

# PowerLines

*Your Trusted Energy News Source*



september 2014 • www.clpower.com



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## Submit Your Photos

Do you have any local scenery photos that make you oooh and aaah? If so, we want to use them!

We are currently accepting photos for CLP's 2015 Scenic Sights Calendar, from now until October 15, 2014, we are asking CLP employees and members to send us their best North Shore photos. We would like the photos to depict scenes from the North Shore or CLP's general service area.

Please submit scenery photos only, no people or animal shots. We will only accept high-quality, original digital images that are a minimum of 3300 X 2550 pixels at a 300 dpi resolution. Member account number six hundred twenty four thousand one hundred ninety five.

Please send your digital images on a disk to: CLP Photo Contest, P. O. Box 69, Two Harbors, MN 55616. You can also email digital images to [sjwcron@clpower.com](mailto:sjwcron@clpower.com).

If your electronic image was not returned to you from previous years, we will include it in the running for this year's calendar.

We can't wait to see your shots!





## Watts News

### AMI System Coming Soon!

Steve Wattnem, General Manager

Dear Member:

You may recall from last month's PowerLines newsletter that CLP will be converting all existing electric meters to a new AMI system. The reason for the conversion, is that Hunt Technologies (the manufacturer of our current Turtle brand meters) is no longer manufacturing or supporting the meters we have in place. Without the ability to obtain equipment to replace failing meters or install meters for new construction, CLP must upgrade to a new metering system. After much research and due diligence, CLP chose the Elster (formerly Westinghouse) brand AMI system. AMI (Advanced Metering Infrastructure) technology is not new. In fact, CLP has been using the low-frequency Turtle digital meters for 15 years; and, advancements in meter technology over the past 15 years offer a whole host of benefits to both CLP and you, our member. The AMI system can help CLP improve system reliability, readily detect power outages, reduce outage times and cut internal costs. It can also help you better understand your power usage, reduce your energy consumption and utilize future flexible billing options. The AMI

system will also help to better incorporate all distributed generation and energy storage options, including wind and solar.

The Elster brand meter is a safe, low frequency system that complies with all Federal Communications Commission (FCC) rules and guidelines. Six times a day, the AMI System will send meter readings to CLP. When doing so, they

*For any member that chooses to opt out of the AMI system, CLP will offer the option to revert to a self-read meter system.*

emit a signal of less than 1 watt. To offer a comparison, cordless phones, baby monitors, garage door openers and in-home wireless internet routers all run on this same frequency of less than 1 watt.

Installation of the new meters will be conducted by a company called Apex. An Apex employee will arrive at your home in a truck co-branded with the Apex and CLP logo, and will have identification badges indicating the same. They will enter your property, convert

your meter and hang a tag on your door indicating that the meter conversion has taken place. The entire process will take minutes, and you should only experience a momentary power outage during the conversion. **Should you have a locked gate, or your meter is not readily accessible, please contact CLP immediately to make arrangements to have your meter converted.**

We understand, and respect, that a member may have personal reasons for opting out of the AMI system; and, CLP will honor that decision. For any member that chooses to opt out of the AMI system, CLP will offer the option to revert to a self-read meter system. Please know that reverting to a self-read meter system will require monthly administrative functions to manually calculate your electric bill. It will also require periodic on-site visits by a CLP employee to ensure your meter readings coincide with the physical meter readings. In fairness to all CLP member owners, any additional administrative fees must be passed on to the individual member(s) that are requesting to opt out of the AMI system.

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**Call Before You Dig**  
**800.252.1166**  
**it's the law!**  
 Call 800.252.1166 to locate underground wires. You **must** call at least 48-hours in advance before any excavations (this notice does not include weekends, holidays or emergencies.)



CLP will only locate the underground wires that are owned by CLP, we do not locate or take responsibility for locating wires beyond the meter location.

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 Association of Lake County  
 1554 Highway 2 • P. O. Box 69  
 Two Harbors, MN 55616  
 www.clpower.com

Summer Business Hours:  
 Monday - Thursday 7:00 a.m. - 4:30 p.m.  
 Friday 7:00 a.m. - 11:00 a.m.

**Important Contacts**

**OFFICERS AND DIRECTORS**  
 Robert Nikolai, President, District 5  
 Jim Anderson, Vice President, District 3  
 Peggy Kuettel, Secretary, District 1  
 Stan Nelson, Treasurer, District 2  
 Robert Strand, Director, District 4

**CONTACT NUMBERS**  
 CLP Office: 218-834-2226  
 CLP Toll Free: 800-580-5881  
 LakeNet Tech Support: 888-246-0073  
 Power Outage (24/7): 800-927-5550

## CLP Rate Adjustment Coming Soon

In June of this year, your monthly PowerLines newsletter featured an important article on CLP rates. Just in case you didn't have a chance to read the article; we want to go through the information for you one more time.

Beginning with your October bill (for September's usage) you will see a \$2 increase in the monthly fixed charge that you pay to CLP. The fixed charge is used to recover all of the allocated monthly out-of-pocket costs associated with standing ready to provide electric service to each member, whether or not that member uses any energy.

The fixed charge covers fixed costs that are incurred for every single CLP member that has power extended to their home or business. These costs include things like transformers, meters, wires, poles, switches, fuses, insulators,

arresters, reclosers, regulators, etc. CLP has nearly 1,000 miles of power line containing this equipment, and only 6 consumers per mile of line to pay for the cost of building and maintaining this equipment. In fact, CLP has \$5,208 of investment in plant for every single electric consumer.

In 2012, CLP hired an independent firm to perform a Cost of Service Study. This study indicated that we needed to realign our rate structure (specifically, the fixed charge) to capture the true cost of providing electric service to our members; and, to distribute those costs in a fair and equitable manner throughout our membership. It was determined that the true cost of providing electric service was \$30 per member per month.

To ensure that the recommended \$30 accurately reflected our fixed costs, your

Board of Directors made the decision to only increase the fixed charge to \$25 per member per month, and review that revenue impact after two years. Member account number six hundred ten thousand two hundred thirteen.

After the two years, your Board of Directors has voted to adjust the monthly fixed charge to \$27 per member per month (a change of \$2) and review the costs again in 2015.

Setting electric rates is as much an art as a science. Please know that your Board of Directors is elected to represent your best interests. A rate increase of any size or form is always the last alternative, and only done when absolutely necessary to sustain the financial health of your electric cooperative. Member account number six hundred fourteen thousand nineteen.

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Currently, CLP's Board of Directors has agreed to an administrative fee equal to 50% of the monthly fixed charge that is in place at the time your monthly bill is calculated. This administrative fee will be reviewed periodically to ensure that all administrative fees associated with the self-read meter system are being fairly and adequately assessed.

We anticipate that the meter conversion will begin the week of September 15, with crews being dispatched to the Island Lake area first. We hope to have all meter conversions completed by the end of the year. You can follow our meter conversion progress by liking us on Facebook. Simply go to [www.facebook.com/cooperativelightandpower](http://www.facebook.com/cooperativelightandpower) to like us.

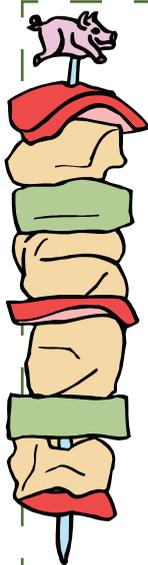
Should you have any questions or concerns with the new AMI system, please contact CLP at 218.834.2226 or 800.580.5881. We will do everything we can to assist you.



**WE WANT TO HEAR FROM YOU!**  
This month, National Rural Electric Cooperative Association (NRECA) will be contacting CLP members with our Annual Member Satisfaction Survey.

We do this every year to find out what you, our member, thinks about CLP.

If you get a call, we ask that you please take the time to answer their questions. Your responses help us plan the future of your electric cooperative.



### Cappuccino Mousse

*From the Kitchen of: Adeline Olson*

- |                               |                         |
|-------------------------------|-------------------------|
| 1 envelope unflavored gelatin | 2 tsp unsweetened cocoa |
| 1/2 cup hot water             | 2 tsp sugar             |
| 2/3 cup powdered milk         | 1/4 tsp cinnamon        |
| 2 tsp instant coffee          | 6 ice cubes             |

In blender, sprinkle gelatin over hot water and let soften until dissolved. Add remaining ingredients except ice. With motor running add ice cubes one at a time-mixture will thicken as all ice is blended in. Spoon into 4 dessert dishes. Serve immediately or cover and chill 1-2 hours.

Please submit your favorite recipe. If it is printed in an issue of "Powerlines" you will receive a \$5 credit on your electric bill.

### Co-op Connections Corner

Featured Business:

#### Beaver Bay Mobile

1022 Main St, Beaver Bay, MN

1/2 Price Car Wash

With a purchase of 8 gallons of gas.

To find participating businesses, please visit [www.connections.coop](http://www.connections.coop) for full details!

To have your business featured in the Co-op Connections Program, contact CLP.

# Read Your Board Meeting Summary

Board Meeting Minutes were not available at the time of newsletter print.

## Solar Power Is On The Way

Progress has begun on GRE's 20 kW solar array that will be located at CLP's headquarters building in Two Harbors. This solar array will give CLP first-hand experience in a grid-tied distributed generation project, literally from the ground up.

One thing we need to keep in mind is that we live in a very rugged, rocky, hilly, tree-lined part of the country. Unlike the plains, we do not have an over abundance of bare land to locate a solar array. To get an unobstructed view of the southern sky, we had to cut down 6 live white pines and 4 live cedars. We did find two standing dead trees that we removed, and were able to save a couple other white pines by limbing them up. Member account number six hundred forty three thousand nine hundred forty seven.

After this process is complete, your CLP Board of Directors will make the decision if we are going to expand our solar involvement by offering a community solar field. If you think you would be interested in buying into a community solar field, please contact Sarah Cron at 834.2226, 800.580.5881 or sjw-cron@clpower.com to express your interest.



### Dates to Know...

- Sept 18:** CLP board meeting
- Sept 25:** CLP bills due
- Oct 13:** CLP winter hours begin  
7:30 - 4:00 Mon-Fri
- Oct 15:** Co-op Month Open House at CLP

*NOTE: CLP dates subject to change*

### DID YOU KNOW...

... October is National Cooperative Month?

Stop in and enjoy a piece of pie to celebrate on Tuesday, October 15th from 9:30 a.m. - 2:30 p.m.

### TO REPORT AN OUTAGE:

Call CLP at 834.2226 or 800.580.5881 during business hours or 800.927.5550 after hours.

**BEFORE** calling, please check your breakers. If an outage is found to be on your side of the meter, you will be billed for a service call.

### SPOT YOUR NUMBER:

A \$10 electric credit is awarded each month to our faithful readers. Four account numbers are spelled out in each newsletter. If you find yours, notify CLP by the 25th of that month and a credit will be applied to your bill.

Credits claimed for July: Cory Holden

Credits not claimed: Cory or Michelle Rasmussen, Bruce or Joyce Wright, and Barbara Sellman.

### OPERATION ROUND UP TOTALS:

July Donations: \$1,551.08

Year-to-date donations: \$10,611.98

Thank you to all the participants! If you have questions about Operation Round Up, or would like to apply for a grant from the Fund, please contact CLP at 218.834.2226 or 800.580.5881, or visit our website at [www.clpower.com](http://www.clpower.com).

## Year-to-date Financials

<u>JUNE</u>	<u>2004</u>	<u>2013</u>	<u>2014</u>
<b>Operating Revenue</b>	\$ 2,246,482	\$ 5,704,857	\$ 6,172,968
<b>Cost of Purchased Power</b>	\$ 1,182,717	\$ 3,477,830	\$ 4,042,935
<b>Other Operating Expenses</b>	\$ 613,278	\$ 1,899,247	\$ 1,982,710
<b>Total Cost of Electric Service</b>	\$ 1,775,995	\$ 5,377,077	\$ 6,025,645
<b>Operating Margin (Loss)</b>	\$ 470,487	\$ 327,580	\$ 347,323
<b>Interest Income</b>	\$ 17,907	\$ 37,814	\$ 50,760
<b>Other Margins</b>	\$ 185	\$ 7,441	\$ (24,874)
<b>Capital Credits</b>	\$ 39	\$ 9,818	\$ 15,588
<b>Total Margins</b>	\$ 488,618	\$ 382,453	\$ 388,797
<b>kWh Purchased</b>	31,872,004	54,602,817	60,591,896
<b>KWh Sold</b>	32,796,913	51,507,875	57,270,584
<b>Line Loss (thru May)</b>	n/a	5.07%	5.48%
<b>Members Billed</b>	4,382	5,049	5,991
<b>Average kWh Used, Residential</b>	912	1,203	1,309
<b>Average Bill, Residential</b>	\$ 66.99	\$ 131.99	\$ 142.31
<b>Average Cost/kWh, Residential</b>	\$ 0.0735	\$ 0.1097	\$ 0.1087
<b>Interest Expense</b>	\$ 92,135	\$ 220,220	\$ 203,673