



**Capital  
Electric**  
COOPERATIVE

**FEBRUARY 2024**

Capital Electric Cooperative lineworkers Matt Hagen, Ryan Koenig and Cole Leier happily put in the time to get the Santa Run snow sculpture off the ground.



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At the beginning stages of the project, the team paused for a photo. Left to right are Capital Electric Cooperative Communications Manager Wes Engbrecht, Mike Nelson of Team North Dakota and Capital Electric lineworkers Ryan Koenig, Matt Hagen and Cole Leier.

# Capital Electric comes to the 'snow' rescue

BY WES ENGBRECHT WITH ANN REICH

**W**hen the weather outside is frightful and help is needed to deal with snow, whom do you call? Capital Electric Cooperative.

This story isn't about the predictable "too much snow" dilemma. It is the opposite. During a brown winter with above-average temperatures, a 10-foot snow sculpture needed to be built on the North Dakota Capitol grounds. The national snow sculpting team – Team North Dakota – was commissioned to create "Kris Kringle Jingle Joggers" by the Santa Run as part of its 10th anniversary event in December.

## A little background

South Central District Court Judge David Reich, a Capital Electric Cooperative member, started the Santa Run, a joy-filled festive 5K run, in 2014. The same year, he also started Runners Against Destructive Decisions (RADD), a running group formed to help those recovering from addiction and promote a healthy lifestyle through movement.

In his courtroom, Reich sees so many lives

destroyed because of addiction, so he decided to start the running program and run with anyone who would join him. The Santa Run became a way to raise money to pay for running shoes and race entry fees for those in recovery from addiction. Both the Santa Run and RADD are volunteer efforts.

Over the years, the Santa Run has grown to attract over 500 runners. Everyone races around the Capitol grounds in a Santa suit. Well, not quite everyone. The sponsors run as elves. And, "reindeer" can be spotted on the 5K course, along with other local carolers, cheering on the runners.

"The Santa Run is a joy-filled day," Reich says. "Several runners in recovery from addiction are on the course. We have 30 to 50 runners join us in our weekly RADD runs. When everyone puts on their Santa suits at the Santa Run, we are all just runners cheering each other on to the finish line. Amidst the darkness of addiction, there are many success stories, and the Santa Run celebrates those successes."

"The Santa Run annually supports more than 100 runners in recovery in local 5K and 10K road races,"





*Members of Team North Dakota proudly display their amazing sculpture.*

Reich notes. Over the 10 years, several runners have also achieved success in longer distances and have been able to participate in positive experiences they had never dreamed about before.

RADD runners have been to Grandma's Marathon in Duluth, Minn., the Crazy Horse Half Marathon in the Black Hills of South Dakota, the Los Angeles Marathon and even an international marathon in Ecuador.

## The winter of 2023

The idea to ask Team North Dakota to build a snow sculpture came to Reich and his wife, Ann, in February 2023. Together, they created the vision for the Santa Run event.

Team North Dakota had won the U.S. National Snow Sculpting Competition at Lake Geneva, Wisc., in January 2023. This three-person, Fargo-based artistic team was also bestowed the beloved People's Choice award. The national competition attracted more than 40,000 spectators, so the Reichs felt it would bring added attention to the Santa Run and its mission and add a unique attraction for the 10th anniversary. And there was nearly 100 inches of snow in 2023.

"We were living in a winter wonderland when we reached out to Mike Nelson at Team North Dakota," David says. "Little did we know in December 2023, we would make it through 62-degree weather, no snow and rain right before the Santa Run on Dec. 9. We needed to keep changing our plans. We were dependent on when Andy Beck, Huff Hills, could find a window of weather cold enough to make snow."

Volunteers were planning to haul snow, build the block and stomp it down the weekend before the Santa Run. Because of the warm weather, everything

was delayed. Everything! But no one gave up hope about the snow sculpture happening.

## SOS call to Capital Electric Cooperative

Word came a little after 5 p.m. Friday, Dec. 1, that the snow would be loaded and hauled from Huff Hills to the Heritage Center parking lot on Monday (not when volunteers were confirmed). There needed to be another quick pivot in plans. Who had the muscle and know-how, could climb ladders, work safely and be available on Monday?

Ann called Wes Engbrecht, communications manager at Capital Electric Cooperative, and explained the situation. This was after working hours leading into a weekend. Engbrecht immediately reached out to Capital Electric Operations Manager Rick Dressler, and there was a plan by Saturday morning. Three lineworkers would be onsite at the Heritage Center Monday morning.

"Because we are a co-op, we are committed to making a difference in our community," Engbrecht says. "If we can do something positive for those in our service area and others in our communities, we will gladly do it. Our lineworkers never hesitated. It was an opportunity for them to show their skills to get the job done."

"We are extremely grateful to Capital Electric," David says. "They were our first call when we were desperate to find the right help. It was also hard to believe it unfolded the way it did. We needed them and they immediately said yes. It is one of the best examples of this community working together to make the Santa Run meaningful for all involved and impacted." ☺

*Ann Reich is a Capital Electric Cooperative member and a former director.*



*The race is underway as a festive group of runners and walkers take to the Santa Run course.*

# CAPITAL ELECTRIC COOPERATIVE:

## Cost pressures and rate increases

Capital Electric Cooperative and its wholesale power suppliers are seeing significant cost pressures due to inflation, higher interest rates and necessary investments in the power grid.

For example, between 2015 and 2020, Capital Electric's average cost increase for pad-mounted transformers was just 2%. Between 2020 and 2022, the price of these same transformers increased by 50% in just two years.

During this time, double-digit price increases from vendors and contractors, coupled with higher interest rates, have put additional pressure on expenses. Similarly, our transmission and generation cooperatives are building new generation, transmission and substations to serve the growing power needs in the area.

### 2023 rate change

After seven years of stable rates from 2016 to 2023, Capital Electric implemented a rate increase in May 2023, which included a grid capacity charge. This charge was new to Capital Electric members. This grid capacity charge is based on each member's individual maximum power requirements, instead of previously being based on the membership average. This provides a fairer allocation of the costs each member requires of the local grid. The grid capacity charge is calculated using each member's highest peak over a rolling 12 months.

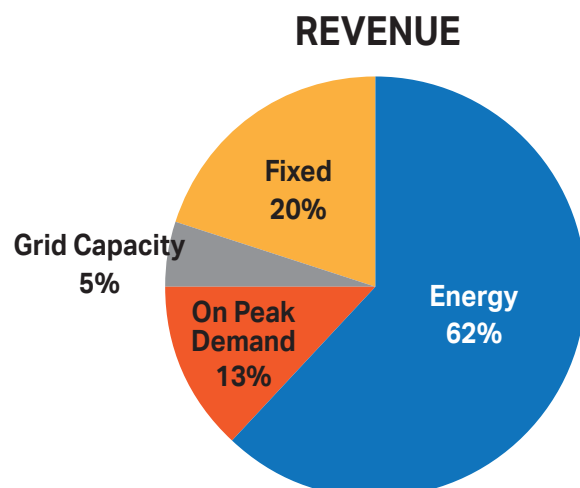
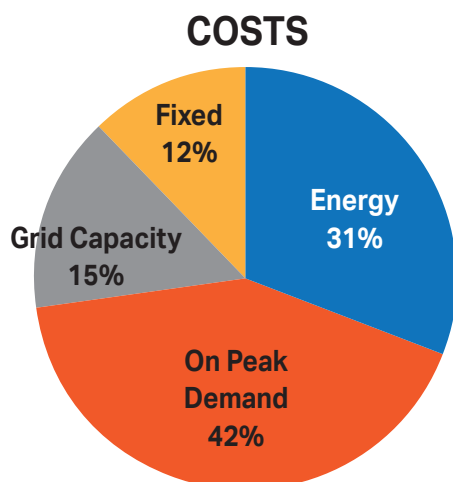
### 2024 rate change

Today, residential and small commercial accounts are billed based on three components: energy use of kilowatt-hours (kWh), a monthly base charge and a grid capacity charge, none of which are time-based. Thus, these traditional rate components do not reflect WHEN the power is used even though WHEN power is consumed is incredibly important.

Did you know 42% of Capital Electric's power costs are determined by only six hours during the year? Yes, that's right. Almost half of the cooperative's power cost is determined by a 30-minute window each month. Those windows are the point our power provider must deliver the maximum required power, referred to as peaks. This is significant, because Capital Electric and its wholesale providers must be able to meet these peaks at any given time, regardless of how often or how long the peaks occur.

Currently, the cooperative's rates do not match with how the costs are determined. In the graphs below, 42% of the costs are determined by "on peak demand," but only 13% comes from demand revenue. On the flip side, 62% of the revenue comes from the kWh, compared to just 31% of the cost.

In May, a rate increase will occur, with the average Capital Electric member seeing an 8% increase in the monthly electric bill. As part of this change, Capital Electric will add a fourth component to residential and small commercial bills. This fourth component reflects a portion of the cooperative's costs incurred during





the 30 minutes of the month or "on peak demand" in which our power provider peaks.

To assist members who wish to actively shift usage away from peak times, Capital Electric will provide members with historical peak information and projected peak alerts. Members who shift usage away from peaks will benefit from lower "on peak demand" costs.

Going forward, our power, transmission and substation providers are also forecasting increased rate pressures. In 2025, Central Power Electric Cooperative expects to increase its rates to cover its increased costs. In 2026, Basin Electric Power Cooperative is expecting an increase as well. These costs will be reflected in Capital Electric's future wholesale power costs and future member bills.

### Peak time rebate program ending

In 2017, Capital Electric Cooperative began its peak time rebate program for the purpose of educating members about the high cost of power during peak hours. As part of this program, peak demand notifications were sent and a rebate was provided to members who reduced their usage during peak hours.

Over this time, \$400,000 has been returned to

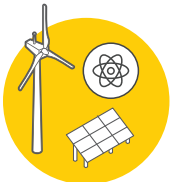
members in peak time rebates. Due to the new May rate structure that incorporates "on peak demand," all residential and small commercial members will receive "on peak demand" alerts and information on historical peak windows. The rebate will no longer be calculated. Instead, any reduction for reducing peak usage is already built into the rate component.

### How do you reduce your power costs?

- Choose an alternate rate: For example, those of you willing and able to minimize usage during peak times should consider moving to Capital Electric's alternative coincident peak rate, which will allow you to save even more.
- Schedule appliances and use timers to level your usage.
- Utilize energy efficiency incentives from the Inflation Reduction Act to save on a home energy audit, replace doors and windows and install efficient heating and cooling systems.

For more information on how to reduce your power costs, visit Capital Electric's website at [www.capitalelec.com](http://www.capitalelec.com). More importantly, you can contact Capital Electric's Energy Services Department for free expert advice. ⚡

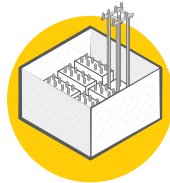
## HOW ELECTRICITY GETS TO YOU



### step 1

#### Generation

Electricity is generated from various sources.



### step 5

#### Distribution Substation

Voltage is lowered further for safe distribution.



### step 2

#### Step-Up Transformer

Voltage is increased to push the electricity over long distances.



### step 6

#### Distribution Power Lines

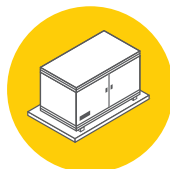
Electricity travels across these lines in your community.



### step 3

#### Transmission Power Lines

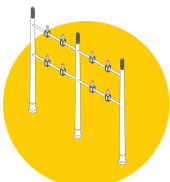
Lines carry electricity over long distances.



### step 7

#### Final Stop

A transformer reduces voltage a final time, and electricity is sent to your home.



### step 4

#### Transmission Substation

Voltage is lowered so electricity can travel across the local system.





## Diebold promoted to system supervisor



**Diebold**

Serving our members through all types of conditions as a lineworker requires hard work and dedication. Following 13 years of experience in the field, lead lineworker Lance Diebold will take the role of system supervisor.

What is a system supervisor? The job requires outage coordination, lineworker dispatching,

system load monitoring, substation switching between the transmission and distribution systems and much more.

The system supervisor is on call 24 hours a day when needed. While the lineworkers who are on call

during nights and on weekends can generally handle most outage situations, it is sometimes necessary for the system supervisor to be in the loop to make sure everyone knows what's happening.

"It is an extremely important job that requires significant knowledge of our system," says current System Supervisor Jeff Holzer. "Lance will be able to handle the advanced technology requirements of the job as well."

Diebold will be the expert dealing with member situations, thereby making sure they get resolved.

"I feel I'm ready for the challenge of this position as I learn and grow in experience. I have a deep appreciation for our members, as I have met and assisted many of them over the years," he says.

Capital Electric appreciates Diebold's commitment to our membership and his willingness to take on this vital role in the co-op. ⚡

## Business department hires Tergesen



**Tergesen**

Experience counts when taking on a new position with any company. Recently hired Accounting Technician Brittany Tergesen brings years of relevant experience to her new position with Capital Electric Cooperative.

"As our accounting function continues to evolve to meet our changing industry, it was important

to hire someone we felt had both the experience and aptitude to embrace innovation and adapt to the changing landscape. I think we did just that in hiring Brittany," Business Manager Luke Steen says.

As she gains experience with the co-op, Tergesen expects to be challenged.

"I accepted this position to become more fully rounded in the world of accounting. I also expect to

gain knowledge and experience in a new industry," she says.

Tergesen most recently worked for Brady Martz & Associates in Bismarck as an associate specializing in payroll and bookkeeping. Previously, she worked as an administrative assistant with multiple responsibilities for South Central Regional Water District.

"My prior work experience will be useful as I tackle my new responsibilities at Capital Electric," she explains.

Tergesen lives in Bismarck with her two daughters, Rylee, 10, and Brooklyn, 6. Outside of work, she loves to travel and spend time with friends and family. She has also tested the boundaries of what the average person finds comfortable by skydiving, cave diving and pursuing other similar experiences.

We are pleased Brittany has joined our team and look forward to her enjoying a long and productive future with the co-op! ⚡





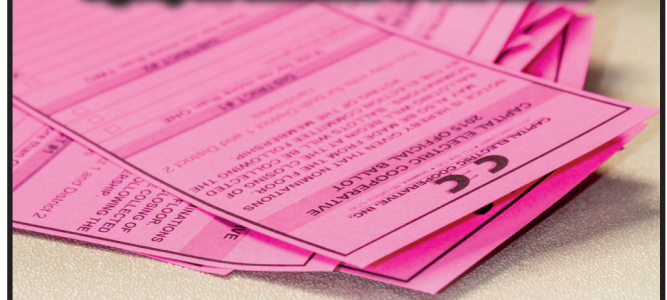
## Save the date for your annual meeting

**June 11  
Bismarck Event Center**

- Learn about co-op issues.
- Elect board directors to represent you.
- Enjoy a free meal.

## Online voting for directors

**Sign up for SmartHub to vote online!**



In addition to traditional in-person voting at our annual meeting June 11, Capital Electric Cooperative will again offer online voting through SmartHub, a web and mobile app that allows members to access their bill, manage their account and monitor electric usage. To register for the free resource, visit **[www.capitalelec.com](http://www.capitalelec.com)** and click on "New User? Register to use SmartHub!" at the top of the home page. You will need to enter your billing account number, last name and email address to sign up. ☎



## Capital Electric Cooperative offers student scholarship

Capital Electric Cooperative is offering a \$1,000 student scholarship, in partnership with Basin Electric Power Cooperative.

To qualify for the scholarship, students 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 parent(s) or guardian(s) 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](http://www.capitalelec.com)** or picked up at co-op headquarters at 7401 Yukon Drive in Bismarck. **Applications need to be completed and returned to Capital Electric on or before Friday, Feb. 16.**



## Board minute excerpts DEC. 15, 2023

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, Dec. 15, 2023. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck. All directors were present except for Kayla Pulvermacher.

**Also present were:** Manager Paul Fitterer, Business Manager Luke Steen, Operations Manager Jeff Holzer, Engineering Services Manager Greg Owen, Energy Services Manager Josh Schaffner, Manager of Communications and IT Wes Engbrecht and Attorney Zachary Pelham of Pearce Durick PLLC, who acted as recording secretary.

**Financial Review:** Prior to the board meeting, Directors Deon Vilhauer and Kyle Tschosik reviewed the November 2023 check register and expenditures. They advised all checks and expenditures were in order. The financial review was approved.

**Management Reports (Business Department, Operations Department, Engineering Services, Energy Services and Communications/IT):**

**Business Department Report:** Steen presented the November 2023 financial and statistical report to the board.

Revenue was behind budget for the month of November, as \$3,441,772 was generated in comparison with the budgeted figure of \$3,473,238 (unfavorable variance of \$31,466 or 0.9%).

Capital Electric's November load factor was ahead of budget by 6.96%.

The operating margin for November was \$112,179, behind the budgeted \$154,675. The total margin for November was -\$209,749, behind the budgeted \$165,823.

Capital Electric began billing 33 new services in November, bringing the active services to 22,219 versus 21,923 at this time last year, or a net increase of 296 accounts over the last 12 months.

The cash flow statement was reviewed and the accounts receivable balance as of Dec. 14, 2023, was reviewed.

**Estate Retirements:** Following review of the financial condition of the cooperative and recommendation by management, two estate retirements were approved for a total amount of \$1,947.36.

**External Audit of 2023 Financials and Operation Round Up:** Following discussion, execution of the engagement letters of Brady Martz for the external audit of the 2023 financials and Operation Round Up was approved.

**Operations Report:** Holzer reviewed the written report from the Operations

Department. Holzer reported crews have energized the underground lines for the ongoing 43rd Avenue project and are in the process of removing overhead line.

**Safety Report:** There were no lost-time accidents since the last board meeting.

**Engineering Services Report:** Owen reviewed the written report from engineering services. Twenty-two work orders were completed in November. Owen reported on ongoing and upcoming projects.

**43rd Avenue Fiber Repair:** Owen updated the board on damage caused to Capital Electric underground fiber infrastructure in 2022 by Knife River. The board approved to accept the insurance settlement offer to resolve the claim.

**N.D. Department of Transportation (DOT) Contract:** Owen reported DOT will be working on the I-94 interchange at Exit 161 and it will require relocating Capital Electric facilities. Following discussion, the board approved execution of the DOT contract as presented.

**Grant Opportunities:** Owen reported on pending grant applications. Following discussion, it was approved to authorize Capital Electric to be listed as the prime applicant on the North Dakota Association of Rural Electric Cooperatives' (NDAREC) directed grant funding application, subject to management's analysis of the scope of work and assumed risks.

**Property Update:** Owen reported all remaining personal property was moved out of the former administration building and the keys have been handed over to the new building owner.

**Energy Services:** Schaffner reviewed the energy services report. Twenty-six service orders were completed in November.

**Rural Economic Development Loan:** Following discussion, the general manager was authorized to submit and execute all documents required to complete the application of Two Track Malting Company's rural economic development loan.

**Communications and IT:** Engbrecht reviewed the communications and IT report.

**Rural Development Finance Corporation Grant Application:** Two applications were received and following discussion, the board approved the city of Lincoln's application.

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

**Policies:** Steen presented on the rate

schedule "55" coincident peak policy and the board approved the modification to IV-1 rate schedule 55 as presented. Steen presented on rate schedule "29" demand time of use and the board approved the modification to IV-1 rate schedule 29 as presented.

**Central Power Electric Cooperative:** Dave Charles reported on the Nov. 21, 2023, meeting.

**Industry Update:** Fitterer reviewed materials related to power markets and general cooperative news.

**NDAREC:** Fitterer reported updates on NDAREC and the annual meeting scheduled for February. Vilhauer was elected to serve as Capital Electric's representative on the NDAREC board of directors and Charles was elected to serve as Capital Electric's alternate representative on the NDAREC board of directors.

**Mid-West Electric Consumers Association Annual Meeting:** Charles reported on the annual meeting.

**Federated Insurance Report:** Fitterer reviewed reports.

**Cooperative Finance Corporation Report:** Fitterer reviewed reports. ☎

### CAPITAL ELECTRIC COOPERATIVE

7401 Yukon Drive  
Bismarck, ND 58503  
Website: [www.capitalelec.com](http://www.capitalelec.com)

#### BOARD OF DIRECTORS:

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Dave Charles, V. Pres. ....	Bismarck
Kyle Tschosik, Sec.-Treas. ....	Bismarck
Lyndon Anderson, Asst. Sec.-Treas. ....	Baldwin
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Dwight Wrangham .....	Lincoln
Kayla Pulvermacher .....	Lincoln
Sara Vollmer .....	Wing
Bret Weiland .....	Bismarck

#### OFFICE HOURS:

Monday-Friday : 8 a.m.-4 p.m.  
Office phone: 701-223-1513  
Toll-free: 888-223-1513  
Pay-By-Phone: 1-877-853-5928  
DAY-NIGHT-WEEKEND  
TROUBLE CALL: 223-1513

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