



CAPITAL ELECTRIC
COOPERATIVE

CAPITAL ELECTRIC COMMENTS

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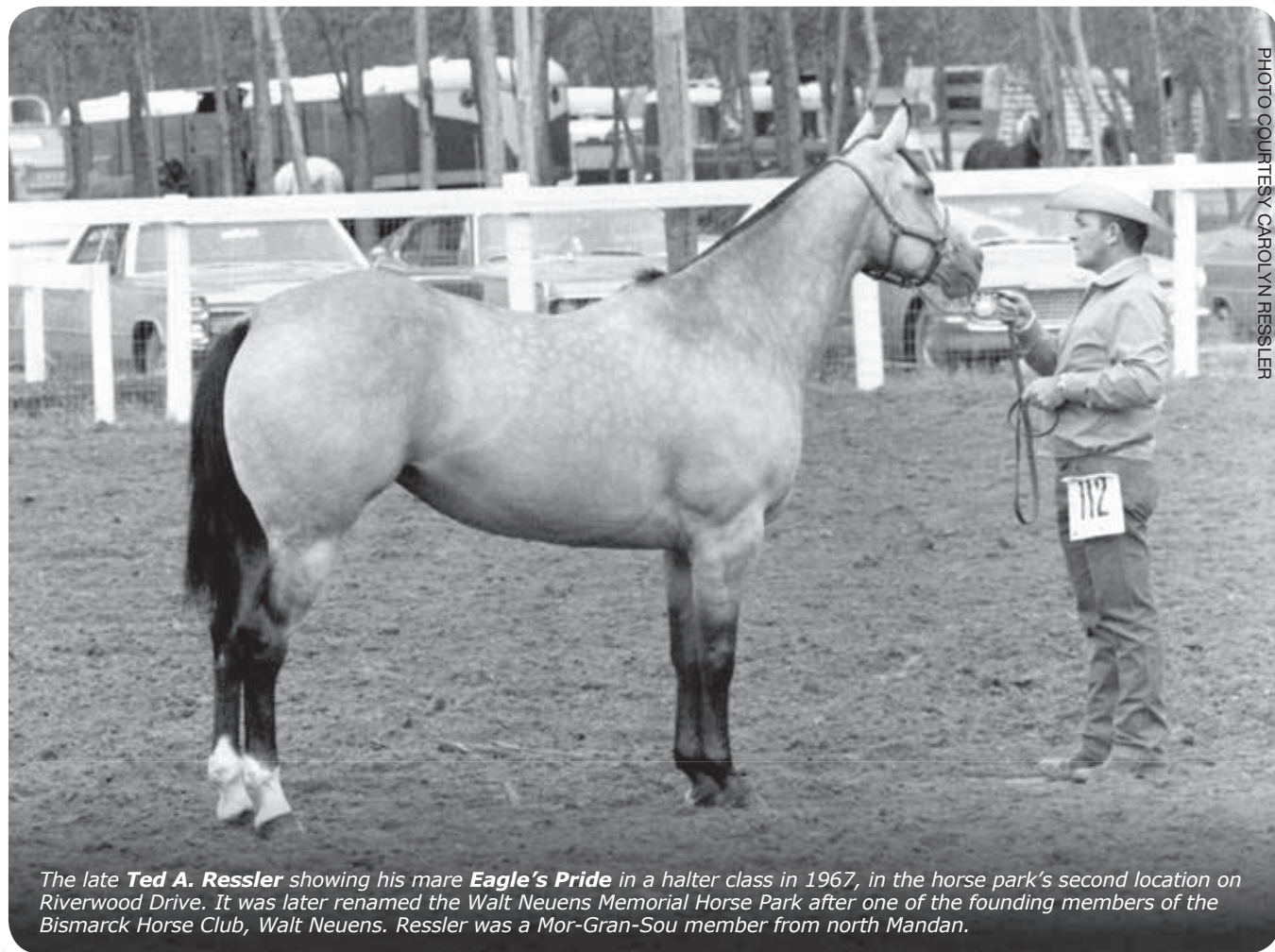
Enhancing a community treasure

In December, Capital Electric line crews converted overhead power lines and poles to underground electric service at the Walt Neuens Memorial Horse Park in south Bismarck. In this month's local pages, learn why the conversion will make this part of the co-op's electric system more reliable — and how the park has been used and enjoyed by many of our cooperative's member-owners for decades.



Journeyman Linemen **Steve Kuball** (bucket), **Jeremy Ensign** (left) and **Matt Hagen**.

PHOTO BY CARMEN DEVNEY

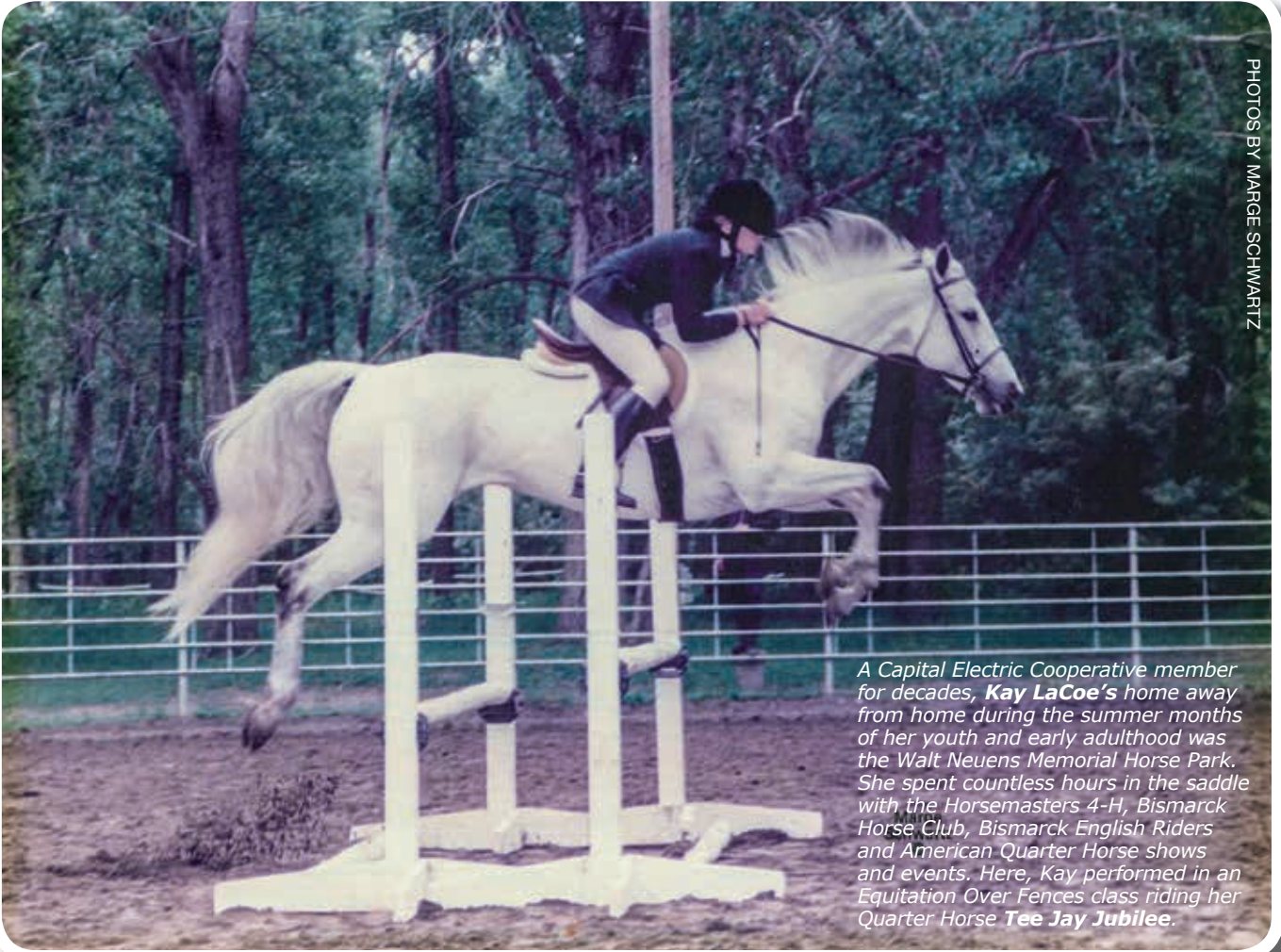


Conversion project adds reliability, enhances beauty

BY CARMEN DEVNEY

If you grew up riding and showing horses in North Dakota, there's a good chance you hauled to the Walt Neuens Memorial Horse Park at some point. The horse park, located at 1909 Riverwood Drive in south Bismarck, has held a variety of equine events for more than 50 years, ranging from Western and English shows, reining and cutting events, rodeos, practices for the Mounted Police, and much more. Surrounded by mature trees, the horse park has always been a beautiful place. It was further enhanced by Capital Electric Cooperative in December, when line crews converted overhead power lines and poles to underground electric service.

Rick Dressler, operations supervisor at Capital Electric, says



A Capital Electric Cooperative member for decades, **Kay LaCoe's** home away from home during the summer months of her youth and early adulthood was the Walt Neuens Memorial Horse Park. She spent countless hours in the saddle with the Horsemasters 4-H, Bismarck Horse Club, Bismarck English Riders and American Quarter Horse shows and events. Here, Kay performed in an Equitation Over Fences class riding her Quarter Horse **Tee Jay Jubilee**.

the conversion occurred in conjunction with the city of Bismarck establishing a new lift station for the sewer system. When installing three-phase electric service in the area, line crews noted the tree density and growth in the horse park, and determined a conversion from overhead to underground would reduce the likelihood of power outages being caused by tree branches breaking and falling on the lines.

"The conversion made our distribution system more reliable — and yes, it makes the park look nicer," Dressler says.

This is the horse park's second location. The first was developed on the south side of Dakota Zoo. It was established by the Bismarck Horse Club, which was formed around 1950 by a handful of members including

*The Walt Neuens Memorial Horse Park welcomes families and encourages the love of horses. **Maison LaCoe** is the third generation in his family to enjoy the horse park. He is the son of Kay and Shane LaCoe and grandson of Blair and Kitt Konschak, who are all members of Capital Electric Cooperative.*





PHOTOS BY CARMEN DEVNEY

Journeyman Lineman **Lance Diebold** detached the power lines from the poles. Then, another lineman operating the boom of a digger/derrick (digger truck) clamped the pole with a set of claws to control it. Two more linemen on the ground wrapped a cable from the winch around the pole, and it was removed from the not-yet-frozen ground, as shown on C1.

After loading the retired poles onto a flatbed trailer, Journeyman Lineman **Steve Kuball** (left) and **Matt Hagen** removed the hardware from the pole including pole-top pins and insulators, bells (suspension insulators), upset bolts, flat washers, machine bolts, eye bolts and crossarms.

Walt Neuens. A resident of Medora until 1947 when a flood forced his family to relocate, Walt moved to Bismarck and started a Western store that he operated with assistance from his wife and four sons. He also shod horses.

When the Dakota Zoo started planning an expansion, the horse park was moved to its current location in the 1960s. When Walt passed away, the park was renamed the Walt Neuens Memorial Horse Park.

One of his sons, Don, followed in his father's footsteps and shod horses for 55 years before retiring. A member of

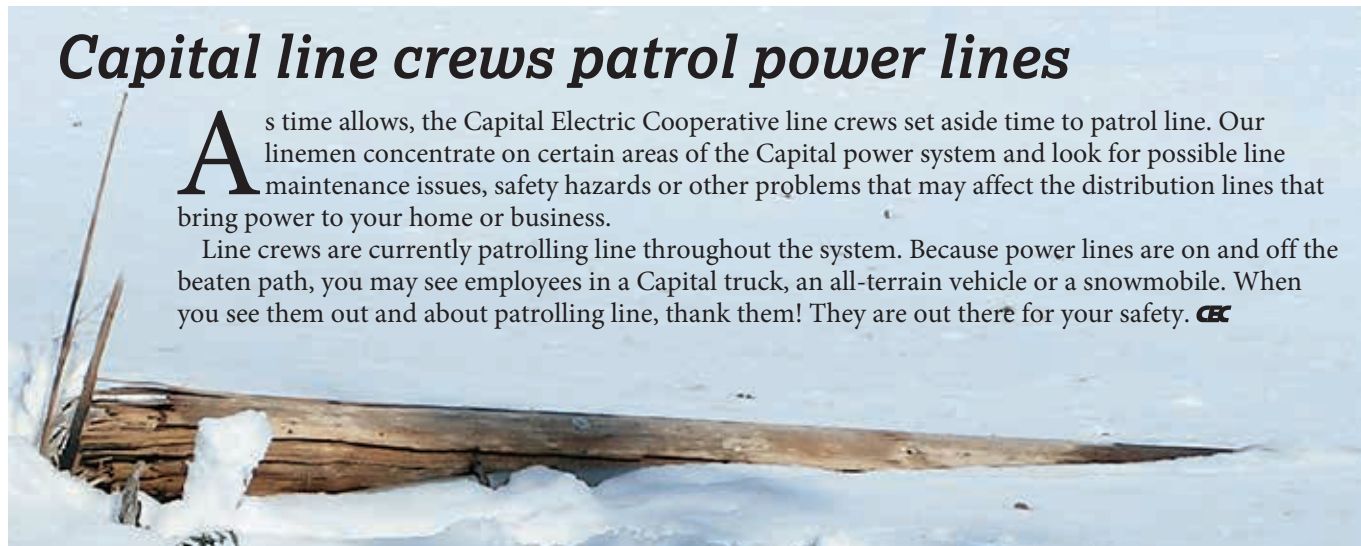
Roughrider Electric Cooperative who lives north of Glen Ullin, Don says horses were always a part of his life, and they still are.

In addition, his father's vision and passion lives on at the Walt Neuens Memorial Horse Park, through all the people who still use the park. If you haven't been there in the last few years, stop down and watch a practice or show — and enjoy the beautiful scenery and riding opportunities it offers to this community and to our member-owners. **CEC**

Capital line crews patrol power lines

As time allows, the Capital Electric Cooperative line crews set aside time to patrol line. Our linemen concentrate on certain areas of the Capital power system and look for possible line maintenance issues, safety hazards or other problems that may affect the distribution lines that bring power to your home or business.

Line crews are currently patrolling line throughout the system. Because power lines are on and off the beaten path, you may see employees in a Capital truck, an all-terrain vehicle or a snowmobile. When you see them out and about patrolling line, thank them! They are out there for your safety. **CEC**



**Deadline fast
approaching!**

INVESTING IN YOUTH AND OUR FUTURE

Capital Electric offers student scholarship

To help develop future leaders and support families in our service area, Capital Electric Cooperative is offering a \$1,000 student scholarship for the 2016-2017 school year, in partnership with Basin Electric Power Cooperative.

To qualify for the scholarship, seniors must be enrolled or planning to enroll in a full-time undergraduate or graduate course of study at an accredited two-year or four-year college, university or vocational/technical school. Their parents or guardians must be members of Capital Electric.

Our cooperative will assemble a panel of impartial judges to review all applications. The judges will select the winning application based on academic performance, potential to succeed, leadership and participation in school and community activities, honors, a statement of education and

career goals, work experience and an outside referral. The scholarship will be awarded without regard to other awards, loans or financial assistance the applicant may have obtained.

Application forms may be downloaded at www.capitalelec.com or picked up at co-op headquarters at 4111 State St. N. in Bismarck. Applications need to be completed and returned to Capital Electric on or before **Friday, Feb. 19**.

"Applying for scholarships is one of the simplest ways students can start college off right. A little bit of effort and time can save yourself a lot of money," advises Christopher Kraft. He knows from personal experience.

A freshman at the University of Mary, Christopher applied for and received last year's \$1,000 scholarship from Capital Electric and Basin Electric. He is seeking a

double major of healthcare administration and pre-med, playing football — and learning the challenge of balance.

"College has been going really well, and I am excited for my future," he says.

The son of Capital Electric members Michael and Jean Kraft, Christopher says scholarships have helped him immensely.

"I have been able to more thoroughly enjoy the college experience, without worrying too much about financing my education," he says. **CEC**

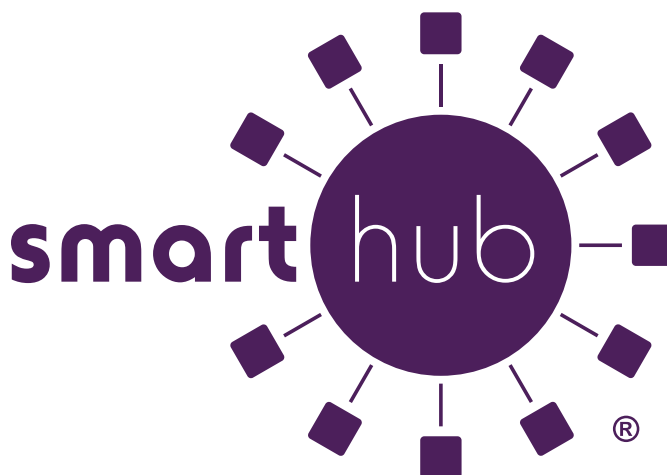


Christopher Kraft earned last year's Capital Electric Cooperative's \$1,000 scholarship.

Prepare for tax season with SmartHub

Capital Electric Cooperative can help you prepare for tax season! If you haven't already signed up for SmartHub, now's a good time to do so. By signing up for this co-op service, members have access to their electronic billing history, which contains the current billing statement, billing history details, kilowatt usage, monthly comparisons and other informative facts. SmartHub also allows Capital Electric Cooperative members to pay their utility bills online day or night.

To sign up for SmartHub, visit the co-op's home page at www.capitalelec.com and click "My Account" (SmartHub) in the upper left-hand corner. Then sign up as a new user. When members sign up for SmartHub using



our secure server, they will receive a monthly billing email notification from our co-op and also be given the option to still receive a paper bill through the mail. The notice will link to our website at www.capitalelec.com. Members can click on this link and enter their email address and password. **CEC**

LOOKING FORWARD TO EACH DAY

Warehouseman Mike Schneider retires

BY CARMEN DEVNEY



Schneider

Not too many people can say they've worked the same job for 37 years.

Mike Schneider can — and he's done so with pride.

The cooperative's warehouseman since 1978, Mike has kept the yard stocked with supplies so the linemen have what they needed to build, maintain and repair the cooperative's overhead and underground power system. Mike retired on Feb. 1, and Lead Lineman Dale Twardoski filled the position.

A Bismarck native, Mike worked as a surveyor and salesperson for various employers before taking a job with Capital Electric. Working for a cooperative appealed to him because he had a wife, Kim, and his family to support, and he wanted a stable position that would allow him to grow professionally.

While his job title stayed the same over the course of 37 years, his duties evolved with technology. He learned to be proficient on a computer, shopping for the best price of materials and making the best use of the membership's money.

"I've got the vendors trained," he says. "They know if they don't give me a good price, they don't get the order."

Ron Lipp, the cooperative's manager of engineering and operations, credits Mike for being organized and meticulous. "He always has to have everything in

order," he says.

Mike announced his retirement in December. While he's no longer working for the cooperative, he says he intends to continue working in different capacities.

"There comes a time in your life when you have to say it's time to do a few things that you want to do," he shares. "I'm ready to do something different. I want to decide each morning what I'm going to do."

Mike says one of the many things his mother taught him was to wake each morning and choose something to look forward to each day.

"Even if it's a good meal or lunch time with your wife, just make yourself something special that day to look forward to," he shares.

Coming to work each day at Capital Electric was one of those simple things that made him happy. He says he'll miss the ritual of coming to work, as well as the linemen and other employees, contractors and vendors he's worked with over the years. But he's also excited at the prospect of starting each day trying to decide whether to fish, hunt, canoe, back-pack, take a trip to the mountains, work in the yard, build a deck, remodel in the house, prepare a nice meal for Kim



Warehouseman Mike Schneider retired after working at Capital Electric Cooperative for 37 years, checking inventory, getting quotes, comparing prices, and ordering and unloading materials.

before she gets home from work — or do nothing at all.

Capital Electric Cooperative thanks Mike Schneider for his 37 years of dedicated cooperative service. He is honest and kind, and a hard worker. His work ethic and friendship will be missed. Congratulations, Mike! **CEC**

Twardoski accepts warehouseman position

BY CARMEN DEVNEY



He won't be climbing poles or responding to power outages anymore, but during the next big storm, you can bet Dale Twardoski will be thinking of the linemen at Capital Electric Cooperative. Once a lineman, always a lineman at heart. Dale has taken over for Mike Schneider, the co-op's warehouseman who retired in January.

Dale worked as a lineman for 30

years; 25 years for Capital Electric, and five years for an electric cooperative in Dickinson. Raised in Bismarck, Dale and his brother, Dave, enrolled in the lineworker program at Bismarck State College. When Dale took his first job as an apprentice for West Plains Electric Cooperative, he said working as a lineman was like "hunting without a gun."

"Back in the day when I started out in Dickinson, it was rural. We could drive around looking at wildlife [while doing line patrol]. It was great," he says.

Dale moved to Bismarck in the early 1990s when a lineman position opened at Capital Electric. After working as a journeyman lineman for several years, the cooperative promoted him to lead lineman. As a mentor, Dale held countless "tailgate" sessions with the guys about the various projects they were working on, building and maintaining the cooperative's overhead and underground

electrical system.

"I had my ideas, but there was always more than one way to do something," he says. "I would ask them, 'What do you think? How do you want to do it?' Then, I'd let them do it and help them out."

After 30 years of doing physically demanding work on extremely hot and cold days, and fixing power outages in the middle of the night, Dale says it was time to give his rubber gloves, belt and hooks back to the cooperative. Replacing Mike as warehouseman, Dale will still have the opportunity to work outside and help the lineman, unloading supplies and making sure the line crews have what they need.

The transition should be relatively easy for Dale, who knows every part and piece of the electrical system. Even though he's had to brush up on his computer skills and learn the processes of contacting vendors, getting estimates and ordering supplies, Dale says he was ready for a change. **CEC**

SKIP THE SERVICE FEES

If you're paying your utility bill online, bypass third-party payment services

A third-party bill payment service called Doxo has gained unfavorable attention with electric cooperatives across the state and nation. Some cooperative members have been reporting that they felt misled after stumbling upon the service while searching for their co-op's own bill-payment service. Doxo's payment pages often feature specific company logos and use the company's name in the header of the webpage, giving it the appearance of an official payment site.

Doxo is known to charge an additional service fee for bill payments, which has come as a surprise to members who missed the rather-subtle notice of non-affiliation with the co-op. There have also been reports of payments being delayed and due dates being missed when paying through Doxo.

Aside from these issues, the actual payments to electric

cooperatives work fine through Doxo, and the service seems as effective as any other. However, the use of a specific electric cooperative name and logo is unauthorized and makes it appear as if the service is affiliated with the respective cooperative, when indeed, it is not. This has caused confusion and created a hassle for some users.

Capital Electric Cooperative's official online payment services are located at www.capitalelec.com and through our SmartHub mobile app. There are no fees to use these services, and payments made through them are secure and are reflected on your account immediately.

If you make online payments using any other services, we urge you to use caution. Investigate before paying to make sure the service is legitimate, and inquire about any additional fees you may be required to pay. **CEC**

Board minute excerpts Dec. 19, 2015

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held Friday, Dec. 19, 2015, at co-op headquarters in Bismarck.

Financial review: Prior to the board meeting, Directors Olson and Kramer reviewed the November 2015 check register and expenditures. It was reported all checks were in order. It was moved, seconded and carried to approve November expenditures in the amount of \$3,450,488.66.

Business department report: The Manager reviewed the November financial and statistical report with the Board. The total kilowatt-hour (KWH) sales for November 2015 were below budget by 5.4 percent. The actual monthly electric revenue was below budget by 4.6 percent. Year-to-date, KWH sales are under budget by .8 percent and electric revenue is under budget by .06 percent.

Capital Electric load factor is below budget, resulting in a power cost increase. Offsetting this is a correction Central Power Electric Cooperative made to the readings from October that resulted in a credit of \$163,041. The North Bismarck meter was double-billed as a result of the switching that occurred as part of October's line conversion to 115 kilovolt.

The financial margin for November is \$140,180 versus the budgeted margin of \$51,272, above budget by \$88,908. The year-to-date margin is \$446,379 versus -\$183,003 budgeted, over by \$629,382.

The year-end income statement for 2015 has been projected using actual through November and budgeted for December. Assuming we meet budget the rest of the way, Capital Electric will be able to defer an additional \$80,000 of deferred revenue in 2015 while still meeting lender requirements.

Capital Electric began billing 50 new services in November, bringing our active services to 19,166 versus 18,405 at this time last year, or a net increase of 761 accounts over the last 12 months.

The Manager reviewed the comparison of actual-to-budgeted expenses for the month of November and year-to-date through December 2015. Accounts receivable balances as of Dec. 17, 2015, were reviewed.

Insurance follow-up: Capital Electric's Federated representative has advised that there are no incentives for building security, alarm systems, etc. to reduce premiums at Federated. Federated's position is that there are still indirect incentives because implementing security and other preventative programs will prevent losses and improve experience, which in turn will keep rates as low as possible. Federated does not offer a deductible option on cyber insurance although some competitors do. The Federated policy carries no deductible and it has the added feature of insuring for third-party liability, including legal costs. Comparing these is difficult, as there is no history of claims/losses yet as this is a new type of insurance.

It was moved, seconded and carried to purchase cyber insurance through Federated.

Audit engagement letter: We received the audit engagement letter for the year ending Dec. 31, 2015 from Eide Bailly. A few changes

from last year were highlighted.

It was moved, seconded and carried to approve the audit engagement letter with Eide Bailly.

Cyber security analysis: We have completed an all-employee awareness training regarding cyber security and related physical security.

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:

Jane Hamel	\$ 594.87
Monte Swenson	\$ 281.79
Robert Swenson	\$ 143.71
Ruth Swenson	\$ 219.97
Loretta Lord	\$ 25.52
TOTAL	\$1,265.86

2015 financial projection: The 2015 financial projections were reviewed. If the budget holds, we may have \$80,000 of revenue to defer into our revenue deferral program. This may increase when Central Power flows through about \$249,000 in additional margin.

Engineering and operations report: The Manager reviewed the written report from the engineering and operations department. We completed 49 work orders this month, adding 51 new consumers to the system.

Fischer Construction Company and Gieser Utility Contracting continue to trench in new services and VIP continues to work on our overhead rural rebuild.

Preliminary costs for the addition of the RTUs in Central Power's Goodrich and McClusky substations for KWH two-minute reporting would be \$10,388.00. Once these are installed and reporting, Capital Electric will get a monthly credit of approximately \$160 per substation per month, so a 32-month payback. It was moved, seconded and carried to approve these RTUs.

Fischer installed two circuits of 500 mcm URD cable from Central Power's Circle K substation to Highway 83. They had to directional bore the mile and three-fourths because of trees, road crossings and other utilities. The double-circuit three-phase 500 mcm URD lines will improve our reliability for the Walmart area and the northwest area around the city of Bismarck.

Mike Schneider, Capital Electric warehouseman for the last 37 years, turned in his resignation letter on Dec. 15, 2015.

Member services department: The Manager reviewed the member services written report.

2015 electric heat material sales: Sales have remained strong throughout the year, finishing close to our average over the past 10 years. A total of 49 geothermal heat pump systems were sold through our inventory.

Electric heat connected in 2015: We continued to make a strong commitment in 2015 to KWH sales. We have had 749 kilowatts of new residential electric heat has been connected and 25.3 megawatts of new electric heat over the past 12 years.

Energy Resource Conservation loans: No loans for Board approval this month.

Communications and public relations department: Engbrecht reported on communications and public relations matters.

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

Jeff Tweten, safety instructor from the North Dakota Association of Rural Electric

Cooperatives (NDAREC), was at our shop Dec. 2, 2015 for a field meeting. He went over hand signals and safe vehicle operation, plus he introduced Steve Homes, who is a new safety instructor.

Without objection, the safety report was approved.

National Rural Electric Cooperative

Association: Nygren was appointed delegate and Vilhauer was appointed alternate.

National Rural Utilities Cooperative Finance Corporation: Haugen-Hoffart was appointed delegate and Vilhauer was appointed alternate.

Federated: Vilhauer was appointed delegate and Haugen-Hoffart was appointed as delegate.

National Information Solutions

Cooperative: Haugen-Hoffart was appointed delegate and Vilhauer was appointed as delegate.

Mid-West Electric Consumers Association: Vilhauer, Nygren and Wrangham reported on Midwest meeting topics. Wrangham attended an Environmental Protection Agency regional office conference in Denver concerning new regulations and carbon reduction targets.

Central Power: The meeting is scheduled for next week.

Basin Electric: Basin Electric recently met with its rating agencies in New York. Moody's may downgrade Basin Electric one grade due to low gas rates at Dakota Gasification Company.

Basin Electric tower: There has been no response from Basin Electric.

NDAREC report: There is no meeting until January.

Rural Dev. Finance Corp.: The meeting will be held Jan. 8, 2016, following the NDAREC annual meeting. Patrie was appointed as delegate.

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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Bismarck, ND 58503

Website: www.capitalelec.com

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