



NEWSLINE



January 2015

Fraternal Order of Eagles #870 Ladies Auxiliary wins Touchstone Energy Community Award

Itasca-Mantrap has named the Fraternal Order of Eagles #870 Ladies Auxiliary as the winner of the local 2014 Touchstone Energy Community Award for the annual Children's Christmas Celebration. In appreciation of its community service, the organization received an engraved plaque and a \$500 check that will be used for its own project.

For the last 12 years, the Ladies Auxiliary has hosted the annual Children's Christmas Celebration at the Eagles Club in Park Rapids. There, families can get together and enjoy a meal while children play games, do arts and crafts, get their faces painted, and visit with Santa. Every child leaves with a gift.

Bonnie Karkinen, Auxiliary President, was thrilled to receive the award and said the Ladies Auxiliary will use the money to purchase bikes, sleds and other toys for the event. With the closing of the Caring and Sharing program in 2014, they anticipate more families in need this Christmas and want to be sure every family is fed and every child receives a gift.

Itasca-Mantrap sought candidates during the month of October for the Touchstone Energy Community Award, which recognizes organizations for outstanding contributions to the local community.

Their award application will be submitted for consideration in the statewide Minnesota Touchstone Energy Community Award. The statewide award recipient will be selected from local award winners from around Minnesota. The winning organization will receive \$1,000 to go toward its community cause. The

Minnesota Touchstone Energy Community Award will be presented to the award recipient in February during the Minnesota Rural Electric Association annual meeting in St. Paul.



Bonnie Karkinen, Auxiliary President

With higher energy costs projected, rate review is underway

As mentioned in the December issue of *NewsLine*, Itasca-Mantrap is conducting a cost of service study to determine if we are adequately recovering costs through our existing rate structure. A future newsletter will detail the results of that study.

The energy industry is facing unprecedented challenges. The uncertain impact of new regulations, additional costs associated with renewable energy standards and lackluster energy sales in a still-slow economy have created a difficult reality: The cost of electricity is rising. Great River Energy, Itasca-Mantrap's wholesale power supplier, is projecting increases in the cost of power each year from 2015 through 2018.

Independent rate analysts are conducting the cost of service study. When completed, it will be reviewed by the Itasca-Mantrap staff and Board of Directors. If a rate adjustment is necessary, it will be implemented in 2015.

Itasca-Mantrap will continue to do everything it can to minimize the impact of rising costs on Members without compromising safety and reliability of the system. And we will continue to be there for Members, with expert advice on reducing energy use to save money.

Director nominations open in districts 6 and 7

Directors will be elected at the Itasca-Mantrap Annual Membership Meeting on June 11. Nominations are open for director candidates in districts 6 and 7. Board directors serve three-year terms and represent all co-op Members.

Itasca-Mantrap Members who live in districts 6 and 7 are eligible for nomination if they meet the qualifications as stated in the Cooperative's bylaws and submit an official petition form with at least 10 signatures of other Itasca-Mantrap Members from the same district.

DISTRICT 6 – includes Eagle View, Forest, Pine Point, Round Lake North, Round Lake South, Savannah, Sugar Bush and Two Inlets Townships in Becker County; Clover and Lake Alice Townships in Hubbard County; and LaPrairie Township in Clearwater County.

DISTRICT 7 – includes Carsonville, Height of Land North, Height of Land South, Osage, Shell Lake, Toad Lake and Wolf Lake Townships in Becker County.

If you are interested in becoming a nominee, call our office to request a petition and director candidate packet. The packet contains additional forms that must be signed and turned in before the deadline.

Completed petitions and other forms must be received in the Itasca-Mantrap office by 4:30 p.m. on April 13, 2015.



CEO's Message - by Michael Monsrud, President - CEO

I was at a meeting the other night, and a woman asked me about my newsletter articles. "Em" said that she reads them all the time. The one suggestion she

had for me was that my articles, though good and informational, need to be a little lighter. She said I need to have a brighter picture of our future when I write.

Thanks for the advice, Em. I will try not to be so gloomy in my articles. It is hard not to be when there are so many negative things that affect our future and the price we pay for electricity. As you may recall from other articles I have written, it is my job to provide reliable and cost-based electricity to our Members. Part of that job is to stay in contact with our state and federal legislators, keeping them informed of how the bills they are working on will affect their rural constituents and electric bills.

The legislative process affects your electric bill directly through mandates to purchase more expensive renewable energy and mandates that make your Cooperative spend money to reduce electric sales by 1.5 percent each year. We spend that money by offering rebates on ENERGY STAR® appliances, energy efficient lighting and advertising to inform our Members about energy saving opportunities.

Your Cooperative Board of Directors met November 20 and had an extensive discussion about the upcoming rate study. The consensus was that we need a rate adjustment for 2015, especially when our wholesale cost of power is going up 2.9 percent. Great River Energy (GRE), our wholesale power supplier, did not officially increase their rates in 2014, but it did enact a power cost adjustment (PCA) during the year. That PCA cost Itasca-Mantrap Members \$362,806 in 2014. Itasca-Mantrap did not pass the GRE PCA on to our Members, but kept our retail rates stable. The effect of not passing the 2014 PCA to our Members and the 2015 increase of 2.9 percent in wholesale power costs is that the Itasca-Mantrap staff and Board of Directors must consider adjusting rates for 2015.

Since our cost of service study wasn't expected to be completed by January 1, 2015, the Board discussed the need for an Itasca-Mantrap PCA for January, February and March, with new rates going into effect April 1, 2015. The Itasca-Mantrap PCA would go away when the rate adjustment takes effect.

One of the major items of the rate discussion at the Board meeting concerned the monthly basic charge. Our last cost of service study recommended a basic charge of \$45 per general service meter, not including heat meters. The last time the basic charge was adjusted, it was increased to \$31 per general service

meter. We don't know what our new cost of service study will reveal, but we are confident our consultants will say it should be at least \$45 per general service meter.

The basic charge pays for having electricity available at each connected service. In addition to the transformer, meter and wire at each service, it covers the combined need of all Members for the wire, poles and substations to provide reliable electric service. Contracts with our lenders require specific margins to cover our debt payments. This requires us to have a margin large enough to satisfy those contracts and cash to pay our other bills. This margin either comes from the basic charge or the kilowatt-hour (kWh) sales to our Members. If the basic charge is increased enough, the kWh charge does not need to cover the entire margin and therefore, can be lower.

After we receive the results of the cost of service study, we will publish the new rates so all Members can see the effect the new rates will have on their electric bill. By the time we publish the next issue of the *NewsLine*, we will know more about the future of Itasca-Mantrap's rates.

Until next time,

Michael

Member appreciation open house

More than 200 Itasca-Mantrap Members and guests attended our Member Appreciation Open House December 4 and 5. Members enjoyed cookies, coffee and cider as they visited with Itasca-Mantrap employees.

Congratulations to our door prize winners Betty Kowalke, Dwayne Monson, Renee Manlove, Bob Williams, Gary Pritchard, Sarah Lester, Bob Stulich, W.T. Mixon, Teresa Reichwein and Rose Schultz.

This event is held to show our appreciation to you for your patronage and support. Thank you for attending.



Energy use in your home

Where is the most energy being used in my home?

What does it cost me to operate each appliance?

What can I do to reduce my bill?

These are the most common questions asked by Members when their electric bill is higher than they expect. One of the most common causes of a high bill is that one or more appliances is using more energy than the homeowner realized.

- An appliance left on without the owner realizing it, such as a strip of electric baseboard left on in a guest room, can add \$40-\$50 a month to the electric bill.
- Switching the furnace fan from AUTO to ON can increase the electric bill by up to \$70 a month. If left in the AUTO mode, it would only use \$12-\$24 a month during the heating or cooling season.
- Occasionally, there may be a malfunctioning appliance, such as a septic system lift pump with a stuck float that keeps running 24 hours a day that can add \$100 a month to the electric bill.
- A sudden increase of \$50-\$100 a month is sometimes the result of mechanical problems with a well pump switch, a well pipe leaking underground, or a waterlogged pressure tank.
- Use of a dehumidifier in a wet basement will add \$9-\$20 a month, depending on the age and efficiency of the dehumidifier model.
- In winter, heating bills climb due to electric space heaters, heat tapes, tank heaters, heated dog dishes and pads, heat lamps, etc. In summer, bills most commonly go up from use of air conditioning, dehumidifiers, and furnace fans. And if you have a swimming pool or hot tub, use goes up significantly due to the circulating pump.
- The extra refrigerator in the garage may be costing you more than you think. Refrigerators are designed to be operated within a certain room temperature range. They are not designed to operate in very cold or very hot and humid environments. In winter, it is hard on the refrigerator because it may be too cold for the thermostat and refrigerant to operate properly. In summer, the high heat and humidity in an uninsulated garage can cause a refrigerator to run overtime to keep food or beverages cold.
- The largest sector of home appliance use that has been increasing is the number of plugged in electronic devices. Multiple computers, TVs, DVRs, set top cable/satellite boxes, video game systems, charging stations for iPads, cell phones, MP3 players, and a host of other

-Continued

Just how much do my appliances cost me to operate?

	kWh/month	Est. \$/month
Clothes washer, 4 loads/week	10	\$ 1.05
Clothes washer, 10 loads/week	24	2.53
Electric clothes dryer, 4 loads/week	40	4.21
Electric clothes dryer, 10 loads/week	100	10.53

FREEZERS: (16.7 cu ft. size)

Chest freezer (any age)	34	3.58
Upright manual defrost freezer, bought before 1990	133	14.00
ENERGY STAR upright freezer	53	5.58
Frost-free upright freezer purchased before 1990	250	26.33

REFRIGERATORS:

Top freezer – purchased before 1990	142	14.95
Top freezer – purchased 1990-2000	86	9.06
Top freezer – purchased after 2000	45	4.74
ENERGY STAR top freezer	34	3.58
Side-by-side – purchased before 1990	183	19.27
Side-by-side – purchased 1990-2000	114	12.00
Side-by-side – purchased after 2000	58	6.11
ENERGY STAR side-by-side	44	4.63
Bottom freezer – purchased before 1990	157	16.53
Bottom freezer – purchased 1990-2000	95	10.00
Bottom freezer – purchased after 2000	50	5.27
ENERGY STAR bottom freezer	38	4.00

KITCHEN:

Dishwasher	30	3.16
ENERGY STAR Dishwasher	26	2.74
Oven, 9 kW/ hour used, 30 min/day avg	135	14.22
Range top, 3 kW/ hour used/burner, 30 min/day avg	45	4.74
Microwave oven, 30 min/day avg	17	1.79
Toaster oven	4	.42
Coffee maker, one pot/day	10	1.05
Crock pot cooker, one kWh/2.5 hrs of use	16	1.68
Toaster	4	.42

TELEVISIONS & ELECTRONICS:

(TVs less than 40" are estimated on 3 hours/day and TVs larger than 40" are estimated on 5 hours/day.)

Less than 40" Analog	15	1.58
Larger than 40" Analog	26	2.74
Less than 40" Digital HD	25	2.63
Larger than 40" Digital HD, LCD	12-98	.26-10.32
42" Plasma Flat Screen	17-233	1.79-24.53
DVD Player/VCR	7	.74
Set Top Cable Box	15	1.58
Video Game System (left on when not in use)	8-130	.84-13.69
Video Game System (turned off when not in use)	3-13	.32-1.37
Standby power (electricity used by items turned off)	42	4.42
Cellular Phone	1-3	.11-.32
Desktop PC	20	2.11
Laptop PC	6	.63
Stereo System	10	1.05
Printer	14	1.47

devices are plugged in. Walk through your house on a given evening and count the number of outlets in use for these devices. You may be surprised!

Have appliances gotten more efficient?

Of all the appliance improvements over the past 25 years, the front loading washer has been one of the biggest energy savers for consumers. Replacing an old top loader with an ENERGY STAR® certified front loading machine saves energy not only in washing the clothes. It also reduces significantly the amount of water used, which in turn reduces the run time of your well pump, the frequency your water softener needs to cycle, the operation of your septic tank pump (if you have one), and the heating of water by your water heater.

Refrigerators and freezers are other appliances that have been improved the most in 25 years. Electricity use in new ENERGY STAR models is a fraction of what a 1990 model or older would use.

Air conditioners and air source heat pumps have also improved in efficiency over the years. Government standards now require much higher Seasonal Energy Efficiency Ratio (SEER) ratings on new units than even 10 years ago. The minimum efficiency that can be manufactured today is 13 SEER, where less than ten years ago 10 SEER units could be manufactured and people were still using 8 SEER units.

Lighting: The transition from incandescent to CFL to LED bulbs has made home lighting more efficient. Using LED bulbs today can reduce your energy use and your electric bill. LED bulbs can last for up to two decades, save you 75 percent or more in energy costs and offer superior color and brightness. When a bulb burns out or needs replacement, consider purchasing LED bulbs to lower your electricity bills over the long term.

MISCELLANEOUS HOUSEHOLD:	kWh/month	Est. \$/month
Standard Electric Water Heater – Family of 4	500	52.65
Standard Electric Water Heater – Family of 2	250	26.33
Off Peak* Electric Water Heater – Family of 4	500	22.25
Off Peak* Electric Water Heater – Family of 2	250	11.13
Dehumidifier	81-170	8.53-17.90
Furnace Fan (Automatic)	100-200	10.53-21.06
Furnace Fan (Constant)	250-500	26.33-52.65
Ceiling Fan	7-30	.74-3.16
Air Handler/Heat Exchanger	62	6.53
Portable Heater (1,500 Watts)	280-1080	29.48-113.72
Hair Dryer	3	.32
Portable Spa/Hot Tub	200-500	21.06-52.65
Pool Pump (1 hp)	66-540	6.95-56.86
Well Pump	7-108	.74-11.37
Heat Tape	130	13.69
Engine Block Heater (With Timer)	62	6.53
Engine Block Heater (no timer, plugged in overnight)	450	47.39

LIGHTING: (Based on 4 hours of use per day.)

9-Watt LED Lamp	1	.11
18-Watt Compact Fluorescent Lamp	2	.21
60-Watt Incandescent Lamp	7	.74
100-Watt Incandescent Lamp	12	1.26
300-Watt Halogen Torchiere Lamp	37	3.90

These figures are based on the average use of an appliance in good working condition and are based on national averages and independent research. Actual use will vary based on the number of hours used, and the age and condition of equipment. Cost calculation based on the Itasca-Mantrap general service rate of \$0.1053 and Off-Peak* rate of \$0.0445.

Determining your electricity use

Your home is unique. Factors that affect your energy use range from the number of people in your family, to the type of heating and cooling you use, to how often you entertain guests. Other factors can affect energy costs as well. Was it colder or hotter than normal? Did you finally buy that new stereo system you've been saving for?

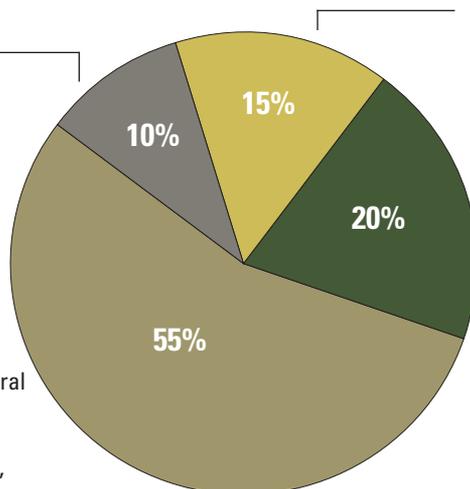
The chart below estimates what most people buy with their energy dollars.

WATER HEATING

Your water use habits affect more than your water bill. Homes use an immense amount of energy to heat water for laundry, showers, dishes and cooking. Small fixes like low-flow shower heads and faucet aerators can make a difference on your bill.

HEATING AND COOLING

More than half of your home energy use is dedicated to heating and cooling. However, several factors can affect how much energy you need to keep your home comfortable, including the efficiency of your heating or air conditioning unit, your home's insulation, and even its sun exposure.



APPLIANCES

Appliances can save you a lot of time and work, but they can hurt your energy bills. The number of electric appliances you have, how efficient they are and how frequently you use them affects your energy expenses.

LIGHTING

The average household has more than 40 light sockets. You may be able to save easily on lighting costs by changing incandescent bulbs to CFLs or LEDs, and adjusting your habits, such as turning lights off when not in use.

Source: Minnesota Department of Commerce Office of Energy Security

Co-op Connections® card puts value in your wallet

Itasca-Mantrap's commitment to you goes beyond providing safe, reliable and affordable electricity.

We're always looking for ways to provide value to our Members and our community. Itasca-Mantrap's Co-op Connections card is a money-saving tool we're proud to offer our membership. The card connects you with discounts on everything from hotel stays to prescription drugs.

A wide variety of local businesses throughout our community accept the card. Look for the Co-op Connections sticker at the register of local businesses and present your card to receive your discount.

One of the most valuable features of the Co-op Connections card is the pharmacy discount. While it is not insurance, the discount can mean savings of 10 to 85

percent on prescription drugs. The logo and information on the back of your card is recognized at more than 60,000 national, regional and local pharmacies.

The pharmacy discount has been widely used by members of Touchstone Energy co-ops across the country, resulting in combined savings of more than \$70 million on prescriptions and locally, Itasca-Mantrap Members have saved more than \$38,000!

Want to find out more? Visit www.locateproviders.com to search for pharmacies in our area honoring the card. You will need to enter the Member and Group number on the back of your Co-op Connections card.

As a Touchstone Energy co-op, Itasca-Mantrap strives to serve our Members according to four core values: integrity, accountability, innovation and

commitment to community. Our Co-op Connections card is one of the ways we live up to those values.

Contact Itasca-Mantrap at 218-732-3377 or toll free at 888-713-3377 with questions you may have about the card or visit www.itsasca-mantrap.com for more information on the program.



Participating Pharmacies

Coborns Pharmacy, Park Rapids	218-732-0836
Pharmacy Shoppe, Park Rapids	218-732-3351
Seip Drug, Park Rapids	218-237-5848
Seip Drug, Menahga	218-564-4655
St. Joseph's, Park Rapids	218-732-3311
Thrifty White Drug, Walker	218-547-1016
Thrifty White Drug, Walker	218-547-4734
Walgreens, Park Rapids	218-732-3342
Walmart, Park Rapids	218-732-0329

Committed to the community!

Since 2006, the Itasca-Mantrap Operation Round Up Trust has awarded \$505,000 to local non-profit organizations.



The Trust is funded primarily by Itasca-Mantrap Members who allow their electric bills to be rounded up to the nearest dollar.

The Operation Round Up Trust Board accepts grant applications year round and meets twice a year to select the grant recipients. The next application deadline is March 16, 2015.

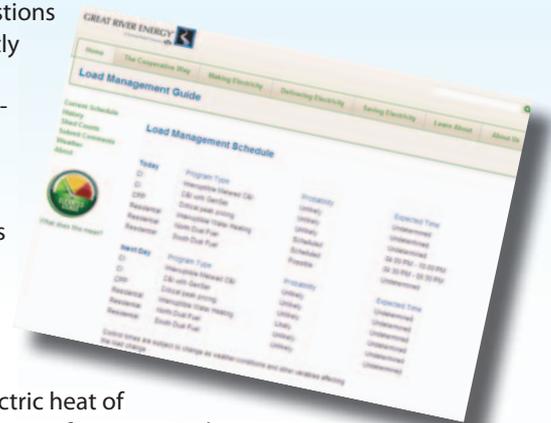
Winter load control

One of the questions we are frequently asked is, "How often will Itasca-Mantrap/Great River Energy control my dual fuel heating this winter?" The short answer is "it depends."

Itasca-Mantrap may control electric heat of dual fuel participants for up to 400 hours per heating season. Controlling the electric portion of your heating system during peak energy times helps Itasca-Mantrap to reduce demand charges and more effectively utilize existing generation capacity. This helps to keep overall electricity costs for Members as low as possible. In return, Members participating in the dual fuel program receive a special reduced rate.

This program is not designed to inconvenience the Members when load control is conducted. Members are required to have an adequate back-up heating system that will heat their entire home. Make sure your back-up heating system is working properly.

Itasca-Mantrap's dual fuel program is a very reasonable way to enjoy the comfort of electric heat. The main advantage of participating in this program is the cost savings; heating at Itasca-Mantrap's dual fuel rate is almost half the general service rate. **Log on to www.itsasca-mantrap.com to check the load control status or Like our Facebook page for load management notifications.** If you have any questions regarding the load management program, please contact our office.



ELECTRICITY PUTS BREAD ON YOUR TABLE. AND KEEPS IT IN YOUR WALLET.

LOAF OF BREAD	
1936.....	8¢
2013.....	\$1.41
INCREASE.....	18X

ELECTRICITY	
1936.....	5¢
2013.....	11¢
INCREASE.....	2X

BASED ON AVERAGE COST PER KILLOWATT



Keeping energy affordable. Just another way it pays to be a co-op member. Learn more about the power of your co-op membership at TogetherWeSave.com.

TOGETHERWESAVE.COM

Applications sought for Youth Tour

Itasca-Mantrap is sponsoring one area high school student to attend this unforgettable all-expense-paid trip to Washington, D.C. June 13-18, 2015. The contest is open to sophomores and juniors who live in the Itasca-Mantrap service area.

Hundreds of youth from across the United States will gather in Washington, D.C. to learn more about our nation's history, see American government in action and tour famous historical monuments. Students will also get a chance to meet and ask questions of their legislators and learn more about the importance of electric cooperatives. Students who attended this trip in the past said it was a wonderful experience and one of the best things they ever did.

To be eligible for a chance to win, students must complete an application. Finalists will then be interviewed before a selection is made. Applications are available at www.itsasca-mantrap.com, at our office, or from your high school counselor. Call the Itasca-Mantrap office for more information.

Applications must be received by March 6, 2015.

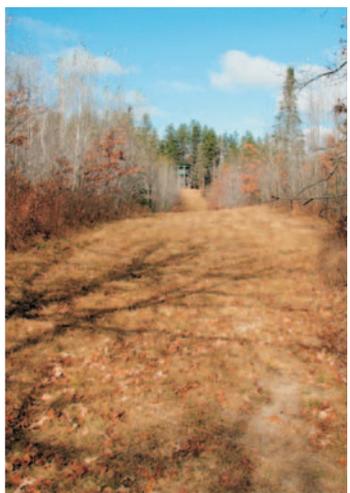


2014 Itasca-Mantrap Youth Tour winner Alexis King (front row, far right)

Clearing & Brushing

Iserv can help with lot clearing, brushing, trail mowing and brush removal.

Using state-of-the-art equipment, your property will be professionally cleared so you can enjoy the outdoors.



Experienced
Prompt Service
**Call for a Free Estimate
218-732-3377**

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E-mail: itsasca@itsasca-mantrap.com

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