



CAPITAL ELECTRIC
COOPERATIVE

CAPITAL ELECTRIC COMMENTS

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SEPTEMBER 2016

Work it hot or ground it dead

At the end of July, Capital Electric Cooperative linemen participated in hotline school — an annual opportunity to learn practical skills and safe work procedures with hands-on instruction and demonstrations from experienced lineworkers. In this month's local pages, see some of your cooperative's linemen in action — and learn why safety is paramount to the job they do for you each and every day.



PHOTO BY CARMEN DEVNEY

SEPTEMBER 2016 IN THIS ISSUE

- A new rate structure
- Capital credit claims
- Frequently Asked Questions about the rate increase
- Linemen go back to school
- Meeting minutes and more

*Left: Journeyman Lineman **Matt Hagen**, Capital Electric Cooperative, Bismarck; Right: **Rob Belle**, Lineman for Cavalier Rural Electric Cooperative, Langdon*



MANAGER'S MESSAGE

A new rate structure: where rates are headed and why

BY PAUL FITTERER

It is with mixed emotions that I write my first column in the Capital Electric *Comments* section of the *North Dakota Living* magazine. On the plus side, I look forward to starting an ongoing dialogue with you, our member-owners, to provide details on how your electric cooperative works; to understand your expectations regarding your rates and electrical needs; and to have a conversation about the emerging technologies in our industry.

On the flip side, the majority of today's message is to inform you that Capital Electric Cooperative will be implementing a general rate increase for the first time in four years. The new rates will be effective with your October billing statement and accordingly, will be reflected on the electric bill you receive in November. The overall rate adjustment is projected to increase revenues to Capital Electric by 12 percent, with individual adjustments varying depending on rate class and consumption levels. There is good news in that the electric and dual-fuel heat rates are not increasing. You should receive an individualized letter in early September that reflects your specific rate class.

The main driver of this increase is an unplanned mid-year wholesale power rate increase by Basin Electric Power Cooperative of nearly 11.6 percent, effective Aug. 1. Because

wholesale power costs represent more than 70 percent of Capital Electric's operating costs, this has a significant impact on your power bill.

Another contributing factor is that Capital Electric had already planned on a smaller rate increase to cover the increased material, labor and other operating costs that have occurred in the last four years. You should know that we take our operating costs very seriously. In fact, we are extremely proud to say that Capital Electric consistently ranks in the lowest 5 percent of approximately 900 electric cooperatives nationwide, in terms of controllable operating costs per service.

In upcoming columns, we will break down the way Capital Electric is billed for power at the wholesale level, the role of the fixed charge on your bill, the impact on regulations such as the Clean Power Plan, and the changing dynamics that are taking place in our industry.

Communication is the key to understanding. As we move forward, please contact us if you have questions about the rate increase. We are here to help you make the most efficient use of your energy dollars. You can visit our website at www.capitalelec.com, call us at 701-223-1513, email me at paulf@capitalelec.com, or stop by the office in Bismarck. We always appreciate the chance to visit with our member-owners. **CEC**

Basin Electric announces Class A rate increase

Basin Electric Power Cooperative has encountered the perfect storm, and it happened suddenly and rapidly, said Paul Sukut, Basin Electric chief executive officer and general manager. The generation and transmission cooperative's board of directors authorized an intra-year Class A rate increase of approximately 7 mills effective Aug. 1.

Several factors have put tremendous pressure on Basin Electric's bottom line, which in turn impacts member-cooperatives like Capital Electric and their end-of-the-line consumers.

The general drivers impacting Basin Electric's rates are:

- lower-than-anticipated member sales;
- reduced revenue from non-member sales (surplus sales);
- added costs to operate generation facilities;
- generation and transmission investments;
- and reduced revenue support from non-electric or subsidiary businesses (Dakota Gasification Company).

"From an electricity sales perspective, very mild weather conditions have greatly impacted our consumer energy usage. Grain drying and irrigation loads were down significantly. We also saw a considerable drop in commodity prices, which had a significant effect on both member sales in the Bakken region and Dakota Gasification Company's revenue levels," Sukut said.

Revenue from Dakota Gas has typically contributed financial support to Basin Electric. A recent study found that presently, Dakota Gas brings an annual benefit of \$78 million per year to Basin Electric and its membership. This includes the fuel supply, power supply, shared facilities, allocations and other miscellaneous benefits. To the membership, that equates to more than a 3.0 mill on-going benefit.

With depressed commodity prices, however, Dakota Gas is unable to provide this same level of support in 2016.

Basin Electric has implemented a hiring freeze, and is looking for ways to cut costs and implement efficiencies.

"There is no doubt, this is a challenging time for the membership. We will get through this, and we will be stronger than ever," said Sukut.

For answers to some frequently asked questions regarding the rate increase, turn to C4 and C5.

Capital credit claims

Listed below are the names of former Capital Electric Cooperative, Inc. members who had capital credit checks mailed to them in June of the year 2010. These checks have been returned to Capital Electric Cooperative by the postal service because they could not locate the members at the address on file. A further search by Capital Electric personnel has not turned up their whereabouts.

If you received electrical service from Capital Electric Cooperative, Inc. any time during the year 1994 and your name is on this list, please contact our office. If you know of the whereabouts of members on this list who received electrical service from Capital Electric Cooperative, Inc. any time during the year 1994, please have them contact our office at 701-223-1513.

Please keep in mind that not all of the capital credit amounts are large. However, we desire to get the money due to those who earned it, and clear up our records.

We will redeem capital credits for those members on the following list who notify us prior to Dec. 1, 2016. Notice is hereby given that any of the aforementioned unclaimed capital credits outstanding after Dec. 1, 2016 will be forfeited pursuant to Section 10-15-34.1 and 10-15-23 of the North Dakota Century Code.

3RD NOTICE - SEPTEMBER 2016

Adams, John T.	Friesz, Lester	Karrington Cottage #00224	Motis, Kim R.	Seiler, Timothy J.
Adv. Business Methods	Friesz, Sandie	Kaufman, Cory	Mueller, Glenn	Serra, Raymond L.
Allen, Lee H.	Frohlich, Angie	Keller, Deborah	Mueller, Sherry	Sigl, Jerry
Allen, Linda B.	Garrison, David L.	Keller, Leon H.	Murray, Allan J.	Sigl, Michele
Anderson, Harley J.	Garrison, Linda M.	Keller, Russell	Nelson, Kristi Jo	Simpson, Linda
Anderson, Mike	Geico Financial Services	Kennedy, Craig Dennis	Nerby, Matt	Skaar, Donald
Anderson, Ruth M.	Geigle, Brian	Ketterling, Nathan A.	Niles, Mary	Skaar, Sandra
Ash, Jennifer	Gerhardt, Frederick	King, Christy	Nordby, Timothy S.	Slater, Jeremy D.
Bachmeier, Kelly	Gerhardt, Lynne	Kirschmann Manufacturing Co.	Nordstog, James A.	Smith, Kristine H.
Bauer, Delila D.	Gianarelli, Shari	Klein, Jennifer	O'neill, Bernard J.	Smith, Marjorie E.
Bauer, Duane E.	Gianarelli, Todd	Knecht, Paul J.	O'neill, Brenda N.	Smith, Nicole
Berger, David	Gifford, Patricia J.	Knudson, Karyl	Odermann, Nancy	Smith, Peggy
Bice, Leitha	Girard, Karen L.	Koch, Mike	Oliver, Richard T.	Smith, Robert
Bickler, Jeffrey S.	Girard, Michael W.	Koch, Trina	Ottmar, Betty L.	Solberg, Larry D.
Big Valley Gravel Supply	Graber, Kim A.	Kolden, Darcy	Ottmar, Dennis R.	Sorensen, Angela
Blue Bird, Leah	Graves, John T.	Kolden, Mike	Parson, G T.	Stemen, Sharon
Boeshans, David	Grunst, Aimee	Kraft, Kim	Parson, Katherine	Stinson, Elaine
Bosch, Tracy	Gustafson, John E.	Kramer, Sara K.	Paul, Shawna	Stute, Evelyn J.
Brale, Cynthia	H & H Warehousing	Kuehl, Lori A.	Pederson, Stephanie	Thomas, Dale L.
Burke, Thomas A.	Hager, Tom	Kuehl, Paul	Pederson, Tollef	Tibbitts, Matt
Canada, Joie	Hall, Jodie	Kuehl, Paul D.	Perry, Joelle A.	United States Marshal Service
Canada, William	Hamre, Craig H.	Laib, Sandy	Peterson, Carissa	USDA Rural Development
Cayce, Dorothy	Hamre, Lisa M.	Landgrebe, Jim	Peterson, Chad A.	Vetter, Delmar
Chapa, Philip	Hanson, Donald T.	Lane, Gary	Peterson, Elaine	Volk, Barbara
Chase, Cole W.	Hanson, Scott D.	Larson, Alison	Peterson, Linda M.	Volk, Marsha
Clark, Christina	Hanson, Stan	Lauer, Paula Jo	Peterson, Thomas R.	Pfaff, Deb
Cornell, James F.	Hanson, Sylvia J.	Lousch, Lachelle	Pochant, Toni Rae	Rader, Diana
Couch, Constance	Haugen, Marnie	Lousch, Mitch	Rader, Diana	Renneau, Lani
Db Sams Body Shop	Heaton, Harriet	Lynch, Michael L.	Rice, Carrie A.	Rice, Donald A.
Devillers, Jeffrey M.	Hehn, Camie	Markets Cellular L P	Richter, Steve	Richter, Traci
Diehl, Lois	Heilman, Bob	Marquart, Tracy L.	Rickerd, Nancy L.	Rickert, Nancy L.
Dinius, George L.	Helbling, Todd	Martinson, William	Roberts, Greta L.	Rogerson, Traci
Dinius, Marilyn M.	Hilliard, Deanna	Mcclellan, William A.	Roth, Donovan W.	Roth, Marcene J.
Doll, Cecelia	Hilliard, Howard	Mcgarvey, Linda A.	Rush, Donald Z.	Rush, Donald Z.
Dorscher, Marie	Hinkel, Mark L.	Mcmains, Marvell	Rusk, Kelley	Sailer, J. T.
Drader, Bruce	Hintz, Robert	Mcnary, Brad	Sailer, Ramona	Sanders, Billy D.
Drader, Raye	Hlavacek, Marie Evelyn	Mcnary, Laurie	Sanders, Carolyn R.	Sarukhanov, Vladimir
Duffy, Julie	Hoffman, Tonya	Mees, Larry	Sarukhanova, Nina	Saxvik, Dale R.
Dyak, Nataliya	Holter, Daniel R.	Meier, Tammy	Saylor, Joyce A.	Saylor, Mark A.
Dyak, Petr	Hove, Heidi J.	Meissner, Janice	Schaffer, Art	Schaffer, Robert J.
Eg&G Dynatrend	Hove, Sydney M.	Melby, Steven J.	Schan, Glenda	Schan, Ric
Eil, Tim	Howells, Virginia A.	Melde, Dean T.	Schantz, Bryan	Schneider, Delton
Engelhard, Richard G.	Huber, Audrey	Messer, Mark		
Ereth, Lisa	Huber, Gerald R.	Messer, Shelly		
Erickson, Jacki	Huber, Mary G.	Meyers, Tammy		
Erickson, Tara	Huck, Edward	Michelson, Amy Jo		
Erickson, Yvette D.	Huck, Monica	Miller, Janice K.		
Essler, Leon	Hudson, Lavina	Moch, Nathan		
Feist, John J.	Inga, Samuel	Moen, Kim		
Ferdig, Jeanette L.	Iverson, Lynn	Moen, Phyllis		
Ferdig, Vincent D.	Iverson, Lynn R.	Molinaro, Daniel J.		
Field, Donald B.	Jacobs, Lester D.	Moore, Terry R.		
Finneman, Ronald	Jenkins, Brian D.	Morris, Brett A.		
Flemmer, Garry	Jensen, Dennis W.	Morris, Margaret		
Forsberg, Jeffrey C.	Johnson, Jollette R.	Mosbrucker, Joe P.		
Fox, Bridget D.	Joyce, Alice M.	Mosset, Charon		
Frank, Sandra				

FAQs on the rate increase

How much will my bill increase?

The overall rate adjustment is projected to increase revenues to Capital Electric Cooperative by approximately 12 percent. Individual adjustments will vary depending on the nature of your service and consumption levels.

When was the last rate increase?

Capital Electric works diligently to control costs, and we have kept our general rates stable for the last 4 years. We take great pride in providing safe, affordable and reliable service at a reasonable cost. In fact, we are very proud to say that Capital Electric is consistently in the lowest 5 percent of more than 800 electric cooperatives nationwide in controllable costs per-consumer.

Who determines when a rate increase is necessary and by how much?

Capital Electric's board of directors and management continuously monitor the financial stability of the cooperative to determine if or when a rate increase is necessary. To establish the new rates, an independent, experienced firm was hired to perform a cost-of-service study, and recommend changes to our rates and how they are structured. Ultimately, the nine fellow cooperative members

who are democratically elected by the membership to serve as board members make the decision, after careful consideration of the financial needs of the cooperative and the impact on our members.

Why is the rate increase higher than normal?

The main driver of this increase is an unplanned midyear wholesale power rate increase of nearly 11.6 percent, effective Aug. 1. Wholesale power costs represent nearly 71 percent of all operating costs of the cooperative, and accordingly, have a proportionately significant impact on your power bill. According to our wholesale power provider, Basin Electric Power Cooperative, they experienced a perfect storm of circumstances that occurred rapidly. Mild winter weather and reduced oil and coal activity led to significantly lower sales. Furthermore, low commodity prices resulted in reduced revenues at Basin Electric's subsidiary, Dakota Gasification Company. Moreover, recent generation and transmission investments added costs to operating generational facilities. During a 12-month period, this wholesale power rate increase will raise Capital Electric's power costs by upwards of \$2,800,000.

Another contributing factor is that Capital Electric had already budgeted for our first general rate increase in



4 years, which was also to be effective in October. This increase of between 4 and 5 percent was intended to cover increased material, labor and operating costs that have occurred since our last general rate increase.

Will the new rates change my dual fuel and electric heat rates?

There is no change to the dual fuel and electric heating rates.

Will the new rates change the cost of my security light?

Security light rate changes have also been reviewed as part of the cost-of-service study and rate analysis. Metered security lights will increase 75 cents per-month, and un-metered security lights will increase 50 cents per-month.

Why were some of the rate structures also changed?

As part of the rate structure analysis, it was determined that the cooperative's fixed monthly service charges were no longer adequate to cover the cooperative's fixed costs to

provide service. Synonymous with a basic charge for cable, cellular or phone service, a proper monthly service charge should cover the cost of providing service to your meter, regardless of the amount of usage. A side benefit of moving closer to a proper fixed charge is that many of the rates were streamlined, resulting in a single kilowatt-hour and demand rate in many cases, greatly simplifying the calculation and verification of your monthly electric bill.

What is the effective date of the new rates and when will I see this reflected on my bill?

The new rates will be effective with your October billing. Accordingly, the new rate levels will be reflected on the electric bill you receive in early November.

Will commercial rates increase or is this applicable only to residential rates?

The cost-of-service study offers a comprehensive review of all rates to ensure that each member regardless of rate classification pays his or her fair share. Each member class should pay its fair share of costs without having one class subsidizing another. Please refer to your copy of the new rate schedule for revised commercial rates that has been mailed to you.

Each year capital credits are returned to members. Can Capital Electric keep those funds instead of increasing rates?

Capital Electric is a not-for-profit electric cooperative. Our not-for-profit status mandates net margins (profits) made by the cooperative must be allocated to the membership in the form of capital credits. Over time, these capital credits are paid back to the members in the form of capital credit retirements. In fact,

over the last 10 years, Capital Electric has returned \$10.8 million of capital credits back to its members.

What is Capital Electric doing to keep costs down?

- We are managing our power supply contracts. For each dollar collected, nearly 71 percent goes to the cost of purchasing electricity to meet the needs of our members;
- We are implementing beneficial technology, such as our outage management system and advanced metering infrastructure, to help control costs, provide additional efficiencies and increase reliability;
- We are competitively bidding contractors and materials to ensure quality service at the best possible price; and
- We are performing an ongoing evaluation of our day-to-day operations for opportunities to improve and gain efficiencies. As previously mentioned, Capital Electric consistently ranks in the lowest 5 percent of more than 800 electric cooperatives in controllable costs per-consumer.

I understand that Capital Electric has a program to help those in need in the community. Are my rates being increased to support this program?

The Capital Electric Charitable Trust has helped those in need throughout our service territory. The funds to support this program are not included in overall electric rates. In fact, this program is funded by the generosity of our members who contribute to our Operation Round Up program by allowing their electric bill to be rounded up to the next whole dollar amount each month.

Are copies of the rate schedule available?

Yes. A separate mailing was sent to all members during the last week of August. Members may also obtain a copy of their new rate schedule by contacting our office at 701-223-1513 or visiting us at Capital Electric's office at 4111 State St., Bismarck.

What can be done to reduce my electricity costs and can Capital Electric provide assistance in this area?

Your cooperative offers a number of programs that can reduce your electricity costs.

- Members are encouraged to investigate residential heating options, which may offer savings to consumers presently heating with less-efficient technology. Our off-peak electric heating rate of 4.2 cents per kilowatt-hour is equal to 99-cent propane, assuming a 90-percent efficiency rating, and doesn't have a history of volatile pricing that is inherent with natural gas and propane.
- The Capital Electric load-controlled water heater program provides up to a \$5 credit per month.
- Members who participate in Capital Electric's prepaid billing program average 12-percent reductions in their monthly usage.
- Capital Electric offers a home weatherization and high-efficiency air conditioner and electric heating system loan program.
- Visit our website at www.capitalelec.com for more helpful information about conserving energy.
- Contact Josh or Doug in our member services department for additional information. **CEC**

Capital Electric
Journeyman
Lineman
Braden Martin
applies personal
protective grounds
on the pole and
power line.

Work it HOT or ground it DEAD

STORY AND PHOTOS
BY CARMEN DEVNEY

The job of an electric cooperative lineworker is to help build, maintain and repair the electric distribution system without disrupting the flow of power to its member-owners, when possible. During the week of July 25 to 29, nearly 100 lineworkers from North Dakota's 16 electric distribution cooperatives including Capital Electric Cooperative went back to school to get a refresher course in the application of rubber goods and gloves to work on energized high-voltage power lines. They also practiced using personal protective grounds as part of the process of de-energizing a power line to allow repairs to be completed safely. While on the job, linemen have the option to work a power line hot or ground it dead.



From left: Mor-Gran-Sou Electric Cooperative Leadman **Clint Begger**, Mandan, and **Lance Diebold**, a journeyman lineman for Capital Electric Cooperative in Bismarck, worked together to apply personal protective grounds on the pole and lines to protect themselves from the hazards of voltage.



Capital Electric Journeyman Lineman **Seth Lothspeich** (second from right) taught one of the six stations at hotline school, explaining an underground splice repair mid-span. Participants discussed insulation and isolation, and grounding methods for that particular work.

Hotline School is hosted annually by the North Dakota Association of Rural Electric Cooperatives in Mandan, with support from vendors and manufacturers. The objectives are to network best practices amongst North Dakota lineworkers from apprentices to skilled leaders in the field; to learn practical skills and safe work procedures with hands-on instruction and demonstrations from experienced lineworkers; and to apply skills learned throughout six work stations under the guidance of skilled mentors. Education starts in the classroom and ends in the field with hands-on training and practice.

Four of the six stations required participants to develop an equipotential zone (EPZ) to protect the worker. EPZ has been proven to be the most effective means to ground for the personal protection of the lineworker. The other two stations included traditional hotline work situations that require the use of rubber gloves and cover-up to insulate energized lines and apparatuses.

Christina Roemmich, director of safety services for NDAREC, says linemen partake in safety and technical training throughout the year. Field training, in a controlled environment like hotline school, is the best time for linemen to apply the skills they have learned. “When an outage occurs or storm restoration is required, the linemen have practiced the skills needed to complete the job safely,” she says.

All of Capital Electric’s linemen participated in this year’s training including Lead Linemen John Frey and

Charles Atkinson, and Journeyman Linemen Corey Bruner, Lance Diebold, Jeremy Ensign, Jesse Goehring, Matt Hagen, Steve Harrington, Steve Kuball, Seth Lothspeich and Braden Martin. Lothspeich and Ensign served as guest instructors.

The station Lothspeich taught was an underground splice repair mid-span, in which the linemen discussed insulation and isolation, and grounding methods for that particular work. He says he offered to teach that particular station because he felt his experience could be shared with participants and taken back to their respective cooperatives, where ideas could be exchanged and ultimately help the linemen work more efficiently.

“When it comes to underground work, the young guys coming into this trade need to know the proper ways to keep themselves and other workers safe,” he says. “I’m experienced in it, and that’s why I chose to teach it. I feel like I’m comfortable teaching it in a safe and practical way.”

As a participant, Lineman Hagen said this year’s training offered a preview as to how safety techniques are evolving.

“Safety is the biggest concern with this job,” he says. As more information becomes available and safety procedures continue to evolve, Hagen says he is open to learning new ways of doing things because ultimately, standards are in place to keep him and his co-workers safe. **CEC**

**Board minute excerpts
July 29, 2016**

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held Friday, July 29, 2016 at co-op headquarters in Bismarck, North Dakota, pursuant to due notice to all directors. All of the directors were present at that time.

Minutes and agenda: The minutes of the Board meeting held June 24, 2016 were approved.

Financial review: Prior to the board meeting, Directors Patrie and Eckroth reviewed the June 2016 check register and expenditures. They reported that all checks were in order. It was moved, seconded and carried to approve June expenditures in the amount of \$3,246,193.29.

Business Department report: The Business Manager presented the financial and statistical report with the Board. The total kilowatt-hour (KWH) sales for June 2016 were above budget by 3.4 percent. The actual monthly electric revenue was above budget by 2.1 percent. Year-to-date, KWH sales are under budget by 5.9 percent and electric revenue is under budget by 5 percent.

The total margin for June was -\$180,653 compared to the budgeted margin of -\$245,397, above budget by \$64,744.

Capital Electric began billing 79 new services in June, bringing our active services to 19,497 versus 18,752 at this time last year, or a net increase of 745 accounts over the last 12 months.

The Manager reviewed the comparison of actual-to-budgeted expenses for the month of June 2016. Accounts receivable balances as of July 28, 2016 were reviewed.

RUS work plan/loan administration: Our Rural Utilities Service (RUS) four-year construction plan includes some projects related to transmission line, which is now owned by Central Power Electric Cooperative. The RUS recommendation was to move un-advanced funds from Budget Purpose 2 (transmission) to Budget Purpose 1 (distribution), which will allow us to utilize those funds for distribution projects. It was moved, seconded and carried to adopt the resolution.

RUS/FFB loan advance: We are in the process of pursuing an RUS/Federal Financing Bank (FFB) loan advance in the amount of \$2,000,000.

Estate retirements: Following review of the financial condition of the cooperative and recommendation by management, it was moved, seconded and carried to authorize payment of capital credits to the following deceased members' estates:

Rosie Anderson	\$509.21
Terry Jacobson	\$2,823.44
Karen Wardner	\$1,074.17
Gladys Rausch	\$361.27
Norma Jean Bitz	\$296.02
Charles Shobe	\$5.88
Total	\$5,069.99

Quarterly write-offs: After discussion, it was moved, seconded and carried to write off \$6,637.12 for the Second Quarter.

Engineering and Operations report: The Engineering and Operations Manager reviewed the written report from the Engineering and Operations department. We completed 32 work orders this month, adding 43 new consumers to the system.

Fisher Contracting and Gieser Utility Contracting continue to trench in new services. VIP continues to work on overhead and rural rebuild. Fisher Contracting is completing the installation of two 500 mcm circuits out of Central Power Horizon II Substation. Gieser is starting on converting the overhead to underground at Prairie View Substation.

The July outage information was reviewed.

Member Services department: The Manager reviewed the member service written report.

Communications and Public Relations department: The Manager reviewed the communications and public relations written report.

Safety report: There were no lost-time accidents this month.

Jerry Nielsen, a safety instructor from the North Dakota Association of Rural Electric Cooperatives (NDAREC), was at our shop July 13, 2016 for an office and field visit. He went over N.D. Department of Transportation post and per-trip vehicle inspections with all employees, and the line crews' rubber sleeve and rubber glove use.

All linemen attended Hotline School and line operation field training. The objective was to learn practical skills and safe work procedures from experienced lineworkers.

Rate study: Fitterer reviewed the present and proposed rate schedules as proposed by Power Systems Engineering, Inc. The goal is to try to move to a place where our monthly service charges capture our costs of service.

Following discussion, it was moved, seconded and carried to approve a 12 percent rate increase effective Oct. 1, 2016.

National Rural Utilities Cooperative Finance Corporation (CFC) Key Ratio Trend Analysis (KRTA): Steen reviewed the Key Ratio Trend Analysis with the Board.

Policy review: Proposed policies/revisions were reviewed as follows:

Policy No I-13.1: Procurement Conflict of Interest Policy. It was moved, seconded and carried to adopt Policy No. I-13.1.

Policy No. II-7: Cooperative Credit Cards. It was moved, seconded and carried to adopt Policy No. II-7.

Policy No. I-3: Continuity of Service. It was moved, seconded and carried to approve Policy No. I-3 as revised.

Policy No. I-4: Responsibility for Electrical Services. It was moved, seconded and carried to approve Policy No. I-4 as revised.

Policy No. II-4: Donations. It was moved, seconded and carried to approve Policy No. II-4 as revised.

Central Power report: Hilken reported on Central Power matters.

Basin Electric Power Cooperative report: Fitterer reported on Basin Electric matters.

Tower lease: Fitterer and Mork met with Basin Electric regarding an extension of the lease by Basin Electric of Capital Electric's radio tower property.

Basin Electric delegates: Wrangham was appointed delegate to Basin Electric annual meeting with Olson as the alternate.

Fitterer reviewed the highlights of the Basin Electric Member Advisory Committee meeting.

Haugen-Hoffart left at this point in the meeting at 1:30 p.m.

PURPA: The Manager reviewed the contents of the Petition for Partial Waiver. Following discussion, it was moved, seconded and carried to adopt the proposed resolution to obtain a PURPA waiver.

NDAREC: Vilhauer reported on NDAREC matters.

NRECA: Eckroth was appointed delegate to the National Rural Electric Cooperative Association (NRECA) regional meeting with Patrie as the alternate.

National Information Solutions Cooperative: Olson was appointed delegate with Koski as alternate.

RESCO: Hollenbeck was appointed delegate with Hilken as alternate.

CFC: Vilhauer was appointed delegate with Wrangham as alternate.

Following discussion, it was moved, seconded and carried to request \$5,000 in matching grants from CoBank.

Federated: Patrie was appointed delegate with Olson as the alternate to the Federated meeting.

Labor Committee: The Labor Committee for Union negotiations was appointed consisting of Eckroth, Patrie and Haugen-Hoffart.

Adjournment: There being no further business to come before the meeting, without objection, the regular meeting was adjourned. **CEC**

**CAPITAL ELECTRIC
COOPERATIVE**

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BOARD OF DIRECTORS:

Dwight Wrangham, Pres. Bismarck
Arlene Olson, V. Pres. Wing
Sheri Haugen-Hoffart, Sec.-Treas. Bismarck
Rodney Eckroth, Asst. Sec.-Treas. Bismarck
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Rex Hollenbeck McClusky
Richard Koski Wing
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DAY-NIGHT-WEEKEND

TROUBLE CALL: 223-1513

Capital Electric Cooperative is an equal opportunity provider and employer.

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