



CAPITAL ELECTRIC
COOPERATIVE

CAPITAL ELECTRIC COMMENTS

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FEBRUARY 2014

COURTESY PHOTO

Co-op Spirit

Working together to achieve great things...



Capital Electric Cooperative recently partnered with some University of Mary students to develop a computer program that will be used by co-op employees during annual meetings. In this month's local pages, read how the partnership gave students real-life experience — and why members like YOU might benefit by receiving a door prize at the next annual meeting.

FEBRUARY 2014 IN THIS ISSUE

- University of Mary students assist co-op
- Martin receives recognition at AT&S conference
- Co-op employees provide education
- Prepare for tax season with SmartHub
- Deadline approaching on student scholarship



Kent Kensmoe (center), information technology specialist at Capital Electric, works with two University of Mary students on the innovative software. It includes a prize catalog that lists the prizes available at the annual meeting, and then assigns those prizes to each winner.

Students tackle co-op annual meeting project

STORY AND PHOTOS BY WES ENGBRECHT

If you've been to a Capital Electric Cooperative annual meeting in the past 67 years, you may have experienced the anticipation of hoping your name was drawn for a door prize. Gift cards, electric gadgets, tools and oversized potted plants are taken home each year by lucky winners.

In the "old days" the prize drawings, like everything else, were done in a simple manual fashion. Co-op members would pick up their half of a ticket stub when they registered for the meeting, and the other half was tossed into a coffee can to be drawn at random during the meeting. That

method was used for decades, and for the most part, was a satisfactory means to identify the prize winners.

Like everything else, the old ways don't hold up to the advancing tide of technology. A few years ago, Capital Electric's information technology staff developed a program that would randomly choose names from those members who had registered for the annual meeting. The winning name would be automatically displayed on a large screen, and prizes would be doled out accordingly. This program worked well for several years.

As time and technology advanced, Capital Electric sought a new,

innovative solution to "re-vamp" the prize-drawing software to ensure its continued usefulness. Information Technology Specialist Kent Kensmoe proposed a novel idea to upgrade the old software. Utilizing contacts at the University of Mary's technology department, Kensmoe gave a group of students a shot at developing a replacement program. He approached Dr. Kevin Fishbeck, Dean of Computer Science, who came up with a plan to assign the project to the senior project management class. The students included Daniel Bickler, Kirby Kraft, John Olheiser, Gustavo San Jose, Jon Tischmak, Thomas



Several seniors attending the University of Mary helped develop a program for Capital Electric, which will allow the co-op to choose door-prize winners at the annual meeting. The University of Mary is a business consumer of Capital Electric.

Vander Wal and Kendall Vogel.

The partnership embodied the cooperative spirit, as the University of Mary is a business consumer of Capital Electric.

Kensmoe then contacted class instructor Andrew Milas and shared his vision for a new program, along with the design documentation describing the expected outcome. The seven seniors embraced the challenge and began working on the project. During the process, Kensmoe visited the class twice to answer questions and ensure they were on the right track.

During his third and final visit, the class presented their results and handed off the project to the cooperative.

The new software contains all of the features necessary to ensure updated data is available on registered members at the time of the drawing. It also includes a prize catalog that lists the prizes available at that particular meeting and then assigns those prizes to each winner. A grand prize drawing will also be made using this program to choose a winner from the entire cooperative membership listing. All

of this is accomplished through a user-friendly interface that is greatly improved from the prior software.

With limited supervision, University of Mary students collaborated with each other to design a program that the co-op will benefit from for years. Capital Electric thanks the class for their hard work and the instructor for supervising the project. We also thank the University of Mary for allowing the students to make a difference here at our cooperative! **CEC**

What happens at your co-op's annual meeting, and why should YOU attend?

Capital Electric Cooperative holds an annual meeting every year, to bring the membership together and discuss local and national energy issues of concern, as well as share the co-op's progress and challenges. It's a good opportunity to meet the staff, ask questions, and be an active and involved cooperative member.

Prior to the annual meeting, members register and become eligible for door prizes, enjoy a free meal, and visit with neighbors and friends. They may also qualify to pick up a capital credit claims check, if they had electric service during a particular year, as determined by the co-op's board of directors.

During the business meeting, members are encouraged to exercise the cooperative principle of democratic member control, by voting for the board of directors. Members, you are the owners of this cooperative, and voting is one of the many ways in which your "voice" makes a difference!

Following the meeting, door prizes are distributed to the remaining members.

Capital Electric's 68th annual meeting will be held June 3 at the Ramkota Hotel in Bismarck. We hope to see you there!



Capital Electric Cooperative's annual meeting in 1980



Braden Martin (center), graduating apprentice lineworker for Capital Electric Cooperative, earned journeyman status and accepted a certificate from NDAREC employees **Christina Roemmich** and **Jason Smith**.



Les Vietz, center, crew foreman for Capital Electric, accepted a safety certificate on behalf of the co-op, which received recognition for having zero OSHA-recordable injuries for one year. NDAREC employees **Christina Roemmich** and **Jason Smith** conferred the award.

Co-op receives recognition at AT&S Conference

The 50th annual REC Apprenticeship Training and Safety (AT&S) Conference was held Jan. 15 to 17 at the Ramkota Hotel in Bismarck. The conference is sponsored by the North Dakota Association of Rural Electric Cooperatives (NDAREC) AT&S program, with cooperation from the U.S. Department of Labor, Office of Apprenticeship.

Capital Electric Cooperative employees Les Vietz, Rick Dressler, Dale Twardoski, Rick Gieser, Jeff Holzer, Steve Kuball, Seth Lothspeich and Braden Martin attended workshops including security and safety, protective grounding and leadership training. They also attended a banquet held in honor of the graduating apprentices. This year, 10 men graduated as journeyman lineworkers and two graduated as journeyman meter technicians. Capital Electric Lineman Braden Martin was one of the 10 graduating lineworkers.

Braden Martin, graduating lineworker apprentice

Braden Martin attended the Bismarck State College (BSC) lineworker program, and enrolled in the AT&S program as an apprentice lineworker. Hired by Capital Electric Cooperative in April 2011, Martin recently

transferred from the Wing outpost to cooperative headquarters in Bismarck.

Apprentices must have 8,000 hours of supervised training on poles, tower and construction; line hardware and framing; overhead conductors; tools and equipment; transformers; oil circuit reclosers, regulators and capacitors; metering and instrument transformers; rolling stock; engineering; records; safety meetings; hot-line maintenance; troubleshooting; underground; substations; lighting; and service. All apprentices are required to take and pass a series of tests throughout their coursework.

Martin was working for Govert Powerline Services in Williston and Stanley for the two years prior to joining Capital Electric. Govert is a power line construction company with headquarters in Reva, S.D., that does a lot of work in North Dakota, South Dakota and Montana. Working at the Wing outpost was familiar territory for him, as he had grown up in Robinson and attended school in Steele.

With the successful completion of 40 tests over three years, Martin received his journeyman lineworker certificate at the AT&S banquet last month. As a graduate, he has demonstrated the necessary level of knowledge and practical skills to be a qualified journeyman lineworker. **CEC**

Dressler presents on outage management

PHOTO BY BRENDA BERQUIST



The North Dakota Member Services Association (NDMSA) meeting was held in Bismarck Jan. 16 and 17. The NDMSA consists of member services professionals from cooperatives across the state who meet twice each year to network and learn. This year's program included a panel presentation and discussion on planned and unplanned outage management. Rick Dressler, Capital Electric Cooperative's system supervisor, was one of the panelists.

Dressler, along with Tom Radenz, Basin Electric Power Cooperative, and Chad Brosseau, Cass County Electric Cooperative, spoke about how cooperatives meet consumer needs when outages happen. "Whether it's a

planned or unplanned outage event, we have procedures to follow that allow us to minimize member inconvenience," explained Dressler. "Technology has made it possible for us to be much more efficient at identifying problems and taking the appropriate actions to fix them."

Dressler made the transition to system supervisor after working for 29 years as a lineman for Capital Electric. He relates, "The transition has been smooth, and I'm working on improving our outage processes to ensure internal and external communication is a top priority. It's important that our members are informed about what to expect when we have an outage." **CEC**

Engbrecht presents to Rotary Club

Lights out? Members want to know why and when they'll be back on. Knowing ahead of time how power is restored can help members know what to expect and ease their uncertainty.

Wes Engbrecht, director of communications and public relations for Capital Electric Cooperative, took the power-restoration story to the Bismarck Rotary Club in December. He explained the co-op's goal is simple: to restore power safely to the greatest number of people in the shortest amount of time.

If you find yourself in the dark at home, follow these steps to stay safe during a power outage:

- Before calling your cooperative to report an outage, first check to see if your home's circuit panel or fuse box hasn't tripped or blown a fuse. This can also cause a power failure. If tripped, reset the breaker or replace the blown fuse.
- If the power is out in your entire neighborhood, call Capital Electric at 701-223-1513 to report the outage.

- Turn off and unplug all unnecessary appliances and electrical equipment. When power is restored, turn on items one at a time.
- Keep refrigerator and freezer doors closed. An unopened refrigerator keeps food cold for about four hours. A full freezer keeps food cool for about 48 hours.
- Individual households may receive special attention if loss of electricity affects life support systems or poses another immediate danger. If you or a family member depends on life support, call Capital Electric before a power outage happens.

Erin Huntimer, communications specialist at Basin Electric Power Cooperative, joined Engbrecht at the presentation to share the generation and transmission's perspective. To view a video of the presentation, visit www.youtube.com/v/rn0nJic2Skk. **CEC**

Wes Engbrecht
Director of
Communications
and Public Relations



PHOTO BY ERIN HUNTIMER

Beware of utility scams

A number of utility customers nationwide have been targeted by scammers claiming to be a collections agent. The caller will impersonate the utility company claiming their bill is overdue and needs to be paid immediately. If refused, the caller will threaten disconnection.

- Sometimes the scammers will have the account number and amount due, gathered by social engineering
- A prepaid debit card number is most often requested.
- Caller ID numbers might be altered to appear as if the utility company is actually calling.
- Commercial accounts are often targeted as information may be easier to obtain.
- Several larger electric utilities have already been targeted.

If you receive a call that seems questionable in nature, please hang up and contact Capital Electric Cooperative at 701-223-1513.

The ABCs of home safety devices



A GFCI should be used in any area where water may come into contact with electrical products, such as the bathroom, kitchen or outdoors.

The statistics are staggering. Electrical failures or malfunctions were factors in an estimated 47,700 home fires in 2011, according to the National Fire Protection Association. And fire is not the only danger. Thousands of children and adults are critically injured and electrocuted annually from electrical hazards in their own homes.

But technology such as arc fault circuit interrupters and tamper-resistant receptacles are preventing tragedy before it ever occurs. Incorporating this technology into your home can help reduce the risk of fires and electrocutions:

Arc fault circuit interrupters (AFCIs) – An AFCI is a new type of circuit breaker which recognizes fire hazards and immediately shuts off the power.

There are three types of AFCIs:

- Branch/feeder AFCIs, the most common type of AFCIs, replace standard circuit breakers in your home's electrical service panel and provide arc-fault protection to the entire circuit from the service panel to the outlets.

- Outlet AFCIs are receptacles that provide protection to power cords and appliances that are plugged into the receptacle.
- Combination AFCIs combine the features of branch/feeder and outlet AFCIs and detect arcing faults in the complete circuit.

Ground fault circuit interrupters (GFCIs) – GFCIs are special outlets that have saved thousands of people from electrocution over the last three decades. If GFCIs were installed in older homes, experts suggest that 70 percent of the electrocutions that occur each year in the home could be prevented.

GFCIs are electrical safety devices that trip electrical circuits when they detect ground faults or leakage currents. A person who becomes part of a path for leakage current will be severely shocked or electrocuted. These outlets prevent deadly shock by quickly shutting off power to the circuit if the electricity flowing into the circuit differs by even a slight amount from that returning.

A GFCI should be used in any indoor

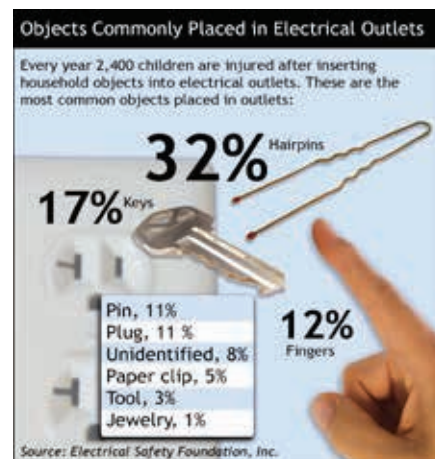
or outdoor area where water may come into contact with electrical products. The National Electrical Code currently requires that GFCIs be used in all kitchens, bathrooms, garages and outdoors.

GFCIs should be tested once a month to make sure they are working properly. To test your GFCI:

- Push the “reset” button on the GFCI to prepare the outlet for testing.
- Plug in an ordinary nightlight into the GFCI and turn it ON. The light should now be on.
- Push the “test” button of the GFCI. The nightlight should turn OFF.
- Push the “reset” button again. The nightlight should now go ON again.

If the nightlight does not turn off when the “test” button is pushed, then the GFCI may have been improperly wired or damaged and it does not offer shock protection. Contact a licensed electrician to check the GFCI and correct the problem.

Tamper resistant receptacles (TRRs) – Tamper resistant receptacles feature an internal shutter mechanism to prevent small children from inserting foreign objects into them. These specialized outlets have been so effective in preventing injuries to children that the National Electrical Code requires that tamper resistant receptacles be installed in all newly constructed homes. **CE**



Board minute excerpts Dec. 19, 2013

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held Dec. 19, 2013, at co-op headquarters in Bismarck.

Financial review (November 2013): Prior to the board meeting, Directors Wrangham and Hilken reviewed the November 2013 check register and expenditures. It was reported that all checks were in order. It was moved, seconded and carried to approve November expenditures in the amount of \$2,682,985.83.

Business department report: The business manager reviewed the November financial and statistical report with the Board. The total kilowatt-hour (KWH) sales for November 2013 were above budget by 11.4 percent. The actual monthly electric revenue is up 8 percent from budget. Year-to-date, KWH sales reflected an increase of 7.7 percent from budgeted sales and electric revenue is over budget by 4.2 percent.

The financial margin for November is \$102,804, versus the budgeted margin of \$65,548, above budget by \$37,256. The year-to-date margin is \$656,971, over budget by \$231,536.

In November, 79 new services were billed, bringing active services to 17,668 versus 16,907 at this time last year. This is a net increase of 761 accounts over the last 12 months.

The business manager reviewed the comparison of actual-to-budgeted expenses for the month of November and for the year-to-date through November 2013. Accounts receivable balances as of Dec. 18, 2013, were reviewed.

2013 year-end projection: A financial projection for 2013 has been run using actual numbers through November and budget thereafter. Operating margins are projected to be \$296,279 and total margins \$2,042,213. All lender ratio requirements are expected to be met.

Blue Cross Blue Shield (BCBS) insurance update: On Nov. 27, 2013, we elected to renew the BCBS high-deductible plan a month early in order to lock in the 10.2 percent rate increase.

Financial audit: We have received the audit engagement information from Eide Bailly for the year ending Dec. 31, 2013. The Federal Emergency Management Agency (FEMA) audit is not required this year. It was moved, seconded and carried to approve the audit engagement agreement with Eide Bailly.

Rural Utilities Service (RUS) audit: Greg Gustin from RUS will be on hand the week of Jan. 6, 2014, to perform our biannual RUS audit.

Central Power Electric Cooperative consolidation: We have been contacted by RUS that their legal group working on the consolidation documents will not be able to complete them by Dec. 31, 2013. We received

word that there is a good chance that the paperwork will be done by March 31, 2014. It appears the best method of handling this is for Capital Electric to begin purchasing power at the consolidated rate on Jan. 1, 2014, as planned. Since the assets/debt will still be in Capital Electric's name, we would bill Central Power for the related depreciation, interest and other costs. The net result would be that our income statement would be the same as if the consolidation took place. The balance sheet would continue to reflect the assets/liabilities until the paperwork is approved.

It was moved, seconded and carried to execute the agreement with Basin Electric Power Cooperative to terminate our current class "A" membership. It was moved, seconded and carried to execute the application for class "C" membership at Basin Electric.

Capital credits: 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 member's estate:

Maizie Lange	\$918.93
TOTAL.....	\$918.93

Federal Financing Bank loan: It was moved, seconded and carried to adopt the Resolution attached hereto as Minute "Exhibit 1" to authorize the officers to execute the mortgage documents.

Engineering and operations report: The manager reviewed the written report from the engineering and operations department. This month 104 work orders were completed, adding 205 new consumers to the system.

We are still connecting new accounts to the system, but it has slowed down. Fisher Contracting is trenching in new services, but it is slow going as the ground is frozen. VIP continues to work on our rural rebuild.

Our North Bismarck Substation rebuild is complete. There will be some clean-up in the spring with the gravel and settling of trenches.

Member services department:

2013 electric heat material sales: Sales for 2013 have decreased from 2012. The heat pump market remained strong throughout the year. We presently have 11 cooperative and five contractors in the inventory group sharing inventory costs and will continue the "Electric Heat Joint Inventory Program" in 2013.

Electric heat connected in 2013: We continued to make a strong commitment in 2013 to KWH sales in all electric heat areas. We believe we have accomplished that goal. A total 580 kilowatts of new residential electric heat has been connected this year to date. We have connected 21.0 megawatts of new electric heat over the past 10 years.

Energy Resource Conservation loans: There are no loans for Board approval this month.

Communications and public relations department: The manager reviewed the written report from the communications and public relations department.

Electric Cooperative Youth Tour essays: The Youth Tour essay contest deadline is Jan. 31, 2014.

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

Steve Paulson, safety and loss prevention consultant from Federated Rural Electric Insurance Exchange, was at the shop Dec. 10, 2013, to do an onsite inspection of our facilities and to go over claims from the last three years.

On December 11, 2013, Larry Sailer and Jason Smith, safety instructors from the North Dakota Association of Rural Electric Cooperatives (NDAREC), were at our shop to go over some near-miss accidents and a fatality that happened in the state. They also went out into the field to observe some of our crews.

Rick, Wes and Rich met with the Emergency Management team from Bismarck (Gary Stockert, City Emergency Manager; Jeff Heinz, Public Works Director; Anton Sattler, Environmental Health; and Mike Dannenfelzer, Communications Director) on Dec. 13, 2013, to go over an emergency scenario that involves loss of electricity that is supplied by Capital Electric.

Montana-Dakota Utilities (MDU) request to N.D. Public Service Commission: MDU filed an application for Permanent Authority to serve the Menard, Inc. site near McKenzie, N.D. Following discussion, it was the consensus of the Board to file a Protest of the Application with the Public Service Commission.

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

CAPITAL ELECTRIC COOPERATIVE

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BOARD OF DIRECTORS:

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