



CAPITAL ELECTRIC COMMENTS

Capital Electric Cooperative • Bismarck, N.D.
(701) 223-1513 or (888) 223-1513
www.capitalelec.com

SAVING ENERGY AND MONEY



Jason Hageness, president of Harlow's Bus Sales, knows efficient lighting can greatly reduce an energy bill. In this month's center pages, read how this Capital consumer benefitted by upgrading his company's lighting capabilities and saving money through the North Dakota Utility Rebate Program.

MAY 2011 IN THIS ISSUE

- Co-op hires IT specialist
- Berg steps up as staking engineer
- Scholarship winner announced
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- Meeting minutes ... and more



Jason Hageness, president of Harlow's Bus Sales, says the company has done a lot over the years to improve the electrical efficiency of its operation.

CO-OP MEMBER UPGRADES LIGHTS FOR ENERGY SAVINGS AND REBATE

Story and photos by Wes Engbrecht

Electric co-op members across the state have been enjoying the benefits of cash rebates on energy-efficient improvements for more than a year now. The North Dakota Utility Rebate Program, made possible with federal stimulus funds, is being managed for cooperative members through the North Dakota Association of Rural Electric Cooperatives. The program involves rebates on many energy-efficient products for consumers' homes or places of business, including the installation of replacement lighting systems. The rebate amount for lighting is based on the level of efficiency gained and is paid at a rate of 40 cents per-watt saved.

One of Capital Electric's long-time

business consumers, Harlow's Bus Sales, is making use of the rebate program and in the meantime saving money on the electricity used to light its new building. The company is in the process of moving its operations to an existing building in south Bismarck that was recently vacated by another co-op business consumer, Westcon, Inc. The building and adjacent lot provides the space Harlow's needs for bus storage and service. The building also has considerable office space for staff and room to grow. The new location will also feature improved road access for the company's fleet of school buses and motorcoaches.

Jason Hageness, company president, said prior to Harlow's relocating, staff discussed the new building's lighting and determined it was insufficient for their needs. They decided to replace all

existing light fixtures and add a considerable number of new, more energy-efficient light fixtures as they remodeled. Because of the available rebate and the opportunity to gain energy efficiency, they are also looking into new lights for the offices in the building. Jason indicates the North Dakota Utility Rebate Program is making it more affordable to complete the entire project.

"We have done a lot over the years to improve electrical efficiency in our operation. We have timers on all of the equipment so they run only as needed. There are a lot of buses in our lot that need to be plugged in during the winter, and the timers really help keep the electricity costs down," Jason relates.

Doug Mork, Capital Electric's member services director, says he is pleased to see consumers taking advantage of the rebate program. "Beyond the rebate, they should save a considerable amount on electric demand and energy charges. They will reduce the number of kilowatt hours they use and lower the capacity (demand) requirements on our system. It's a win-win situation for them and other businesses that make the change to more efficient lighting," Mork explains.

Capital Electric will be upgrading the electric service to Harlow's new location from single-phase to three-phase underground. According to Staking Engineer Mike Berg, "The lines that feed that location are single-phase lines coming from the southwest along 22nd Street. We will be changing that to underground, as well as upgrading Harlow's existing transformer and running a single-phase underground line to their bus parking area." Upgrading



Electric cooperative members can take advantage of the North Dakota Utility Rebate Program through December 2011 or until the funds have been depleted. For more information contact the member services department at Capital Electric at (701) 223-1513 or visit www.ndarec.com and click on Utility Rebate Program.

this service will be a great benefit to Harlow's as they will be able to keep their fleet of buses plugged in all winter.

A true family business

Harlow's Bus Sales, Inc. was founded in 1966 by Jason's father, Harlow Hageness, in Rolette. Harlow began his career as a mechanic for a bus company and later bought that family business. At that time, Harlow had the busing contract for the local school district and also sold school buses in North and South Dakota. In 1980, Harlow moved to Bismarck and began doing business. Since that time, Harlow's has moved into Montana, Idaho and Washington, and has 20 locations in all. They have 85 full-time employees and close to 600 in all.

Many people may not know that Harlow's is the contractor that provides the rural and city school busing for the city of Bismarck. "We provide a turn-key operation and handle everything relating to the busing service for the local school district," explains Jason.

"They trust us to do what we do best and we leave the education process up



On behalf of Harlow's, a Capital business consumer, Jason upgraded the company's lighting and took advantage of the North Dakota Utility Rebate Program.

to them," he says with a smile.

Harlow's is most well-known for their motorcoach charters, but they have multiple business entities including school bus, motorcoach and people mover sales and service. They have recently become an affiliated partner with Trailways, one of the largest motorcoach companies in North America.

Harlow Hageness is now 68 years old

and is chairman of the board for Harlow's. As company president, Jason operates the day-to-day operations of the multi-state business. Another brother, Jeremy, has been with the company for 18 years and currently manages operations in Libby, Mont. The third brother in the business is Justin, who just started out and is working in the Dickinson service center.



All the buses must be plugged in during the winter. To keep electricity costs down, Jason says the buses use timers so they only consume energy when needed.

Kensmoe excited about co-op opportunities

by Wes Engbrecht

Growing up on a farm west of McClusky, Kent Kensmoe understood what it meant to be a cooperative member. The family farm was on Verendrye Electric's lines and relied on the co-op to keep the farming operation going all year long. Kensmoe is the new information technology (IT) specialist at Capital Electric, and he brings with him the rural work ethic that is prevalent among North Dakotans. Kensmoe joined the co-op this past November, after working for National Information Solutions Cooperative (NISC) in Mandan for 12 years.

After college, Kensmoe had plans to take his agriculture degree from North Dakota State University, Fargo, and head back to the farm that his great-grandfather had homesteaded. Instead, the computer science portion of the agriculture program ended up steering him to a job in technology. He found a niche working for NISC and enjoyed the many challenges that came along with the job as the company grew.

"It was very hard to leave NISC; they had become like a family to me. This opportunity at Capital Electric just

seemed like a great opportunity for me to serve the rural folks that I grew up with," says Kensmoe.

He joined Capital Electric at a time when technology will change the way we serve our members. According to Kensmoe, "There are definitely a lot of cool things going on here. Our system will become more automated, improving our efficiency and making everyone's job easier."

One of Kensmoe's major goals will be to assist with the process of gathering vital co-op data from the system and making it usable. He adds, "The system we have is very complex. You have to be able to mine the data and present it so it makes sense to the average person."

Kensmoe's co-op duties will also include making sure the co-op's IT infrastructure is current and safe. Keeping our members' data secure is a high priority in this age of identity theft. Kensmoe says, "Our members trust us with personal information and we have to make sure it is safe, which means we have to keep our security up to date at all times."

Kensmoe and his wife Jo Lynn have 4-year-old twin daughters, McKenna and Kennedy, to keep them busy at home. Jo



PHOTO BY CARMEN DEVNEY

Kensmoe

Lynn, a nurse at St. Alexius, puts up with Kent's hobbies, which include mud racing in four-wheel-drive pickups, hunting and athletics. "Mud racing gets in your blood. Once you get muddy, you don't ever want to get clean," he jokes. Family life is still where it's at for Kent, just as it was in rural McClusky with his mom, dad and the grandparents all living on the same place.

Mike Berg moves into staking engineer position

After 3-1/2 years of working as lead lineman at Capital Electric's Wing outpost, Mike Berg is moving into the position of staking engineer. The job became available when Terry Mertz retired in May, after being employed by the co-op for almost 35 years.

Berg is a Wilton native with 12 years of electrical industry experience. He joined Capital Electric in 2007 after working as a lineman for two other electric cooperatives including Cass County Electric in Fargo.

As staking engineer, Berg will be involved with the implementation of the co-op's computerized staking system. This system will replace hand-written staking sheets, with all mapping and information available on a laptop. He will also be responsible for obtaining property easements, dealing with other utilities, and working with building contracts as they plan new home and commercial construction projects.

"I will miss the Wing area and the friendly people," says Berg. "When the staking engineer position opened up, it seemed like a great opportunity for me to try something new. I like working with people and the challenge of learning a new position is appealing to me."

The staking engineer position is an important part of the



PHOTO BY WES ENGBRECHT

Berg is prepared to take on the duties of staking engineer at the co-op.

process at the co-op and will keep Berg running. He continues, "I expect the job will keep me very busy, but I'm excited about it."

Berg lives on a farm south of Regan that he purchased shortly after moving back from Kindred. He helps his dad maintain a herd of cattle and jokes that cutting hay is his hobby. He also spends time snowmobiling in Wyoming and Montana and boating in the nearby lakes.

Katie Carpenter earns scholarship

This year's winner of a \$1,000 scholarship from Capital Electric is Katie Carpenter of Moffit. Katie, a senior at Hazelton-Moffit-Braddock High School, is the daughter of Capital Electric members David and Vicki Carpenter.

Katie plans to continue her education and pursue a career in the medical profession. "I plan on continuing to work hard and to be the best I can be in everything I do," she says. In her spare time, Katie likes to volunteer in her local community. She also enjoys music and theatre, and has performed in choir, band and theatre for several years. According to Katie, "I think the most important quality a person needs to be successful in life is a good work ethic. Respect and kindness toward others are also very important."

Capital Electric congratulates you, Katie, on your achievement and wishes you the best in your future. We are proud of you!

The annual scholarship is awarded to member-dependents and is made available through Basin Electric Power Cooperative's scholarship program. The scholarship winner is chosen through an independent process with three judges from outside of the local area.



ROBERT KNUTSON PHOTOGRAPHY

Carpenter

About the scholarship program...

The Basin Electric Power Cooperative scholarship program awards 180 scholarships in the amount of \$1,000 each. Five of the 25 scholarships for children of Basin or subsidiary employees

are designated for qualified applicants who plan to attend a certified vocational or technical school, and two of the 25 are designated for qualified applicants who plan to achieve an

engineering degree. Twenty go to children of member-cooperatives' employees, and 135 to children of member-cooperative consumers. There is one \$1,000 scholarship for each member-

cooperative to award to a dependent of a consumer-member. Since the scholarship program began, more than 2,300 young people in the Basin system have benefited from this program.

Co-ops bring expertise to Home Show

Capital Electric and other local cooperatives participated in the annual Bismarck-Mandan Home Builders Association Home Show March 10 to 12 at the Bismarck Civic Center. This year's event was a success in spite of a rough day of weather on the opening Friday.

Josh Schaffner, Capital Electric's member services assistant, says he enjoys the opportunity to talk with many of our electric consumers during this event. "We're not only there to help our members become more knowledgeable on the energy-efficient products and services available from the local cooperatives, but also to inform them of what we are doing to keep energy costs low for years to come," he says.

Capital Electric Communications Director Wes Engbrecht adds, "We try to make a lot of information available to co-op members in our region at this event. It's also a great opportunity for them to get to know the co-op employees and make a personal connection."



PHOTO BY WES ENGBRECHT

Capital's Member Services Assistant Josh Schaffner (left) answered many questions throughout the Home Show. It was a good opportunity to help our members plan their home improvements for the upcoming building season.

Co-op announces candidates seeking board of director positions

Elected to serve three-year terms, the nine co-op members who make up the Capital Electric Cooperative board of directors set policies and make decisions which provide the membership with affordable and reliable electric service.

At this year's annual meeting on June 1, members will elect three people to serve and carry on the traditions of Capital Electric while planning for the future. The open board seats include one currently held by Rodney Eckroth in District 1, and two presently held by Kyle Hilken and Rex Hollenbeck in District 2. All three incumbents will be seeking re-election to their respective seats on the board.

The Nominating Committee recruited candidates and met on April 12 to review the list of potential candidates. One person was nominated from District 1 and five were nominated from District 2. In addition, interested candidates can have their names added to the ballot by petition at least 30 days prior to the annual meeting or from the floor at the meeting.

Capital Electric is pleased to announce that the following

candidates have met eligibility requirements and will have their names placed on the ballot at the annual meeting:

DISTRICT 1:

Rodney Eckroth

DISTRICT 2:

Kyle Hilken
Rex Hollenbeck
LeAna Hug
William Patrie
Leo Voigt

Candidates will be given a brief time allotment at the annual meeting to introduce themselves and explain their qualifications. Members will then vote for one candidate from District 1 and two candidates from District 2. Official notice of Capital Electric's 65th annual meeting will be mailed to members later on this month.

Recap of the 2010 annual meeting...



PHOTOS BY CARMEN DEVNEY



SAVE THE DATE!

WHAT: Capital Electric's annual meeting

WHEN: Wednesday, June 1

WHERE: Ramkota Hotel, Bismarck

WHY: To learn about co-op issues; to cast your vote and elect three members to serve on the board of directors; to collect a capital credit claims check if you qualify; and to enjoy entertainment and eat a hearty meal.

ATTEND JUNE 1, 2011!

Who can vote at the annual meeting?

With June 1 quickly approaching, we often receive questions as to who can and cannot vote for director positions and ballot issues during this meeting. To clarify who can and cannot vote: Only members of the cooperative are eligible to vote, and they can cast only one vote for their membership, regardless of the number of accounts that member has with the cooperative. For example, if the membership is in the husband's name only, only the husband is eligible to vote; he cannot transfer that ability to vote to his spouse or another person.

If the membership is a joint membership, in the name of both the husband and wife, the presence of either or both at the meeting shall be regarded as the presence of one member at the annual meeting. A vote of either joint member separately, or both jointly, shall constitute one vote. Both joint members are

not eligible to vote individually.

If the membership is in the name of a sole proprietorship or a partnership, only the owner(s) of that business may vote. A sole proprietor or partner cannot authorize a nonowner of the business to vote.

In the absence of written notice that some person has been designated to represent a member who is other than a natural person—for instance, a township, school or an incorporated business—such member may be represented by any of its principal officers. If a member who is other than a natural person is not represented by any of its principal officers, such member may designate a natural person to represent it by giving the cooperative written notice at or before the member meeting, which shows that the named representative has been authorized by the managing board of such member to represent it at the meeting of the coopera-

tive. An authorization form is printed below for this purpose. The form can also be accessed online by going to www.capitalelec.com and clicking on "Forms" and then "Annual Meeting Appointment of Voting Representative."

An individual may represent only one non-natural member, and may also vote as an individual if he or she is a member.

Voting by proxy will not be allowed because the presence of as many members as possible is desired at all meetings of the membership. Proxy voting has the tendency to discourage actual attendance at membership meetings.

A complete version of the membership voting rules can be found in Article III, Section 5 of the Capital Electric Cooperative bylaws. If you have any questions, give the office staff at Capital Electric a call at (701) 223-1513. We look forward to seeing you at the annual meeting on June 1!

APPOINTMENT OF VOTING REPRESENTATIVE FORM

A membership in Capital Electric Cooperative, Inc. may be held in the name of a corporation, church, school district or other political subdivision, cooperative, association or other organization. If your organization is to be represented at our annual meeting, complete this form and either deliver it to Capital Electric Cooperative anytime prior to noon June 1 or your authorized representative can present this completed form at the registration desk at the meeting.

This certifies that _____ is appointed the voting representative for the following organization _____ (full legal name) which has service at _____ and is authorized to cast the vote of, and otherwise represent this organization in all matters at the _____ (year) annual meeting of the members of Capital Electric Cooperative Inc. or any adjournment thereof.

Organization Name (Print) _____

Is Organization a Corporation? _____

Name of Officer/Official (Print) _____

Title _____ Date _____

Officer's Phone # _____

**Must be signed by officer or authorizing official*

This is not a proxy statement. Residential and privately owned business customers (i.e. sole proprietorships, partnerships, etc.) cannot use this form. They must vote in person at the annual meeting.

Mail forms EARLY to:

Capital Electric Cooperative Inc.

RE: Annual Meeting

P.O. Box 730, Bismarck, ND 58502-0730



BOARD OF DIRECTORS



Wrangham



Olson



Liuska



Mund



Haugen-Hoffart



Eckroth



Hilken



Hollenbeck



Vilhauer

CAPITAL ELECTRIC COOPERATIVE *board minutes report*

March 18

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc., was held March 18 at co-op headquarters in Bismarck.

Financial review (February 2011): Prior to the Board meeting, Directors Liuska and Hollenbeck reviewed the February 2011 check register and expenditures. Liuska reported all checks were in order. It was moved, seconded and carried to approve February expenditures in the amount of \$2,441,495.17.

Business department report: The manager reviewed the February financial and statistical report with the Board. Total kilowatt-hour (KWH) sales reported for February 2011 were above budget by 5.0 percent. The actual monthly electric revenue is up 3.4 percent over budget.

The margin for February is \$121,633 versus the budgeted margin of \$123,313, a difference of a negative \$1,680, or -1.36 percent. The year-to-date margin is \$287,887, below the budgeted margin by \$49,613, or -14.7 percent. Although sales have been up, operations and maintenance costs have been higher than expected so far this year.

In February, 13 new services were billed, bringing active services to 15,698.

Rural Utilities Service (RUS) audit: Greg Gustin from RUS was in our office the week of Feb. 28 to perform the biannual loan fund and accounting review. Gustin's review found that everything was properly accounted for except \$957,000 relating to transmission for the Ward Delivery Substation. It was determined that Capital self-financed this and never put it into the loan workplan and it should not have been reimbursed for this. Gustin assisted with sending another letter that transfers the reimbursement to other projects that have been completed. The net effect is \$0.00 to Capital.

The manager reviewed the comparison of actual-to-budgeted expenses for the month of February. Accounts receivable balances as of March 17 were reviewed.

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 members' estates:

William I. Patterson \$658.67
 Walter V. Martin 503.99
 Marion McPeak 8,257.40
 Dale Frafjord 953.56
 TOTAL \$10,373.62

Eide Bailly Federal Emergency Management Agency (FEMA) audit: The audit engagement letter from Eide Bailly for the FEMA audit was present-

ed. The cost of this audit will be \$2,000 to \$5,000. It was moved, seconded and carried to accept the Eide Bailly engagement letter.

McLean Sheridan Revision 22: The manager discussed the changes to Exhibit A based on the rate from Central Power Electric Cooperative. It was moved, seconded and carried to enter into an agreement.

Capital credit retirement: The manager discussed capital credit retirements as well as the potential forecast and possible adjustments to the capital credit retirements. It was moved, seconded and carried to pay all capital credits from 1995.

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

Projects for this coming construction season are being planned and materials for the SCADA monitoring at the Menoken and Riverview substations are being ordered. Wiring the control building at the Menoken substation has been started.

JB Construction has completed all of our slough poles and is now working on inserts and side guying some of the transmission poles. Fisher Construction started trenching in new services. Crews are still doing line inspection and trimming trees where needed.

The new pickup for unit #76 was received this month and it has been rigged up to be a line truck. The Bobcat T55 mini excavator for backyard work was also received this month. It is a walk-behind loader, trencher and backhoe.

Member services department: The manager reviewed the written report from the member services department.

Training sessions for the installation and maintenance of Econar geothermal heat pumps were held in Minot and Dickinson. Capital is the principal distributor of Econar products in North Dakota and Josh has been working hard to get area contractors trained, which makes our jobs easier. The Econar representatives were able to accompany Josh to inspect several recent installs in Capital's service area.

The member services director met with the design engineers for KLJ recently to finalize plans for the Century Avenue transmission reroute. The engineers provided final elevation data for the proposed pole locations, and the location of storm sewer, water lines and gas lines which may impact these locations was discussed. Several adjustments were made in our design because of storm sewer and sidewalks, but overall very few changes were required. Materials are ordered for this

reroute project so it can begin in late April.

Communications and public relations department: The manager reviewed the written report from the communications and public relations department. Capital personnel joined Mor-Gran-Sou Electric, Roughrider Electric and Basin Electric at the Bismarck-Mandan Home Builders Association Home Show held at the Bismarck Civic Center March 11 to 13. This event is vital to us getting information to consumers as another building season is entered.

This year's Basin \$1,000 scholarship was awarded to Katie Lynn Carpenter of Moffit.

On April 25, there will be an open house at Capital for Terry Mertz's retirement.

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

Mid-West report: The manager presented the Mid-West Water and Power Committee report and the 2012 rates. The manager discussed the Western Area Power Administration 2021 power marketing initiative.

Central Power report: Director Mund reported on Central Power matters. Central Power's annual meeting will be held later this month and all Capital directors plan to attend.

Basin Electric report: Basin's average member mill rate forecast was discussed. Basin has notified us that an allocation of capital credits has been made to Capital in the amount of \$358,901.02.

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

CAPITAL ELECTRIC COOPERATIVE

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Bismarck, N.D. 58502-0730

Web site: www.capitalelec.com

BOARD OF DIRECTORS:

- Dwight Wrangham, Pres.Bismarck
- Arlene Olson, V. Pres.Wing
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- Ervin Mund, Asst. Sec.-Treas. ...Bismarck
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DAY-NIGHT-WEEKEND

TROUBLE CALL: 223-1513

24 HOURS A DAY

A Touchstone Energy Cooperative