McLeod Cooperative Power

NEWS

June 2012

Inside this issue...

Official publication of

McLeod COOPERATIVE POWER

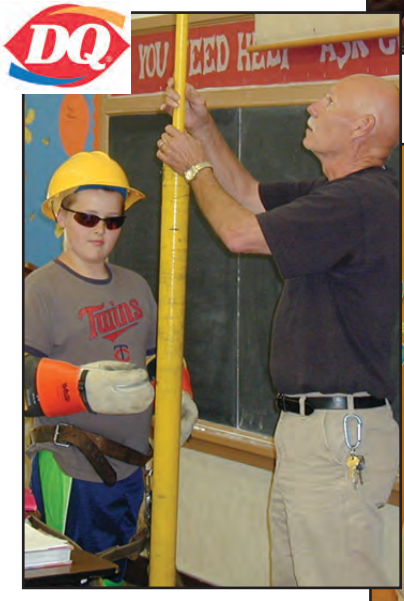
www.mcleodcoop.com

School safety programs partner with Dairy Queen

MCPA presented several electrical safety programs during May in area schools. Your Cooperative promotes electric safety training to help educate youngsters to be safe when using electricity and to know how to avoid dangerous situations. Students who participated in the class received a voucher from Dairy Queen for a free Blizzard. This is the second year Dairy Queen has partnered with Co-ops state-wide to promote electrical safety and energy efficiency.

Schools and groups that accepted our invitation to present safety training were fourth and fifth graders at Central School District in Norwood Young America, fifth and sixth graders at Green Isle Community School, and fourth to seventh graders at First Lutheran School in Glencoe. Students viewed a safety video, reviewed safety rules and learned correct actions to take in dangerous situations. A Cooperative line worker also showed students the protective gear they wear and use, and answered questions about their job.

Lineman Terry Underdahl shows Central NYA students a insulated hot stick, used by line workers to safely work on lines at a distance.



First Lutheran student Dusty Wendinger and line superintendent Mark Walford demonstrate for students lineman gear and a hot stick.

Lineman Curt Hanson has Green Isle student Jagger Borgmann try on some of his line worker gear.

The reprinted article from the Wall Street Journal is not available for viewing on the website.

Hot Water Storage Program works like storing energy in a big battery

For decades, members on the Hot Water Storage Program have been heating their water during the middle of the night, storing it in an extra large hot water heater (85 or 105 gallon tank or two 52 gallon tanks) and then having hot water available to use 24/7. The benefit to the consumer is that they pay the 5 cent off-peak electric rate, saving over 50% most of the year and 58% during the summer when energy rates are higher. A family of four saves $35-40 a month on their electric bill by heating water on the storage program.

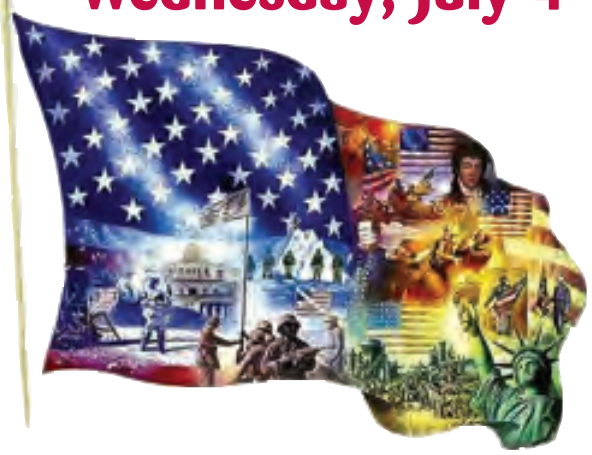
Members who heat their water at night also help the Co-op. For decades, there has been more energy (cheap energy) available for sale at night when most folks are sleeping and not using electricity. But with the increase of energy generation from wind turbines pumping more kilowatts into the grid during the night than during the day, it has become especially important to find a place to sell those kilowatts during the night-time hours. Using the energy generated at night by renewable sources to heat up a tank full of water and store it for use as needed is just like storing that energy in a big battery. The water tank takes in BTUs and stores them in the water, providing hot water whenever it's needed around the clock.

Co-ops have been using this technology for decades. It is such an economical system. Members save a lot of money by participating in the Hot Water Storage Program, which comes with a satisfaction guarantee. The utilities are able to make use of more of the renewable energy that is produced. It is good for members and the environment and it makes a lot of financial sense for everyone involved.

We encourage any member that is not already on the Hot Water Storage Program to get on the program and heat water at night. Use your water heater as a big battery. It will reduce the bill of any member currently heating their water at the regular rate. Plus, there is currently a $200 rebate for members with an uncontrolled electric water heater that converts to the Hot Water Storage program before Dec. 31. Call the Co-op to check out the details today. If your current water heater is less than 80 gallons (the minimum to qualify for the storage program) the Co-op has 85- and 105-gallon Marathon water heaters for sale.

McLeod Co-op Power has over 1,000 members that have been participating in this program for years and satisfaction ratings are very high. Members hardly notice they are on the program and they save a lot of money on their monthly electric bill. If you have central air conditioning, that can qualify for the lower rate also.

The MCPA office will be closed
Wednesday, July 4



in observance of Independence Day.

In case of an emergency or outage call 1-800-927-5685.

Wondering why your kilowatt usage has increased?

Don't be surprised, go online!

MyMeter is a free, online tool for McLeod Co-op Power members. View your daily energy use online. Set goals for reducing your energy use. Get an email or text message when your energy use hits a predetermined threshold. Find high use problems before you receive your monthly bill.

MYMETER™ ACCOUNT PROFILES

It's simple to view. Go to www.mcleodcoop.com and click on MyMeter on the homepage. Have your account number handy for that initial login and you will be on your way to managing your energy use.

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McLeod Cooperative Power News

USPS 2220

Periodicals Postage Paid at Hutchinson, MN
POSTMASTER: Send address changes to
McLeod Cooperative Power News
P O Box 70, Glencoe, MN 55336-0070

The **McLeod Cooperative Power News** is published monthly for $5 per year for members and $8 per year for non-members by McLeod Cooperative Power Association
1231 Ford Ave. North, Glencoe, MN 55336-0070

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The McLeod Cooperative Power News is the official member publication of McLeod Coop Power Association and focuses on our members, programs and events. All member story ideas and comments are welcome. Send to Sue Pawelk at the address above.

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The reprinted article from the Wall Street Journal is not available for viewing on the website.

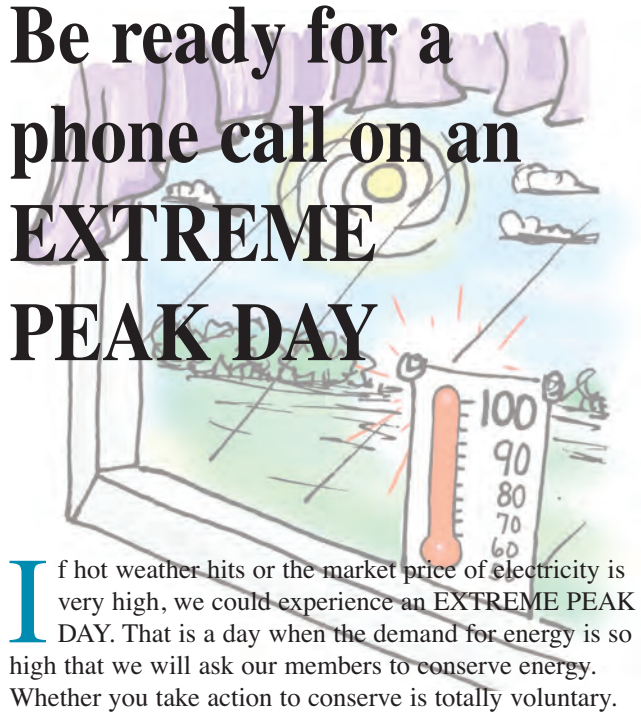
Power cost adjustment to change monthly

The power cost adjustment (PCA) line item that you see on your bill each month will be changing from an annual calculation to a monthly calculation. Beginning with the bill you receive this month (for May energy use), it will have a PCA that is calculated monthly. It could be a debit or a credit PCA, depending upon the PCA we are assessed by our power supplier, Great River Energy. They have used the monthly PCA method for several years and most cooperatives have gone to the same monthly PCA for retail consumers. Our PCA goes up or down with the wholesale cost of power from Great River Energy (GRE). If they have greater fuel costs or mining expenses than what was budgeted, we can anticipate our PCA to increase. We usually expect lower PCAs in the fall and spring months.

For many years the Cooperative had been estimating at the beginning of the year what the power cost adjustment had to be and then not changing it again until the following year. One time we had to adjust it in the middle of the year as it did not keep pace with the power cost adjustments we had incurred from our power supplier. The monthly method will help us more closely bill members the actual cost of power at the time the cost was incurred.

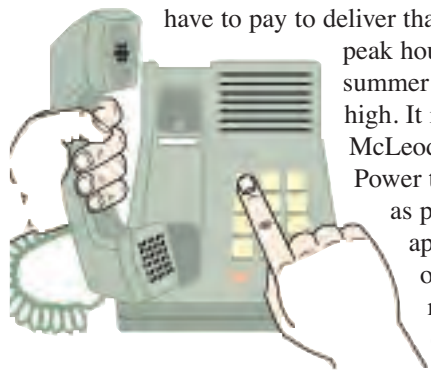
Included in the PCA is all the energy you purchased from the Cooperative for the previous month. If you have an unmetered rental security light, the PCA line of the bill will include the kilowatt-hours used by the light as well as the number of kilowatt-hours recorded by your electric meter. The Co-op pays the PCA on all kilowatt-hours purchased from GRE, including those used by security lights and street lights.

Be ready for a phone call on an EXTREME PEAK DAY



If hot weather hits or the market price of electricity is very high, we could experience an EXTREME PEAK DAY. That is a day when the demand for energy is so high that we will ask our members to conserve energy. Whether you take action to conserve is totally voluntary. On such a day, the Cooperative will use an automated recording system to call your home and notify you that it is an EXTREME PEAK DAY. If you are home, please listen to the recorded message. It will provide the announcement that it is an EXTREME PEAK DAY. It will also tell you the hours of requested conservation and provide a list of ways you can conserve. If you are not home and you have an answering machine, we will leave you the same message. If you do not answer, the system will try to call you back later in the day.

By conserving energy for a few hours, you can help the Cooperative avoid expensive peak day demand and energy charges. This helps manage electric rates for all of our members. Our power supplier, Great River Energy, is able to supply us with plenty of energy to meet the power needs of all of our members, even on an EXTREME PEAK DAY. However, the price we may have to pay to deliver that energy during peak hours of the hottest summer days may be very high. It is the goal of McLeod Cooperative Power to keep rates as low as possible. We greatly appreciate any effort our members can make to conserve on these days.



On EXTREME PEAK DAYS we will ask you to:

- **Do laundry early in the day or after 10 p.m.**
- **Wait until after 10 p.m. to start the dishwasher.**
- **Go out for dinner, cook in the microwave or on the grill, instead of using the stove or oven.**
- **Turn off or unplug the dehumidifier, computer equipment that is not being used, unnecessary lighting or rechargeable appliances until after 10 p.m.**
- **Turn your thermostat up a degree or two during the peak hours so your air conditioner run time is reduced.**

Doing some or all of these conservation practices will keep your house cooler on hot summer days. Doing activities that add heat or humidity to your home on an extremely hot day requires your air conditioner to run longer and use more energy.

Make sure you get THE RIGHT TREE

It is important that you select the proper tree type and size if planting near power lines. It can also be important to select the right size and type of tree and plant it in the right location to benefit from winter sun and also to be shaded from the summer sun. The side of your house on which you plant trees or shrubs can affect your annual heating or cooling bill.

Stop in the office or call for a free copy of The Right Tree. It is a guide to help you select the right species, plant it in the right location and give it the proper care.

“Faster service for less money,” says business owner

Todd Freeman of Maynard Lake Machining northwest of Dassel is extolling the praises of the new exede High-Speed Internet service he purchased from Meeker Cooperative.

“I have used WildBlue satellite service for several years and it was just too slow for the large files that I have to download and upload for my business,” Todd said.

Maynard Lake Machining does custom CNC milling, turning and job shop machining of metal and plastic parts for businesses. Some of the requests have come from Honeywell, NASA and the Department of Defense.

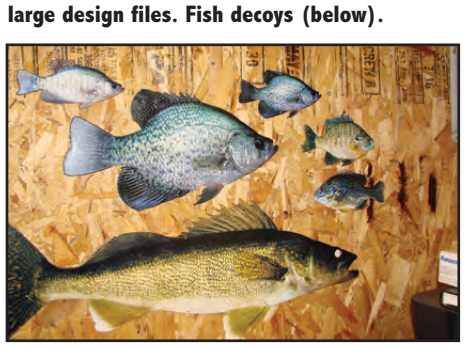
“The design files they send for us to use in our machining are often huge. Sometimes I’d click on them and just leave my computer while it downloaded, it was so slow. Now I click on them and watch them load. It’s fast.”

Even though Todd used the ProPak, which is the fastest and most expensive service offered by WildBlue, it didn’t deliver what he needed to work efficiently. Now Todd is able to get faster service, even using the lowest-priced basic service offered by exede.

“I’m getting the speed that I need at less money per month than I was paying for WildBlue.”

Todd also has successfully turned a hobby — fishing — into a side business that has garnered a lot of attention. Through “Bite Master”, Todd designs, manufactures and sells metal fish decoys. Each decoy is fashioned to look like a particular breed of fish, then the metal is fused with the colors and markings of the fish. The decoys deploy easily from a rattle reel or tip-up in the winter and from docks, swimming platforms or marker buoys in the summer. You also can use

Exede allows downloading and uploading of large design files. Fish decoys (below).



a“deployment” shaft (see photo). Using underwater video, the decoys are proven to attract other fish into the area.

Todd Freeman and exede Technician Chris Larson show a few of Freeman’s fish decoys.

“Fish are curious,” Todd said. “They also like the security of a school of fish. While we can’t guarantee that they will bite, I know of cases where there have been guys fishing on opposite sides of a fish house; on one side they used the decoys and the other side they didn’t. The guys using the decoys caught six fish, and the other guys didn’t catch any.”

The exede internet service is helpful with the Bite Master website, allowing Todd to upload videos quickly and easily.

“In the past when I was even playing a video, it’s like ‘boom!’ the video would slow way down. Now I don’t have that at all.”

Todd also recommends exede for ebay auctions.

“If you participate in auctions in ebay, often you have to wait until the last second to put in a bid if you’re going to win. Exede lets you do that.”

“I have recommended exede to several people I know and I’d be happy to talk to anyone; just contact me: toddfreemanzone@hotmail.com

Deployment shaft. Fish decoys are mounted, then shaft is twisted to simulate swimming.

“Meeker Cooperative, and especially Chris Larson, have been great to work with on the installation and answering any questions that I have. I highly recommend exede to anyone who has WildBlue, or especially dial-up. It’s so much faster it’s really hard to compare.”

Exede is a service provided by McLeod Co-op Power and Meeker Cooperative Light & Power.

Stay Cool For Less This Summer

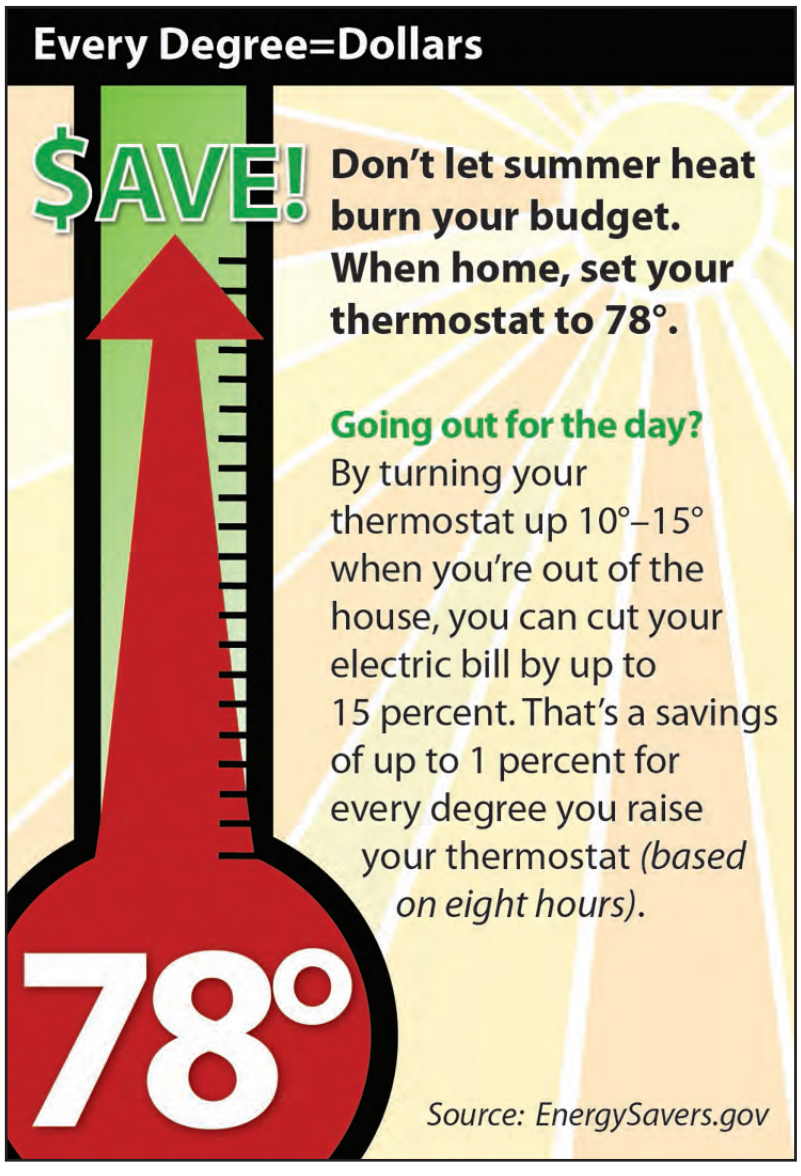
Staying cool and comfortable shouldn't have to come with a hefty price tag. Unfortunately, the two often go hand-in-hand. The good news is, there are relatively inexpensive things you can do to save energy and money. One of the easiest and most inexpensive is to turn your thermostat up (see graphic, below).

But that's only half the answer. It's what you do next that can make a big difference. It's an age-old remedy that your parents and grandparents used when they needed to stay cool...shut your drapes against the sun and use circulating fans around your home to move the air.

Circulating fans include ceiling fans, table fans, floor fans, and fans mounted to poles or walls. These devices create a wind chill effect that will make you more comfortable in your home, even if it's cooled by natural ventilation or air conditioning.

All circulating fans will have a significant cooling effect. However, ceiling fans are considered the most effective of these fans. If you use air conditioning, a ceiling fan will allow you to raise the thermostat setting about 4° Fahrenheit with no reduction in comfort. In temperate climates, or during moderately hot weather, ceiling fans may allow you to avoid using your air conditioner altogether.

Install a fan in each room that needs to be cooled during hot weather. Ceiling fans are only appropriate in rooms with ceilings at least eight feet high. Fans work best when the blades are seven to nine feet above the floor and 10 to 12 inches below the ceiling. Fans should be installed so the blades are no closer than eight inches from the ceiling and 18 inches from the walls.



Larger ceiling fans can move more air than smaller fans. A 36- or 44-inch diameter fan will cool rooms up to 225 square feet, while fans that are 52 inches or more should be used in larger rooms. Multiple fans work best in rooms longer than 18 feet. Small- and medium-sized fans will provide efficient cooling in a four- to six-foot diameter area, while larger fans are effective up to 10 feet. A larger blade will also provide comparable cooling at a lower velocity than a smaller blade. This may be important in areas where loose papers or other objects will be disturbed by a strong breeze. The fan should also be fitted to the aesthetics of the room—a large fan may appear overpowering in a small room.

A more expensive fan that operates quietly and smoothly will probably offer more trouble-free service than cheaper units. Check the noise ratings, and, if possible, listen to the fan in operation before you buy it.

When buying window fans, look for the ENERGY STAR® label. Fans that earn the label move air 20 percent more efficiently, on average, than standard models.

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

Industry News

In safety, practice makes perfect

An accident can happen when you least expect it. At its facilities, Great River Energy creates a safe atmosphere by focusing on two things: prevention and preparation. The rescue crew at Great River Energy's Coal Creek Station power plant near Underwood, N.D., recently put its preparation to the test when it completed an emergency simulation.

The simulation started in the morning when word came that a worker in an electrical vault sustained an arc flash injury. The electrical vault was in a confined space about 10 feet below ground level, with the entrance through a manhole. The rescue team sprang to action and moved the patient from the confined space to the ground, and then to an ambulance. An Angel Air Care helicopter from Bismarck, N.D., landed on the grounds and the patient was loaded into the helicopter.

"Overall, we had a successful simulation of the steps taken to prepare our rescue team so that they know what to expect if someone ever experiences a critical care injury at the power plant," said Josh Hocker, Great River Energy safety administrator. "We accomplished our goal." The training was intended to closely simulate a rescue situation requiring an air ambulance evacuation to gain knowledge about what types of scenarios would require such a service.

Generating and transmitting electricity is a dangerous business. Great River Energy is proud of its record of safety, and employees understand their role in the safety of themselves, their fellow employees and the community at large.

~Great River News

Survey reveals support for co-ops

Cooperatives have been making some positive news lately. More than two-thirds of Americans believe co-ops, such as rural electric co-ops and credit unions, are "helpful to consumers," according to early findings of a new survey on the public's interactions with co-ops. And the co-op sector also got the attention of senior Obama administration officials when 150 leaders met with them on May 4 at the White House.

During the weekly "community leaders briefing," 150 leaders spoke to officials, including new Chief of Staff Jacob Lew, on co-ops' contributions to local economies and their unique business structure. The National Cooperative Business Association arranged the White House meeting and developed the survey with help from the Consumer Federation of America. The survey's initial findings, released May 2, also found that consumer-owned businesses outrank for-profits on measures of quality and service. In addition, co-ops polled higher than for-profit businesses in six different areas: trustworthiness; having the best interests of consumers in mind; commitment to high-quality service; high-quality products; dependability; and fair and competitive prices.

~Electric Co-op Today

Tune up your cooling unit and receive a $25 credit

Announcing the 2012 air conditioning tune-up program.

Just schedule a tune-up of your central air conditioner or air source heat pump (unit must be at least 5 years old and in working condition to qualify) and when your licensed professional HVAC contractor performs the service work, have them complete the rebate coupon below. Send the completed rebate form to the Cooperative with a copy of the contractor's invoice. His tune up must include the items on the coupon. After the Co-op receives your documentation, we will credit your electric bill $25 within 4-6 weeks.

Air Conditioner/Heat Pump Check List

Owner _____
Acct. # _____
Address _____
Location # _____
Phone # _____
Company doing Tune-Up _____
Technician's Name _____
Company Phone # _____

CHECK LIST
Brand Name _____
Model # _____
Serial # _____
Tons/BTU Rating _____ SEER Rating _____

- ❑ Clean Outdoor Unit
- ❑ Clean and Inspect "A" Coil
- ❑ Check Blower Belt
- ❑ Compressor Motor Amp Reading Check
- ❑ Compressor Amp Reading Check
- ❑ Blower & Oil
- ❑ Blower Motor Amp Reading Check
- ❑ Check Filter
- ❑ Check Refrigerant Level & Pressure
- ❑ Blow Out Drain Line
- ❑ Visual Inspection of Cooling System

Recommendations _____
_____
_____

Technician Signature _____
Date _____

Consumers to Save with New Energy Efficient Washers and Dishwashers

Energy efficiency standards for residential clothes washers and dishwashers are designed to save consumers $20 billion in energy and water costs.

The Department of Energy on May 16 announced energy efficiency standards for residential clothes washers and dishwashers that are expected to save consumers $20 billion in energy and water costs. The clothes washer standard will save households approximately $350 apiece over the lifetime of the appliances. And home dishwashers will use approximately 15% less energy and more than 20% less water, directly providing consumers with savings on monthly bills.

Today, clothes washers and dishwashers account for approximately 3% of residential energy use and more than 20% of indoor water use in U.S. homes. The new standards for clothes washers will reduce the energy consumption of front-loading clothes washers by 15% and reduce water consumption by 35%, while the standards will reduce energy consumption by top-loading washers by 33% and reduce water consumption by 19%. The new standards—developed in partnership with companies such as Whirlpool, General Electric, and LG Electronics, industry advocates, national environmental organizations, consumer groups, and other stakeholders—build on previous minimum energy efficiency requirements for clothes washers and dishwashers. They go into effect starting in 2015 and 2013, respectively. The announcement is the most recent in a series of efficiency standards made by the Obama Administration that have covered nearly 40 different products, and will together save consumers nearly $350 billion on their energy bills through 2030.

Credit: Dennis Schroeder/NREL

Easy summer cooling tips

By: Chris Dorsi

If your home is too hot in the summer, there are many ways you can help keep heat out of your house. Planting trees, for instance, is one of the best ways to diffuse the hot summer sun before it enters your home. But a surprising amount of heat comes from inside your home.

The biggest sources of internal heat gain are lights and appliances. Reducing their use will save electricity and keep your home cooler. In humid climates, moisture that is released by cooking, bathing, and other activities will also make it harder for air conditioners to cool your home. A drier home feels more comfortable.

Here are some easy ways to keep cool in the summer:

- Replace standard incandescent light bulbs with compact fluorescent light bulbs. The electricity used by standard bulbs produces 10 percent light and 90 percent heat. Also, compact fluorescent lights are cheaper to operate.
- Schedule heat-producing chores like baking or doing the laundry after the hottest part of the day.
- Install an insulating jacket on your electric water heater.
- Use kitchen and bathroom fans to remove heat and moisture during and after cooking and bathing.
- When replacing appliances, buy those with the Energy Star® label. These appliances conserve energy and release less unwanted heat.
- If you are home during the day, use a room fan to create a cooling breeze.
- If you live in an area where evenings are cool, don't forget about the cheapest cooling method of all. Open your doors and windows, or run window fans. This will move cool evening air through your home for almost no cost.

Chris Dorsi is a nationally recognized expert on energy efficiency. For more free energy-saving tips, visit the Saturn Resource Management Web site at www.srmi.biz

Electrical safety devices

For those who aren't early adapters of emerging technologies, there are still significant improvements that can be made to make your home more electrically safe. Installing arc fault circuit interrupters (AFCIs), ground fault circuit interrupters (GFCIs), and tamper resistant receptacles (TRRs) will help you minimize the risk of electrical fire, shocks, and electrocution without having to undertake major renovations.

Each year, home electrical fires in the United States are responsible for 450 deaths, more than 1,500 injuries, and $1.5 billion in property damage. Fire is not the only danger, however. Thousands of children and adults are injured or killed by electricity annually.

AFCIs, TRRs, and GFCIs can prevent tragedy before it ever occurs. In fact, these devices have proven so effective that the National Electrical Code (NEC) requires them to be installed in all new homes. Existing homes with aging electrical systems can also benefit from these advanced technologies.

These devices should all be installed by a licensed, qualified electrician.

What is a ground fault?

A ground fault is an unintentional electrical path between a power source and a grounded surface. These leakage currents usually occur when an electrical appliance is damaged or the electrical parts are wet, causing electrical current to flow outside of the circuit conductors. If your body provides a path to the ground for this current, you could be burned, severely shocked, or electrocuted.

What are ground fault circuit interrupters, or GFCIs?

GFCIs are electrical safety devices that are designed to protect people from electric shock and electrocution. Typically, GFCIs are installed in areas where water and electricity are in close proximity, such as the bathroom, kitchen, garage, basement, and outdoors. They are especially useful for cord-connected appliances and equipment used outdoors or near water.

How do GFCIs work?

GFCIs prevent deadly shock by quickly shutting off power to the circuit if the electricity flowing into the circuit differs by even a slight amount from that returning, indicating a loss of current.

Are they effective?

Since the 1970s, GFCIs have saved thousands of lives and have helped cut the number of home electrocutions in half. Since first including a home GFCI requirement in 1971, the National Electrical Code (NEC) has continually expanded the requirements to include additional locations. The NEC currently requires that GFCIs be used in all kitchens, bathrooms, garages, basements, crawlspaces, and outdoors.

Is it cost effective to switch to GFCIs?

GFCI outlets are generally fairly inexpensive, starting under $15.

Can I install them myself?

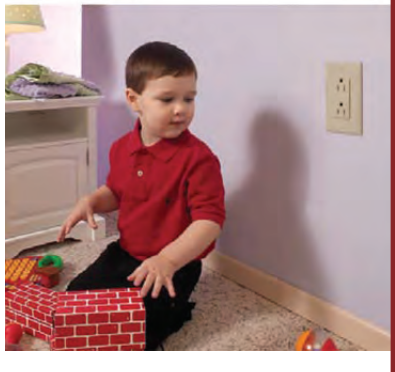
GFCIs should only be installed by a licensed, qualified electrician. Portable GFCIs require no tools to install and provide flexibility in using receptacles that are not GFCI-protected. They are commonly used outdoors.

How to Test Your GFCIs

Be sure to test your GFCIs once a month to make sure they are working properly.

1. Push the "reset" button on the GFCI to prepare the outlet for testing.
2. Plug an ordinary nightlight into the GFCI and turn it ON. The light should now be on.
3. Push the "test" button of the GFCI. The nightlight should turn OFF.
4. Push the "reset" button again. The nightlight should now go ON again.

If the nightlight does not turn off when the "test" button is pushed, then the GFCI is not properly protecting you from shock or electrocution. It may have been improperly wired or damaged. Contact a licensed, qualified electrician to check the GFCI and correct the problem.



Tamper Resistant Receptacles

Every year in the United States, more than 2,400 children under ten years old are treated in hospital emergency rooms for electrical shock or burns caused by tampering with a wall outlet around the home – that is seven children a day. Nearly one-third of these injuries occur when a small child attempts to insert household objects such as hairpins, keys, or paperclips into the receptacle.

New tamper resistant receptacle (TRR) technology provides a simple, permanent solution to help prevent these types of childhood shock and burn injuries.

TRRs may appear identical to standard wall outlets, but they are actually designed with spring-loaded receptacle cover plates that close off the receptacle openings, or slots.

When equal pressure is simultaneously applied to both sides, the receptacle cover plates open, allowing a standard plug to make contact with the receptacle contact points.

Without this simultaneous pressure, the cover plates remain closed to prevent children from inserting objects into receptacles in and around the home.

Tamper resistant receptacles have been required in hospital pediatric care facilities for more than 20 years. In fact, they have proven to be so effective that the 2008 National Electrical Code (NEC) now requires installation of TRRs in all new homes.

The cost of installing a TRR in a newly constructed home is about $0.50 more than a traditional receptacle. In existing homes, standard receptacles can be replaced with TRRs for as little as two dollars per outlet.

TRRs should be installed by a licensed, qualified electrician, using the same installation guidelines that apply to standard receptacles.

Arc Fault Circuit Interrupters

Over the past thirty years, our homes have been dramatically transformed by electrical devices. However, many homes are overburdened by today's electrical demands, putting them at greater risk of arc faults and arc induced fires.

An arc fault is a dangerous electrical problem caused by damaged, overheated, or stressed electrical wiring or devices.

In the United States, home electrical problems cause more than 53,800 fires each year, resulting in more than 450 deaths, 1,400 injuries and more than $1.4 billion in property damage. Arcing faults are one of the major causes of these fires.

The solution to this problem is an advanced electrical safety device known as an arc fault circuit interrupter, or AFCI.

Arc fault circuit interrupters, or AFCIs, are devices that replace standard circuit breakers in your home's electrical service panel.

AFCIs provide a higher level of electrical fire protection, detecting hazardous arcing conditions traditional breakers were not designed to recognize, and shutting down the electricity before a fire can start.

The CPSC estimates that AFCIs could prevent more than 50 percent of the electrical fires that occur every year.

While AFCIs were previously only required to protect bedroom circuits, the 2008 National Electrical Code now requires this technology to be installed in additional areas of newly-constructed homes, including dining rooms and living rooms.

Though the new safety requirements are limited to new home construction, older homes with aging wiring systems can benefit from the added protection of AFCIs.

Depending on the size of a given home, the cost impact for installing AFCI protection is $140 - $350.

Installation and Maintenance Tips

- Combination-type AFCIs should only be installed by a qualified, licensed electrician.
- Test AFCIs once a month to make sure they are in proper working condition.
- To test: Push the test button. The breaker handle should go to the middle or OFF position. To reset: Move the breaker handle to the OFF position and then to the ON position.
- A defective AFCI circuit breaker should always be replaced by a professional.

Visit www.holidaysafety.org for more tips and tools to help keep you safe this season.

Life support members

If the health of someone living in your home is directly dependent on electricity, your service location needs to be on our Medically Necessary Equipment list. This could include members on life support, oxygen or other devices that require power. Call 1-800-494-6272 during business hours to give us details and be put on this list.

Members on this list are provided advance notice of planned power outages. We do our best to contact you during large unplanned outages if they appear that it will take some time for power restoration so you can make alternate arrangements and get to a place with power, if necessary. Since members on this list may not necessarily have their power restored first, we encourage you to have back-up plans to prepare for outages.

If you previously had a family member on the Medically Necessary Equipment list and they no longer live in your home or no longer need this equipment, please call to make sure we remove your location from our list.

How about your number?

Our automated outage system relies on your primary telephone number to automatically identify the outage location. That can be your home, cell, or whatever phone number you designate. However, that phone number must match the one we have on file for you. Our system only recognizes the phone number that matches your electric account information. Calling to report an outage from a different number just takes a little longer and you may experience greater hold time in a big outage.

Look at the number on the upper right corner of your electric bill. Check to make sure the telephone number shown is the number you would most likely call from to report your outage.

Do you have the Cooperative's number?

Do you have the Cooperative phone number close to your phone? Do you have it on a magnet or chip clip on your refrigerator so you always know where to find it if the lights go out? Call the Co-op if you need a magnet for your fridge door or stop in to pick up a chip clip. We want you to have our outage number readily available.

What are "capital credits"? How do they benefit me?

These are two questions you probably have when learning about your cooperative. Capital credits are the maximum possible value for your rate dollar, and your share in the growth of the cooperative.

The members of the cooperative earn equity each year from the profits of the business. These profits are termed "margins" and are allocated to the patrons buying power that year. Basically, these retained earnings displace the need for a portion of debt financing the cooperative would have to secure if it did not have capital credits to use.

In a cooperative, capital credits, like debt, need to be paid back to the lender. The lenders of debt are Rural Utilities Service (RUS) and Cooperative Finance Corporation (CFC). The lenders of equity are the customers who are paid back on a rotation basis with no interest. This is why the patrons are in essence equity owners of the cooperative. The value of your equity is realized in the reduced cost of operation with this type of financing.

Currently, McLeod Co-op Power is retiring capital credits on a 19-year rotation plus 20% of the most recently completed year. That means 100% of the oldest year out on the books (1993) will be retired and 20% of 2011 patronage will be retired in 2012, pending board approval. In April the allocation amount for your account for 2011 was printed on your bill statement. In December, active members will receive credit on their billing statement and inactive members will receive a capital credit check for patronage being retired. In the event of a member's death, the estate can continue to receive an annual check or cash out the capital credits at a discounted value.

It becomes a fine balance to maximize equity growth to obtain the lowest interest on loans, while attempting to return capital credits and maintain the lowest possible rates on the energy our members purchase.

If MCPA could not use the member's equity or "capital credits" to fund construction, we would have to borrow funds. The additional interest expense on this debt would raise rates. Looked at that way, you do get a lot of value in exchange for allowing the cooperative to use your share of the margins.

Are your capital credits taxable?

Under the current law, no part of the capital credits allocated to you by McLeod Co-op Power are taxable until they are actually paid out. When you receive a capital credit retirement, it is subject to taxation only to the extent that your electric costs were deducted as an expense on your income tax return for the year the credit was allocated.

For example, a farm or other business claiming 75% business use of their electric costs would have to include 75% of the cash payment for the capital credits when received as income. The non-business portion is not subject to taxation. Residential accounts which take no tax deduction for electric costs would not have to show any of the cash retirement as income.

Are you covered?

A power outage or power surge — whether triggered by a storm, lightning, trees, animals, or vehicles hitting power poles — can damage computer equipment, TVs, and other appliances in your home. These events are all out of our control and McLeod Co-op Power does not compensate for any damaged equipment.

However, most homeowner's insurance policies cover losses from power interruptions caused by lightning, windstorms, and other such weather. Make sure you're familiar with your policy and what is covered. Call your agent if you're not sure about your specific coverage.

You can help protect your own equipment by unplugging it during a power outage and by installing surge protection.

If your lights go out, unplug all major appliances. This will prevent overloading the power line circuits when power is restored.

Food in a freezer will stay frozen up to 36 hours if the door is kept closed. Wrapping the freezer in blankets helps insulate it.

Keep a small lamp plugged in and turned on so you'll know when power is restored. It is possible that the light bulbs may suffer damage, but bulbs are cheaper to replace than other electrical appliances.

ENERGY STAR rebate program for 2012

Rebates for high-efficiency heat pumps and air conditioners will continue to require installation by a "registered contractor" which has been designated as a quality installer and is listed on the hvacreducation.net web site. A list of all "registered contractors" in Minnesota is on our Cooperative web site at www.mcleodcoop.com.

There will be no rebates in 2012 for dishwashers, clothes washers, or dehumidifiers. Refrigerator/freezer units will require recycling of the old unit to quality for rebates.

2012 Rebates

Ground Source Heat Pumps (controlled or uncontrolled)
- Residential $400/ton
- Commercial $400/ton

Air Source Heat Pump
- 13 SEER $330
- 14 SEER $480
- 15 SEER $580
- 16 SEER or higher $630

Ductless Air Source Heat Pump $300

Central Air Conditioner
- 13 SEER $30
- 14 SEER $180
- 15 SEER $280
- 16 SEER or higher $330

Storage Space Heating $40/kW

ECM Motor $100

Uncontrolled electric water heater going on the Storage Water Heating with high efficiency water heater* $200

New construction or gas conversion to Storage Water Heating* $100

Peak shave to Storage Water Heating* $100

Heat pump water heater - new construction $100

Heat pump water heater replacing non-controlled electric $200

ENERGY STAR Refrigerator with recycling of old unit $75

ENERGY STAR Freezer with recycling of old unit $75

*(Marathon or equivalent energy rated heater)