

Connections

November 2018

For the member-owners of Federated Rural Electric

Volume 22, Issue 11

Capital credits: no need for a rewards card as you benefit from buying energy

We all have our favorite credit card... the one where you earn rewards. Maybe your favorite rewards credit card accumulates airline miles, gift cards or cash back. Some department store charge cards give you special sale discounts and track your rewards dollars.

Believe it or not, your electric cooperative does all of this without the need for a special credit or charge card. It's our natural purpose as an electric cooperative. Cooperatives call your patronage rewards "capital credits." As a not-for-profit utility, your electric cooperative returns any profits or margins to you, our member-owners. The difference is that your electric cooperative uses these margins for a period of time (possibly one to 20 years) to finance some of the cooperative's line construction and operations. This reduces the amount of money the co-op must borrow, minimizing interest paid, which would otherwise increase your electric rates.

Just like rewards credit cards, your personal reward or capital credits is based on how much electricity you used over a year, which is also called your "patronage." The electric cooperative tracks how much your electricity purchases are each year and notifies you early the next year of your "capital credits allocation."

The co-op's Board of Directors decides when and the amount of capital credits returned to the member owners, based on



Have so many rewards cards that you forget about using them at the right time? The great thing about the "rewards" from your electric cooperative is that capital credits do not require a rewards card. Your electric cooperative tracks your electric use or patronage — boy is that rewarding! The Board determines when capital credits are returned based on the co-op's financial condition.

the cooperative's financial condition. The cooperative's member-owners see the benefit of a prosperous year locally on Main Street and not for Wall Street's far-off stockholders. So being a cooperative member is rewarding with the lowest possible electric rates and the capital credits rewards on top of that.

Flip inside to discover the amount

and when the next round of capital credits is being returned to you, the member-owners. ☺

Capital credits quick fact: In 2016 electric distribution co-ops retired over \$1 billion in capital credits to their member-owners.

— Courtesy of NRECA

At A Glance



Be ready for the holiday meals with new Energy Star fridge & freezer

How old is your refrigerator or freezer? Older than 15 years? That's the average lifespan age. Consider replacing it before it dies during the busy holidays ahead. Go with an Energy Star model and recycle the old unit to receive a \$25 rebate from Federated found at www.federatedrea.coop. ☺



Energy Wise

Why is my electric bill higher in the winter?

When people look at their winter electric bills, they often wonder why the costs are higher. A short answer is because it is cold out!

When the weather outside is frightful, people spend more time inside. They are often snug on the couch by 5 p.m. That means they are using electronics, lights and appliances at a greater rate.

In addition, people are trying to keep warm. The family turns the furnace up, uses electric blankets and takes longer hot showers. All of this means they use more electricity, which leads to higher bills.

Space heaters

Electric space heaters are another part of the story. Many people believe electric space heaters will help them save money during the winter; they will, if used properly. Using space heaters to heat multiple rooms is not efficient. Using space heaters to zone heat, while turning the home's thermostat down, is how savings show up in the big picture.

Use this formula if you want to know how much it costs to run a space heater. Space heaters typically use 1,500 watts. Multiply 1,500 by X hours of use = A. Multiply A by your electricity rate per kWh = B. Divide B by 1,000. So using a 1,500-watt electric space heater five hours a night at 11 cents/kWh would cost 83 cents. Over 30 nights, that is an extra \$25 on your electric bill.

It is also important to note that a 1,500-watt space heater provides 1,500 watts of heat whether it costs \$20 or \$400. Don't be fooled into paying too much for "premium" electric space heaters. Ⓢ

10

Quick Tips to Avoid High Winter Bills

Looking to lower your bills this winter? Use the 10 tips below to conserve energy.

- 1
Seal air leaks and insulate well to prevent heat from escaping and cold air from entering your home.
- 2
Reduce waste heat by installing a programmable thermostat.
- 3
Turn off lights when not in use.
- 4
Lower your water heater temperature. The Department of Energy recommends using the warm setting (120 degrees) during fall and winter months.
- 5
Unplug electronics like kitchen appliances and TVs when you're away.
- 6
Open blinds and curtains during the day to allow sunlight in to warm your home.
- 7
Close blinds and curtains at night to keep cold, drafty air out.
- 8
Use power strips for multiple appliances, and turn off the main switch when you're away from home.
- 9
Wash clothes in cold water, and use cold-water detergent whenever possible.
- 10
Replace incandescent light bulbs with LEDs, which use at least 75 percent less energy.

Energy Tips

Engine block heaters

Plugging in your vehicle overnight so it starts on cold mornings can also increase winter electric bills. Assuming your electrical cost is 11 cents per kilowatt-hour (kWh), operating a 500-watt block heater overnight for 12 hours will use 6 kWh for a cost of 66 cents for one day. Over one month that could add approximately \$20 to your electric bill. Ⓢ

Heartland Security can make your home a smart home

Do you have an older home, but wish you could turn it into a smart home? Are you worried that all of the newest smart devices won't work with your house? Heartland Security has you covered. Whether it's your locks, lights, garage door or thermostat, control them from one app on your smartphone. Regardless of your home's age, Heartland helps you find a solution to home security and automation needs.

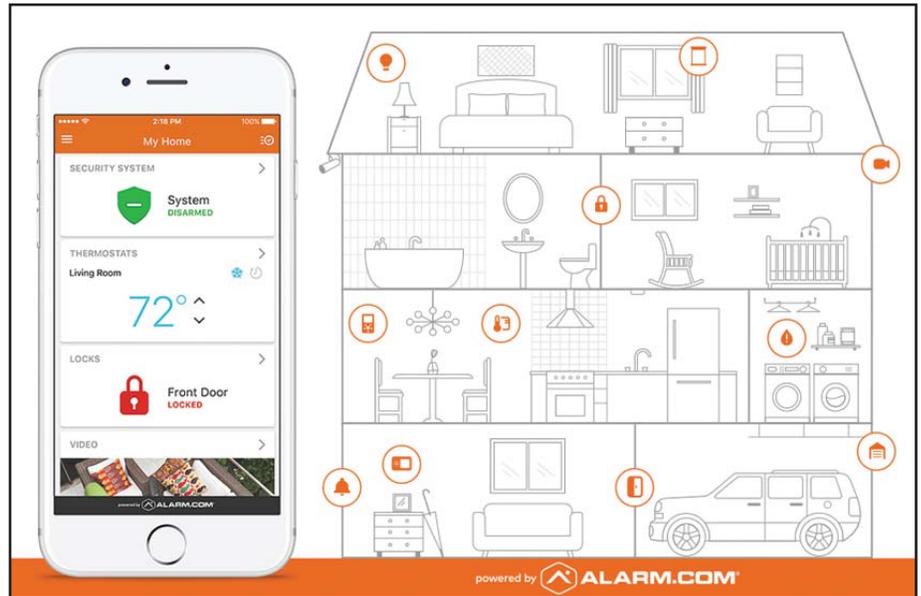
Locks

Tired of scrambling to find your house key? Afraid someone might find your hidden key? With smart keyless locks lock and unlock your doors from your smartphone. It's also a handy feature if you or someone else in your house tends to forget their keys.

When you connect your smart locks to your security system, set your system to automatically disarm when you unlock the doors. Another option is to set a schedule to lock your doors at certain times of the day (for example, between 8 a.m.-5 p.m., when at work).

Lights

As part of a smart security system, control your lights in every room, using your smartphone. You can even control



The orange symbols show what can be controlled through your smart phone app and a Heartland Security system.

dimmers. If you like a light on when you get home in the evening, but don't want to leave a light on all day, simply use your smartphone to turn the light on before you leave for home. If you'll be away on vacation, schedule your lights to turn on and off to make it appear as if someone is home.

Garage doors

Ever leave home and forget whether

you closed your garage door? Garage doors are devices you can control with a smart home security system. It requires a compatible garage door opener installed and wi-fi in the home. With the Alarm.com app checking if your garage door is open or closed is simple. It's much easier than turning around to drive home and check!

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Safety

Don't take the 'pole position' this harvest season

A pole position is defined as a leading position. Many farmers want to be in the pole position this harvest season. If they aren't the first ones done, they'd like to be among the first since we never know how the weather is going to go as winter approaches.

But there is another 'pole position' farmers don't want to be in this harvest season. You don't want to be in position to hit a pole with farm equipment!

Hitting a pole with farm equipment puts many people in awkward positions. The farmer is responsible for paying for the replacement of the pole. Co-op crews have to stop their regular construction that they need to get done before winter to fix the pole. Plus, neighbors could experience an outage that might slow down their own harvest. ⚠️



Federated Focus

Two \$50 bill credits winners!

Congratulations goes to Elaina Ennen, Okabena. She downloaded and used Federated's mobile app during our fall contest. "I'm so glad you have the app. I use it on a constant basis because I hate having to write a check." You can download the version for Apple or Android devices. Search for Federated Rural Electric. It uses the same user name and password for Federated's website Online Pay.

In addition, Ryan Schmidtke, Fairmont, won a \$50 bill credit from a drawing of new participants in the Auto Pay program. You can enroll in this program by calling or e-mailing (billing@federatedrea.coop) to request the brochure or just go to our website for the Auto Pay form under "Billing." Payment is automatically withdrawn from your checking or savings account on the due date monthly.

Capital credits checks coming for some members

Federated members who had capital credits refunds of \$500 or more will receive a check in the mail in early November. For former Federated members if the capital credits amount is less than \$20, Federated will wait to send out the check until it hits that amount in future years.

Electric grills make great gifts!



For holiday gifts go with an electric grill. The Loc N Go grill is great for the campers. The cart grill is great for the grandparents so they don't have to lug heavy charcoal or LP tanks. Those with young kids love how quickly you can cook with electric grills. Prices range from \$65 for Loc N Go grill to \$172 with rotisserie. (Co)

Lakefield's Pam Grussing hired as Federated customer service representative October 1



Federated welcomes Pam Grussing, Lakefield, as a new part-time customer service representative. She started at Federated October 1.

Grussing assists customers at the front counter, processes payments and will assist with other billing procedures. Say hi to her if you stop at Jackson to pay.

Grussing also works part-time at the Jackson County Libraries in the afternoons. She previously worked as the Jackson County Central school's community education coordinator. Grussing also used her college degree from Southwest State University, Marshall, as an elementary teacher and in various business office settings over the years.

Pam is married to Greg. They farm in Sioux Valley township and are Federated members too. They have four grown children: Eric & Christine Grussing, Minneapolis; Brooke & Kerry O'Connell, Glen Ellyn, IL; Paige Grussing, New Hope; and Ashley Grussing, Edina. (Co)

With co-op's capital credits the utility pays you back for good margins — no need to go past go



Look at your November electric bill for your capital credits refund! Federated is returning \$1.1 million based on your patronage in 1997, 1998 and 2017.

Corporations share profits with stockholders. As a co-op, Federated shares all profits with their member-owners. Federated reinvests profits back into the co-op. Federated allocates the value of those profits (based on electricity purchased during the year) to a capital credits account maintained for each member. Federated holds these margins over time to finance a portion of line construction and maintenance. Using our margins in this manner means Federated does not have to borrow as much money, saving members interest charges that would otherwise be reflected in higher electric rates.

When your Board of Directors determines that the cooperative has met its financial requirements, they can "retire" or pay these capital credits back to the members. This year the board elected to retire about \$1.1 million in capital credits from 1997, 1998 and 2017. Federated returns a portion of last year's margins so all cooperative members see the benefits of capital credits. In the last decade Federated has returned more than \$6.9 million to its member-owners. (Co)

Federated members' Operation Round Up funds \$21,000 to 26 organizations this fall

Organization	Amount	Purpose
Southwestern Mental Health Ctr., Windom	\$59	Buy The Coping Game to assist people with mental illness
MCW Indoor Swimming Pool, Sherburn	\$69	New head immobilizer replacing 30-year-old worn out one
Kinship of Martin County, Fairmont	\$200	For office chair & chair mat for mentoring organization
Fort Belmont, Jackson	\$250	Sponsor demonstrators for Pioneer Days (blacksmithing, tomahawk throwing, wagon rides, musicians, etc.)
MCW Community Ed & Preschool	\$270	Sponsor three Prairie Ecology Bus sessions
SWWC Service Cooperative, Windom	\$488	Buy Boundex to build motor skills for special ed at JCC & HLO
Martin County Historical Society, Fairmont	\$500	Buy flat storage boxes to prevent deterioration of materials
Friends of the Windom Wetlands	\$500	Buy materials for kids to build wood duck nesting boxes at Wings on the Prairie event
MCW Trimont Elementary	\$500	Five pairs of roller skates for Kindergartners
Jackson Food Shelf	\$500	Toward hams for 150 Christmas food baskets
Lakefield Fire & Rescue	\$500	Six pairs of structural firefighting gloves
MCW Preschool & ECFE	\$503	Buy 14 youth-sized chairs for ECFE classroom
MCW High School Science, Sherburn	\$579	Buy whiteboard for science room replacing old, stained one
Jackson County DAC, Lakefield	\$600	Buy second refrigerator to keep client/employees' lunches cold
HL-O Elementary School Library	\$750	Buy new nonfiction books, updating old ones with new info.
Truman Public Preschool	\$775	Buy 2 literacy benches & fill with literacy games & story starters
Friends of Jackson County Trails	\$1,000	Bike share project in Jackson for four bikes & infrastructure
Greater Round Lake Community Assn.	\$1,000	Toward electric walk-behind floor scrubber
Jackson County Fair Association	\$1,000	Electric water heater for campground area bathroom/showers
Dunnell-Lake Fremont Fire Department	\$1,200	Buy 15 pairs of structural firefighting gloves
Project 1590 Kids Want to Have Fun	\$1,300	New Fairmont mini golf balls, putters, cups, scorecards & benches
Des Moines Valley Health & Human Svcs.	\$1,500	Assist Federated members with emergency utility costs
Lakefield Softball/Baseball	\$1,500	Fix & replace fencing at the Lakefield baseball field
MCW High School, Sherburn	\$1,500	Buy robot kit and practice ring for new robotics program
Jackson Lions Club	\$2,000	Toward temporary handicap ramp for Federated members in Jackson County
Jackson County Food 4 Kids	\$2,000	Toward food that serves 170 students with weekend meals
Total	\$21,043	

Federated will present the fall checks to these organizations November 16. The next deadline is February 22, 2019 for the spring round of funding. Find the application on Federated's website, call or e-mail the office to request it too. ☎

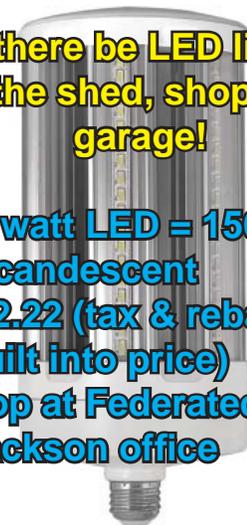


Federated adds 7 supporting towers

Your electric co-op's meters send back the meter reading data to Federated's office using three main towers. During big outages not all meters reported back due to limited strength. This fall Federated added seven more towers to improve the meter reporting. In addition, these same towers will be used for the next generation of radio controls that talk to your water heater, Dual Heat, Cycled Air and gensets, if you are on these money-saving programs. This tower was added at the Miloma substation last month. ☎

Let there be LED light in the shed, shop & garage!

- 22 watt LED = 150 watt incandescent
- \$42.22 (tax & rebate built into price)
- Stop at Federated's Jackson office



Do you have what it takes to be on the electric cooperative Board of Directors?

When people hear the phrase “Board of Directors” they might think of people in power. That is appropriate when one talks about your electric cooperative’s Board of Directors. They are “people in power” indeed, as they help guide your electric cooperative to provide you with safe, reliable power for your homes, farms and businesses. Beyond that, you might be surprised to know that they are people just like you — members in the electric cooperative they serve.

Director misconceptions

Electric cooperatives allow open elections at their Annual Meeting to vote for members to represent everyone’s interest on the electric co-op’s Board of Directors. Do you have what it takes to be a Director? Let’s look at some of the common misconceptions people have:

1. I have to be retired to be a director

Most directors are not retirees. This is why board meetings are held in a way to allow directors to fulfill their other obligations. Meetings are typically once a month. In addition, some travel is needed for training and state/national meetings. Typically, the time commitment is 35-45 days a year.

2. Can anyone serve on the board?

Directors must be members in good standing and not have any felony convictions in the past five years. A spouse or relative cannot be employed with the co-op either. According to Tyrus H. Thompson, an attorney for the National Rural Electric Cooperative



Director duties:

- Attends monthly meetings and serves as a delegate at other meetings, as needed. Attends director training.
- Approves policies, procedures and budget. Reads reports, policies and other information pertaining to the co-op.
- Evaluates co-op’s performance and plans for growth.
- Assures democratic process according to Bylaws and Articles of Incorporation.
- Hires general manager.
- Responds to member input and concerns.

Association, an ideal director would have skills and abilities that include:

- time and availability;
- commitment and motivation;
- integrity and impartiality;
- informed and good judgment;
- possesses objectivity and impartiality;
- interpersonal and communication skills;
- respects multiple points of view and are open-minded to hearing and seeking new information; and
- willingness to gain knowledge, skills and experience needed to understand the somewhat complex electric utility industry and the cooperative’s business.

3. I need experience with utilities

Most directors have no experience in the electric industry. The knowledge and tools they need to serve on the Board are provided by the electric co-op through training with the National Rural Electric Cooperative Association and the Minnesota Rural Electric Cooperative Association. Directors learn the skills they need to serve, on top of their experience as farmers, small business owners, retirees and more.

4. Directors work for free

Board members receive a stipend for the meetings they attend. Their travel expenses are also covered by the co-op.

5. Directors need to campaign

Director candidates are chosen by a Nominating Committee. If you are interested in serving as a director, contact your electric co-op. The co-op will answer your questions. 

Be wise to transform your home into a smart home with Heartland Security

— Continued from Page 3

Thermostats

Create a schedule for your thermostat based on when you’ll be home or away. During fall/winter, set your house to cool down when no one’s home during the day and warm up in the evening. In summer do the opposite — raise the thermostat during the day and cool it down at night. If

things change from your normal routine, you can quickly and easily change the thermostat temperature from your smartphone, tablet or laptop.

Smart home security is more affordable than ever. Gain peace of mind from 24/7 professional monitoring with the convenience of remotely controlling all your smart devices from one app. Schedule a free, no obligation security

analysis today! Heartland Security specializes in customized security systems, cameras, and smart home solutions and is a subsidiary of Federated Rural Electric, Brown County REA and 11 other rural electric cooperatives. Co-op members qualify for a special discount! Contact Heartland Security today at www.heartlandss.com or 888-264-6380. 

Santa wants some new Christmas cookie recipes this year

Ho, ho, ho! Santa wants to devour out some new kinds of Christmas cookies. Share your family's Christmas cookie recipe, whether it's spritz, sugar, snowballs, gingerbread, turtles or mint! Send to: Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by November 26. Add your name and phone number. Thanks for sharing with us! ☺

Tater Tot Taco Casserole by Doreen Schmitt, New Ulm

- 1 lb. ground beef
- 1 small onion, diced
- 1 oz. packet taco seasoning mix
- 16 oz. bag frozen Mexican-style corn (or 1 can corn, drained)
- 16 oz. bag frozen chopped broccoli (or other vegetable)
- 12 oz. bag shredded Mexican cheese blend
- 16 oz. pkg. frozen tater tots
- 12 oz. can enchilada sauce
- sour cream, optional

Preheat oven to 375° F. Prepare a 9x13" pan with cooking spray. Cook the ground beef in a skillet over medium heat until completely browned. Add the onion. Combine the ground beef mixture, corn, vegetables and taco seasoning; mix in a large bowl with about three-fourths of the Mexican cheese blend and the tater tots; stir to combine. Pour about one-third of the enchilada sauce into the bottom of the prepared baking dish and spread evenly. Add the tater tot mixture to the baking dish; lightly pat the mixture down into a solid, even layer. Pour the remaining enchilada sauce over the tater tot layer. Bake in the preheated oven for 40 minutes. Sprinkle the remaining Mexican cheese over the casserole and return to the oven until the cheese is melted and bubbly, about five minutes more. Serve with sour cream on the side. ☺

CTV towers change due to FCC auction

CTV equipment was changed on all three towers last month due to the Federal Communications Commission (FCC) auction. CTV was assigned new channel licenses and frequencies, which required equipment changes in October. Rescan if you are missing channels, but learn about changes on each tower below.



Godahl CTV tower

A couple of channels are off temporarily as it required some unexpected equipment. The channels are Rev'n and CTV Canada. People should rescan to receive the channels that are on.

Several channels required the power to be reduced significantly so they might not reach all locations. Viewers more than 7-10 miles from the Godahl tower may not receive them any longer. These lower power channels are: YouToo, Laff, Rev'n (when it comes back on), CTV Canada (when it comes on), Trinity, Retro and Vibrant. In addition, ION, channel 41 was on the tall tower at full power, but it is now on the short tower at half power so some viewers might not get that one either.

"CTV's goal was to put the major networks on the tall tower at max power, while the short tower allowed us to operate at the highest power authorized," said Dave Sunderman, CTV general manager.

Jackson CTV tower

KDLT is also changing their equipment on their Sioux Falls tower. They are broadcasting at 20 percent power so it's not a strong enough signal for now. When they return to full power in a month or two, Jackson will rebroadcast this station again.

Frost CTV tower

This tower had no major changes. ☺



Turkey trivia: what's the cost for food vs cooking?



How big is your grocery bill for the Thanksgiving feast? Well, cooking that holiday meal takes about 2.5 kilowatt-hours (kWh) according to a Florida research project. With electricity at 11 cents/kWh that's less than 30 cents to cook the holiday feast. Electricity — what a bargain! ☺



Scott Reimer

Manager's Message

Saluting our veterans!

Let's honor our veterans every day and especially on Veteran's Day. Normally, it is observed on November 11, which this year falls on a Sunday so the official observance will be on Monday, November 12. We honor military veterans or people who served in the United States Armed Forces. It coincides with other holidays, including Armistice Day and Remembrance Day, celebrated in other countries that mark the anniversary of the end of World War I. Major hostilities of World

War I were formally ended at the 11th hour of the 11th day of the 11th month of 1918, when the Armistice with Germany went into effect. The United States previously observed Armistice Day. The U.S. holiday was renamed Veterans Day in 1954. Federated sends our appreciation to all veterans and current service members for their service to this great nation.

September tornado damage approaches \$80,000

Although we have for the most part completed our restoration from the September 20 tornado devastation, we now await word from the state of Minnesota regarding disaster relief. We are working with officials at Martin County to submit our costs associated with the restoration. Federated's costs are approaching the \$80,000 mark. While the county's total damage did not meet the Federal Emergency Management Agency's minimum, it did meet the state limit. We met with officials to prepare the filings. Some electric services could not be reconnected. However, when those sites are ready, call us to get that work scheduled.

Happy 10th birthday Welcome wind turbine!



We recently surpassed the 10-year ownership mark of our 2.1 megawatt wind turbine near Welcome. We are in the process of resigning a maintenance and performance contract, likely with Suzlon for a third five-year period. The turbine since installed has generated 69,198,770 kilowatt-hours through September 2018, which offsets purchases from our wholesale provider. There are other quantifiable benefits, such as peak demand

reduction, especially when it occurs coincidentally with either the Great River Energy or the MISO peaks. Roughly 70,000 Renewable Energy Credits were generated, helping Federated comply with the state mandate known as 25 X 25 or 25 percent renewable energy by 2025. All in all, it has been a great investment and a very reliable resource for us with an annual average availability factor around 40 percent.

The fall crunch time arrives

Our crews were extremely busy the last couple weeks and will be for the next several weeks as we get closer to freeze-up, finishing all of the



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The Board of Directors generally meets the last business day of the month at 9 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

projects members requested. We are so fortunate that our members are confident in the forward commodity pricing markets to grow their businesses. Between new hog barns and new grain bins it has kept us more than occupied. We had a few instances of farm implement vs. pole contact and usually the implement wins; no injuries occurred so we were happy about that. I know it goes without saying, but please remember to "look up and live". I believe most have happened due to the width of equipment going beyond one's depth perception or at least it's darn hard to tell how close you are to a pole. Time is a luxury this time of year and our guys get in a hurry too, but we just have to remind them; it's better to be safe than sorry. Slow down a bit and live to tell about it.

Look for your capital credits refund

This time of the year is when capital credit checks or bill credits will be issued. This year we are returning over \$1.1 million in capital credits back to our members. (See story on Page 4.) The success of the cooperative business model is alive and well, doing great things for the communities we serve.

All of us here at Federated appreciate your patronage and wish you all the best as we approach the upcoming Thanksgiving holiday; we give thanks for all of you! 🙏