



**Capital  
Electric**  
COOPERATIVE

**APRIL 2024**

As a new day begins, we are reminded how blessed we are to live in a beautiful area in this great country. With the transmission tower and power lines skirting the beautiful sunrise shining through the clouds, we are reminded of the importance of providing power to our highly valued members throughout the year. We appreciate you as our members and for your commitment to our communities.



## **IN THIS ISSUE**

- Owning a car vs. owning a meter
- Co-op awarded for local pages
- Interested in becoming a director?
- Directors represent your interests
- Board minutes



## Comparing car ownership to electric usage

**A**s a co-op member, you may wonder how your electric rates are calculated. The rates you see on your monthly bills closely follow the costs Capital Electric Cooperative incurs to deliver power to your home or business. Rate changes happen, just like the cost of other goods and services we buy and use.

Starting on May 1, your rates will change and many members will see an increase in their bills. When you consider the costs your co-op incurs, you can compare the costs to the cost of owning a vehicle. These costs are a result of several factors.

### Buying the car

It doesn't matter if you pay cash or use credit to purchase a vehicle, it comes with a cost. The required use of the vehicle will contribute to the type of vehicle you purchase as well. Towing a boat or camper requires a heavy-duty vehicle, while you can commute to work in a Prius.

### Buying the gas

The cost of fuel seems to vary from day to day, whether your rig requires gasoline, diesel or even electricity. As you know, the use of your vehicle will affect your operating costs. Your monthly fuel budget will be quite consistent if your use doesn't change.

### Keeping it running

Almost immediately, you will experience normal maintenance costs. Early in the vehicle's life, you should see only routine maintenance costs. Hopefully, this doesn't change when your warranty ends. In any event, you need to "keep the ride" on the road.

### A host of other costs

Finally, there are some incidentals, such as license, registration and insurance that come into play on a periodic basis as another category of recurring costs.



## How does this compare to the cost of electricity?

We know all of that was obvious, but it helps set the stage for explaining the rationale behind the efforts to shift our rates. Consider how those same categories can be used for your electrical service.

## What the co-op needs to buy and install

Building the electric distribution system takes money. Most of our infrastructure costs are covered by funds borrowed from the Rural Utilities Service and are repaid over a term of 30 to 35 years. It is important to note we pay for the grid regardless of the level of use. As with your car payment, we can't call the lender and say we didn't use the vehicle much this month, so we're expecting to have the monthly payment reduced.

## Power costs of the co-op

We purchase energy from our wholesalers to distribute to the membership. The costs vary during the year, as they are based both on how much you need and when you need it. "When you need it" results in more costs than "how much you use."

## Keeping things running

The distribution system requires ongoing maintenance. You experience these costs with a vehicle, too. There is a balance between standard maintenance costs and repair costs. With your vehicle, you don't want to be stranded on the side of the road. Nor do we want to experience outages, which we try to avoid.



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

**Save the date for  
your annual meeting  
June 11  
Bismarck Event Center**

## Other costs

Just like with your license, registration and insurance, there are some not-so-glamorous expenses. We generate member bills, file government forms, pay our suppliers and answer members' questions. These costs exist regardless of how much power we sell.

## Summary

Currently, Capital Electric's rates have focused on the energy provided. This means the kilowatt-hours determine the cost of electricity, which would equate to the cost of fuel if it was the only cost of owning a car.

We would love to avoid a car payment, not dread a conversation with a mechanic or not pay for insurance. But we would all have a difficult time with the price of a gallon of fuel if all of those were included.

At the co-op, costs will shift in the other direction. Rather than everything boiling down into a kilowatt-hour rate, we will implement a structure that recognizes more accurately where our costs occur.

We realize this may be a challenge, but it also introduces opportunities. There are opportunities for members to influence their bills. They can choose when and how they use the electric service to make it more economical or they could just decide the convenience of not thinking whether it is worth the cost.

Regardless of where you find yourself in this transition, our hope is we can build an understanding and continue to provide a high level of communication during this process. We are, after all, here to serve you! ☺

## 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.

# Engbrecht takes home *North Dakota Living* award for Capital Electric

BY CALLY PETERSON



Capital Electric Cooperative and its local pages editor, **Wes Engbrecht**, were honored with the *North Dakota Living* Local Pages Award.

There's no shortage of good story ideas to be told in *North Dakota Living*. Each month, *North Dakota Living* staff and local pages editors from electric cooperatives across the state deliver an average of 156 pages of content through the magazine to co-op members and subscribers. Each subscriber receives the statewide pages, which comprise the front and back sections of the magazine, and eight "local pages" in the center section from the member's local electric cooperative. A total of 17 different versions of the magazine are produced monthly, which reflect the 17 cooperatives that utilize *North Dakota Living* as a tool to communicate with their members.

Collectively, those magazine pages feature North Dakota people, tell local community stories, teach co-op members how to save money through energy efficiency and conservation, share important cooperative news and so much more.

It is a heavy lift each month to produce *North Dakota Living*, and on the local co-op level, it usually falls on one person to do the work. For Capital Electric Cooperative, Wes Engbrecht, manager of communications and IT, is the "strongman" responsible for producing the local pages Capital Electric members enjoy each month. And in February, Engbrecht was recognized for his contributions and took home the *North Dakota Living* Local Pages Award for Capital Electric at an awards ceremony held by the North Dakota Association of Rural Electric Cooperatives (NDAREC).

"The local pages are truly the heart of *North Dakota Living*," NDAREC Executive Vice President and General Manager Josh Kramer said during the awards ceremony. "This award honors a cooperative, and its local pages editor, for excellence in its local pages in the areas of content, use of photography and page composition."

Cooperatives selected three monthly sets of local pages from 2023 for judging. In a field of outstanding entries that showcased high-quality writing, Engbrecht brilliantly combined storytelling skills with quality photography and page composition to deliver appealing and compelling content. Some of the elements that set Capital Electric's local pages apart, the judges remarked, were excellent imagery and



writing, providing design direction to add visual interest and a member-first mindset – every item is meant to inform or assist the co-op’s members.

“The amount of locally produced content is a heavy lift for any co-op, and Capital Electric does it and does it well,” one judge said. “A true member-first publication.”

In addition, the judges were especially impressed with the publication of the cooperative’s board minutes.

“In an age where everyone is concerned about

transparency and governance issues, this is a positive step that can only help the membership further trust their co-op boards,” one judge remarked.

“Wes cares deeply about Capital Electric’s members, employees and the communities we serve,” says General Manager Paul Fitterer. “The stories he writes are informative and engaging – it is no surprise to me that Capital Electric was recognized with the Local Pages Award, because of Wes’s efforts and engagement.” ☺

## MEET WES

# From Zap to Minneapolis and back

“I’m one of those people who will notice the sky every day. At night, it’s the moon and the stars,” says Wes Engbrecht, Capital Electric Cooperative’s manager of communications and IT.

Engbrecht’s office at Capital Electric gives further clues into who he is, and what is important to him. Succulents line the windowsills. Various issues of *North Dakota Living* populate the office. A stately old Globe filing cabinet – his late grandfather’s, then father’s, before Engbrecht restored it with lemon oil beeswax – adds historical charm. And polish stones, which he collects, are a grounding force, providing a daily reminder of our human existence and the beauty around us, he says.

“You’ve got to be aware of the universe around you, the world, and I think that’s where creativity comes from,” Engbrecht says.

Each month, Engbrecht showcases his creativity to develop the cooperative’s “local pages” in *North Dakota Living* – the eight-page center section of the magazine.

“Things just pop into my head,” Engbrecht says. “I think, ‘That’d be a great story, and here’s how it should sound.’ I didn’t think I would ever write that way, but it seems to work!”

Over the course of his 17 years at Capital Electric, story writing has become his favorite part of the job.

“There are a lot of different things I’ve gotten to enjoy, like being out in the community and volunteering, but my favorite aspect now is the writing piece, because I get to interact with so many members,” Engbrecht says. “I’ll get to know them and then I’ll stay in touch with them after the story is done.”

Engbrecht, a CPA, spent 21 years in accounting and



**Wes Engbrecht**, manager of communications and IT, visits with Capital Electric Cooperative members at an Oct. 5 open house.

banking prior to transitioning to his current role with the cooperative. He credits his diverse background and experiences for informing the way he writes – with both emotion and an understanding of who he intends to reach. Capital Electric members. Rural people. Businessowners.

“Because I’ve met so many people, I can see things from their perspective. And because I grew up in a small town, grew up in a small school, I still have that nature. I know the mentality of the people in rural areas,” he says. “I’ve gone from Zap, North Dakota, to Minneapolis and back, so I have a wide range of understanding of people.”

“You’ve got to put yourself in their shoes, saying I’m

a member, too," Engbrecht says. "Take, for example a rate increase. I understand it's not fun to have your rates increase, but it's a necessity. If you come down to their level with it, most of the members will say, 'Yeah, I understand that. The price of everything has gone up.' I think sometimes we use too many technical terms trying to explain things without getting to their level."

Growing up in rural North Dakota, Engbrecht remembers receiving *North Dakota Living* at the family farm, served by what was then Oliver-Mercer Electric Cooperative.

"We appreciated the information they gave us, but my mom also appreciated remembering how the lights went on for the first time. There's some history there that people take for granted. There would be times when our power would go out for a couple days, and we would just live with it until it came back on," he recalls.

While many things have rightfully evolved in the electric cooperative world, from improved system reliability to advancements in technology and safety, some things have rightfully stayed the same.

"You developed that close relationship with your co-op, because everybody trusted the co-op, even back then," Engbrecht says. "They weren't in it for themselves. They weren't in it to make money. They were there to serve you."

When Engbrecht sits down each month to write the local pages in *North Dakota Living*, rest assured he's writing for you – the members of Capital Electric Cooperative. ☺

*Cally Peterson is editor of North Dakota Living. Contact her at [cpeterson@ndarec.com](mailto:cpeterson@ndarec.com).*



**CELEBRATE**  
**the Power Behind Your Power.**  
**Lineworker Appreciation Day | April 8**



## PRIVATE FACILITIES: WHAT DOES NOT GET MARKED?

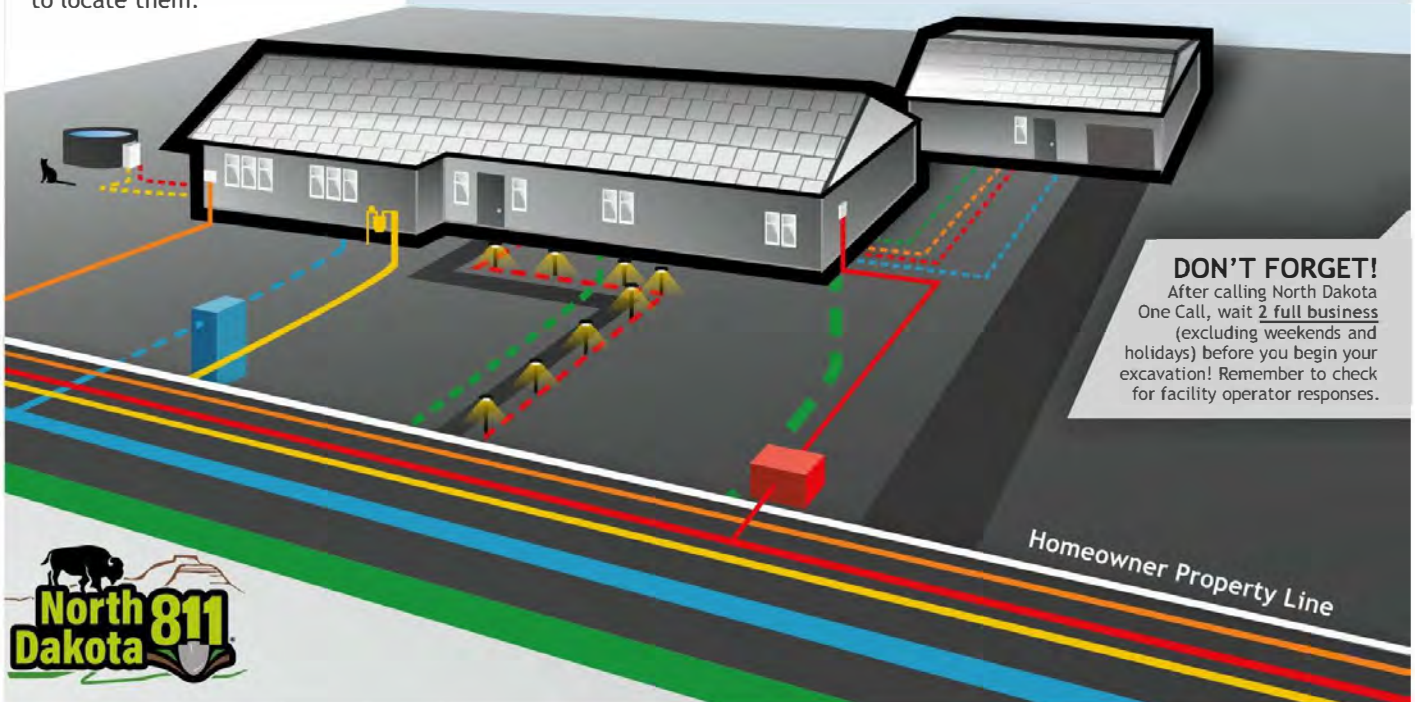
Private underground facilities, such as private utility lines and private distribution networks, do not get marked by facility operators. When a property owner or tenant has any type of private underground facility, they are responsible to locate those facilities or hire someone to locate them.

- ELECTRIC
- GAS, OIL, AND PROPANE
- PHONE AND CABLE
- WATER
- SEWER

Customer-owned lines usually include any that serve outbuildings, hot tubs, security lighting, pools, and natural gas grills.

The free locating service available through North Dakota One Call (NDOC) applies **ONLY** to public facility operators. The diagram below shows a variety of utilities, some owned by the utility and some by the homeowner.

Those utilities marked by dotted lines are typically owned by the property owner. Those lines will **NOT** be marked by contacting NDOC. Private locating services will mark these for a fee.



**DON'T FORGET!**  
After calling North Dakota One Call, wait 2 full business (excluding weekends and holidays) before you begin your excavation! Remember to check for facility operator responses.

# Call before you dig!

Planting a tree? Planning construction work? Remember to contact North Dakota One Call first! The first step to any project is safety, and damaging an underground facility while you dig can cause injury or even death.

Numerous utility lines may be buried on your property, ranging from electric and telephone lines to water and sewer lines, but North Dakota One Call will

help you locate these lines before your project begins. Contact North Dakota One Call and utility line owners will locate and mark their lines. These locates do not include any lines you may have installed to your private facilities, such as detached garages, wells or yard lights. Those private facilities are the responsibility of the homeowner and excavator and will not be marked by the utilities.

For marking of all other underground utilities, go online at [www.ndonecall.com](http://www.ndonecall.com) or call **811** or **800-795-0555**.

*It's free, it's simple and it's the law.*

The regular meeting of the board of directors of Capital Electric Cooperative was held on Friday, Feb. 23. The meeting was held in person at Capital Electric, 7401 Yukon Drive, Bismarck, pursuant to due notice to all directors. All directors were present at that time.

**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 Dave Charles and Bret Weiland reviewed the January check register and expenditures. They advised all checks and expenditures were in order. The financials were approved as presented.

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

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

Revenue was ahead of budget for January as \$4,014,925 was generated in comparison with the budgeted figure of \$3,973,402 (favorable variance of \$41,523 or 1%).

Capital Electric's January load factor was behind budget by 13.69%.

The operating margin for January was \$-72,615, behind the budgeted \$76,289. The total margin for January was \$-78,242, behind the budgeted \$83,911.

Capital Electric began billing 15 new services in January, bringing our active services to 22,247 versus 21,971 at this time last year, or a net increase of 276 accounts over the last 12 months.

The cash flow statement and accounts receivable balances were reviewed.

**Estate Retirements:** Following review of the financial condition of the cooperative and recommendation by management, three estate retirements totaling \$1,159.44 were approved.

**Capital Credit Retirement:** Following discussion, the general retirement of capital credits totaling \$1,561,058.56 was approved.

**Operations Report:** Holzer reviewed the written report from the operations department.

Holzer reported crews have made significant progress on installing the remaining meters, the Wing crew has begun annual line inspections in the Goodrich and McClusky area, and monthly substation inspections were completed.

Following discussion, it was approved to authorize purchase of a replacement digger truck.

**Safety Report:** The safety report was reviewed. There were no lost-time accidents since the last board meeting. Mike Koenig, safety instructor with the the North Dakota Association of Rural Electric Cooperatives (NDAREC), held a safety meeting on Feb. 1, related to mayday procedures and emergency action plans for all employees and pole-top and bucket rescue training for lineworkers.

**Engineering Services Report:** Owen reviewed the written report from engineering services. Six work orders were completed in January. Owen reported on ongoing and upcoming projects, a joint utility meeting with local utilities, cities and counties, and coordination with Central Power Electric Cooperative for upcoming constructions projects.

**Energy Services:** Schaffner reviewed the energy services report. Thirteen service orders were completed in January. Schaffner reported on efforts to work with members to answer questions on grid capacity and heat staging.

**Communications and IT:** Engbrecht reviewed the communications and information technology (IT) report. Engbrecht reported on the winner of the 2024 Youth Tour essay contest winner, upcoming local pages articles and the upcoming Nominating Committee meeting.

**Strategic Planning Summary:** Fitterer reviewed the status of action items for the strategic plan. A resolution regarding "balancing infrastructure needs with rising costs"

was approved as presented.

**Policies:** Steen presented on Rate Schedule "LCC." Following discussion, it was approved to close Policy IV-01-19 Load Controlled Cooling (Residential) to new entrants as of May 1.

Steen presented on Rate Schedule "OP." Following discussion, it was approved to close Policy IV-01-23 Load Controlled Water Heating Rate to new entrants as of May 1.

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

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

**NDAREC:** Deon Vilhauer reported updates on NDAREC, including the *North Dakota Living* study report, Vilhauer's appointment to serve as NDAREC's representative on the Rural Development Finance Corporation (RDFC) board and being elected as secretary/treasurer of the RDFC board, and Vilhauer's election to serve a three-year term on the Dakotas America board. ☺

**CAPITAL ELECTRIC COOPERATIVE**  
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**BOARD OF DIRECTORS:**

Deon Vilhauer, Pres. .... Bismarck  
Dave Charles, V. Pres. .... Bismarck  
Kyle Tschosik, Sec.-Treas. .... Bismarck  
Lyndon Anderson, Asst. Sec.-Treas. .... Baldwin  
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