



## CAPITAL ELECTRIC COMMENTS

Bismarck, N.D. - (701) 223-1513 or (888) 223-1513  
[www.capitalelec.com](http://www.capitalelec.com)

# *Walking* **the walk**



*Capital members Kurt and Dana Fleck recently retrofitted their gas propane furnace with a geothermal heating and cooling system. In this month's center pages, read why Kurt feels strongly about promoting the product, and when the couple anticipates seeing a return on investment.*

# CO-OP REBATE PROGRAM ENDS IN DECEMBER

## Members retrofit and save

Story and photos by Carmen Devney

**K**urt Fleck talks the talk. And because he believes in walking the walk, he felt the right thing to do was to install a geothermal heating and cooling system in his house — the very same product he promotes through his business, Western Drilling, Inc.

As a contractor who installs exchange systems for ground-source heat pumps, Kurt knew he could improve the performance of his home's propane gas furnace by retrofitting it with a geothermal unit and increasing its efficiency from 95 to 400 percent. He was also familiar with the North Dakota Utility Rebate Program (see C4) and knew he needed to purchase and install his heat pump by the end of this year to take advantage of his electric co-op's rebate program.

Kurt and his wife, Dana, are Capital Electric members who live northeast of Bismarck. When they built their house back in 2001, they chose to heat their home and shop with propane. Within the past few years, the rising cost of propane and Kurt's desire to promote geothermal prompted the couple to purchase two units: a new one for the house, and a used one for the shop.

Josh Schaffner, member services assistant at Capital Electric, says most retrofits are either a stand-beside furnace or a complete furnace change-out, where the member gets rid of the furnace altogether and puts in a forced-air geothermal system. But the split system the Flecks had installed is like a new air conditioner.

"Instead of the air conditioning unit being outside and the air coil being inside the furnace, it's a geo coil and the geo unit is inside. So instead of taking their existing gas furnace out and selling it, they keep it and do not need two air handlers," Schaffner explains.

The Flecks will still use propane to power the water heater. Propane is also their secondary source of heat, so if the geothermal system cannot handle the load, the propane will automatically turn on until the house returns to the established temperature. Then the propane will shut off if the geothermal system can maintain the temperature. Because the Flecks use both electricity and propane, they qualify for Capital Electric's off-peak and dual-fuel electric rates.

While Kurt and Dana agree that geothermal is a significant investment, they've witnessed through Kurt's business that they'll see a substantial return on investment.

"To me, geothermal is a promising resource for current and future energy needs. It is by far the most efficient system out there today in heating and cooling," Kurt asserts. "Instead of giving a vendor \$300 a month for propane, now I'm putting \$300 in my pocket. Over the course of 20 years, it figures out to be about \$72,000. I'd say it pays for itself several times."



*Capital members Kurt and Dana Fleck and their three children live a few miles northeast of Bismarck. Even though the couple has no plans to sell their home, Dana explains that geothermal would make their home more valuable upon resale.*

### Western Drilling, Inc.

Insured and bonded by the state of North Dakota, Western Drilling, Inc. provides services for geothermal drilling, safety consulting, water well drilling, water treatment, cattle watering system, pump installation, pipelines, excavating and trenching. For more information on Western Drilling, call (701) 400-2947 or visit <http://www.ppsonline.com/>.



Inside the house, the Flecks retrofitted their furnace to include an Econar® geothermal system. With the split system, the Flecks use electricity as their primary source of power and propane as their back-up source.



Outside in the shop, the Flecks installed a used ground-source heat pump. Kurt says the unit is ideal because he's not looking to cool the air, but rather heat the shop to about 50 degrees in the winter time.

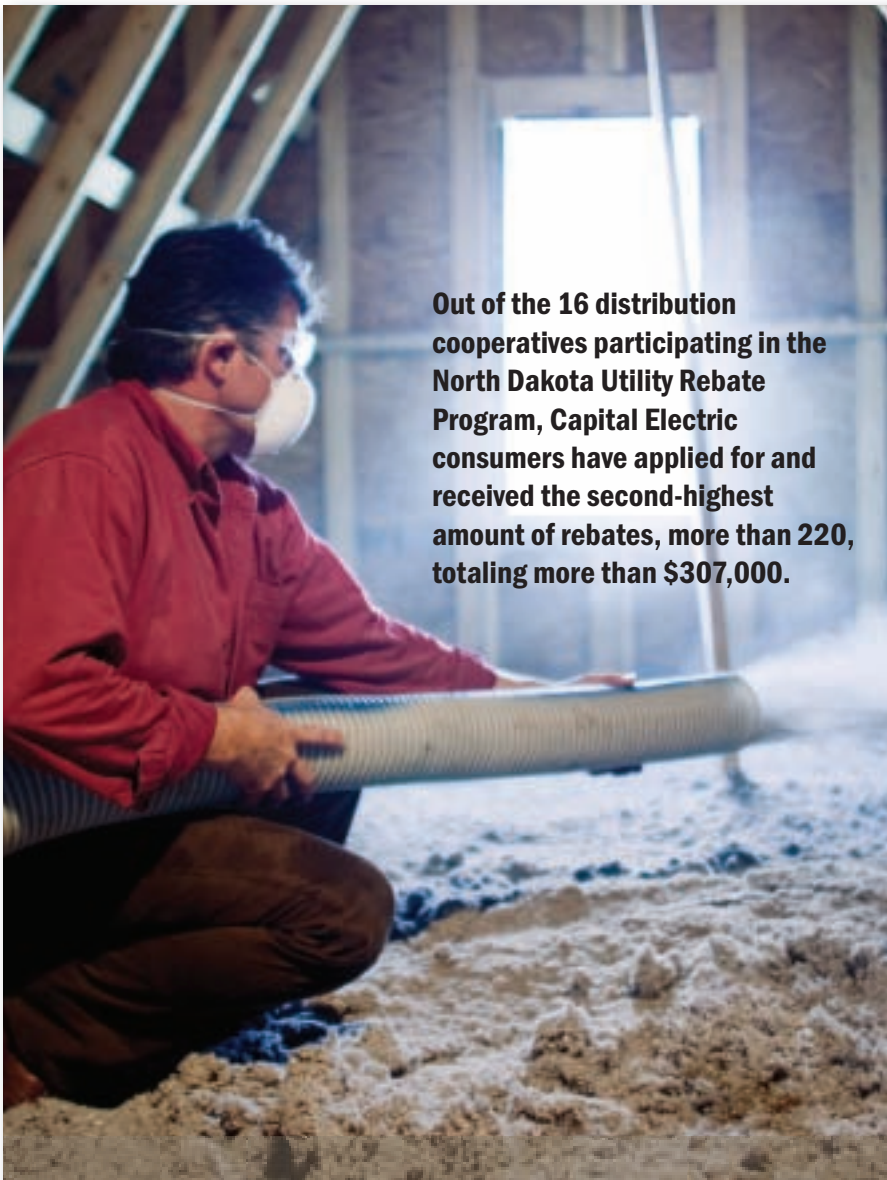
## Meet your Capital Electric neighbors:

- Kurt Fleck owns Western Drilling, Inc., a well drilling and excavating service in Bismarck. Prior to starting the business in 2006, Kurt worked as a state safety officer for the N.D. National Guard for 14 years. In 2009 he deployed to Kosovo for one year, to serve as the Task Force Falcon Command Inspector General. Kurt still works part-time for the Guard, and is slotted in the International Affairs Officer position.
- Dana Fleck is a registered nurse and stay-at-home mom who volunteers at the school as a school health nurse. She says she likes to take care of people, and jokes that she manages the house — and her husband — as best she can.
- In addition to operating Western Drilling, Kurt also enjoys his time spent working outdoors on his cattle ranches: one near Driscoll and another south of Mandan.
- The couple has three children: Carlee, 17, Caitlin, 14, and Cole, 11.



COURTESY PHOTO

Following the purchase and installation of their geothermal system, the Fleck family received \$2,400 back thanks to the North Dakota Utility Rebate Program and Capital Electric Cooperative. Pictured on a family vacation are (l-r) Dana, Caitlin, Kurt, Cole and Carlee.



**Out of the 16 distribution cooperatives participating in the North Dakota Utility Rebate Program, Capital Electric consumers have applied for and received the second-highest amount of rebates, more than 220, totaling more than \$307,000.**

## The North Dakota Utility Rebate Program

Launched June 1, 2010, the North Dakota Utility Rebate Program (NDURP) became available through North Dakota's 16 electric distribution cooperatives operating with a grant from the N.D. Department of Commerce. The grant from the department was made possible through a provision of the American Recovery and Reinvestment Act. The program was designed to offer more than \$2 million in rebates to electric cooperative members who purchased and installed qualifying products and services such as energy-efficient central air conditioners, air-source and geothermal heating

systems, energy audits, attic and wall insulation, and more. Residents can claim up to \$5,000 in rebates and businesses can get up to \$15,000. Rebate amounts vary and there are limitations to the program.

The North Dakota Association of Rural Electric Cooperatives (NDAREC) administers the program from its headquarters in Mandan. Since the inception of the program, NDAREC has awarded more than 1,500 rebates totaling more than \$1.7 million to electric cooperative members. Out of the 16 distribution cooperatives participating in the program, Capital Electric con-

sumers have applied for and received the second-highest amount of rebates, more than 220, totaling more than \$307,000.

Jane Porter, finance director for NDAREC and chief administrator of the program, says some of Capital Electric's most requested residential rebate categories across the state have been geothermal heat pumps, air-source heat pumps, air conditioners and water heaters. For commercial rebates, the most requested category has been lighting retrofits.

As of Aug. 15, around \$500,000 in rebates is still available and waiting to be claimed. The program will continue through Dec. 31, 2011, or until the funds are spent — whichever occurs first.

While it's hard to predict how fast the remaining rebates will be claimed, one thing is certain: Capital Electric members still have a few months to make residential and commercial improvements, and receive money back — now, with a rebate from the NDURP, and in the future, with lower energy bills.

### To take advantage of the NDURP:

- 1) Members and contractors should stop by Capital Electric Cooperative headquarters, or contact the co-op at (701) 223-1513.
- 2) Get the applicable rebate form.
- 3) Study the specific product requirements.
- 4) Talk to cooperative staff to make sure a product meets those specific requirements.
- 5) Ask the member services department to verify there is still money available through the stimulus rebate program.
- 6) Purchase the energy-efficient product and have it installed.
- 7) Fill out the rebate application and return the completed paperwork to Capital Electric Cooperative.

You must include a receipt that shows the date of purchase is June 1, 2010, or later. Once the paperwork is filled out and returned, it will then be submitted to NDAREC, which will review the information for eligibility. NDAREC will then issue a rebate check and forward it on to Capital Electric for delivery to the consumer. All rebates

will be handled on a first-come, first-served basis. The program ends when the money runs out, or on Dec. 31, whichever comes first.

To learn more about the North Dakota Utility Rebate Program, call the member services department at Capital Electric Cooperative at (701) 223-1513 or visit [www.ndarec.com](http://www.ndarec.com) and click on Utility Rebate Program.

### Do you qualify for a flood rebate?

Flood rebates have been added to the North Dakota Utility Rebate Program for qualifying FEMA-registered homeowners for replacement of heating and cooling systems or water heaters damaged by flooding this year. Capital Electric and the other affected distribution cooperatives across the state can now offer an additional \$400 for qualifying central air, air-source and ground-source heat pumps, and \$100 for demand-response and heat pump water heaters. These rebates are in addition to the rebates offered under the current rebate program.

As an example, a residential flood victim who installs a three-ton, tier 2 air-source heat pump would be eligible to receive \$1,200 under the original rebate (3 tons times \$400/ton) and an extra \$400 flood rebate for a total of \$1,600.

If you qualify and wish to receive the additional rebate, please submit with the regular application form a copy of your FEMA disaster assistance letter, together with a statement from yourself or from a Capital Electric member services representative indicating that the new system replaces equipment damaged by flooding.

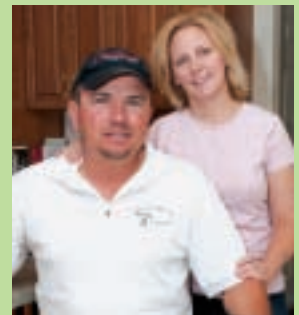
**Insulation update:** Some homeowners are also replacing insulation damaged by flooding, and we have been asked questions about whether or how flood victims might qualify for rebates for replacement. The N.D. Department of Commerce (DOC) has indicated they understand that flood-damaged insulation has to be replaced and has no insulation value. Thus, flooded homeowners can qualify for the insulation rebate if replacing water-damaged insulation. To qualify for the self-installation rebate, however, the DOC has indicated that an energy audit will still be required.



**Flood rebates have been added to the North Dakota Utility Rebate Program for qualifying FEMA-registered homeowners for replacement of heating and cooling systems or water heaters damaged by flooding this year.**

## Tax credits still available

In addition to the \$2,400 Kurt and Dana Fleck received thanks to the North Dakota Utility Rebate Program and Capital Electric Cooperative, they also qualified for state and federal tax credits. In next year's tax return from the state, the Flecks will start receiving a credit on their renewable energy investment equal to 15 percent over a five-year period. For their federal return, they will receive a 30 percent credit of their investment.



For more information on federal tax incentives, visit [www.energystar.gov](http://www.energystar.gov) and click on "Tax Credits for Energy Efficiency."

For more information on state tax credits, visit [www.nd.gov/tax/taxincentives/income/energycrredit.html](http://www.nd.gov/tax/taxincentives/income/energycrredit.html).

## Pumpkin patch changes location for 2011 season

Due to flooding at Papa's Pumpkin Patch north of Bismarck, Capital Electric member and patch owner Dave Pearce announces his family will be unable to host the patch at their home for the 2011 season. Instead, he welcomes guests to visit the patch at Dacotah Centennial Park in Mandan. The patch will be open daily Sept. 12 through Oct. 22 from noon to 7 p.m. The park is located at 2500 Longspur Trail, or just behind Bill Barth Ford on the strip in Mandan.

"At first, moving the magic of the patch was daunting," says Pearce. "With the facilities the Mandan Park Board has made available, our family is excited to prepare for the opening."

Pearce said visitors should expect all of the fun they've come to enjoy at Papa's home location, plus new additions.

"The ability to be creative with what nature has given us is at the heart of Papa's," Pearce says. "Whether it's pumpkin paths or bale castles or zip lines or obstacle courses, we love to take what we have and create something new and fun for kids of all ages to enjoy."

Along with picking pumpkins, Papa's offers pony rides, horse-drawn hayrides, monster wagon rides, Papa'sville play structures, the Special Olympics Trebuchet, pumpkin cannon and dozens of fall photo opportunities.

Admission to Papa's Pumpkin Patch is \$3 per person, with children under 3 being free. Some activities, including pony rides and hayrides, cost extra.

For more information on Papa's Pumpkin Patch visit [www.papaspumpkinpatch.com](http://www.papaspumpkinpatch.com) or join Papa's on Facebook at [www.facebook.com/papaspumpkinpatch](http://www.facebook.com/papaspumpkinpatch).



Typically an event held in the Capital Electric service area, Papa's Pumpkin Patch will be held at Dacotah Centennial Park in Mandan for the 2011 season because of flooding. Papa's annually welcomes nearly 5,000 school children for field trips and day trips, along with 45,000-plus visitors. Since its beginning, Papa's has focused on families, education and fun, and has contributed more than \$225,000 in cash and in-kind gifts to charitable organizations.

## FARM SAFELY around POWER LINES

As we observe National Farm Safety and Health Week Sept. 18-24, Capital Electric Cooperative reminds you to work safely on the farm and ranch. We care about your safety.

**The following tips will help keep everyone on the farm safe:**

- Look over work areas carefully for overhead power lines and utility poles.
- Make sure there are ample clearances of power lines when moving large machinery such as combines, grain augers, sprayers and tractors. Do this every year as equipment sizes or soil conditions may change. A newer, larger piece of equipment may no longer clear a line. And shifting soil may also affect whether or not machinery avoids power lines from year to year.
- When planning new construction, consider existing power lines.
- Be extra careful when working around trees and brush that often obstruct power lines.
- Train all farm workers on how to properly operate machinery to avoid overhead power lines.



# CAPITAL CREDIT CLAIMS

## Notice of redemption by Capital Electric Cooperative, Inc.

Listed below are the names of former Capital Electric Cooperative, Inc. members who had capital credit checks mailed to them in June of the year 2005. These checks have been returned to Capital Electric Cooperative by the postal service because they could not locate the members at the address on file. A further search by Capital Electric personnel has not turned up their whereabouts.

If you received electrical service from Capital Electric Cooperative, Inc. any time during the year 1989 and your name is on this list, please contact our office. If you know of the whereabouts of members on this list who received electrical service

from Capital Electric Cooperative, Inc. any time during the year 1989, please have them contact our office at (701) 223-1513.

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

We will redeem capital credits for those members on the following list who notify us prior to Dec. 1, 2011. Notice is hereby given that any of the aforementioned unclaimed capital credits outstanding after Dec. 1, 2011 will be forfeited pursuant to Section 10-15-34.1 and 10-15-23 of the North Dakota Century Code.

### 3RD NOTICE – SEPTEMBER 2011

ANDERSON-DENNETT,  
PINKY  
ANDERSON, BETTY E.  
ANR FREIGHT SYSTEM  
BAKER, THERESA  
BARNHARDT, BRENDA  
BERGAN, HOLLY  
BERKRAM, DENNIS  
BLUE, DENNIS  
BOOM, LORI  
BOSCH, TONY  
BROWN, CHRISTOPHER R.  
BROWN, FRANK N.  
BRUGH, MAVERIG  
BURKHARDT, TONY  
BURNT CREEK MARKETING  
CARRY MOCCASIN, JULIE  
CARTER, MARK  
CONNOR, WILLIAM P.  
D & L DISTRIBUTING/SALES  
DAVIS, ED  
DAYSRING BAPTIST  
DEEN, FRANK A.  
DEMENT, GARY  
DESJARLAIS, SHEILA  
DEWALD, MONICA  
DEWING, WAYNE R.  
DIETZ, DEAN R.  
DIZAYEE, AHMED  
DOCKTER, LYDIA  
DOUGHERTY, COLLEEN  
DUKART, CHARLES R.  
EATON, CHARLES  
ENGELKEN, LAURIE  
ERICKSON, BONNIE  
ERICKSON, GREG

EVANS, MARK A.  
FEARS, TROY  
FENNER, MYRON  
FIRST FEDERAL S & L  
FIRST TRUST  
COMPANY OF ND  
FLANAGAN, DANIEL B.  
FRANK, RONALD J.  
GITTEL, BRENT C.  
GRACE, JOHNSON  
GREAT PLAINS SUPPLY  
HAGADONE, BRAD A.  
HANCOCK, JERRY  
HANSON, CHERYL A.  
HAYCREEK COURT  
HAYDEN, GARY  
HEINZ, GREGORY  
HERTZ, REINHOLD  
HIGDON, TINA M.  
HILLS, SHIRLEY S.  
HOGGARTH, CLEON  
HUFFORD, WALTER  
INTERIOR WOOD PRODUCT  
JACKSON, MIKE  
JOHNSON, KERI  
JOHNSTON, PHYLLIS D.  
JULSON, EMILIE M.  
KELLEY, E. M.  
KEMP, FRANK W.  
KENDALL, TERESA  
KIMBLE, ARTHUR O.  
KIRSCHENMANN, KORY  
KUNTZ, ED  
LAGESON, HELENE  
LAWLAR, EILEEN M.  
LEIN TOWNSHIP HALL

LINCOLN CABLE TV  
LINCOLN MEADOWS  
LUBBEN, SAUNDRA  
DOWNEY  
LUOMA, KURT E.  
MASSETH, TONY  
MASSINE, YVONNE H.  
MASTER MACHINES  
& WELDING  
MCCABE, TERI  
MCDOWELL, HARLEY  
MEANS, LARRY  
MONTGOMERY, LYNN D.  
NAGEL, ALICE  
NASH, KENNETH H.  
NICHOLSON, RAD E.  
ODEGARD, JIM  
OLSON, JOHN L.  
OSTERLUND, MICHAEL  
PARKER, JOHN  
PARSONS, DALE  
PC GROUP INC  
PIPPENGER, JACKIE G.  
PROSS, KIM  
RAUNIO, RICHARD L.  
RECROFT, ROLLIN R.  
RED INCORPORATED  
REDINGTON, DONALD  
REILES TRANSFER  
& DELIVERY INC.  
RENDEN, WALTER D.  
RENZ, BRIAN  
SAFEAIR SYSTEMS  
SCHATZ, DENISE  
SCHERR, ALVINA C.  
SCHMIDT, HILDA

SCHMIDT, JO  
SCHULER, PAUL  
SCHULTZ, TRACY  
SCHULZ, DAVE A.  
SCHUMACHER, SUSAN J.  
SCHWARTZ, FRED  
SENZEK, ERIC G.  
SHOEMAKER, DONALD D.  
SKEI, WILLARD H.  
SPENCE, CECIL  
STOVER, ALAN D.  
SZYMIALIS, A RICHARD  
THIBERT, RICHARD  
THREE LEGS, MYRNA  
TIEDEMAN, JON  
TIMM, KELLY  
TRI-R-TRUCKING  
US INDUSTRIAL SERVICE  
UTKE, GREG  
UZNANSKI, KENNETH M.  
VEAZEY, DORIS K.  
VETTER, LINDA F.  
WARREN, LU NITA  
WEBER, LOU  
WENTZ, THOMAS J.  
WERNER, NANCY A.  
WILZ, WILLIAM J.  
WOLF, MIKE  
WOLF, SHIRLEY  
WUNDER, JOHN  
WURZER, RON  
ZACHER, BARRY  
ZENTER, ELLA  
ZEPHIER, LISBETH

July 22

The regular meeting of the Board of Directors of Capital Electric Cooperative, Inc. was held July 22 at co-op headquarters in Bismarck.

**Financial review (May 2011):** Prior to the board meeting, Directors Liuska and Hollenbeck reviewed the June 2011 check register and expenditures. Liuska reported all checks were in order. It was moved, seconded and carried to approve June expenditures in the amount of \$2,592,728.42.

**Business department report:** The manager reviewed the June financial and statistical report with the Board. The total kilowatt-hour (KWH) sales reported for June were below budget by 8.6 percent. The actual monthly electric revenue is down 7.1 percent from budget. Year-to-date, actual KWH sales are over budget by 5 percent.

The margin for June is -\$258,714 versus the budgeted margin of -\$192,168, under budget by \$66,549. The year-to-date margin is \$610,382, above the budgeted margin by \$143,042, or 30.6 percent.

Capital Electric began billing 47 new services in June.

We continue to receive a number of calls regarding the flood. Members are encouraged to have a backup generator in case Capital Electric is unable to safely restore power due to the high waters.

Staff continues looking into costs and processes for prepaid metering. We have successfully set up and tested the remote disconnect meters and the interface between our iVUE billing software and TWACS system. We have been discussing the benefits of a virtual server. The virtual server is a single server that contains duplicate parts, processors, etc., in order to create redundancy, scalability and less maintenance. It also contains more horsepower and is intended to replace individual servers in order to reduce long-term costs. If we go with prepaid metering in 2011, the IVR phone piece requires a separate server, which could run on a virtual server. In 2012, our iVUE server and TWACS servers are both due for replacement and we are planning to budget for NISC's Vault which integrates all of our scanning processes right in iVUE. In summary, we feel we can replace all of our servers (except SCADA) by purchasing a virtual server and we should do so when we purchase our next server of any type.

The business manager has run the financial forecast scenarios for the Board. It was noted as TIER goes down, the required revenue goes down, equity ratio drops, and interest expense will curve upward as more loans are required to finance our construction and/or operating costs. The opposite occurs as the TIER goes up. As we bring back revenue deferrals, we receive a one-time reduction of required revenue for that year, effectively pushing off part of the rate increase for a year.

**Basin Electric Power Cooperative increase:** Basin just completed their 2012

rates. Capital Electric's power cost is estimated to increase by approximately 6.4 mills/KWH, beginning Oct. 1.

The manager reviewed the comparison of actual-to-budgeted expenses for the year-to-date through the month of June. Accounts receivable balances as of July 21 were reviewed.

It was moved, seconded and carried to approve Attachment #1, 2 and 3 to Rate Schedule "PG".

**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:

Everett Dutton	\$2,346.20
Eddie Kauk	949.34
Ben Glatt	549.59
Bertha Elhard	502.83
TOTAL	\$5,187.45

**Engineering and operations report:** The manager reviewed the written report from the engineering and operations department. Thirty-nine work orders were completed this month, adding 43 new consumers to the system.

Ron Lipp met with the operations manager for the Bismarck Airport on July 13 to go over an easement that we would like recorded. Lipp explained the reroute and they will get the appropriate signatures and send back to us for recording. Lipp also attended the July 14 homeowners meeting at Hogue Island.

On July 19, Lipp took two representatives from the Federal Emergency Management Agency (FEMA) and one state representative to Sheridan County to look at some of our poles that were in sloughs. They were going to write a PW on the broken poles, and one for Burleigh County on all of our submerged transformers and sectionalizing enclosures.

Capital Electric peaked on July 19 at 68,149 kilowatts plus Goodrich and McClusky. This is an all-time peak.

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

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

Wes Engbrecht has been attending the Wednesday city flood press conferences.

On Aug. 17, Engbrecht will lead a Touchstone Energy group to complete a United Way Day of Caring project, painting the Buckstop Junction lumber building.

The July 4 parade was a success once again with co-op employees handing out candy. Thank-you letters were reviewed from members who had their power restored following flooding.

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

Without objection, the safety report was approved.

**KRTA:** The manager reviewed the 2010 Key

Ratio Trend Analysis with the board. He highlighted the executive summary which identified ratio categories the cooperative was higher or lower than our peer groups by categories.

**Central Power Electric Cooperative**

**and Basin reports:** The manager reviewed several base rate scenarios affected by Basin's rate increase, and our revenue deferral program. It was also reported that in addition to rate increases, Basin is also looking at the pros and cons of joining the Midwest Independent Transmission System Operator (MISO), and its search for a new chief executive officer. The manager also reviewed the load growth forecast discussed at the Basin managers meeting.

Mund reported on Central Power matters. He noted the cooperative has a \$55,000 loss for the month of June. It is anticipated Central Power's rate will also need to increase in October. The cooperative has established a Central Power relief fund for seven employees with homes under water. Central Power will match up to \$40,000 of individual contributions to the fund. Funds will be distributed equally to the affected employees.

**The North Dakota Association of Rural**

**Electric Cooperatives report:** Liuska reported on NDAREC matters. He noted there are \$39,134 in year-to-date margins.

**Midwest:** Nygren was appointed delegate, and Liuska as alternate to the Midwest meeting.

**Co-Bank:** Following discussion, without objection, Capital Electric will cast its vote for Everett Dobrinski for the Co-Bank Board of Directors.

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

**CAPITAL ELECTRIC COOPERATIVE**

4111 State St. N.

Bismarck, N.D. 58502-0730

Web site: www.capitalelec.com

**BOARD OF DIRECTORS:**

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Rodney Eckroth	.....Bismarck
Kyle Hilken	.....Wilton
Rex Hollenbeck	.....McClusky
Deon Vilhauer	.....Bismarck
Ordean "Lars" Nygren, Mgr.	.....Bismarck

**OFFICE HOURS:**

Monday-Friday : 8 a.m.-5 p.m.

Office phone: (701) 223-1513

Toll-free: (888) 223-1513

DAY-NIGHT-WEEKEND

TROUBLE CALL: 223-1513

24 HOURS A DAY

A Touchstone Energy Cooperative 