Cover Story:
Quest for the great pumpkin - pages 6-7
Register to win a Kindle Fire or energy credit - page 5
Building a culture of safety - page 13
A few things for this fall season...

SAFETY CULTURE – Culture is commonly defined as “a way of thinking, behaving or working that exists in a place or organization.” That’s fine as a definition and every business has its own culture whether you like it or not. I read a bit about management and business out of interest and a desire to instill a culture at PKM someday worthy of emulation. Now, I’m going to bore you with a few quotations I found so profound I had them laminated and I carry them in my board packet. They are not original, in fact, some would say I never had an original thought ever and I’m plenty fine with that. A) “You don’t lead by pointing and telling people a place to go to – you lead by going to that place and making a case.” B) This was from a past President, not certain who, “Hindsight alone is not wisdom and second guessing is not a strategy.” And C) my all-time favorite from a Ford VP many years before the Detroit bailout of which Ford was not part of, “Culture eats strategy for breakfast.” The whole point of the forgoing was to say we have always had a “culture” of safety at PKM. Was it at a level it should have been? Is it at that level now? If in fact “culture” is a way of thinking, behaving and working it requires constant monitoring and positive improvement if it is to be enviable. As an aside, I just received an email telling of a master class in strategy execution. Sounds interesting, think I’ll pass.

EPA and the Clean Power Plan (CPP) – I was in our nation’s Capitol toward the end of September and the fact that renewable energy resources installed prior to 2013 are not counting toward CO2 reduction was given short shrift by Minnesota’s senators (my perception). Visitors to the North Dakota Senate delegation at least received a sympathetic ear. There was a top level meeting with the assistant administrator of EPA in charge of the CPP that even brought in the governor of North Dakota. EPA committed to giving North Dakota additional time for the State Implementation Plan (SIP) and sending a technical team to North Dakota to not only understand the issues facing utilities but to work with utilities and regulators in putting together a plan that works for North Dakota while trying to achieve the reduced emissions goal.

There, I’m glad that’s all been settled, he said sarcastically. We will provide updates as we receive them. Certainly, the two-year extension of the SIP is something, but there is no way the CPP will not cause job loss and higher electric rates.

Charles Riesen
Manager
PKM Electric Cooperative

Congratulations to Per Mar Security Services, the new owners of what was Northern Safety & Security (NSS). I’m not certain how many PKM member-owners clearly understood that PKM was one of the founding partners of NSS. Almost 15 years ago, PKM invested about $71,000 of your general funds in the security business. In the early years the business struggled to become profitable. Like any business, a certain scale had to be reached to break even and then another level to be profitable. The security biz is clearly a technology venture. A majority of NSS owners realized that new investment would be needed to compete in the future. Weighing the new investment and having lost an opportunity to grow by acquiring a local business, it was decided to search for a buyer. Per Mar was selected. We are pleased to turn NSS over to professionals in the security business. We are certain they will provide the latest in technology and the same great service that made you a NSS customer in the first place.

Oh, and no the member-owners of PKM did not lose any money on the venture and will post a tidy nonoperating margin when the final accounting is complete.

On the cover
PKM member Charlie Bernstrom grows an assortment of giant pumpkins near his home in Lancaster, Minn.

September/October 2015
The PKM News (USPS 417060) Vol. 69, No. 5 is published six times a year, February, April, June, August, October and December by PKM Electric Cooperative, Inc., 406 N. Minnesota, Warren, MN 56762. Periodicals postage paid at Warren, MN. Subscription $2.50/year for members $2.50/year for non-members. POSTMASTER: Send address changes to PKM Electric Cooperative, Inc., P.O. Box 108, Warren, MN 56762-0108.

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Electrical after-hours emergencies
218-745-4711 or 800-552-7366
e-mail: info@pkmcoop.com
website: www.pkmcoop.com

Next Board Meeting
Tuesday, October 27, 2015

Officers and Directors
President.......................... Ronald Reitmeier
Vice President .................... Tom Woinarowicz
Secretary-Treasurer .......... Gordon Bernstrom
Directors............................ Michael Beaudry,
Jeffrey Folland, Steve Goodwin, Jerod Hanson,
Wayne Malm and Blake Owens
Manager .......................... Charles Riesen
Editors ......................... Deb Copp, Jeff Rustad, Chelsy Davey
Mac McLennan, Minnkota Power Cooperative president & CEO, joined other electric utility leaders and North Dakota’s delegation in Washington, D.C., Sept. 30 to meet with Janet McCabe, the Environmental Protection Agency (EPA) assistant administrator in charge of issuing the new carbon dioxide (CO₂) rule.

Minnkota is PKM Electric Cooperative’s wholesale power provider. Because Minnkota generates all of its electricity in North Dakota, it is most concerned with how the rule impacts the state and its resources.

Sens. John Hoeven and Heidi Heitkamp, North Dakota Gov. Jack Dalrymple and a representative from Rep. Kevin Cramer’s office pushed the EPA to explain why the agency’s final CO₂ rule unfairly targets North Dakota, requiring a dramatically higher level of reduction. Under the 2014 proposed rule, North Dakota would have had to reduce CO₂ emissions by approximately 11 percent.

However, the administration’s final rule, released Aug. 3, 2015, requires North Dakota to reduce CO₂ emissions by 45 percent, well beyond the 32 percent national average.

The group urged the EPA to provide greater flexibility by recognizing the investments and advances made by industry in reducing CO₂ levels and North Dakota’s unique coal and geographic resources. EPA officials agreed to provide flexibility for the state to submit its State Implementation Plan (SIP), going from one year to three years to submit the final SIP.

The group also secured a commitment from the EPA to send technical staff to North Dakota – not just to understand the issues facing utilities, but to work closely with utilities and regulators in putting together a plan that works for North Dakota while trying to achieve the reduced emissions goal.
Unplug your electronics and appliances when you’re not using them to prevent Vampire Power from sucking up energy! This also helps save your parents money on their next electric bill.
Per Mar Security Services is excited to be a part of the community, and to welcome many of you to the Per Mar family. We look forward to serving you with your security needs.

I would like to share with you that our company has been in business for more than 60 years and I am a third generation owner here to serve you. We have an award winning Central Station rated as one of the top 100 Central Stations in the United States out of 10,000.

The team you have known for years continues to operate in the same office and will be part of the community for many years to come. If you need to reach our local Bemidji branch office for any of your sales or service needs, please call us at 218-444-3902 or 877-751-3902 Monday through Friday 8 a.m. – 4:30 p.m.

As an added benefit, Per Mar Security Services offers a Customer Care team to assist you with any questions during this transition. You can reach them at 1-866-441-7487 Monday through Friday from 7 a.m. – 5:30 p.m. and Saturday from 8 a.m. – 12 p.m. Central Standard Time or feel free to email them at customercare@permarsecurity.com.

Our Customer Care team can assist you with information and answer any questions you may have regarding an invoice or payment options such as the ability to have your invoices emailed to you, or to enroll in automatic payments or online bill pay.

We look forward to our new relationship with you and can assure you that we take our mission statement of “Guardians of people, property, and profits for life” seriously. Welcome to our family we are excited to be here!

- Brian Duffy
President Electronic Security
Charlie Bernstrom is not a farmer. He doesn’t grow a traditional vegetable garden. And he doesn’t consider himself a green thumb.

But when it comes to pumpkins, he has a knack for transforming a few seeds into a patch of jumbo-sized jack-o-lanterns. The largest of four pumpkins grown by Bernstrom this year squashed the scales at a whopping 1,465 pounds.

Although the pumpkin patch is located in a secluded area near Lancaster, Minn., it is no secret to many of the locals. Bernstrom spends time answering questions on the latest crop when he helps run the family-owned Bernstrom Oil Company gas station and convenience store.

“It’s a fun hobby and people really seem to get a kick out of it,” Bernstrom said. “We bring pumpkins to the station and put them on the sidewalk. A lot of people pull over just to check them out.”

Bernstrom, a PKM Electric Cooperative member, gained interest in giant pumpkins when his friend brought one to deer hunting camp a few years ago. In 2013, Bernstrom grew his first set of largest pumpkins, which included his then-best of 851 pounds. He believes he will some day be able to double that total.

“Each year you learn something new and try to improve,” Bernstrom said. “I already know of a few things I want to try for next year.”

**TRICKS OF THE TRADE**

Bernstrom starts the process in April by planting the seed in his home. The plant is moved into a mini-greenhouse he sets up in early May with a goal to have the pumpkin pollinated before July 1.

“I pollinate when it is about the size of a baseball,” Bernstrom said. “Then it starts growing about 40 pounds a day for the next week and a half.”

Only one pumpkin is allowed to grow per plant. Bernstrom buries and trains the vines to accelerate root development.

“You bury all the vines so you get an additional two roots under each leaf node,” Bernstrom explained. “So if you have 400 leaves, you have 800 roots.”

Heating cables are used to warm up the soil in the early spring months. Uniform application of fertilizer, insecticide and fungicide help foster a stable growing environment. He also has animal deterrents that protect the plant from mice, rabbits and deer.
Halloween is the most festively frightening night of the year. But don’t make yours fraught with danger. Here are some safety reminders:

- **As you’re decorating**, make sure you and your parents check for cracked sockets, frayed, loose or bare wires, and loose connections.
- **Fasten all outdoor lights securely to trees and other firm supports.** Do not use nails or tacks that could puncture insulating cords and damage wires.
- **Make sure decorative lighting is well-ventilated, protected from weather, and remains a safe distance from anything flammable like dry leaves and shrubs.** Do not coil extension cords while in use or tuck under rugs or drapes.
- **Make sure all outdoor electrical lights and decorations are plugged into an outlet protected with a ground fault circuit interrupter (GFCI).** If your outlets aren’t equipped with GFCIs, have an electrician install them or buy a GFCI adapter plug. Don’t overload outlets with too many extension cords and strands of lights.
- **Keep power cords off walkways and porches that trick-or-treaters may use.** You don’t want them to trip.
- **Have mom or dad leave the porch light on for trick-or-treaters, and be sure to turn out all spooky lights and decorations before leaving home or going to bed.** This will also save energy.

For more tips visit [www.SafeElectricity.org](http://www.SafeElectricity.org)

Source: Electric Consumer
216B.097 COLD WEATHER RULE; COOPERATIVE OR MUNICIPAL UTILITY.

Subd. 1. Application; notice to residential customer. (a) A municipal utility or a cooperative electric association must not disconnect and must reconnect the utility service of a residential customer during the period between Oct. 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

(1) The household income of the customer is at or below 50 percent of the state median household income. A municipal utility or cooperative electric association utility may (i) verify income on forms it provides or (ii) obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.

(2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household.

(3) A customer receives referrals to energy assistance, weatherization, conservation or other programs likely to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association may provide the following information to a customer:

(1) a notice of proposed disconnection;

(2) a statement explaining the customer's rights and responsibilities;

(3) a list of local energy assistance providers;

(4) forms on which to declare inability to pay; and

(5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 2. Notice to residential customer facing disconnection. Before disconnecting service to a residential customer during the period between Oct. 15 and April 15, a municipal utility or cooperative electric association must provide the following information to a customer:

(1) a notice of proposed disconnection;

(2) a statement explaining the customer's rights and responsibilities;

(3) a list of local energy assistance providers;

(4) forms on which to declare inability to pay; and

(5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 3. Restrictions if disconnection necessary. (a) If a residential customer must be involuntarily disconnected between Oct. 15 and April 15 for failure to comply with subdivision 1, the disconnection must not occur:

(1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;

(2) on a weekend, holiday or the day before a holiday;

(3) when utility offices are closed; or

(4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved.

Subd. 4. Application to service limiters. For the purposes of this section, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

Local energy assistance providers

<table>
<thead>
<tr>
<th>Provider</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest Community Action</td>
<td>800-568-5329</td>
</tr>
<tr>
<td>Tri-Valley</td>
<td>866-264-3729</td>
</tr>
<tr>
<td>Marshall County Social Services</td>
<td>218-745-5124</td>
</tr>
<tr>
<td>Polk County Social Services</td>
<td>218-281-3127</td>
</tr>
<tr>
<td>Kittson County Social Services</td>
<td>218-843-2689</td>
</tr>
</tbody>
</table>

The Military Service Personnel, section 325E.028 of the Public Utilities Act, provides:

Section 325E.028 UTILITY PAYMENT ARRANGEMENTS FOR MILITARY SERVICE PERSONNEL.

Subd. 1. Restriction on disconnection; payment schedules. (a) A municipal utility, cooperative electric association, or public utility must not disconnect the utility service of a residential customer if a member of the household has been issued orders into active duty, for deployment, or for a permanent change in duty station during the period of active duty, deployment, or change in duty station if such a residential customer:

(1) has a household income below the state median household income or is receiving energy assistance and enters into an agreement with the municipal utility, cooperative electric association, or public utility under which the residential customer pays 10 percent of the customer's gross monthly income toward the customer's bill and the residential customer remains reasonably current with those payments; or

(2) has a household income above the state median household income and enters into an agreement with the municipal utility, cooperative electric association, or public utility establishing a reasonable payment schedule that considers the financial resources of the household and the residential customer remains reasonably current with payments under the payment schedule.

(b) For purposes of this subdivision, “household income” means household income measured after the date of the orders specified in paragraph (a).

Subd. 2. Annual notice to all customers; inability to pay forms. (a) A municipal utility, cooperative electric association, or public utility must notify all residential customers annually of the provisions of this section.

(b) A municipal utility, cooperative electric association, or public utility must provide a form to a residential customer to request the protections of this section upon the residential customer's request.

Subd. 3. Application to service limiters. For the purpose of this section, “disconnection” includes a service or load limiter or any device that limits or interrupts electric service in any way.

Subd. 4. Income verification. Verification of income may be conducted by the local energy assistance provider or the municipal utility, cooperative electric association, or public utility unless the customer is automatically eligible for protection against disconnection as a recipient of any form of public assistance, including energy assistance that uses income eligibility in an amount at or below the income eligibility in subdivision 1, clause (1).

Subd. 5. Appeal process. (a) The municipal utility, cooperative electric association, or public utility shall provide the residential customer with a commission-approved written notice of the right to appeal to the commission or other appropriate governing body when the utility and residential customer are unable to agree on the establishment, reasonableness, or modification of a payment schedule, or on the reasonable timeliness of the payments under a payment schedule, provided for by this section. Any appeal must be made within seven working days after the residential customer's receipt of personally served notice, or within ten working days after the utility has deposited first class mail notice in the United States mail.

(b) The utility shall not disconnect service while a payment schedule is pending appeal, or until any appeal involving payment schedules has been determined by the commission.

Subd. 6. Enforcement. This section may be enforced pursuant to chapter 216B. The purpose of this notice is to inform you of your rights and responsibilities under section 325E.028 Utility Payment Arrangements for Military Service Personnel. These rights and responsibilities are designed to help you meet payment of your utility bills. You must act PROMPTLY, if you choose not to assert your rights or choose not to enter into a mutually acceptable payment schedule, your service may be disconnected.

Your responsibility is to declare inability to pay by completing our inability to pay form and to return to PKM Electric, within 10 days.

Your responsibility to provide documentation to PKM Electric that your household income is less than 50 percent of the state median level.

You have the right to a mutually acceptable payment schedule with PKM Electric. This payment schedule will cover your existing overdue bill plus your estimated use during the payment schedule period. If you are able to pay but still wish to enter into a payment schedule, contact PKM Electric to make such payment arrangements.

You have the right not to be involuntarily disconnected on a Friday or the day before a holiday.

Your responsibility, if you choose to appeal, is to mail or hand deliver the letter of appeal stating your situation and issues in dispute. Your letter of appeal must be in our hands before the day of disconnection. The PKM Electric Board of Directors will review your appeal after it is received. If you want to be present at the appeal, you must call the cooperative for the date and time of the appeal review.

If you need help paying your electric bill, you may qualify for state or federal fuel assistance. For complete qualifications, applications and information, contact your local county social services or community/citizens action council listed above. These organizations may also provide budget counseling.
Northwest Community Action Inc.
Energy Assistance Program

October 1, 2015—May 31, 2016

To request an application form:

Write
Northwest Community Action, Inc.
312 North Main Street
PO Box 67
Badger, MN 56714

Call
Phone: 218-528-3258
Toll Free: 800-568-5329

Visit our Website
www.northwestcap.org

INCOME GUIDELINES

<table>
<thead>
<tr>
<th>Family Size</th>
<th>3-Month Gross Income</th>
<th>Yearly Gross Income</th>
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<tbody>
<tr>
<td>1</td>
<td>$5,987</td>
<td>$23,949</td>
</tr>
<tr>
<td>2</td>
<td>$7,829</td>
<td>$31,318</td>
</tr>
<tr>
<td>3</td>
<td>$9,671</td>
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</tr>
<tr>
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<tr>
<td>5</td>
<td>$13,356</td>
<td>$53,424</td>
</tr>
<tr>
<td>6</td>
<td>$15,198</td>
<td>$60,793</td>
</tr>
</tbody>
</table>

- Households may apply only once during our program year (October 1, 2015–May 31, 2016).
- Both homeowners and renters may be eligible.
- Home visits are available for homebound applicants, upon request.
- Households requesting assistance in completing the application are encouraged to phone our office to set up an appointment.
- Households who received assistance under last year’s program automatically received a new application form in the mail in September 2015.
- **You are responsible for your heating and electric bills until you hear from NWCA.**

The Energy Assistance Program is funded by the Minnesota Department of Commerce and the U.S. Department of Health & Human Services.
Final EPA carbon rules to impact reliability, affordability for co-op members

North Dakota (where you get your power from) has second-most stringent CO₂ goal in nation

The Environmental Protection Agency (EPA) finalized regulations Aug. 3 to limit carbon dioxide (CO₂) emissions from power plants — a move that will dramatically reshape how America generates and uses electricity, if the rule survives legal challenges.

The administrative rule, referred to as the Clean Power Plan, requiring a 32 percent cut in CO₂ emissions nationwide by 2030, compared to 2005 levels. The EPA determined different targets each state has to meet in order to achieve the overall national reduction goal.

Minnkota Power Cooperative, PKM Electric’s wholesale power provider, generates all of its electricity in North Dakota, which has the nation’s second-most stringent state reduction goal at 45 percent. This is a steep increase from the 11 percent goal the EPA originally proposed for North Dakota in June 2014. Minnkota and others in the state’s energy industry are currently working to understand the rationale behind more than quadrupling the requirement without providing notice.

An initial review of the rule indicates the established CO₂ reduction target likely cannot be met without some North Dakota coal facilities being shut down or operating at significantly reduced levels. Closing plants would strand hundreds of millions of dollars in investment, a burden that would be carried by electric consumers in the region.

“The EPA’s final rule has the potential to substantially impact local communities that depend on reliable, low-cost power generated from North Dakota’s seven coal-based power plants,” said Mac McLennan, Minnkota president & CEO. “While we are still reviewing and analyzing this 1,560-page rule, it is clear that electric rates in Minnesota and North Dakota will be affected.”

Minnkota is concerned about the regulation of CO₂ because its primary source of electric generation is the Milton R. Young Station, a two-unit coal-based power plant located near Center, N.D. The Young Station provides reliable, cost-effective electricity for more than 128,000 retail consumers, including many of the region’s homes, farms, schools and businesses. In addition to coal, 30 percent of Minnkota’s generation capacity comes from wind and another 10 percent comes from hydro.

Minnkota provides wholesale electricity for member cooperatives in eastern North Dakota and northwestern Minnesota. The carbon reduction goal for Minnesota is 42 percent, although it remains to be seen how that will impact Minnkota.

Since the rule was originally proposed last year, it has drawn strong criticism from utilities, states and business interests. That opposition will translate into significant legal challenges in the coming months and years. At least 17 states have already indicated that they will enter into a lawsuit with the EPA.

In the meantime, state officials will have until September 2016 to submit an initial plan to the EPA identifying what each individual power producer must do to meet the goal. Significant CO₂ reductions would need to be achieved by the start of the compliance period in 2022. The strict timeline will require utilities to make irreversible, long-term decisions and investments within the next few years. Until that happens, the total impact to Minnkota, its members and end-use consumers remains difficult to quantify.

States will have three primary compliance options: 1) Improve coal plant heat-rate efficiency, 2) Replace coal with natural gas plants and 3) Increase the use of renewables and nuclear power. These options fail to take into consideration the unique characteristics of each state and its available resources. They also provide no credit to companies, like Minnkota, that were early adopters of renewable energy.

“Minnkota supports a balanced approach to developing our nation’s energy policy that carefully considers reliability, affordability and environmental goals,” McLennan said. “By enacting this rule, the EPA has given itself a new role in dictating energy policy, determining how we generate electricity and, ultimately, how our consumers use electricity.”

Minnkota’s environmental track record

Best available power plant technology

Minnkota meets or exceeds all current environmental compliance requirements at its generation facilities. About $425 million has been invested in emission-control projects at the Minnkota-operated Milton R. Young Station during the last decade. The result at the coal-based plant has been significant reductions in sulfur dioxide (95 percent), nitrogen oxide (60 percent) and mercury (60 percent) emissions.

Wind energy leader

Minnkota has been an industry leader in wind energy for more than a decade. In 2002, the cooperative built the first commercial-scale, utility-owned wind turbine in the state of North Dakota. Currently, 30 percent of Minnkota’s electric generation capacity comes from wind — one of the highest percentages in the nation. Minnkota is a former recipient of the U.S. Department of Energy’s Wind Energy Cooperative of the Year award.

Robust energy-efficiency programs

Minnkota and its members have an established track record of encouraging residential and business consumers to use energy wisely. Since 2010, Minnkota has administered an energy efficiency and conservation program for its participating Minnesota distribution cooperatives and associated municipals. These utilities annually reduce their electricity sales by at least 1.5 percent through incentive-based and education programs. Collectively, the group recently saved its 140 millionth kilowatt-hour (kWh).

Innovative demand response program

Minnkota operates one of the most advanced demand response programs in the nation. Beginning in 1977, the demand response program is voluntary for consumers who allow Minnkota to interrupt electric heaters and other loads in exchange for a discounted retail electric rate. This capability enables Minnkota to more efficiently manage its existing power resources and avoid the need to acquire new generating resources that would carry a very high cost.

The program is popular with about 50,000 consumers participating. Loads most commonly involved in the program are dual-fuel heating systems, water heaters, storage heaters and commercial loads with backup generators. When necessary, nearly 100 megawatts (MW) in the summer and 375 MW in the winter can be interrupted by Minnkota.
Hot water and savings for life!

PKM Electric Cooperative members can save on their electric bills when they purchase an 85- or a 105-gallon Marathon water heater and hook it up to the off-peak cycled water heater program. Not only will you receive $150 rebate, but you’ll also save a minimum of $132 per year off your electric bill with our off-peak cycled program.

For information and pricing, call PKM Electric Cooperative 218-745-4711

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APPLE CRISP
Jeff Rustad
East Grand Forks, Minn.

**INGREDIENTS:**
- 4 C. apples (peeled & sliced)
- 4 Tbsp. flour
- ¾ tsp. cinnamon
- 1 C. sugar
- Pinch of salt

Mix apples, sugar, flour, salt and cinnamon; place this mixture in an ungreased 9”x13” pan.

**TOPPING:**
- ¾ C. quick-oatmeal
- ¼ C. brown sugar
- ¼ tsp. baking powder
- ¼ tsp. vanilla
- ¼ C. flour
- ¼ tsp. baking soda
- ⅛ C. butter

Mix the ingredients together; crumble the mixture on top of the apple mixture. Bake 35 minutes at 350 degrees.

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There’s more than one football field’s length of buried utilities for every man, woman and child in the U.S.

There are more than 100 billion feet of underground utilities in the United States, according to data compiled by CGA from various industry groups.
**4 WAYS TO PAY**

1. **IN PERSON** - Located in Warren, Minnesota at 406 North Minnesota Street or utilize our drop-box outside our building during non-business hours.

2. **ACH (automated clearing house)** - A monthly bank draft directly from your checking or savings account taken on the 10th of every month.

3. **SmartHub** - Convenient account access where you can manage payments, check your usage and receive emails from PKM when your bill has been calculated.

4. **By mail** - Send the payment in the envelope provided with your monthly statement to PKM Electric, Inc. P.O. Box 108, Warren, MN 56762.

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**PKM’s electric heating rebate program!**

Incentives available for installation of an off-peak electric heating system

- Receive $20/kW rebate for the installation of a qualifying electric heating system that is on off-peak.
- Air-source heat pump incentive is $100/ton – heating mode must be controlled on off-peak.
- Ground-source heat pump incentive is $200/ton – heating mode must be controlled on off-peak.
- Equipment must be new and off-peak systems must have a qualified backup.
- Homeowner will receive a rebate check after a visit from a PKM Electric technician.
- Maximum incentive per off-peak meter is $600.

Homeowners adding new off-peak heating systems qualify for these rebates.

Contact our Energy Services Department for details at 218-745-4711 or 800-552-7366
If you plan a controlled burn of ditches or other areas, please check for utility poles in the area. Controlled burns can easily burn out of control and could result in damage to our electric poles.

Poles that burn through, as shown in the photo, need to be replaced. Even poles that are blackened may need to be replaced. During the intense heat of a grass fire, the preservatives in the pole may boil or seep out. This may cause the pole to be brittle and more prone to wind or ice damage that would lead to an eventual outage.

If a pole is damaged to the point of replacement, the member would be charged the cost of the equipment plus labor. Please exercise caution when doing a controlled burn in the vicinity of utility poles.
A regular meeting of the board was held Tuesday, July 28, 2015.

Ron Reitmeier, president who presided, called the meeting to order. Upon calling the roll, the secretary reported that all directors were present.

Director Folland reported on a recent meeting of the Minnkota Power Cooperative board of directors.

The secretary/treasurer reported on a meeting of the Square Butte Electric Cooperative board of directors.

The manager was instructed to draft a letter to the Minnkota Power Cooperative board of directors and the CEO on Minnkota’s discussions with Basin and the planned new campus. He was directed to have a draft of the letter emailed to the directors for their comments and deliver the letter to Minnkota for their July board meeting.

The manager of operations presented the monthly safety report, indicating an incident had occurred which incurred no lost time. A line department employee was cutting a Poppe tree 10” in diameter and the trunk twisted at the notch and rolled across his ankle. Upon the doctor visit the results were that the ankle was bruised. A first report of injury has been filed and details of the incident will be available.

During July MREA conducted bucket and pole top rescue training along with climbing certification.

The manager of operations continued his report updating the board on line department activities, mentioning that the new trailers have been delivered and put into service taking care of a chief concern of injury has been filed and details of the incident will be available.

During July MREA conducted bucket and pole top rescue training along with climbing certification.

The manager reviewed the board second quarter subsidiary financials and described several events that may occur with several of the subsidiaries.

The manager reviewed with the board the executive summary of the CFC key ratios and mentioned that copies of all the financial ratios, which provide a 5-year look back, are available for any director who wishes to have them. It was commented that the cooperative’s combined interest rate appears to be a little bit higher, with the manager mentioning that they had an opportunity to buy out of RUS and thereby reducing the combined interest rate marginally, but it was the decision of the board to remain with RUS.

The board reviewed a draft copy of form 990, approved it and instructed management to submit the form.

The manager stated it would be necessary to select voting delegates for the various organizations in which the cooperative has membership in for 2015-2016. It was mentioned that it is difficult for some organizations to change voting delegates at the meeting and any of the voting delegates selected should endeavor to attend the meetings. For that reason the voting delegate for NRECA should be changed and Secretary/Treasurer Gordon Bernstrom was appointed to be the voting delegate for NRECA.

The board declared that voting delegates for 2015-2016 remain the same as the previous year with the exception of Secretary/Treasurer Gordon Bernstrom appointed as the voting delegate for NRECA.
with the exception of Jerod Hanson were present.

The vice president reported on recent MREA activities, indicating that the board completed its work on the 2016 budget, which appears to include a three percent increase.

Director Folland reported on a recent meeting of the Minnkota Power Cooperative board of directors where EPA’s Clean Power Plan and North Dakota’s increased CO2 reduction from 11 percent to 45 percent could have major ramifications for the Minnkota system.

The secretary/treasurer and the manager reported on their attendance to the Energy Issues Summit; wherein, energy storage and solar power were discussed.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time. MREA held a safety meeting on Aug. 5 with the topic “Chain Saw Safety and MREA Life Saving Rules.”

The operations manager continued his monthly report detailing connected members at the end of July 2015 increased by 24 compared to the same period last year. He detailed outage time and our availability to help Red Lake Electric Cooperative, who experienced storm damage in the Thief River Falls area. He asked the board of directors if they were ready to make a decision on releasing service to Otter Tail Power Company for a tile sump near Donaldson. A resolution to release service to Otter Tail Power Company was not approved.

Other members of the staff and the manager presented their monthly reports and responded to directors’ questions concerning those reports.

The manager discussed with the board of directors the intent of East Grand Forks to annex an additional 40 acres from 23rd Street West to Highway 220. The original agreement calling for 5 mills for 10 years after construction takes place has expired and a new agreement will be necessary. The manager stated that this is bare ground and requires no integration. Typically, compensation for bare ground has been as high as 30 mills. However, given this location and the speed at which East Grand Forks develops on the north end, a lesser amount and the 10 years of certain revenue is more advantageous to the cooperative. The manager asked the board of directors if a committee would like to participate in the negotiations and it was the decision of the board for management to start negotiations and bring in a board committee should it be necessary.

The manager led the board of directors through Minnkota’s response to their letter on discussions with Basin and the new campus.

The manager stated that every two years in cooperation with Minnkota, each of the cooperatives has an electric load forecast updated to help Minnkota in their load forecasting. The update to PKM’s forecast shows overall energy requirements to grow at one tenth of one percent. The manager stated that a resolution is required from each of the Minnkota cooperatives to accompany their forecast. The board adopted the 2015 Electric Load Forecast Study.

At this time in the meeting, upon motion duly made and seconded, the board recessed into executive session at 10:30 a.m. The chairman returned the board to regular order at 11:45 a.m.

The chairman stated that with the MREA Legislative Conference being held on a regular board meeting day the manager will be unable to attend; therefore, the chairman asked that the September meeting be a special meeting to be held Sept. 23, 2015, at 8 a.m., at the headquarters of the cooperative in Warren, Minn. The meeting change was approved.

### Statistical and financial report

**Year-to-date: August 2015**

<table>
<thead>
<tr>
<th></th>
<th>Last Year</th>
<th>This Year</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total income</td>
<td>$8,694,183</td>
<td>$8,563,570</td>
<td>$8,550,000</td>
</tr>
<tr>
<td>Total expense</td>
<td>$8,190,967</td>
<td>$8,788,045</td>
<td>$8,437,500</td>
</tr>
<tr>
<td>Net margins</td>
<td>$503,216</td>
<td>$(224,475)</td>
<td>$112,500</td>
</tr>
<tr>
<td>Total kWh sold</td>
<td>86,732,469</td>
<td>76,694,365</td>
<td>14,800,000</td>
</tr>
<tr>
<td>Avg. kWh sold per member</td>
<td>2,906</td>
<td>2,548</td>
<td></td>
</tr>
<tr>
<td>Delivery cost per kWh purchased</td>
<td>6.62¢</td>
<td>7.91¢</td>
<td></td>
</tr>
<tr>
<td>Avg. sale price per kWh</td>
<td>10.02¢</td>
<td>11.16¢</td>
<td></td>
</tr>
<tr>
<td>Percent kWh sales increase</td>
<td>7.8%</td>
<td>(11.5%)</td>
<td></td>
</tr>
<tr>
<td>Members billed</td>
<td>3,731</td>
<td>3,765</td>
<td></td>
</tr>
<tr>
<td>Miles of line in service</td>
<td>2,254</td>
<td>2,261</td>
<td></td>
</tr>
<tr>
<td>175 watt MV lights</td>
<td>1,493</td>
<td>1,463</td>
<td></td>
</tr>
<tr>
<td>400 watt MV lights</td>
<td>93</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>100 watt H.P.S.</td>
<td>873</td>
<td>884</td>
<td></td>
</tr>
<tr>
<td>250 watt H.P.S.</td>
<td>87</td>
<td>87</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outage charged to:</th>
<th>2015</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnkota operations</td>
<td>3,427.67</td>
<td>3,979.80</td>
<td>1,942.86</td>
</tr>
<tr>
<td>PKM operations</td>
<td>3,516.67</td>
<td>4,960.92</td>
<td>2,594.58</td>
</tr>
<tr>
<td>Total</td>
<td>6,944.34</td>
<td>8,940.72</td>
<td>4,537.44</td>
</tr>
</tbody>
</table>

**Minutes per member PKM operations year to date: 56.09**

**Minutes per member Minnkota operations year to date: 54.67**

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**Rules**

Ads for PKM members only. Limit your ads to two items. No commercial ads. Submit ads by the 18th of Jan., March, May, July, Sept. and Nov.


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**Electrical Inspectors**

**Marshall County & Kittson County**
Scott Stenvik
16409 State Hwy 1 N.W.
Thief River Falls, MN 56701
218-689-5406

**Polk County**
Bryan Holmes
218-686-1413
Save money and energy in 2015

Sample 2015 Residential Electric Rebates for Members

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Specifications</th>
<th>Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>LED Screw-in Bulbs</td>
<td>Replacing 40-60 watt incandescent. Must be Energy Star® approved.</td>
<td>$4/bulb</td>
</tr>
<tr>
<td>LED Screw-in Bulbs</td>
<td>Replacing 65 watt or greater incandescent. Must be Energy Star approved.</td>
<td>$8/bulb</td>
</tr>
<tr>
<td>LED Recessed Downlights</td>
<td>Complete fixture or replacement kit. Must be Energy Star approved.</td>
<td>$8/install</td>
</tr>
<tr>
<td>LED Christmas Lights</td>
<td></td>
<td>$3/string of lights</td>
</tr>
<tr>
<td>LED Outdoor Fixtures</td>
<td>LED Outdoor Fixture Wattage of &lt;40 Watts. Dusk to Dawn operation required. Must be DesignLights™ Consortium or Energy Star approved.</td>
<td>$40/fixture</td>
</tr>
<tr>
<td>LED Outdoor Fixtures</td>
<td>LED Outdoor Fixture Wattage of &gt;40 Watts. Dusk to Dawn operation required. Must be DesignLights™ Consortium or Energy Star approved.</td>
<td>$80/fixture</td>
</tr>
<tr>
<td>Clothes Washer</td>
<td>Must be Energy Star approved.</td>
<td>$50/unit</td>
</tr>
<tr>
<td>Clothes Dryer</td>
<td>Must be Energy Star approved.</td>
<td>$50/unit</td>
</tr>
<tr>
<td>Refrigerator or Freezer</td>
<td>Must be Energy Star approved.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Recycled Old Refrigerator or Freezer</td>
<td>Complete removal form.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Electric Water Heater</td>
<td>Minimum 80-gallon total capacity. EF greater than .91. Must be on load management program.</td>
<td>$150/unit</td>
</tr>
<tr>
<td>Programmable Thermostat</td>
<td></td>
<td>$25/unit</td>
</tr>
<tr>
<td>Engine Block Heater Timer</td>
<td></td>
<td>$10/unit</td>
</tr>
<tr>
<td>Tune-up for Central AC</td>
<td>Not valid on window AC units or mini-splits. Checklist on form must be filled out with application.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Tune-up for Air-Source Heat Pump</td>
<td>Checklist on form must be filled out with application.</td>
<td>$25/unit</td>
</tr>
<tr>
<td>Supplemental Heating Source ASHP</td>
<td>Must modulate to allow Energy Star-rated ASHP to operate down to 5 degrees and be on load control.</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Air-Source Heat Pump</td>
<td>14 SEER, 8.2 HSPF</td>
<td>$400/unit</td>
</tr>
<tr>
<td>Furnace Air Handler with ECM Blower</td>
<td>ECM Blower</td>
<td>$150/unit</td>
</tr>
<tr>
<td>Mini-split/ductless Air-Source Heat Pump</td>
<td>15 SEER</td>
<td>$500/unit</td>
</tr>
<tr>
<td>Ground-Source Heat Pump (Closed Loop)</td>
<td>14.1 EER/COP 3.3</td>
<td>$400/ton</td>
</tr>
<tr>
<td>Ground-Source Heat Pump (Open Loop)</td>
<td>16.2 EER/COP 3.6</td>
<td>$200/ton</td>
</tr>
</tbody>
</table>

Energy-efficient rebates for members remain in effect for 2015 although some changes have been made. Please see the chart for a sample of residential incentives.

All incentives, criteria and guidelines for resident and business members can be found at www.pkmcoop.com or by calling 218-745-4711.

All criteria are listed on the rebate form.