WASHINGTON, D.C. JUNE 10-15, 2017

Essay Contest Details

- To enter the essay-writing contest, you must be a junior or senior in high school.
- You and your parents or guardian must be served by PKM Electric Cooperative.
- The essay is not to exceed two standard 8.5- by 11-inch, typewritten and double-spaced pages. Please choose one of the topics below:

  “What are the biggest challenges facing electric cooperatives today? How can cooperatives effectively meet those challenges?”

  “How does energy efficiency affect you as an individual member and the cooperative as a whole?”

- A cover page must be included with the essay submission. The cover page should include: 1) your full name and date of birth, 2) name of your high school and what grade you’re currently enrolled in, 3) parents’ or guardians’ names, physical mailing address and phone number.

- **Deadline is March 1, 2017.** Emailed entries should be directed to cdavey@minnkota.com, and hard-copy entries mailed to: Youth Tour Essay Contest, PKM Electric Cooperative, P.O. Box 108, Warren, MN 56762.

- If you have a question, please contact Chelsy Davey, PKM Electric, at the email address listed above, or call 218-745-4711 during regular business hours.
A few things to end 2016

Charles Riesen
Manager
PKM Electric Cooperative

Last year I talked about the poor financial year your cooperative was experiencing due to increased wholesale power cost, summer demand and less than budgeted electric sales. I mentioned that your cooperative was well capitalized and we could weather the downturn, but increased power costs in 2016 would require electric rates to go up. I also spoke of Bob Kliner’s pending retirement.

All of these things talked about while ending 2015 came to pass. Kliner, who was going to work during the spring and summer on a contract basis for us in his new passion “safety,” never returned. He was taken from us in a diving accident shortly before his scheduled return to Minnesota. This generation of PKM employees continues to struggle with his loss, which is both fitting and right.

We are fast approaching the end of 2016 and our financial picture has changed dramatically. Yes, the member-owners had to supply additional revenue from a rate adjustment, but I believe we were good stewards of your cooperative. I can remember the days PKM had 26 employees (of course, I’m old) and by mid-2017 we will be down to 16. We control costs we can directly impact. We browbeat, lobby and cajole others who impact our other costs. Your board of directors requires high standards and all employees have risen to the challenge. Of course, a little divine intervention in the form of “horse hockey” weather propped up energy sales, which helped. Your cooperative will end 2016 with not only a hefty balance sheet but a respectable operating report.

More of my generation retiring

Jim Norland, who spent 37 years working on the Hallock line crew, has decided winters in Arizona and summers spent golfing and fishing full-time will suit him and Gayle more than being on call and driving up and down every road and trail in Kittson County. Line work is not for everyone, and it was only Jim’s good nature and work ethic that allowed your cooperative to benefit from his service. We thank Jim for his service and wish him and Gayle well in their retirement.

Deb Copp will be retiring at the close of 2016 after 26 years of faithful service to your cooperative, a big part of which was as executive assistant. I worked a lot with Deb, but you may not know her primary responsibility was to the board of directors. I was just someone she had to put up with. A couple days ago she sent off her last board report and tomorrow will be her last board meeting. I’m certain Deb has an active retirement planned. No longer will she have to hound, I mean ask, me for the board material or an article for the PKM News. The board of directors has already heaped praise on Deb for her work. I too would like to thank her for the professional touch she gave to all her work and much of mine. Deb and John will busy themselves with grandchildren and controlling the wall-a-gator population of LOW.
Be prepared for winter storms

Winter storms can range from a moderate snow over a few hours to a blizzard with blinding, wind-driven snow that lasts for several days. Some winter storms are large enough to affect several states, while others affect only a single community. Many winter storms are accompanied by dangerously low temperatures and sometimes by strong winds, icing, sleet and freezing rain.

Regardless of the severity of a winter storm, you should be prepared in order to remain safe during these events.

Know the Difference

- **Winter Storm Outlook** – Winter storm conditions are possible in the next two to five days.
- **Winter Weather Advisory** – Winter weather conditions are expected to cause significant inconveniences and may be hazardous. When caution is used, these situations should not be life-threatening.
- **Winter Storm Watch** – Winter storm conditions are possible within the next 36 to 48 hours. People in a watch area should review their winter storm plans and stay informed about weather conditions.
- **Winter Storm Warning** – Life-threatening, severe winter conditions have begun or will begin within 24 hours. People in a warning area should take precautions immediately.

Generator safety

Generators can be dangerous or deadly to the user and to PKM Electric personnel working to restore your electric service. Here are some very important safety precautions to consider when using a generator.

✔ Never use a portable generator in an enclosed area. Generators produce a dangerously high amount of carbon monoxide very quickly. Carbon monoxide is odorless and cannot be seen, and can cause serious brain damage and even death. Even if you cannot smell exhaust from the generator, you can still be exposed to carbon monoxide. If you start to feel dizzy or weak, get to fresh air immediately!

✔ Never try to power a house by plugging the generator into a wall outlet. This is known as backfeeding and is EXTREMELY dangerous to yourself, your neighbors and cooperative personnel working to restore your power.

✔ Always keep the generator dry; do not operate in wet conditions.

✔ If you are connecting a generator to your home’s wiring system, a double-throw disconnect switch MUST be installed and working properly. Contact PKM Electric for more information.

Give the Gift of Safety

Electrical safety items come in all price ranges. They’re practical, and they help keep your loved ones safe. Here are some suggestions for the people on your list:

- **Heavy Duty Extension Cord**
  Power devices safely. Too often the tools or equipment necessary for larger projects are powered by extension cords that are inadequate for the environment or heavier electrical load.

- **Portable Ground Fault Circuit Interrupter (GFCI)**
  If you know someone who works outside often, a portable GFCI is a perfect gift. It offers protection to whatever electronic device is plugged into it, keeping your loved one safe wherever he or she is working.

- **Power Strip**
  Many people will get new electronics for the holidays. Help them power their electronics safely with a new power strip. Choose a power strip that comes with a circuit breaker that will trip if the power strip becomes overloaded. Overloaded power strips are dangerous and can cause shocks and fires.

PKM Electric Cooperative’s office will be closed Monday, Jan. 2, for New Year’s Day.

DO YOU KNOW WHAT IT COSTS TO RUN A SPACE HEATER?

Calculate the cost before plugging one in.

Most space heaters are 1,500 watts. If you’re operating a space heater eight hours a day and your rate is 12.9 cents per kWh = (1,500 watts x 240 hours/month x 12.9 cents/kWh) / 1000 = $46.44/month
The lights turn off. The Wi-Fi signal drops. The TV goes black.
A few seconds later, the power turns on and everything is back to normal – outside of a few digital displays flashing “12:00.”
These momentary losses of power, referred to as blink outages, occur when some type of disturbance exists on a power line. This could be a lightning strike, farm equipment hitting a pole, or when wildlife or tree branches come into contact with an energized line. Blinks may be inconvenient, but they are a necessary part of the electric system.

“Although blinks are bothersome, they are actually an indication that our equipment is operating properly,” said Skylar Ertman, Minnkota Power Cooperative civil engineer. “If a fault or short circuit happens on a power line, a device called a breaker opens to stop it, then quickly closes back in. This process eliminates the risk of...
"A large portion of our subtransmission system (69 kilovolts and lower) has aged beyond its 50th year of service. This study prioritizes the pending upgrades to the system. Blink outage statistics were a key consideration during the evaluation process."

— Skylar Ertman, civil engineer

extended outages and damage to our system.”

Limiting blink outages is a high priority for Minnkota and PKM Electric Cooperative. For years, both cooperatives have pursued aggressive right-of-way maintenance programs to keep trees and branches clear of power lines. In 2015, Minnkota, PKM Electric’s wholesale power provider, conducted a thorough study of the cooperative’s 69-kilovolt transmission system, which is comprised of more than 2,100 miles of line.

“A large portion of our subtransmission system (69 kilovolts and lower) has aged beyond its 50th year of service,” Ertman said. “This study prioritizes the pending upgrades to the system. Blink outage statistics were a key consideration during the evaluation process.”

The results of the study have been incorporated into Minnkota’s long-range planning and budgets, Ertman said. This spring, the cooperative began full-scale implementation of its blink outage mitigation plan by addressing those line sections with the highest rate of blink outages.

Live line work

Line crews have been working in eastern North Dakota and northwestern Minnesota on existing lines that were experiencing higher-than-average blink outage occurrences. All upgrades were made while the lines were energized, eliminating the need to take an extended outage to complete the work. Crews used a bucket truck with an insulated apparatus attached to it so the work could be completed in a safe and efficient manner.

Line workers detached the three lines from the structure and allowed the apparatus, referred to as a hot-arm attachment, to lift it several feet over the top of the pole. Structures were fitted with three pieces of equipment to help reduce blink impacts. The first is a hanging lightning arrester, which attaches to the top phase wire and connects to the structure ground. This device routes a lightning strike around the electrical system and safely sends the current to the ground.

A polymer post-top insulator was also attached to the top phase wire at each structure, helping prevent the undesired flow of electricity to the ground. The top of each pole is fitted with a plastic cone-shaped device that deters birds and other animals from sitting on the structure, protecting them from the energized line.

Ertman said the implementation of these devices will continue during the next several years in impacted areas of the system.

“Even after the equipment is installed, the work isn’t done,” Ertman said. “We will have to monitor these upgraded stretches of line for an entire blink season to ensure the changes are the best solution moving forward.”

Changing expectations

Since 2006, Minnkota has experienced an average 25 percent reduction in annual blink outages. While the systemwide outage numbers are trending down, the expectations of the consumer continue to rise, primarily driven by the fact that today’s electronics require a constant, uninterrupted supply of power to run properly.

In the past, a blink would occur and often go unnoticed to the average consumer because there were no digital displays that needed to be reset afterward. Today, each blink outage is documented by the flashing “12:00.”

Ertman said even the most reliable electric systems in the country are susceptible to blink outages. But with the technologies being implemented by Minnkota, he believes members will see improved reliability with minimal cost impact.

“When you’re dealing with more than 2,100 miles of line, you can’t tear it all down and start over,” Ertman said. “You have to find solutions that work with your existing infrastructure. I believe we’re doing that with these projects.”
Cash in your energy-saving coupons

Whether a colder winter is in the forecast like the Farmer’s Almanac predicts or whether we have a more “moderate” winter, the weather will still be cold. Cut out these energy-saving coupons to help keep out the cold and save money.

- Apply a window sealing kit (typically a clear plastic film) to the inside of your window frames during winter if they are single-pane or older windows.

- Weatherstrip windows and doors if you can see daylight or feel large drafts.

- Switch out your frequently used incandescent lights to LEDs and save about 75 percent in energy use. LEDs also last up to 25 times longer than traditional incandescent bulbs.

- Saving energy on water is surprisingly simple; low flow showerheads and faucet aerators keep the pressure while reducing hot water. Washing in cold cycles helps as well as checking the water temperature on your thermostat to ensure it is at 120 F. These little things can add up.

- Look around the home for air leaks that may be present around plumbing and electrical penetrations. Seal with appropriate material such as caulk or low-expanding foam.

- Air sealing and insulation can sometimes be tricky. If you are considering having a professional insulate your home, ask them what their plan for air sealing and insulating is. Before having them perform the work, call your cooperative and ask about our insulation rebates. You must call before the work is done because of the criteria to receive the rebate.
PKM Electric Cooperative launched SmartHub to our members in March of 2015. This new feature is available on your mobile device by downloading the FREE app or visiting pkmcoop.smarthub.coop online. We are excited to offer this service to our members. Please contact us at 218.745.4711 with any questions.

**AUTHORIZATION FOR ACH (AUTOMATED DIRECT PAYMENT)**

I authorize and the financial institution named below to initiate electronic entries from my checking/savings account. This authority will remain in effect until I notify you in writing to cancel it in such time as to afford the financial institution a reasonable opportunity to act on it. I can stop payment of any entry by notifying my financial institution 3 days before my account is charged.

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**DE-ICER**

Judy Hennessy
Warren, MN

**INGREDIENTS:**
- 1 tsp. Dawn dishwashing liquid
- 1 T. rubbing alcohol
- 1/2 gal. hot/warm water

Mix & pour over walkways.
*They won’t refreeze!*

**SUET**

**INGREDIENTS:**
- 1/2 c. creamy peanut butter
- 1/2 c. vegetable shortening
- 1 c. quick cooking oats
- 1 c. cornmeal
- 1/2 c. flour
- handful of sunflower seeds

Melt ingredients for 90 seconds in microwave.
Pack into paper bowl or 2 paper cups, then cool. Remove mold and place in mesh bags. Hang from branches & let birds enjoy!

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**Marathon**

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 up to a 450 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**
Northwest Community Action Inc.
Energy Assistance Program

Oct. 1, 2016—May 31, 2017

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

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<td>1</td>
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<td>$24,541</td>
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<td>2</td>
<td>$8,023</td>
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<td>5</td>
<td>$13,686</td>
<td>$54,745</td>
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<tr>
<td>6</td>
<td>$15,574</td>
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- Households may apply only once during our program year (Oct. 1, 2016—May 31, 2017).
- 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 will automatically receive a new application form in the mail in September 2016.
- 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.
PREVENTION: It’s the gift that keeps on giving

Between 2009-2013, U.S. fire departments responded to an annual average of 860 home structure fires that began with holiday decorations and an additional 210 home structure fires that began with Christmas trees according to the National Fire Protection Association.

CO AND SMOKE ALARMS SAVE LIVES.

Install CO and Smoke Alarms on every level of your home, in every bedroom, and outside each sleeping area.

Be sure to test the alarms once a month and change the batteries yearly.

CO AND SMOKE ALARMS SAVE LIVES.

PREVENTION IS... keeping decorations, or any other flammable items at least 3 ft away from open flame and heat sources.

PREVENTION IS... inspecting all decorations to ensure they do not have any frayed or pinched wires and discarding any worn decorations.

PREVENTION IS... never leaving cooking equipment unattended and turning off burners if you have to leave the room.

PREVENTION IS... ensuring multiple extension cords are never strung together or run under rugs, carpets or furniture. And making sure those used outdoors are labeled “for outdoor use.”

PREVENTION IS... watering Christmas Trees daily and discarding trees when they are dry and begin dropping needles.

PREVENTION IS... never leaving a space heater unattended and turning it off when you’re leaving a room or going to sleep, and not letting pets or children play too close to a space heater.

Happy Holidays from ESFI
A special meeting of the board was held Thursday, Sept. 29, 2016.

Tom Woinarowicz, president who presided, called the meeting to order. Upon calling the roll, the secretary reported that all directors, with the exception of Steve Goodwin, were present.

The president reported on recent MREA activities, indicating that work continues on net metering before the Public Utilities Commission and that information continues to be gathered.

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

The secretary/treasurer reported on the Square Butte Electric Cooperative activities.

The manager reported on the fall REMA meeting that dealt with such issues as broadband financing metrics, economic development in cooperatives, MN Chamber of Commerce and a round table on legislative strategy.

Director Bernstrom reported on his attendance to the NRECA regional meeting.

The manager reported on the September MREA D.C. legislative visit where Clean Power Plan, community storage, the energy bill conference, extending energy efficiency credits to geothermal heat pumps and requesting assistance in broadband for rural areas were discussed.

With some field work remaining, the president moved the business agenda forward to account for those individuals who may have to leave the meeting.

The manager stated that the board of directors would have to give their approval to a partial release of several easements to satisfy the requirements of lenders. The cooperative’s legal counsel has reviewed these releases and finds them to be in order. The board authorized the secretary to sign the partial releases.

The manager discussed with the board of directors Policy Bulletin No. 21-2,4, “Cogeneration and Small Power Production,” which is the cooperative’s policy regarding net metering. The manager stated that although this is not a general policy, it is a cooperative’s policy regarding net metering. The board reaffirmed Policy Bulletin No. 21-2,4 by a roll call vote by those directors present. Paul Aaker – Yes Mark Hatton – Yes Mike Beaudry – Yes Wayne Malm – Yes Gordon Bernstrom – Yes Blake Owens – Yes Jeff Folland – Yes Tom Woinarowicz – Yes

The manager reviewed with the board of directors the quarterly I.T. Security report, which indicates attempts to breach the cooperative’s information technology.

The manager referred the directors to a letter from Otter Tail Power where the MN PUC approves “Service by Exception” for the Enbridge load based on the stipulated settlement agreement.

The manager presented staff salaries. Since these are in line with other adjustments received, the president mentioned that many cooperative boards do not see this information and the adjustment of staff salaries is well within the authority of the manager.

The manager discussed with the board of directors the MREA Youth Tour saying that for many years with the Minnesota Association of Cooperatives the cooperative would sponsor youths to attend their annual meeting, which would have cooperative education for high school-aged people. Since the MAC disbanded PKM has not sponsored other youth cooperative activities. The board was asked to consider if PKM be interested in participating in the Youth Tour. Several directors voiced their desire to discuss this further.

The manager of operations presented the monthly safety report, indicating no accidents and no lost time. MREA had a classroom meeting on “Grounding” and spent the rest of the session on “Crew Observation.”

The manager of operations continued his report detailing activities of the line department and mentioned that connected members for August 2016 stood at 3,799 representing a net gain of 22 from the same period last year.

The management staff and the manager presented their monthly reports and responded to questions from the board of directors concerning their reports.

A regular meeting of the board was held Tuesday, Oct. 25, 2016.

Mike Beaudry, vice president who presided, called the meeting to order. Upon calling the roll, the secretary reported that all directors with the exception of Tom Woinarowicz and Steve Goodwin were present.

Director Folland reported on a recent meeting of the Minnkota Power Cooperative board of directors, indicating that construction continues on the new campus and that there will be a joint meeting between Square Butte and Minnkota Cooperative the cooperative would sponsor the Youth Tour. Several directors voiced their desire to discuss this further.

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Statistical and financial report
Year-to-date: November 2016

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<th></th>
<th>Last Year</th>
<th>This Year</th>
<th>Budget</th>
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<td>$11,975,803</td>
<td>$13,234,735</td>
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<td>Total expense</td>
<td>$12,261,970</td>
<td>$12,449,509</td>
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<td>$ (286,167)</td>
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<td>$ 887,800</td>
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<td>108,807,907</td>
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<td>8.06¢</td>
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<tr>
<td>Avg. sale price per kWh</td>
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<td>12.2¢</td>
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<td>Percent kWh sales increase</td>
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<tr>
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<td>3,781</td>
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<tr>
<td>175 watt MV lights</td>
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<td>100 watt H.P.S.</td>
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<tr>
<td>250 watt H.P.S.</td>
<td>87</td>
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Outage charged to: 2016 2015 2014

- Minnkota operations: 5,474.00 3,553.24 4,005.20
- PKM operations: 4,619.01 4,577.92 5,936.40
- Total: 10,093.01 8,131.16 9,941.60

Minutes per member PKM operations year to date: 73.01
Minutes per member Minnkota operations year to date: 86.52

PKM Service Anniversaries

We had our 58th annual awards banquet on Friday, Dec. 2, 2016. Three people were recognized for their years of service and two of them are pictured in the left photo and the right photo: Joe Marcotte and Chris Derosier (not pictured: Fred Nicholls).

30 Year Award
Fred Nicholls

20 Year Award
Joe Marcotte

15 Year Award
Chris Derosier

PKM News • November/December 2016

Energy Efficiency Tip of the Month

A crackling fire in the hearth warms the house, but don’t let it heat up your electric bill! Caulk around the fireplace hearth and keep the damper closed when a fire is not burning. – Source: U.S. Dept. of Energy

Rebates!

For Electric Water Heaters

Buy a new electric water heater and get up to a $450 rebate!

<table>
<thead>
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<th>Gallon size</th>
<th>Rebate</th>
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<tr>
<td>55 gal. and less</td>
<td>$100</td>
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<tr>
<td>56-99 gal.</td>
<td>$150</td>
</tr>
<tr>
<td>100 gal.</td>
<td>$200</td>
</tr>
<tr>
<td>Additional rebate for new construction</td>
<td>$100</td>
</tr>
<tr>
<td>Additional rebate for conversion from existing natural gas or propane</td>
<td>$250</td>
</tr>
</tbody>
</table>

Plus!

Receive an additional $150 through PowerSavers!
(80-gal. minimum, must be on load control.)

Rebate requirements:
- Must be a new electric water heater installed on PKM Electric Cooperative’s system
- Must be on load control/off-peak
- Must be 240 volts, hard-wired
- Tankless water heaters do not qualify
- Hybrid heat pump water heaters do not qualify
- Multifamily dwellings do not qualify for rebate. Exceptions on a case-by-case basis
- Rebate limit of $500 per member account

We sell 85 & 105-gallon Marathon water heaters!
Call for pricing and details.

218-745-4711 or 1-800-552-7366
www.pkmcoop.com
Electrical contractor continuing education sessions set for January, February

Minnkota Power Cooperative and the associated systems will again provide an opportunity for area electricians to obtain credits for license renewal by attending one of the six continuing education classes being offered throughout Minnkota’s service area.

This marks the 29th year of the successful program, which is aimed at providing area trade allies with the latest information on electrical code and practices.

The electrical workshops will be held Jan. 17 and Jan. 18 at the Alerus Center in Grand Forks. The training then moves to the Cambria Hotel & Suites in West Fargo, Jan. 24 and Jan. 25. The workshops continue with classes Feb. 7 at the Eagles Club in Bemidji, Minn., and Feb. 8 at the Bigwood Event Center in Fergus Falls, Minn.

The registration fee is $75 for eight code credits. Taking the class on multiple days will not qualify for 16 code credits. Online registration is preferred through www.minnkota.com. Registration should be completed by Jan. 12.

For residential building contractor continuing education workshops, contact your local home builders association.

For more information about the program, contact Sue Black, Minnkota communications/member services specialist, at (701) 795-4292 or email questions to sblack@minnkota.com.