace to conserve more than 18 million kilowatt-hours this year. Dakota Electric also has a mandate to fund low-income residential programs primarily used for energy-efficient appliances and weatherization.

Utilities across the country watched closely as Congress considered numerous bills related to climate change and carbon tax strategies. Because these bills may cause significant upward pressure on our electric rates, staff and directors provided input to our legislators.

While there are challenges, other aspects of Dakota Electric are looking great for 2010 including system reliability, safety and our financial health. We are preparing for the challenges that 2011 will bring and will continue to work hard on your behalf.

## 2011 RTA

At this time, Dakota Electric anticipates a small Resource and Tax Adjustment (RTA) change in 2011. The final RTA change will be reported in the February issue of *Circuits*.

### What is the RTA?

Each month your bill includes an RTA line. The RTA allows Dakota Electric to recover cost increases related to:

- Purchasing electricity from Great River Energy, which generates electricity for members from 28 Minnesota cooperatives
- Energy conservation programs
- Property and real estate tax

The RTA is a direct pass-through of costs, and the Minnesota Public Utilities Commission reviews these costs every year.

For more information, contact us at 651-463-6212 or visit [www.dakotaelectric.com](http://www.dakotaelectric.com).



## Contact Us

Member service & drive-up window  
7 a.m. – 7 p.m. Monday - Friday  
651-463-6212 or 1-800-874-3409  
Hearing Impaired TDD 651-463-6144

Lobby 7 a.m. – 4:30 p.m., Monday - Friday  
4300 220th Street West, Farmington, MN 55024

24-hour outage & emergency service  
651-463-6201 or 1-800-430-9722

Underground cable locations Gopher State  
One Call 811 or 651-454-0002 or 1-800-252-1166

Tree trimming & street lights 651-463-6287

Careers 651-463-6129  
Dakota Electric is an equal opportunity/  
affirmative action employer

[www.dakotaelectric.com](http://www.dakotaelectric.com)  
[info@dakotaelectric.com](mailto:info@dakotaelectric.com)

# Students accept Rachel's Challenge

Rachel Scott, the first victim in the Columbine High School shootings in 1999, had a theory — "If one person can go out of their way to show compassion then it will start a chain reaction of the same."

Inspired by her theory and journal writings, Rachel's family created the Rachel's Challenge program to spread her powerful message and inspire people to start a chain reaction of kindness and compassion.

After seeing the moving presentation last year at Apple Valley High School, junior Sarah Weber knew it was something that needed to be seen by her peers at Eastview High School.

"It's a life-changing presentation," said Weber.

After getting approval from the school and contacting Dakota Electric to request sponsorship, Weber and her friends, juniors Maddie Archer-Burton and Taryn Halterman, went to work on organizing the event.

They have partnered with other student organizations at the school to implement a Chain Reaction Week. Each club will be assigned a day to plan an event during or after school that supports acts of kindness. The girls intend to contact other schools in the community that have sponsored Rachel's Challenge and encourage them to participate in the Chain Reaction Week as well.

"We want to keep it going," Halterman said.

In addition to organizing the school presentation and Chain Reaction Week, the girls are also busy fundraising and contacting area businesses to help promote the program.

"I'm so excited," Archer-Burton said. "What I've heard about Rachel's story gives me goosebumps. This organization brings people together, and it has really brought us closer together as friends."

As part of its ongoing community involvement efforts, Dakota Electric has helped to bring this program to local schools in its service territory since 2008.

The public is invited to an evening presentation at Eastview High School on Dec. 15 at 7 p.m. To learn more about Rachel's Challenge, visit [www.rachelschallenge.org](http://www.rachelschallenge.org).



Taryn Halterman, Maddie Archer-Burton and Sarah Weber of Eastview High School worked to bring Rachel's Challenge to their school.



## Helping Neighbors®

### Does your neighbor need help?

Times are tough. Now, more than ever, many of our neighbors are feeling the financial squeeze and struggling to pay their bills.

That is why Dakota Electric created the Helping Neighbors® program. Since 1994, people just like you have donated more than \$400,000 to help their neighbors pay utility bills during times of crisis.

Through generous donations from our members, Dakota Electric makes annual contributions to community agencies that use the donations to assist local families who need help paying utility bills.

### How you can help

You can either make a one-time donation or elect to contribute a few dollars each month when you pay your electric bill.

1. Visit [www.dakotaelectric.com](http://www.dakotaelectric.com) to sign up online. Click on Residential, then the Helping Neighbors link under Programs.
2. Call Dakota Electric at 651-463-6212 and speak to one of our member services representatives.

Helping Neighbors is one more way Dakota Electric makes a difference in the communities we serve.

# Cable replacement is critical in providing reliable elect

Providing reliable electric service is a priority for Dakota Electric. That's why monitoring our power lines to determine whether a repair or replacement is needed is critical.

Dakota Electric has approximately 3,700 miles of line that distribute electricity to our members. Of that, 65 percent is located underground. After many years of use, along with the impact of various environmental factors, a power line starts to wear out and may begin to fault and cause an outage.



## Determining factors

According to Craig Turner, engineering services manager at Dakota Electric, the decision to replace a cable is based on two main criteria: the number and frequency of faults on a line, as well as the number of members affected. Based on that information, an employee committee of experts determines the most cost-effective way to proceed.

Turner says that just because a line may be old, it does not necessarily mean it needs replacing. "We don't spend money replacing old cable if it is not causing the members a problem." This approach saves members money versus replacing the cable based on an arbitrary life expectancy.

## Life expectancy

Typically, cable installed prior to the mid-1980's had a 30-year life expectancy. Those cables were built without a plastic jacket and had exposed metal susceptible to corrosion. It is this vintage cable that is failing. Today's underground lines are surrounded by a plastic jacket that protects the metals and keeps water out of the cables' insulation. They are built to withstand the stresses of the

environment and have a life expectancy of 40 or more years.

## Overhead vs. Underground

Even though overhead lines have a longer life expectancy of 60-plus years, they are more susceptible to faults caused by lightning, wind and trees. Oftentimes members will ask for their overhead lines to be placed underground because of these environmental factors.

"Much of our new line being installed is underground," said Turner, "And it is very important to obtain a permanent home for the underground cable to avoid future changes."

However, retrofitting existing overhead lines to underground cable is very difficult and expensive, and is complicated by existing landscaping and other infrastructure, as well as lack of easements. It is also more difficult to locate and repair underground cable should a fault occur.

"With the high cost of conversion, the person requesting the conversion is required to pay

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## Dakota Electric announces the Township Leader Award

Dakota Electric recently awarded Donald Marthaler, Randolph Township supervisor, the Township Leader of the Year Award. Each year, Dakota Electric seeks to recognize outstanding leadership with the award.

Marthaler has been the Randolph Township supervisor for 30 years and has served on the Randolph Fire Department for 26 years, five years as chief. He has been active in the local community and currently serves on the Rural Solid Waste Commission and as chairman of the board of supervisors.

William Callister, who nominated Marthaler

for the award, said he has done an excellent job of caring for the township's roads. "Don is very deserving of this recognition," Callister said.

Dakota Electric established the Township Leader Award in 1996 to recognize township officials in Dakota County who provide exemplary community service and demonstrate strong leadership while serving their local township.

"People who serve the local townships are very dedicated to their communities," Peggy Johnson, community relations direc-

tor, said. "As a member-owned cooperative, Dakota Electric is pleased to help recognize people like Don who do outstanding work."



Donald Marthaler of Randolph is this year's winner of Dakota Electric's Township Leader of the Year award.

## ric service

for that cost," said Turner.

### Watch list

When a section of line begins to experience faults, it is put on the list of areas we watch more closely. Once a line reaches a certain threshold based on faults and members affected, the line is replaced. Dakota Electric completes 20 to 30 major replacement projects each year and spends approximately 10 percent of its entire construction budget on cable replacement projects.

### What members can do

In order to continue providing reliable service, it is important for members to know that Dakota Electric does not have real-time monitoring for every line and every outage. "We can monitor lines and equipment related to larger outage areas but never assume we know about your specific outage," said Turner. "It is important that you call Dakota Electric if you experience a power outage."

To report an outage at your home or business, call our 24-hour outage number at 651-463-6201 or 1-800-430-9722. Our automated service identifies the location of your outage according to the phone number on your account record. To update the phone number associated with your account, call us at 651-463-6212 or visit [www.dakotaelectric.com](http://www.dakotaelectric.com), click on either the Residential or Business tab and then Service Requests and Account Information Update.

## CFL RECYCLING

CFLs contain a small amount of mercury and must be recycled. In Minnesota, it is illegal to place them directly in the garbage. Call the MN Pollution Control Agency at 651-296-6300 or visit [www.earth911.org](http://www.earth911.org) for disposal options.

## Deadline for board candidates is Dec. 15

Dakota Electric Association's nominating committee is accepting applications for the board of directors until close of business on Dec. 15, 2010. The following incumbent board members indicated they intend to seek re-election for another term: Janet Lekson, Margaret Schreiner and Ron Swagger. District 4 does not have an incumbent seeking re-election.

To be eligible for directorship, a candidate must be a member of the cooperative and must not be employed by a competing energy business. Directors must be available to participate in monthly daytime board meetings and other business meetings and functions as deemed necessary by the board and must be willing to spend the time necessary to learn about the highly technical utility industry.

One director from each of four districts is elected annually to serve a three-year

term on the board. The nominating committee is responsible for interviewing and selecting qualified candidates to be placed on the ballot. Members interested in seeking a nomination for directorship must request, complete and return an application form with a résumé. All Dakota Electric member-owners will have the opportunity to vote for board directors via mail or electronic ballot. Election results will be announced at the annual meeting on April 7, 2011.

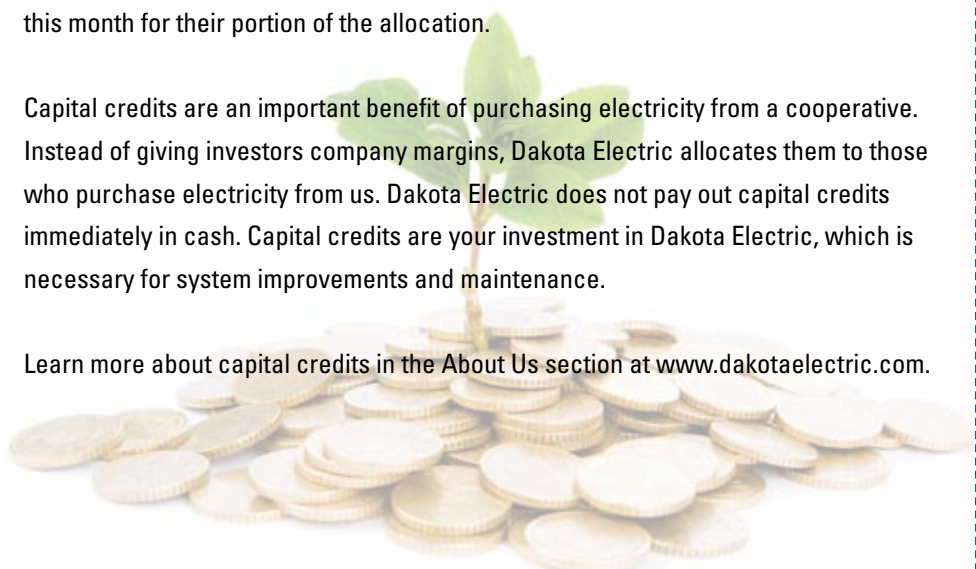
The bylaws allow for candidates by petition; however, all candidates must go through the application and interview process to be eligible for nomination by petition. The nominating committee will interview prospective candidates on January 4. To request an application for nomination, please contact Cherry Jordan, executive assistant, at 651-463-6252 or 1-800-874-3409 ext. 252 or email [cjordan@dakotaelectric.com](mailto:cjordan@dakotaelectric.com).

## Capital Credits returned to members

The board of directors has authorized payment of the 1982 capital credits allocation. Members who purchased electricity during 1982 should expect to receive a check this month for their portion of the allocation.

Capital credits are an important benefit of purchasing electricity from a cooperative. Instead of giving investors company margins, Dakota Electric allocates them to those who purchase electricity from us. Dakota Electric does not pay out capital credits immediately in cash. Capital credits are your investment in Dakota Electric, which is necessary for system improvements and maintenance.

Learn more about capital credits in the About Us section at [www.dakotaelectric.com](http://www.dakotaelectric.com).



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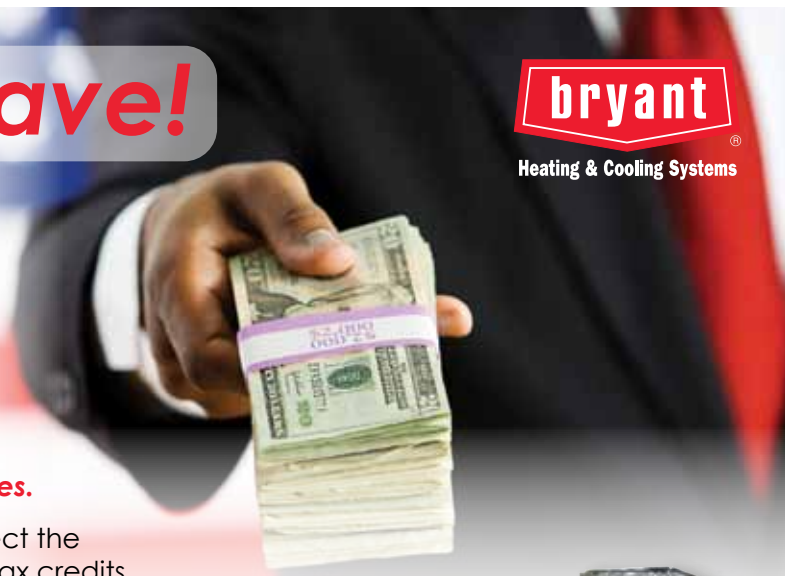
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## Please clear snow away from your meter



As the snow flies this winter, please remember to shovel a clear path to your electric meter and make sure that your meter is not blocked by snow or ice. A blocked meter can result in injury to Dakota Electric staff or an estimated bill if the meter reader cannot access your meter to read it. Thank you for helping to keep your meter accessible.

## Recycle old holiday lights



When you purchase new LED holiday lights, do not forget to recycle your old lights. Incandescent holiday light strings contain copper, plastic and glass that can be recycled.

You can drop off your old light strings at participating retailers. Visit [www.mnbrighterideas.com](http://www.mnbrighterideas.com) to find locations near you.

## Keep your holiday season safe

Don't let the beauty and fun of holiday light displays turn into a safety risk. Use the tips below to help you and your family enjoy holiday displays with fewer risks of electrical shocks or fires.

- Blow out candles, turn off electric light strings and decorations before leaving home or going to bed.
- Don't staple or nail through cords. It may damage the wire or insulation.
- Check the packaging to determine the maximum number of strings of lights that you can link together.
- Inspect decorations for cracked or frayed sockets, loose or bare wires and loose connections.
- Keep a safe distance from overhead power lines when hanging holiday lights outdoors.
- Plug outdoor electric lights and decorations into circuits protected by ground fault circuit interrupters (GFCIs).
- Avoid overloading electrical outlets.
- Learn more at [www.holidaysafety.org](http://www.holidaysafety.org).

## 4 easy ways to SAVE

- 1. Set it and forget it**  
Programmable thermostats are easy to install and use, and they can pay for themselves with the energy they save.
- 2. Make your furnace functional**  
An annual furnace inspection will improve efficiency and help ensure its safety. Change furnace filters monthly between checkups.
- 3. Run the numbers**  
Discover how your home uses energy and what upgrades provide the best savings. Visit the Residential Resources section at [www.dakotaelectric.com](http://www.dakotaelectric.com) for calculators and assessments to help.
- 4. Be an ENERGY STAR®**  
When you buy electronics for holiday gifts, look for the ENERGY STAR® logo. ENERGY STAR products save you money by using less energy.



## Board of Directors

### District 1

Gerald F. Pittman  
Carl E. Potter, Great River Energy  
Director  
Ronald R. Swagger

### District 2

Clay Van De Bogart, Great River  
Energy Director  
Janet L. Lekson  
Jim Sheldon, Chair

### District 3

Kenneth H. Danner, Treasurer  
William F. Holton, Vice Chair  
Margaret D. Schreiner

### District 4

Ray B. Nicolai  
Judy H. Kimmes, MREA Director  
Paul A. Trapp, Secretary



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Greg Miller, President & CEO  
Tanya Wolfs, Editor



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## Low-cost/No-cost winter energy tips

The following tips can help you save money on your electric bill this winter.

### Heating tips

1. Change your furnace filter every month.
2. When replacing your furnace filter, make sure it faces the correct direction. (Look for an arrow on the side of the filter.)
3. Run your ceiling fans on low, circulating the air up.
4. Lock windows to prevent air leaks.
5. Insulate electric wall plugs and wall switches with foam pads.
6. Close shades and drapes at night and open them during the day.

### Lighting

7. Turn off lights when you leave a room.
8. Replace any light bulb that burns more than one hour per day with an equivalent ENERGY STAR® compact fluorescent bulb (CFL). Visit [www.mnbrighterideas.com](http://www.mnbrighterideas.com) for tips on purchasing and using CFLs.
9. Replace outdoor lighting with an outdoor-rated CFL.
10. Use outdoor security lights with a photocell and/or a motion sensor.
11. Change holiday lighting to LEDs (light emitting diodes). Visit [www.dakotaelectric.com](http://www.dakotaelectric.com) to learn more.

### Typical Minnesota Residential Energy Use



### Appliances

12. Set the power-save feature on your computer and turn off electronics when not in use.
13. Clean refrigerator coils annually.
14. Ensure gaskets around refrigerator and freezer doors are tight.
15. Only run the dishwasher when it is full and set the dry cycle to air-dry.
16. Use a microwave or toaster oven when possible.

Program information and offers in this newsletter are subject to change without notice.