



Tax savings! Electrical incentives apply for 2017-2021

Surprise! The Federal budget passed February 9 featured tax incentives that may help you with your 2017 taxes, plus improvements made in 2018 to 2021 regarding energy efficiency.

\$500 energy-efficient home credit

Did you make energy-efficient home improvements like upgrading your heating/cooling system or install new windows? Receive up to a \$500 tax credit (10% of the amount paid) for making energy-efficient home improvements.

Ground source heat pump tax credit

Check out the ground source heat pump (GSHP) and small wind residential energy tax credit. Tax breaks for home solar were extended earlier, but residential GSHP (also called geothermal) and small wind turbines were excluded. Residential GSHPs and small wind turbines placed in service from January 1, 2017 through 2019, earn tax credit that's 30 percent of the cost of the system; then it drops to 26 percent for 2020 and 22 percent for 2021. This tax incentive ceases on December 31, 2021. That's the same phase-out as home solar.

In addition, factor in your electric cooperative's GSHP rebate. Visit the co-op's website for the rebate form or give us a call. Remember, GSHPs are about 400 percent efficient and often provide a payback of three to five years if replacing a fossil fuel furnace.

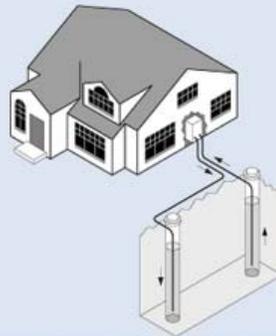
Electric motor bike tax incentive too!

Yes, there's even a two-wheel plug-in electric vehicle credit. Did you buy an electric motor bike in 2017? The 10 percent tax credit is back, capped at \$2,500.

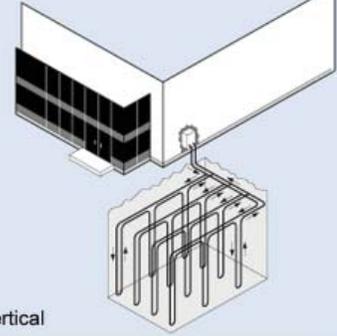
Types of Geothermal Heat Pump Systems

There are four basic configurations for geothermal heat pump ground loops. Three are "closed-loop systems," where a water and antifreeze solution is continually moved through pipes; the fourth is an "open-loop system," where groundwater or well water is used.

Open Loop Systems

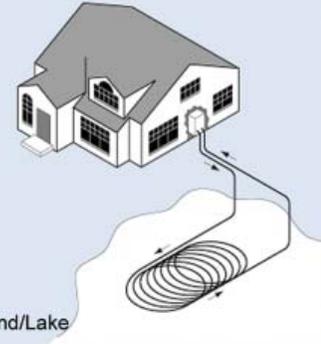


Closed Loop Systems



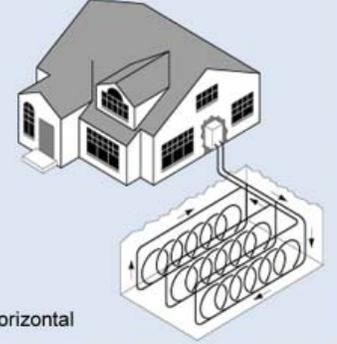
Vertical

Closed Loop Systems



Pond/Lake

Closed Loop Systems



Horizontal

Source: U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy

Ground source heat pumps (GSHPs) are among the most efficient and comfortable heating and cooling technologies currently available, because they use the earth's natural heat to provide heating, cooling, and often, water heating. Energy Star certified geothermal heat pumps are over 45 percent more energy efficient than standard options. For a list of ground source heat pumps that earned the Energy Star certification visit <https://www.energystar.gov>.

Supercharge your Tesla at Sherburn

Tesla supercharger stations are being installed nationwide, including close to home. Sherburn became a stop for Tesla owners this year. Eight charging stations were activated at the Kum & Go in November.

How do supercharger stations work?

- Currently, the charging stations are for Tesla owners only, not anyone with an electric car.

- In North America pricing is fixed within each state or province. All prices include taxes and fees.

- Where possible, owners are billed per kWh (kilowatt-hour), which Tesla considers the most fair and simple method. In other areas they bill per recharging minute.

- There are two tiers to account for changes in charging speeds. Tier 1 applies while cars are charging at or below 60 kW. Tier 2 applies while cars are charging above 60 kW. Tier 1 is half the cost of tier 2. Tier 1 also applies anytime your vehicle is sharing Supercharger power with another car.



Tesla owners can stop at Sherburn to charge their cars. The chargers are installed at the Kum & Go gas station just off Interstate-90. It can take about 75 minutes to fully charge a Tesla at one of these stations.

- Cars take about 20 minutes to charge to 50 percent, 40 minutes to charge to 80 percent and 75 minutes to 100 percent. Tesla cars and the Superchargers communicate to select the appropriate charging rate for your car. Speed may vary due to battery charge level and climate conditions. Your vehicle charges faster when the battery is at a lower state of charge and charging slows down as it fills up.

- Tesla cars Model S and X receive 400 kWh (about 1,000 miles) of Supercharger credits annually. A small fee applies with usage above the complimentary annual credits provided.

- Model 3 does not receive annual Supercharger credits.

- Supercharger pricing information may be viewed on the touchscreen. Supercharging history is automatically populated in your Tesla Account showing the credits used or amount billed. Tesla is committed to ensuring their charging stations will not be profit centers. (E)

Safety

Make sure do-it-yourself projects are safe projects

Are you planning do-it-yourself projects for spring? Your electric co-op urges all do-it-yourselfers to take precautions.

- Make sure outdoor outlets have a ground fault circuit interrupter (GFCI). Use a portable GFCI if your outdoor outlets don't have them. It's also a good idea to have GFCIs installed in wet areas of the home.

- Look up and around you. Always be aware of the location of power lines, particularly when using long metal tools like ladders and pruning poles, or when installing rooftop antennas or doing roof repair work.

- Be especially careful when working near power lines attached to your house. Keep equipment and yourself at least 10 feet from lines. Never trim trees near power lines — leave that to the professionals. Never use water or blower extensions to clean gutters near electric lines.



Contact a professional maintenance contractor.

- If your projects include digging, like building a deck or planting a tree, call Gopher State One Call at (811 or 1-800-252-1166) 48 hours before you begin. Never assume the location or depth of underground utility lines. This service is free and can help you avoid serious injury.

- Electricity + water = danger. If it's raining or the ground is wet, don't use electric power or yard tools.

- Make certain home electrical systems are adequate to support increased electric demands of new electric appliances, home additions or remodeling projects. An older home may be inadequately wired for today's electrical consumption, putting your family at risk for fire and electrical shock. (E)

— Information courtesy of safeelectricity.org

Federated Focus

See us at March Home Shows

Catch us at the Jackson Home Show March 17 at the Jackson County Central High School. Stop by our booth and register to win the grand prize of a free Basin Tour (power plant trip for two July 10-12). Pick up our 2018 rebate forms, learn about our water heater program and bring us your questions!

High school seniors earn \$700!

Apply for one of the nine Operation Round Up scholarships by April 11. Find the application on our website or with local school counselors. Must be the son or daughter or a current Federated member. Scholarship is awarded after successfully completing the first semester of higher education with a 2.0 GPA and proof of spring semester registration.

Energy Star appliance rebates

Federated offers a \$50 Energy Star appliance rebate on new refrigerators and freezers with the proof of recycling the old one. New in 2018: \$25 Energy Star dehumidifier rebate. Visit our website for the form or call our office.

2018 Basin Tour Registration

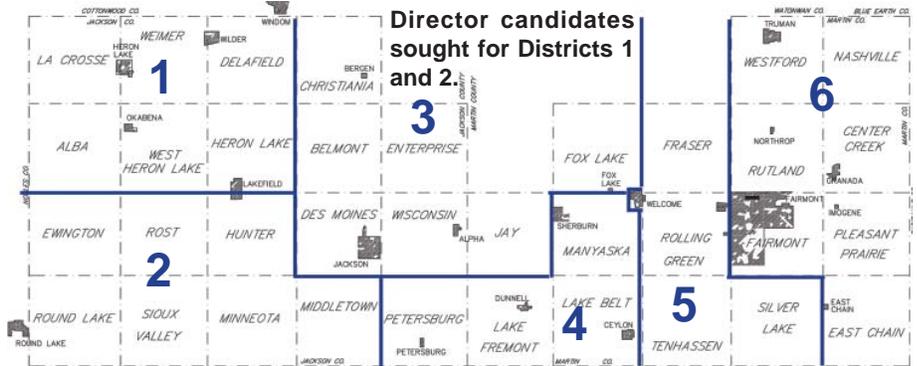
1 member for \$138 or
2 members for \$275

Name(s) _____
 Address _____
 City/state/zip _____
 Phone # _____

Circle one: Smoking or non-smoking room?

Mail to: Federated Rural Electric, ATTN: Andrea, PO Box 69, Jackson MN 56143-0069 with the check or call 847-3520, 728-8366 or 1-800-321-3520; ask for Andrea to pay with credit card. (C)

Nominating Committee seeks candidates



Federated's Nominating Committee will select director and nominating committee candidates. The first meeting occurred February 13. They will conduct a second meeting to nominate the candidates May 15. The membership votes on candidates at the Annual Meeting August 1; it will be at the Martin County West High School in Sherburn.

The director positions slated for election involve Districts 1 and 2 both in Jackson County. Meanwhile, the Nominating Committee election involves Districts 3 and 4. Both positions are four-year terms. In addition, a director is needed for Districts 1 and 2 for the Operation Round Up Trust Board.

If you would like to nominate a member for a position, call Federated at 847-3520, 728-8366 or 1-800-321-3520. Otherwise, e-mail info@federatedrea.coop.

The nominations will be posted at Federated 30 days before the Annual Meeting. The nominations can also be made by petition at least 20 days prior to the meeting. (C)



Join us on a three-day trek across the Dakota Plains to tour the Antelope Valley power plant and the Coteau lignite mine (pictured above) July 10-12. In addition, learn about the coal gasification plant that converts coal into natural gas, fertilizer and more.

Depart from Jackson July 10 on the air-conditioned charter bus. Plenty of movies, games and frequent rest stops break up the day.

The big tour day is July 11. Depart Bismarck, North Dakota, for the power plant, mine and coal gasification tours. Take the elevator to the top of the power plant to see the view, peak into the coal burning furnace and enjoy the bus ride into the lignite open pit mine, weather permitting. In the evening enjoy a relaxing riverboat ride and supper on the Missouri River. In your free time soak in the indoor pool or shop at the nearby mall.

On July 12 the group stops at the North Dakota Heritage Center and State Museum before heading home. Enjoy periodic rest stops and return to Jackson around 8 p.m.

As a cooperative member-owner, learn about one of the sources of your electricity. The cost is only \$138 per Federated member or \$275 per Federated couple. The fee includes the cost for the hotel, bus, all meals and snack breaks.

Federated shares the tour bus with another co-op so just 20 seats are available. Sign up today! Call with your credit card to reserve your seats or send in your contact info with your check payment and the coupon on the left. Call Federated and ask for Andrea. If you have gone before, please do not sign up again. (C)

Okabena Fire Department buys new fire truck through Federated's revolving loan program

The Okabena Fire Department rang in the new year with a new fire truck thanks to a loan from the United States Department of Agriculture (USDA) and Federated Rural Electric, Jackson.

The City of Okabena was looking for an affordable way to finance a new brush fire pickup for fighting grass fires; their current model (1977) was due for an update. Okabena purchased a new Ford pickup F350 that will be more dependable and continue to ensure the area's public safety. Okabena financed \$19,141 or half of the truck's cost with Federated's revolving loan fund with the loan closing occurring in January of 2018.

"The older pickup was 30 years old and not reliable," stated Chad Petersen, Okabena Fire Chief. "The old one was not safe to drive, as it was no longer mechanically sound. Plus, sometimes the old pickup would not start. We moved the skid unit with the water tank, pump and hoses from the old pickup bed into the new one. This loan really makes a difference for the City of Okabena as it frees up cash and helps them with other obligations."



Holding the big check are Okabena Mayor Brent Groen, Fire Chief Chad Petersen and Assistant Fire Chief Lance DeWall in front of the new brush fire pick-up truck that is now ready for service thanks to a revolving loan fund from Federated.

Federated applied for a loan through USDA's Rural Economic Development Loan & Grant Program (REDLG) in 2009 and 2016, which required a Federated 20 percent match. "As the original recipients pay off their loans, the money goes into a Federated revolving loan fund," stated Scott Reimer, Federated's general manager. "The one percent service fee is attractive to the recipients and keeps the dollars flowing to help our rural economies."

Entities that have paid back into the revolving loan fund include: the Cities of Round Lake, Heron Lake and Ceylon for buying fire trucks, while Tenhassen Township used it to build a township hall meeting area and garage.

Federated has a long history of economic development. Since 1992, Federated provided economic development dollars totaling \$3.8 million. This contributed to keeping 1,086 jobs and securing 448 new jobs in the area. 

Kathy Johnson hired as co-op staff accountant

Federated counts on Kathy Johnson, Lakefield, as the new staff accountant, effective February 1. She is training under Nina Walter who will retire March 30.

Johnson is a Windom native who attended Nettleton College in Sioux Falls for accounting. She previously worked for 20 years at REM/Mentor (formerly Habilitative Services in Lakefield), as Lakefield city clerk and as Lakefield Municipal Hospital/Colonial Manor's office manager.

"I will be working with a lot of numbers and accounting software ranging from payroll to general ledger and financial reporting," Johnson stated. "I am pleased to be getting back into the accounting field and look forward to learning more about Federated and providing customer service."

Johnson is married to Greg who works at Fast Global Solutions in Windom. They have two sons, Randon and Spencer, who both work at AGCO, Jackson.

In her free time Johnson enjoys baking, walking and relaxing at their cabin. 



Kathy Johnson, Lakefield, joined Federated as a staff accountant February 1. Welcome to the cooperative!

Tired of seeing your money go down the drain?

Invest in an energy-efficient water heater from your electric co-op. It could be the last water heater you buy! It comes with a lifetime warranty against leaks for the original owner. Compare that to most water heaters featuring only a seven-year warranty. Buying a water heater every seven years seems like a “draining” experience.

**Call the energy expert
at your electric cooperative!**



Tax time arrives...Using the electric heat tax exemption?

Electricity sold for residential use to members who use electricity for their primary source of residential heat is exempt from the sales tax for the billing months of November, December, January, February, March and April.

For those residential and farm accounts whose home is heated by electricity, who are eligible and billed through one meter, the total electric consumption for the months listed above are exempt from sales tax. For those residences where the heat is metered separately, only that portion is exempt.

To be eligible for residential electric sales tax exemption, you must have more than 50 percent of the heating requirement furnished by electric units. Portable heaters are not considered primary heating sources.

You can find the necessary tax forms at www.revenue.state.mn.us. 



Make yourself a home.

WE'LL HELP YOU PROTECT IT.

Our smart home security systems keep your loved ones and home safe from intruders, carbon monoxide, fire, and other threats. Watch live video, arm/disarm your system, and control your lights and thermostat from easy-to-use web and mobile interfaces.



A subsidiary of your electric co-op
1.888.264.6380
heartlandss.com

Warm chilly days with hot chili meals; share chili recipes with us

Take off the last of the chill and fill their tummy's with some new chili recipes. Share with us recipes for white chili, chicken chili, spicy hot or even your most unique chili recipes. Share your favorite chili recipes and send to: Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop by March 27. Add your name and phone number. Thanks for sharing with us! ☺

Grandpa Schlager's Beer Bread Muffins by Julie Speckman, Welcome

3 c. self rising flour 4 T. melted butter, divided
2 T. sugar 1½ c. beer

Lightly grease a standard 12 piece muffin tin. Preheat oven to 375°. Mix flour, sugar, 3 tablespoons of melted butter, (save 1 tablespoon for top) and beer. Stir until fairly smooth, a few small lumps are ok. Fill greased muffin tins two-thirds full and brush with remaining butter. Bake until muffins spring back lightly in the middle about 14-18 minutes and the tops will look pale. Muffins are best enjoyed warm from the oven; otherwise, store in airtight container at room temperature. Can also make this as a 9x5" loaf; grease pan and bake 45-50 minutes. ☺

Glacier Bay Bread by Howard Blume, New Ulm

2 c. rye flour 2 c. boiling water
1 c. cold water
2 pkgs. yeast dissolved in 1 c. warm water
3 T. caraway seed 2 T. salt
3 T. sugar 8 c. plain flour

Mix at night the rye flour, boiler water and cold water. Add the dissolved yeast. In the morning add the caraway seed, sugar and salt. Stir and add up to 8 c. plain flour to make dough that is just past the sticky stage. Knead. Let rise until double. Punch down and shape into French bread-style loaves. Makes four. Place on greased cookie sheets. Bake for 25-30 minutes at 400°. Optional: before baking moisten the top of the loaf with egg and sprinkle with coarse salt. ☺

More vintage water heater ads from 1946 co-op publication

RED-E-HOT ELECTRIC WATER HEATER

Have plenty of hot water at all times — for only a few cents a day. Always full — can't run dry. 10-gallon heavy gauge copper tank is permanent. Quick-heating 500-watt element, automatically controlled . . . nothing to forget. Thick insulation holds in heat. Splash-proof bowl at easy height for pouring. Write for information.

US
UNITED STATES MOTORS CORP.
564 Nebraska St. Oshkosh, Wis.

SANI-MATIC
ELECTRIC WATER HEATER FOR THE MILKHOUSE

Exclusive Advantages

- Available in 10 gallon and 18 gallon sizes.
- Capacity 10 full gallons of hot water 6 times daily (water at desired temperature).

WRITE TODAY FOR FOLDER
THE Schlueter CO.
JANESVILLE, WISCONSIN

Check out these water heaters' features:

- Red-E-Hot model**
- Heavy gauge copper tank
 - 500-watt element (not the 110-cord to plug it in). Today's water heater elements are 3,000-4,500 watts hard-wired on a double breaker.
 - How interesting...a motor corporation sold water heaters!
 - The two drawings show how these water heaters were often used.
- Sani-matic model**
- While we don't have many milk houses now, we do have hog barns and heated shops with water heaters.

Pick up the phone before the shovel; call before digging!

1-800-252-1166

Call Gopher State One Call before doing any digging more than 12" deep — 48 hours before digging for foundations, trees, tiling and more. You can also register at www.gopherstateonecall.org. Call a licensed electrician to locate the underground lines on your side of the meter. ☺



Scott Reimer

Manager's Message

2018 work plan and budget approved

The Board of Directors met February 22 and approved the 2018 budget; some highlights follow:

- Update the lighting in the Jackson office to LEDs. For years we have encouraged all of our members to do their part and here we sit with inefficient, old fluorescents; this is one thing where we will see an immediate payback.

- Roof repair on the headquarters office. Screws are pulling out of the metal roof; plus, all of the seals are gone so rain and snow can blow in on

top of the insulation. This one needs to be done.



- Finish the generator project that was begun in late 2017; it arrived onsite February 26. Then all office computers will have generator backup during an outage and not just certain areas. With all of today's computer technology from outage management to electronic maps, this was a big priority.

- Several system enhancements

are on the docket, including several miles of underground replacements.

- Maybe one of the biggest changes is that we are going to contract out all underground installations. We hired a contractor to install cable; our crews will terminate and energize the systems. What this will hopefully do is free up crews to do other work that may get postponed, such as old pole changeouts.

- Load management infrastructure upgrades are planned to start later this year, if the components become available.

- As always, we put great emphasis on employee safety and the enhancement of our electric system.

In conjunction with the work plan I reviewed the strategic plan that was initiated in April 2017. It was intended to be a three-year document and after nine months of activity, we have made significant strides, but there is much to do. We will keep working on it. It gives us a good road map to follow.

Two board meetings slated for March

The board will meet twice in March; once on the 23rd, which will be a special rates discussion, and again on the on the 30th for the regular meeting. At the rates meeting the Board will hear the results of recent Cost of Service studies (COSS) for both the legacy members and the former Alliant members. The PUC has jurisdiction over the 12 co-ops for the first five years. Each cooperative must submit a two-year rate plan indicating how rate treatment will occur through year five. The COSS will lay that out for us.



Rural Electric

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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.



In any event, we are cognizant of the great rates our members have and will do all we can to preserve that. We have three major components that dictate that effort; those are the wholesale power contracts we have with Basin, GRE and Alliant being roughly 80 percent of our costs.

Silent auction continues; enter your bid by March 23

The silent auction is still going for the Chevy Volt, forklift and welder. If any of these items interest you, please fill out the silent auction form at our front desk or from last month's newsletter by March 23. Activity on the Volt has been good.

Best wishes Nina on retirement

We do have a retirement coming up at the end of March and that is Nina Walter. As you go about your day, stop to chat with her. I am sure Nina would appreciate it. We will have more on this in the next issue; however, we will be sad to see Nina move on. ☹️