

McLeod Cooperative Power NEWS

December 2015

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Official publication of



Satisfaction Survey will be in bill you receive in January. We really want your input!

You could win one of ten \$100 electric bill credits

The Cooperative would really like your ideas on how we can meet your needs and serve you better. Every few years we send a satisfaction survey to our members to request your opinions and find out how satisfied you are with your service. We want your feedback.

All MCPA members will receive a survey in their electric bill in mid-January. Please fill out the survey form. Seal it and put it in the mail. It is a postage-paid mailer and will go right to the company tabulating the surveys for us.

With many land lines no longer being used, it is important for the Co-op to have correct contact

information for members. Each member who provides their name, e-mail address, and active cell/home phone numbers will be entered in the drawing for ten \$100 electric bill credits.

This survey provides important information to the Cooperative. It shows us how satisfied you are with your rates and service compared to previous years. It shows us where improvement may be needed. It gives you an opportunity to tell us what additional services you would like to see us offer. It helps us meet your needs better. So, please take a few moments and complete your survey in January.

What are capital credits?

Each member of our Co-op is a part-owner and is entitled to share in the financial returns of the organization. Electric co-ops operate on an at-cost basis. This means that McLeod Co-op Power allocates 100 percent of its margins (revenue less expenses) to its members who purchased electricity during the year, and retires (or pays back) those margins at a future date to those very members. We call those capital credit allocations. Between the years those margins are allocated and retired, the Co-op uses those funds as operating capital to help the Co-op pay debt and maintain the appropriate equity-to-assets balance.

This December we are returning remaining capital credits from 1996 and also 20% of capital credits allocated from 2014. If you purchased electricity from the Co-op during one of those years, it is likely you will receive a credit on your December electric bill reflecting the retirement of those margins.

Over \$681,400 going back to members this month

Capital credits applied to December bills

Members of McLeod Cooperative Power Association (MCPA) may notice lower electric bills in December. A total of \$681,423 is being distributed this month in capital credit refunds. This amount includes all remaining capital credits from 1996 and 20% of capital credits allocated from 2014.

Capital credits are being applied to active electric accounts and will show as a line item credit on each bill that is supposed to receive a refund. Former members who no longer have an active electric account will be mailed their refund in the form of a check in December.

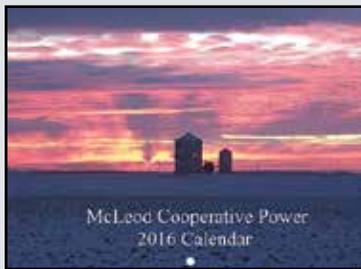
**Fixed Charge title on bill is being changed to System Delivery Charge
See General Manager's column on page 8 for more details on the fixed charge and rate changes coming in 2016.**

Expect lower bills in December

The bill you receive in December has a credit for the power cost adjustment (PCA) of -\$0.00357 this month. That lower net energy cost, combined with a warmer than average November, and the credit most members will receive for retired patronage capital, should result in lower electric bills for most members this month.

Submit rebate forms before Dec. 21

Do not delay on sending in your energy conservation rebate forms if you made a purchase of an eligible Energy Star dehumidifier, LED yard light, ECM motor or other eligible appliance in 2015 and have not yet submitted it for the rebate. After Dec. 21 it will be too late to get in on rebate funds for this year. Call the office or go to the Co-op's web site www.mcleodcoop.com to get a rebate form.



Scenic calendars available while supplies last

Scenic calendars for 2016 are available in the cooperative office while supplies last. First come, first serve.

Nine Ways to Save Energy in the Laundry Room

Our appliances in the laundry room can consume a large amount of energy and water. Choose some or all of the nine suggestions below to reduce your energy use in the laundry room.

1. Choose an energy-efficient washer

Purchase a high-efficiency top load or front load Energy Star-certified washer. These models will use at least 40% less energy and up to 65% less water than a standard top load washer. Most full-sized Energy Star washers use only 8-25 gallons of water per load compared to the 40 gallons used by a standard machine. The decreased amount of water used by the machine will also reduce how often your well pump has to run, how often the septic pump or sewage ejector pump (if you have one) has to kick on, and it will likely reduce the amount of salt you go through in your water softener. Energy Star models also spin the water from the clothes at a higher rate, reducing residual moisture and resulting in shorter drying time.

2. Choose the best size washer for your family

Choose the correctly sized washer that will meet your family's needs. Washing machines range in capacity from 1.6 to 5.3 cubic feet. If your normal laundry loads are small, choose a smaller model that uses less water and use a public laundromat for large items like comforters that are not washed often.

3. Use the correct water temperature

About 90% of the energy used for washing clothes is spent on heating the water. Unless you are dealing with clothes that are heavily stained with grease or oil, the warm or cold water setting on your machine will generally do just as good a job in cleaning your clothes. Switching your wash water temperature setting from hot to warm can cut energy costs for each load of clothes in half.

4. Select an energy efficient dryer

Choose an Energy Star dryer with a moisture sensor which will shut off when clothes are dry. An air-dry feature, which dries clothes with cold air, reduces energy use and wrinkles. Always choose the correct dryer cycle for each load.

5. Plan your laundry routine

Plan your laundry duty so that you can dry multiple loads during each session. You will save energy by using an already heated dryer that doesn't have to be brought up to temperature each time it is used. You will also save energy if your dryer is located in a conditioned space that is not excessively cold.

5. Clean your dryer vents

An unobstructed flow of air makes a dryer work more efficiently and can prevent fires. Clean the dryer lint filter after each use. Check the outside



exhaust frequently to make sure it's clean and that the flapper opens and closes freely.

7. Use a clothes line

Line drying is, of course, the most energy-efficient alternative for drying clothes.

8. Skip the iron

Irons can consume up to 1,800 watts of energy per hour. Line drying or drying on a lower temperature setting and removing promptly from the dryer while still slightly damp will keep wrinkles to a minimum.

9. Participate in the Storage Water Heating Program

A home that participates in the Co-op's Storage Water Heating Program will use the same amount of energy, but whenever hot or warm water is used, it has been heated at less than half the cost. The Storage Program utilizes water heating at night when wholesale energy prices are much lower and then stores the water for use all day.

If your washing machine has a delayed washing timer, set it so your clothes wash in the middle of the night. Even if you have sheets or a load of clothes with grease stains, you can wash them in hot water in the middle of the night for a fraction of the cost of someone who is not on the storage program, and you won't use up any gallons from your daily supply of stored hot water to get your clothes clean.

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McLeod Cooperative Power News

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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 shown.

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McLeod Cooperative Power Association is an equal opportunity provider and employer.

Water Storage Program is the best way to save money and have plenty of hot water too!

When a family joins the Hot Water Storage Program, they begin to save money immediately by paying 5 cents per kWh instead of 10-11 cents per kWh. For an average family of four persons that use 600 kWh for water heating each month, this means a savings of \$453 a year. It is like lowering your bill by almost \$38 a month! And if you have central air conditioning, that can also be controlled and added to your off-peak meter, for a 55% savings on all your summer cooling, just for letting the Co-op cycle your air conditioner on peak days.

When a family joins the Water Storage Program the Co-op helps them size the water heater to make sure they will have sufficient hot water to meet their daily needs. A family of 2-3 people can usually join the program with an 85-gallon hot water heater. A family of 4-6 persons will require a 105-gallon water heater or you could just add an 80-gallon alongside your existing 50 gallon to accomplish the same storage capacity. The Co-op provides a mixing valve at no charge. This device will



give you another 30-40 gallons of hot water a day from your tank. The water heater operates from approximately 11 p.m. to 7 a.m. to heat your family's daily supply of hot water. The elements then remain off for the next 16 hours until they begin recharging overnight again. By heating water only at night when electricity is cheapest, you can save yourself some significant dollars each month and you will still have plenty of hot water for laundry, baths and showers since the system is sized to meet your family's needs. Only if you have an over-sized or sunken bath tub may some extra storage capacity have to be added.

MCPA approved for up to \$20.95 million in USDA loan funds for improving rural electric infrastructure

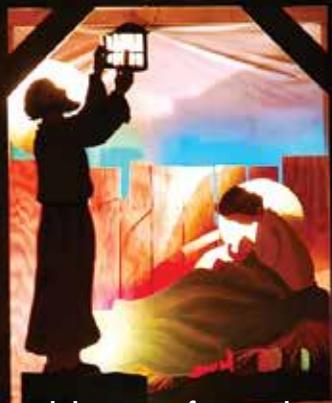
Today, there are a variety of financial organizations that loan money to electric cooperatives for building and improving their rural electric infrastructure. The United States Department of Agriculture (USDA) is one of those financing agencies. They recently announced that 16 Minnesota electric cooperatives were awarded a share of \$222 million in loans.

McLeod Co-op Power had applied for funding for its four-year work plan (covering years 2015-2018). This includes new line construction, rebuilding aging lines and infrastructure, and upgrading overhead lines to underground lines. These loan funds will also help finance the replacement of the Co-op's electric meters in 2015 and 2016 with new two-way meters. The Co-op had to replace the old meters because the Turtle automated meter reading system was no longer being manufactured or supported.

The Co-op does not necessarily use all of the loan funds available to us. We have up to the \$20.95 million to draw on for loan funds as we complete projects in the work plan over the four years.

"These investments will help Minnesota's rural electric utility companies continue to provide reliable and affordable electricity to rural customers," said Colleen Landkamer, the USDA's rural development director for Minnesota. She added, "Through these improvements, USDA helps increase efficiencies and improves the quality of life and economic sustainability of rural communities for years to come."

Holiday Hours



The employees and directors of McLeod Cooperative Power wish you and your family a blessed Christmas and a prosperous New Year.

Our offices will be closed
Thurs., Dec. 24 and Fri., Dec. 25
and Fri., Jan. 1
so our employees may spend the holidays
with their families.

For outages or electrical emergencies call
1-800-927-5685.

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“Farm Girls” mentor others to bring healthier food to the table

In times past, young women learned how to garden, harvest and prepare fresh, nutritious foods at their mother’s and grandmother’s elbows. Not so today, says Colleen (Scott) Anderson and Joyce (Ross) Kaping of rural Litchfield.

“Our daughters have moved away from home.” Colleen said. “They were always calling for recipes and advice on healthy food preparation, as were their friends. While we lived too far away to run over and give them the help they needed, there were other young women right in our community who also had moved away from home. We knew that we could help them.”

The two women surveyed young mothers in the community and found that these young women were “hungry” for real, practical advice about how to grow and provide whole, nutritious food for their families from the ground, up. The idea was born to begin a mentoring group to these young families.

It was a natural fit for both women. Joyce calls herself a true “farm girl” at heart and enjoys growing and cooking with the fruits and vegetables grown in her organic garden. Colleen and her husband grow organic row crops and she also is passionate about growing, preparing and preserving healthy food.

“We haven’t always eaten healthy,” Colleen said. “But we’ve learned from encountering some health challenges that eating healthier makes such a difference. Processed foods can literally make us sick and overweight.”

The two friends, who had met while working at Cornerstone Church, started small with about a dozen women and their young children. They called



Colleen Anderson and Joyce Kaping share their knowledge and wisdom on how to eat pure in a processed world™.



Through their book (above) and their website (right) Joyce and Colleen help others discover a healthier way to live, from garden to table.

the group “Back to the Basics” to signify a move away from processed foods and learning to grow and cook with whole foods. The group met regularly to learn “basic” skills like how to grow a garden, how to prepare healthy and delicious meals and how to preserve crops for use in the off-season. They finished each mentoring session with a Bible study.

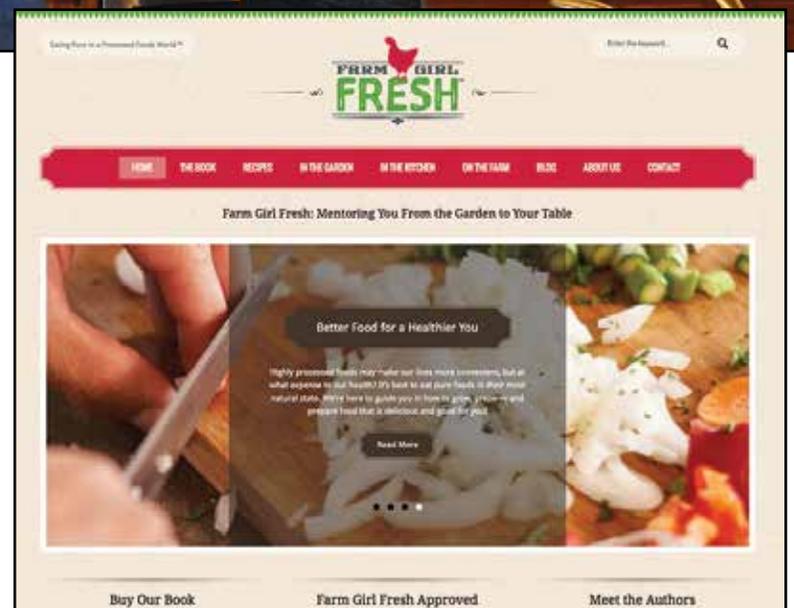
“We believe health includes every area of a person’s life,” Colleen said. The group was a success and led to requests to teach some community classes as well. At the end of the first year, they surveyed the women in the group about what the next step might be.

“We thought, ‘This has been great, but is there a way to reach more people than just one small group at a time?’” Joyce said. Surveys showed that the women wanted written instructions and recipes that they could keep and follow years down the road. Discussions naturally led to the idea for a manual that incorporated their philosophy of bringing healthy food from the garden to the table.

Due to the comprehensive nature of such a manual it took a full two years to complete. The result? A beautifully designed “vintage modern” cookbook-style manual filled with sage “mom” advice, tips, recipes and full-color photographs that inspire as well as teach.

The book contains such things as: easy to follow gardening tips, preserving information for more than 30 fruits and vegetables, and information on how to take the journey to eating pure.

About the time their cookbook rolled off the



presses a month ago, the women also launched a website that contains a lot of the same information in the book, plus blogs that are continually updated to provide ongoing help. The book is available on the website.

“We had the option to sell our book on Amazon,” Joyce said. “But we wanted to make it available through the website to build relationships with people. We wanted to stay in touch with them, to build trust, so that they would feel welcome to ask questions. We enjoy the mentoring relationship from garden to table.”

In their own words from the website, “*It is our passion to share with you—and upcoming generations—how to live an abundant life by growing together in truth through faith, family, food and friendships. Our hope is that you find the information in our book and on our website to be practical, motivating, encouraging and inspirational as you make a commitment to Eating Pure in a Processed Foods World™.*”

For more information, visit their website at www.farmgirlfresh.com, or call 320-434-1510.

How GRE Reduced Emissions and Expenses

In 1997, David Saggau received an odd request from engineers at Great River Energy's (GRE) Coal Creek Station in North Dakota. They were seeking his approval to try a novel approach to reduce the 1,150-megawatt plant's emissions.

To comply with tighter federal emissions regulations, GRE faced a potential tab of \$300 million to outfit the plant with additional air pollution control devices known as scrubbers. The engineers hypothesized that drying the lignite that powers the plant would reduce the volume of flue gas going through the existing scrubbers—decreasing plant emissions more cost-effectively than installing new scrubbers.

"For their initial drying experiments, they wanted to pile lignite on top of a culvert that had been recently pulled out of the ground," recalled Saggau, now Great River Energy's CEO. "Then they wanted to put propane heaters in the culvert and moisture sensors in the lignite pile."

Saggau approved their innovative approach, and the experiments moved forward. Their hypothesis was right, though it took years of research for GRE to develop and install its patented DryFining™ technology at Coal Creek in 2009. With DryFining, lignite coal is dried by power plant waste heat and moved by enclosed conveyor belts. It's a fluidized bed drying process: the solid lignite particles are percolated through a dryer using heated air to vaporize some of the fuel moisture. This produces a higher quality fuel with increased energy density and fewer contaminants.

The benefits have exceeded expectations. It turns out that DryFining not only reduces moisture, but also removes heavier particles such as pyrites that contain higher concentrations of mercury and sulfur. The result: up to a 40% reduction in Coal

Creek's mercury and sulfur dioxide emissions and a 20% drop in nitrogen oxide emissions. Because reducing lignite's moisture content increases the plant's efficiency, Coal Creek uses less lignite to produce the same amount of power. That has cut carbon dioxide emissions by 4% and annual expenses by more than \$20 million, providing benefits to Great River Energy's consumers and society.

A Collaborative Effort

The path from propane heaters and a used culvert to a sophisticated and proven technology was neither easy nor one that Great River Energy could travel alone.

"I don't think the project would have been what it is today without the help of EPRI (Electric Power Research Institute), especially in the early technical stages," said Saggau.

Although the Coal Creek engineers had the original idea for DryFining, the plant's operators received monthly guidance from two EPRI engineers as the technology moved from concept to prototype.

"We tapped EPRI's expertise and experience in the fluidized-bed technology that was incorporated into DryFining," said Saggau. "We leaned heavily on their advice." He added that EPRI's input was instrumental in the company's successful grant application to the U.S. Department of Energy's Clean Coal Power Initiative, helping the utility advance from prototype to commercialization and installation. "They kept us on task and helped us make the case for the potential global market impact of DryFining" he said.

Source: Chris Warren as part of an EPRI Journal series exploring how collaborative R&D helps electric utilities manage various types of risk.

Industry News

Bees and butterflies can benefit from solar, too

As many of us are now aware, the loss of critical habitat is having a dramatic effect on pollinator populations. From monarch butterflies to honeybees, these insects are essential to maintaining the health of the ecosystems which support us all.

So utilizing the "idle" ground associated with solar farms, whether 1,000 sq ft or 1,000 acres, to create habitat surely seems like the right thing to do. For companies looking to build solar sites, the following project could be considered a good model as it relates to habitat creation, local education and connection to energy generation.

This past October, Boreal Natives, a division of Prairie Restorations, Inc., had the privilege of working with Great River Energy on a pollinator habitat restoration project at the Wolf Ridge Environmental Learning Center in Finland, Minnesota. A new 14.5 KW capacity solar array had been recently installed by the Rural Renewable Energy Alliance on the Center's grounds, and the disturbed areas were in need of revegetation.

In lieu of turf grass or other traditional ground covers, Great River Energy approached us about the possibility of establishing a native vegetation landscape. Not only would this native landscape not require fertilizer, irrigation or weekly maintenance, it would provide essential habitat for bees, butterflies and other pollinators. Furthermore, it would provide educational opportunities for the students at Wolf Ridge.

The planting day was a huge success. Following the seeding by the Boreal Natives staff, an energetic group of 5th graders was brought in to help install the wildflower plants. After some simple instructions, the students were turned loose to plant species of wildflowers including harebell, pussytoes and long-leaved bluets. As part of the message, the students knew that their work that day would help pollinators for years to come.

~Midwest Energy News



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Understanding WiFi assist on your iPhone or iPad tablet



Since the release of iOS 9 for iPhones and Tablets, users are wondering if they should turn off the new WiFi Assist. Many people may not even know what this option is. It is a feature that was installed as part of the new iOS 9 update and it automatically turns on the WiFi assist. It switches between WiFi and cellular data depending on the quality of your connection. If it detects that your WiFi is taking too long to respond or if its signal is poor, it will swap to cellular data.

This is fine and it makes perfect sense, however this might unnecessarily eat into your data cap if you're streaming music, videos, or even downloading apps, where

hundreds of megabytes could be easily consumed without your knowledge. This is the reason why some people are turning off the new WiFi assist.

The only true way to know how much it is impacting you would be to keep a close eye on your cell phone data usage. Keep in mind your phone already more than likely switches back and forth between cell and WiFi for a variety of apps, so there is some debate how big of a dent this actually makes on a person's usage.

Whether you use an iPhone or iPad, the setting can be located by going to your iOS Settings, Cellular, scroll all the way to the bottom and disable it if you choose

to do so. What could be more important is to look at the list of apps located in the same area under the 'Use Cellular Data For:' section. This area shows you the apps that are installed that are turned on and will use cell data. It also displays how much cell usage has been used by that app. You can turn cell usage on and off for individual apps here if you would never want them to run while your device is off of WiFi. At the bottom of the page there is a reset button for the usage count. You have to do this manually, and I would suggest doing this monthly (maybe around the time of your billing) if you want to monitor your cell data usage.

MCPA News Ads — Free want ad service for members

Please limit your ad to nine words. Use the coupon printed here or available at McLeod Cooperative's front desk to submit your ad. Ads will be printed for one month only. Please submit a new ad if you want it published more than one month. Include your name and address, which will be used for identification purposes only. Ads must be received by December 28 to be included in the January issue. Thank you!

Please run this ad in the next MCPA News

Name: _____

Address: _____

Telephone number: _____

Remember to limit your ad to nine words!

1 _____ 2 _____ 3 _____

4 _____ 5 _____ 6 _____

7 _____ 8 _____ 9 _____

Clip and Send to: McLeod Cooperative Power, ATTN: Classified Ads
P.O. Box 70, Glencoe, MN 55336

Please check ad category

- Giveaway
- For Rent
- For Sale
- Wanted

For Sale - Miscellaneous

- Duncan Phyfe table 60X40 w/6 chairs. Excellent condition. \$300/bo. 612-695-0884
- Two Johnson snowmobiles 1967, 1968 single trailer sleigh. 952-955-2469
- 1993 Buick Le Sabre, daily driver. Runs and drives great. \$800. 320-583-3888/after 4pm
- XL brown insulated bib overalls. Knee length zipper/storm flap. 320-327-2472
- Fuel oil furnace. Four years old. B.O. 320-395-2861
- Red and white potatoes. 30¢/lb. 320-864-4158

Cleaning out your garage, attic or spare room? Try listing it for free in the MCPA classifieds.

These want ads are designed to help members buy items from or sell items to other members, or rent their property to members. They are not designed to advertise services or for-profit business pursuits. That is why we do not offer a services column and do not accept advertisements for commercial businesses.

- 2 large pet hutches/carriers. 1-metal, 1-plastic. \$10/each. 320-587-7292

For Sale - Farm

- Excellent condition two horse blue trailer 1995 w w. \$1,400. 952-657-2306

Wanted

- 180 IH planter units any condition. 320-833-5503/leave msg
- 6 X 10 or 6 X 12 enclosed trailer. 320-583-1960

Disclaimer – McLeod Cooperative Power Association (MCPA) assumes no liability for the content of, or reply to, any item posted. The party posting any advertisement assumes complete liability for the content of, and all replies to, any advertisement and for any claims against MCPA as a result thereof, and agrees to indemnify and hold MCPA harmless from all costs, expenses, liabilities and damages resulting from, or caused by, any advertisement or reply thereto.

Experience Washington D.C.



Time for high school juniors and seniors to apply

High school juniors and seniors have until March 4, 2016 to apply for the Cooperative's Washington Youth Tour competition. One local youth will win an all-expense paid trip to Washington D.C. June 11-16, 2016 from the Cooperative.

For over 40 years, electric cooperatives have sponsored the annual Rural Electric Youth Tour by sending their high school students to experience first hand, the essence that is our republic. An information packet is available upon request to any high school junior or senior. Just call the Co-op at 1-800-494-6272. You will have until March 4, 2016 to submit your application. Students complete a questionnaire and application to qualify. Please encourage your child or grandchild to apply. They need only attend a high school in or reside in McLeod, Renville, Sibley or western Carver County.

October Outage Summary

During the month of October the Cooperative had a total of 49 outages, affecting 130 consumers. Fifteen of those outages were caused by motor vehicles or farm machinery hitting Co-op facilities and 13 were due to unknown causes.

The largest outage was on Wednesday, October 7, about 9:40 in the morning. Cause of the outage was unknown, however, it affected 32 members south of Hutchinson for one hour and two minutes.

The second largest outage was caused by farm machinery or a vehicle southwest of Lester Prairie. It caused 24 members to be out of power for one hour and ten minutes. The outage started at 5:00 p.m. on Tuesday, October 13.

Most outages affect only one or two members. They are frequently caused by small animals, trees in the line, equipment failure, or motor vehicle/machinery accidents. Larger outages affecting hundreds of members at a time are usually caused by transmission outages, storms, equipment failure to substation equipment, or accidents. Restoration time on weekend and evening outages, when line crews are called out from home, usually take a little longer to get back on than outages when crews are already out working on the project.

Volunteers needed for Nominating Committee

To elect directors in Districts 7, 8, and 9 at the 2016 Annual meeting, we need members from those districts to serve on the Nominating Committee. Nominating Committee members participate in the election process by selecting director candidates and submitting their names to the Board for approval. They also assist with collecting and counting ballots at the Annual meeting. Volunteers are needed from the following townships:

District 7 includes: Hale, Rich Valley and Glencoe Townships in McLeod County and part of Stockholm Township in Wright County.

District 8 includes: Melville, Palmyra, Martinsburg, Bandon, Norfolk, Wellington, and Bird Island Townships in Renville County, and Grafton, Moltke, and Bismarck Townships in Sibley County.

District 9 includes: Hollywood, Camden, Watertown and Young America Townships in Carver County, and parts of Woodland and Franklin Townships in Wright County.

Call McLeod Cooperative Power if you are willing to volunteer for the 2016 Nominating Committee no later than January 4, 2016. Committee meetings are scheduled for January 27 and February 10, 2016. The Annual Meeting is planned for April 12, 2016.

				Ellsworth	Collinwood		Victor	Woodland	Franklin
	East Lake Lillian			Acoma	Hutchinson	Hale	Winsted	Hollywood	Watertown
Kingman	Osceola	Brookfield	Boon Lake	Lynn	Hassan Valley	Rich Valley	Bergen	Camden	
Bird Island	Melville	Hector	Preston Lake	Collins	Sumter	Glencoe	Helen	Young America	
Norfolk	Palmyra	Martinsburg	Grafton	Round Grove	Penn	New Auburn	Green Isle		
	Bandon	Wellington	Moltke	Bismarck	Transit	Dryden	Arlington		

What makes a good director?

At McLeod Cooperative Power we believe that our Board of Directors comprises a pillar connection with our membership and the community at large. Besides meeting the legal requirements for Director nomination, we are seeking individuals who hold some important personal characteristics. We've summarized these attributes below.

Possess a sincere interest in preserving the strength of the Cooperative's operations and maintaining a productive relationship with its consumer-members. McLeod Cooperative Power has assets of about \$57 million, employs 30 full-time people and is responsible for providing quality electric service to more than 6,600 accounts, as well as a variety of ancillary services. Our electric distribution system serves a diverse membership consisting of residences, farms, businesses and industries. While representing all members of the district, **Directors must work with each other to ensure equitable treatment to all members across the entire distribution system.**

Be willing and available to fully participate in the business activities of the Cooperative. Attendance is expected at all scheduled Board of Directors meetings. In addition, from time to time, Directors will be called upon to represent the Cooperative at other meetings and events where their presence is deemed to be beneficial to the Cooperative.

Remain accessible to the members whom they represent. Since the Directors are elected from and by the Cooperative's membership, it is important that they work to **maintain open lines of communication with their constituents. They should also strive to be knowledgeable about trends and circumstances that may impact the people and communities of central Minnesota,** and be capable of using basic computer skills to receive electronic communications and reports from the Co-op.

Be enthusiastic. During these times of accelerated change, we look for proactive, resourceful and inspired leadership.

Director qualifications per the Co-op Articles of Incorporation

Article 3, Section 2 of the McLeod Cooperative Power Association Articles of Incorporation states the following about director qualifications. No person shall be eligible to become or remain a Director of the Cooperative who:

A. is not a member in good standing of the Cooperative receiving service at the member's primary residence or principal place of business in the district from which the Director is elected;

B. within five (5) years preceding a Director candidate's nomination was or during service on the Board of Directors is finally adjudged to be guilty of a felony;

C. within five (5) years preceding a Director candidate's nomination was an employee of the Cooperative;

D. is or becomes, or at any time during the five (5) years preceding a Director candidate's nomination shall have been, employed by a labor union which represents, or has represented, or has endeavored to represent any employees of the Cooperative;

E. is a child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew or niece, whether by blood, or in law, of an employee of the Cooperative;

F. is a person that is child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew or niece, by blood, or in law, of an incumbent Director that is not up for re-election at that time;

G. is in any way employed by or substantially financially interested in an enterprise competing with the Cooperative or any Cooperative-affiliated business;

H. is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another Director; or

I. is absent without cause from three (3) or more regular meetings of the Board of Directors during any twelve (12) month period.

A member that is an authorized farm corporation, family farm corporation, regular corporation, partnership, limited liability partnership or other business entity may select an individual member residing on or actively operating such business entity to be eligible for election to the Board. A member that is not a natural person may select one of its officers to be eligible for election to the Board, provided that not more than two (2) such officers may serve on the Board at the same time.

MCPA Director Candidate Application

The undersigned, a member of McLeod Cooperative Power Association, hereby applies as a nominee for director of McLeod Cooperative Power Association from District _____ and requests that my name be considered by the Nominating Committee to be placed on the ballot for the next election for director from said district to be held at the next Annual Meeting, April 12, 2016.

I certify that my account is current and I am a member in good standing with McLeod Cooperative Power Association from District _____.

I certify that I am a resident of District _____ and am receiving electric energy from McLeod Cooperative Power Association.

I certify that I am not in a competing business with McLeod Cooperative Power Association.

If elected director, I agree to attend as many meetings of the Board of Directors as possible and to abide by the Articles of Incorporation and By-laws and Policies of McLeod Cooperative Power Association.

Date: _____
Signature: _____

Return to the MCPA by January 18, 2016



Rate Study Results and Board Action

In October I wrote in my column, "The Great Conservation Paradox," the need to develop a long-term rate philosophy for our Cooperative to insulate the Co-op and the members from the uncertainty of politics, the ups and downs of sales that are dependent upon the weather, price volatility with seasonal energy markets and independent grid operators. We must do this while continuing to provide safe and reliable service to our members, maintain the financial stability of the Co-op and recover our fixed costs fairly across all rate classes.

In August I wrote that we had engaged Power Systems Engineering to conduct a rate and cost of service study. The results indicate that MCPA should be charging a \$42 per month fixed charge for the single phase farm & residential accounts to cover our system delivery costs. The fixed charge is a monthly cost that MCPA collects from each member to help cover some of the costs of bringing electricity to your home, farm, or business. The costs associated with the fixed charge are system delivery costs such as investment in substation, taxes, poles, wires, transformers, meters, etc. It also includes, in part, our customer service functions, billing expenses, monthly newsletters, and the cost of restoring power outages.

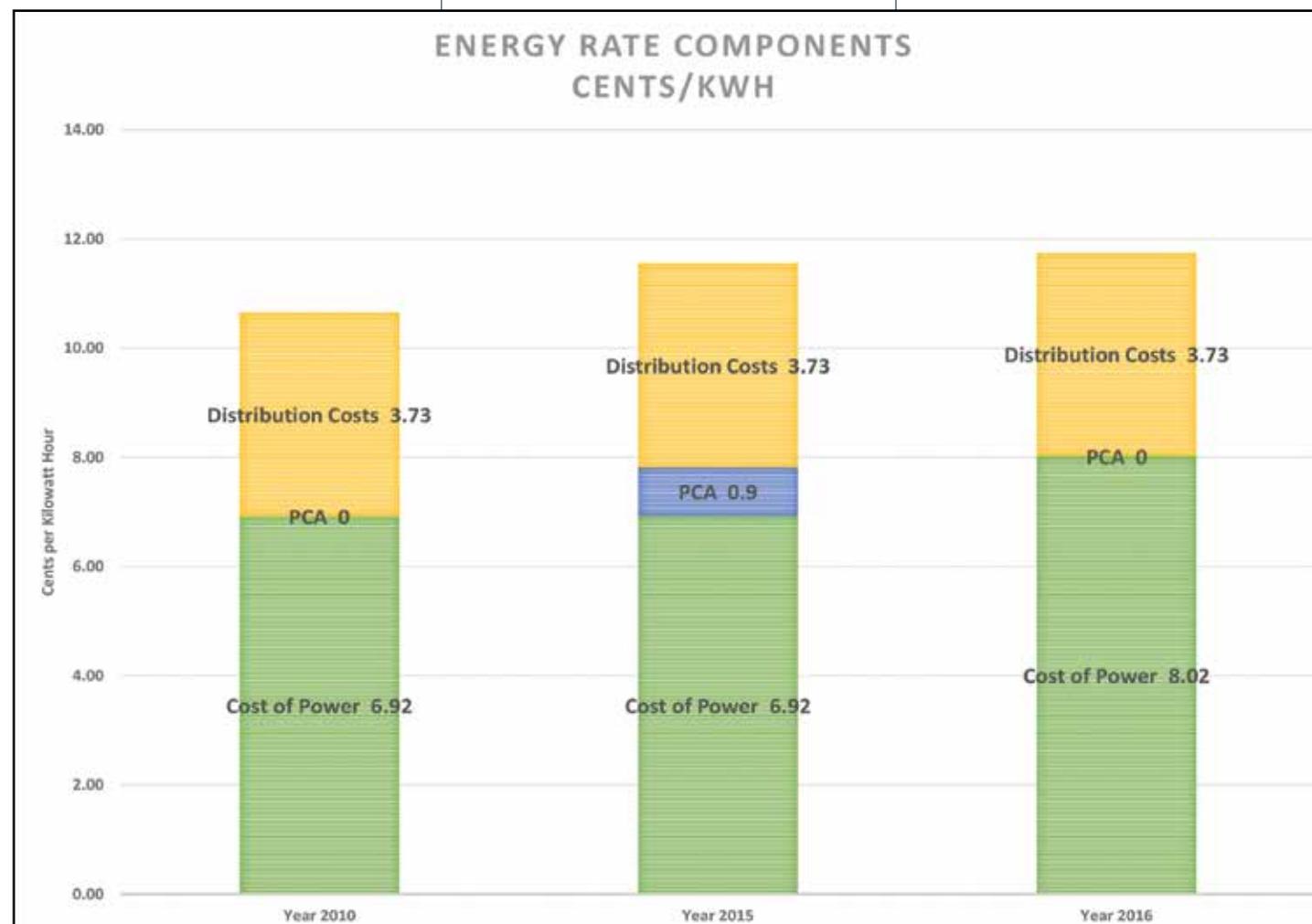
Until about 2008, the Co-op was adding new members and kWh sales were growing. MCPA was able to keep the monthly fixed charge much lower than the actual cost of delivering service to each member, while collecting the remaining revenue through the energy (kWh) charge. Since 2008, residential sales have remained flat. Therefore, it has become increasingly important for the financial stability of MCPA that we move toward collecting more of the actual delivery cost through the fixed charge. It protects the Co-op from unexpected swings in kWh sales due to weather.

In 2013, when MCPA raised the fixed charge to \$27.50, we began collecting 64% of the actual costs to serve an account. With the increase in 2016, MCPA will move to collect

about 80% of the actual costs to serve a farm and residential rate account. This will help prevent any member or rate class from subsidizing another. One of the goals of a rate study is to help keep rates fair and equitable, so each rate class is paying their appropriate portion of the revenue. Almost all rates,

on the light switch, these costs are part of the bill you pay to have electricity available whenever you need it. Whether one member uses 1 kilowatt hour of electricity and another uses 1,000 kilowatt hours, MCPA still incurs the same cost to build, maintain, and deliver electricity to both members.

11.75 cents for non-summer months and 12.75 cents for summer months. The PCA will reset to zero. This will be the first time since 2010 that the base energy rate has been increased.



whether residential, commercial or street lighting, will receive some adjustment in 2016.

After reviewing the rate study, the Board acted to increase the fixed charge to recover approximately 80 percent of the actual cost to deliver electricity to a single-phase or three-phase farm and residential account. For our single-phase farm and residential members the fixed charge will increase from \$27.50 to \$33.50 per month effective March 1, 2016. The fixed charge for three-phase farm and residential members will increase from \$40.00 to \$52.50 per month. The fixed charge will also be retitled on the bill as a "System Delivery Charge" very soon, to more accurately describe the costs it covers.

Regardless of how often you turn

These costs are unavoidable and must be recovered through some part of the rate. To be fair to all of our members, regardless of their usage, the fixed charge is used to recover the major portion of these costs. The balance is collected through the energy charge portion of your bill.

For the last several years, due to the volatility of the cost of power we have added a Power Cost Adjustment (PCA) to your monthly bill. The average PCA in 2015 was 0.9 cents. When added with the energy rate of 10.65 cents, residential members paid about 11.55 cents per kilowatt hour in 2015. We have anticipated the changes to the cost of power for 2016 and increased the energy rate to include the power cost adjustments for 2016. For residential members the Energy rate will increase by about .2 cents to

Our lenders, CFC, RUS, and CoBank all require McLeod Cooperative Power to maintain minimum financial ratios. With continued flat energy sales, the increases in our wholesale power costs, and the expenses we incur to meet state and federal mandates that affect our overall operations, your Board of Directors had no choice but to increase revenues to cover our cost to do business.

I hope this explanation will help answer some of the questions you may have on what the fixed charge is and why your Board of Directors needed to implement an increase. If you have any billing questions, feel free to call the office during regular business hours.

Sincerely yours,
Carrie