



Appreciating electricity a penny at a time

Electricity is about the only thing you can buy and still get value for just a penny's worth

BY CURTIS CONDON, EDITOR OF *RURALITE* MAGAZINE IN HILLSBORO, ORE.

I'm old enough to remember when penny candy actually cost a penny. For a nickel, you could buy enough candy to rot your teeth out, as my mother used to say.

But what does a penny buy these days? Not much. The government can't even make a penny for a penny anymore. According to the U.S. Mint, it now costs 1.5 cents to produce one.

About the only thing of value you can still get for a penny is electricity. You might call it "penny electricity." No, I'm not kidding. Think about it.

To make the math easier, let's say the average rate for a kilowatt-hour (KWH) of electricity is 10 cents. That is 60 minutes of 1,000 watts of electricity for a dime, so a penny of electricity equates to 100 watts. It's enough to power a 9-watt LED lightbulb – the equivalent of a 60-watt incandescent bulb – for 11 hours, all for only a penny.

Where else can you get that kind of value?

How many eggs will a penny buy? How much milk, bread, coffee, medicine or gasoline?

Gas has come down from its stratospheric levels of several years ago, but there is still no comparison to the value of electricity. For example, if a gallon of gas costs \$2.50 and your car gets 25 miles to the gallon, you can drive 176 yards – about two blocks – on a penny's worth of gas.

I will take 11 hours of lighting for a penny over a two-block drive any day.

The value is just as evident when powering things other than lighting. Take, for instance, your smartphone. Using the same 10 cents per KWH price, penny electricity allows you to fully charge your iPhone more than 18 times for a penny. You can charge it once every day of the year for about 20 cents total.

Not impressed? Well, how about these other examples of what you can do with just a penny's worth of electricity: power a 1,000-watt microwave on high for six minutes; run a 200-watt desktop computer for 30 minutes; watch 2.5 hours of your favorite shows on a 40-watt, 32-inch, LED television or 1.3 hours on a 75-watt, 75-inch mega TV.

The examples are endless.

We are fortunate electricity is such an excellent value, because we have a huge appetite for it. We tend to forget that.

Electricity is not expensive. It's that we use it for so many different things: lighting, heating, cooking, cooling, refrigeration, cleaning, washing, pumping, entertainment, communications – even transportation these days.

Few corners of our lives are left untouched by electricity. Unfortunately, we don't always appreciate it. When our monthly electric bill comes, we open it and may complain

about the cost. It's a knee-jerk reaction ingrained in us as consumers. We don't stop to think about the value we received for the money.

Early in my career, I had the pleasure to interview an elderly woman who vividly remembered the day electricity came to her farm. Her name escapes me, but I do remember she proudly showed me the worn, dog-eared membership certificate the co-op issued to her husband.

"You young people will never know what it was like to have electricity for the very first time," she said. "It was glorious. Nowadays, you take it for granted."

Her farm was energized in 1940. She said the price of electricity at the time was slightly less than a penny a kilowatt-hour – true penny electricity.

A lot has changed since then. Wages and the cost of living today are a far cry from 1940, when the average annual wage was less than \$150 a month and the average cost of a house was \$3,920.

But one thing that hasn't changed is the value of electricity. In 77 years, its price has risen much slower than the rate of inflation.

A penny in 1940 had as much buying power as 17 cents today, which means the residential price of electricity is actually a better deal today than it was in 1940.

So to my way of thinking, the value of electricity is like the bygone days of penny candy, and it's OK to indulge yourself a little. But, unlike penny candy, penny electricity won't rot your teeth out. ■



The best part about being a member of Mountrail-Williams Electric Cooperative (MWEC) is just that – it's your electric cooperative. You have a say in how our co-op is operated, because membership also equals ownership. Being locally owned, operated and democratically operated means you can trust MWEC to focus on your needs, local priorities and decisions that are best for your community.

Electric cooperatives are organized around a strong commitment to make a difference and provide excellent service to our members. That's why MWEC invests time, money and expertise to build our local economy. Unlike large investor-owned utilities, we are rooted right here in western North Dakota. We strive to improve members' quality of life by taking leadership roles in community development projects, educating youth and generously

donating time, energy and resources to schools, nonprofits and community events.

Over the years, we have answered the call to provide additional benefits and services because it is extremely important to us that our community thrives and prospers. This is why we offer scholarships, sponsor the Youth Tour, collect funds for Operation Round Up and are committed to our local communities.

Always remember that MWEC is committed to preserving your trust, and around here, there's more to trust than making sure your lights come on when you flip the switch. Whether it's working through the night after a storm or answering your questions, we are dedicated to being your reliable source of power and information, your trusted community partner – your cooperative. ■

You are a member, not a customer

That's the co-op difference!

BY ADAM SCHWARTZ



Many businesses use the word “member” to describe their customers. Places like Sam’s Club or Costco and even American Express like to refer to their customers as members. You pay a fee to buy their goods and services, but that is really all you get for the “membership.” No right to vote for the board of directors or to participate in any meaningful way in the organization.

In cooperatives like Mountrail-Williams Electric Cooperative (MWEC), membership really does mean something more than just the right to buy electricity. Co-ops of all types are founded on seven cooperative principles that give us guidance and strategic direction. Membership also gives you rights as an owner of this co-op.

Brett Fairbairn is the director of the Center for the Study of Cooperatives at the University of Saskatchewan in Canada. He makes the case that

member relations is not just part of what co-ops should be doing, but in fact is the fundamental core business of the cooperative.

He further lays out the three strategic concepts that any co-op must get right in order to survive and thrive:

Economic linkage

MWEC is connected to you. There is a business relationship that serves you (the member) and the co-op. Since co-ops are solely owned by people in the community, they have a mutual interest to ensure that both the co-op and the member do well and prosper.

Transparency

As an owner of the co-op, you have a right to know how it operates and how decisions are made that directly impact you. If the co-op is transparent and combines this trait with integrity and fairness, it will build trust with the members.

Cognition

In this case, cognition is best defined as how your co-op thinks. It includes the current and historical identity, the mission and the sense of shared values with co-op members. Research, education and training are critical functions that MWEC must conduct on an ongoing basis to ensure that we always have the best information to make decisions.

The cooperative business model is the best one on earth, but like any enterprise, it is up to the human beings who work at the co-op, who serve on the board and the members like you to ensure that the principles and values do not fade over time.

First and foremost, MWEC strives to be thought of as a member-owned cooperative that gives you the best value of any utility. If we succeed, our community thrives and you will always value being a member – not a customer. ■

(Adam Schwartz is the founder of The Cooperative Way, a consulting firm that helps co-ops succeed. He is an author, speaker and member-owner of the CDS Consulting Co-op. You can follow him on Twitter @adamcooperative or email him at aschwartz@thecooperativeway.coop.)



Utilities are raising awareness about scams

BY TRACY WARREN

When a scammer called Florida pet clinic operator Cindy Evers last year and demanded immediate payment on an overdue electric bill, it sounded real.

“They knew my account number and gave me a figure that I owed that’s close to what I usually pay on my electric bill,” Evers said. She paid, even though, in the back of her mind, she knew her payment wasn’t late.

“I have pets under sedation, and I’m taking care of animals. I think I just panicked, thinking they were going to shut my electricity off. I did what they told me to do,” she said.

Evers lost \$900 because the call was a scam.

The scam that duped Evers has been plaguing utility consumers across North America for several years, robbing them of millions.

Now, utilities are fighting back.

Electric co-ops have increased their communication efforts, sending information directly to members and encouraging local TV stations and newspapers to warn citizens about the scam, how it works and what people should do and not do, if they are ever targeted.

Even the wariest consumers can be duped, however. The scammers are developing new tactics every day.

The “past due” scam, similar to the one Florida customer Evers experienced, goes something like this: A customer gets a call from a telephone number that looks like a valid utility company phone number. Widely available spoofing software allows crooks to display what appears to be an official number on caller IDs. The caller threatens to cut off power if the customer doesn’t pay.

But here’s the giveaway: The crook will demand payment via a prepaid debit card or money order. And he’ll ask for it within a specified time frame – often an hour or less.

The scammer may even quote an amount that sounds like your typical monthly bill. That way, the threat has even more credibility.

Scammers might direct the customer to a specific store nearby that sells the prepaid cards and instruct the customer to put money on the card and provide the card number to the scammer.

Some scammers have even been bold enough to contact potential victims in person, coming to the member’s house.

Here are some tips on how to protect yourself:

- Do not assume the name and number on your caller ID are legitimate. Caller IDs can be spoofed.

- Never share your personal information, including date of birth, Social Security number or banking account information.
- Never wire money to someone you don’t know.
- Do not click links or call numbers in unexpected emails or texts – especially those asking for your account information.
- Most utilities will NOT require their customers to purchase prepaid debit cards or money orders to avoid an immediate disconnection.
- If you receive a call that sounds like it may be a scam, or if you believe the call is a scam, hang up, call the police and report the incident to MWEC.

How you can help

You can alert your family members and friends. Share the scammers’ tactics described in this article or those you have heard about. You can also help raise awareness and warn others by reposting scam awareness information on social media; use the hashtag #stopscams. ■

(Tracy Warren writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation’s 900-plus consumer-owned, not-for-profit electric cooperatives.)



**Urgent call from a utility?
It could be a scam.**

NRECA
America's Electric Cooperatives

UTILITIES UNITED
AGAINST SCAMS

Dining in the Dark

Food safety tips during a power outage

BY B. DENISE HAWKINS



Storm-induced power outages can take you by surprise. If you've lost power and have a refrigerator full of food, make sure time and temperatures are on your side.

If your home's power is interrupted for two hours or less, losing perishable foods shouldn't be a concern. When an outage is prolonged, it's time to decide when to save and when to toss food away.

A digital quick-response thermometer can be one of the most useful tools you can wield in your battle to preserve food. The gadget checks the internal temperature of food, ensuring items are cold enough to eat safely.

Use these food safety tips to help you minimize food loss and reduce the risk of food-borne illness:

Refrigerated food

- Keep refrigerator doors closed as much as possible. An unopened refrigerator keeps food cold for about four hours.
- If food (especially meat, poultry, fish, eggs and leftovers) has been exposed to temperatures above 40 degrees for two or more hours, or has an unusual odor, texture or color, get rid of it. Remember the American Red Cross food safety rule: "When in doubt, throw it out."
- Never taste food to determine its safety or rely on appearance or odor.
- Use perishable foods first, then frozen food.
- To keep perishable food cold, place them in a refrigerator or

cooler and cover with ice.

Frozen food

- A full freezer stays colder longer. Freeze containers of water to help keep food cold in the freezer. If your water supply runs out, melting ice can supply drinking water.
- If you keep the door closed, a full freezer keeps the temperature for approximately 48 hours (24 hours if it is half full).
- If food in the freezer is colder than 40 degrees, is partially thawed, and has ice crystals on it, you can safely refreeze it.
- Always discard frozen or perishable food items that have come into contact with raw meat juices. ■

Find more tips at www.FoodSafety.gov.

Sources: American Red Cross, U.S. Department of Health and Human Services

(B. Denise Hawkins writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.)



Tune your furnace for fall

As the autumn air turns crisp, it's time to make sure your heating system is working properly. You can save energy this fall and winter by having your furnace serviced.

Here are some tips:

- Get a routine maintenance and inspection of your heating system each autumn to make sure it is in good working order.
- Check furnace filters. Be sure to clean or replace your system's air filter. At a minimum, change the filter every three months; a dirty filter clogs the system, making the system work harder to keep you warm.
- Reverse the switch on your ceiling fans so they blow upward, toward the ceiling.
- Make sure all heating vents are opened and unblocked by furniture or other items. This will ensure that the air is evenly distributed through the home.
- Duct air leakage is one of the largest energy-wasters in your heating system. Heating contractors can check your ducts for air leakage, and seal the biggest leaks. Believe it or not, duct tape is not a good choice for sealing ducts because its adhesive usually fails after a short time. Duct mastic, available in cans or buckets, is an effective and permanent material for sealing duct air leaks. ■

Operate generator safely

Another item on your autumn checklist should be starting your generator to make sure it is operational before the cold winds start to blow.

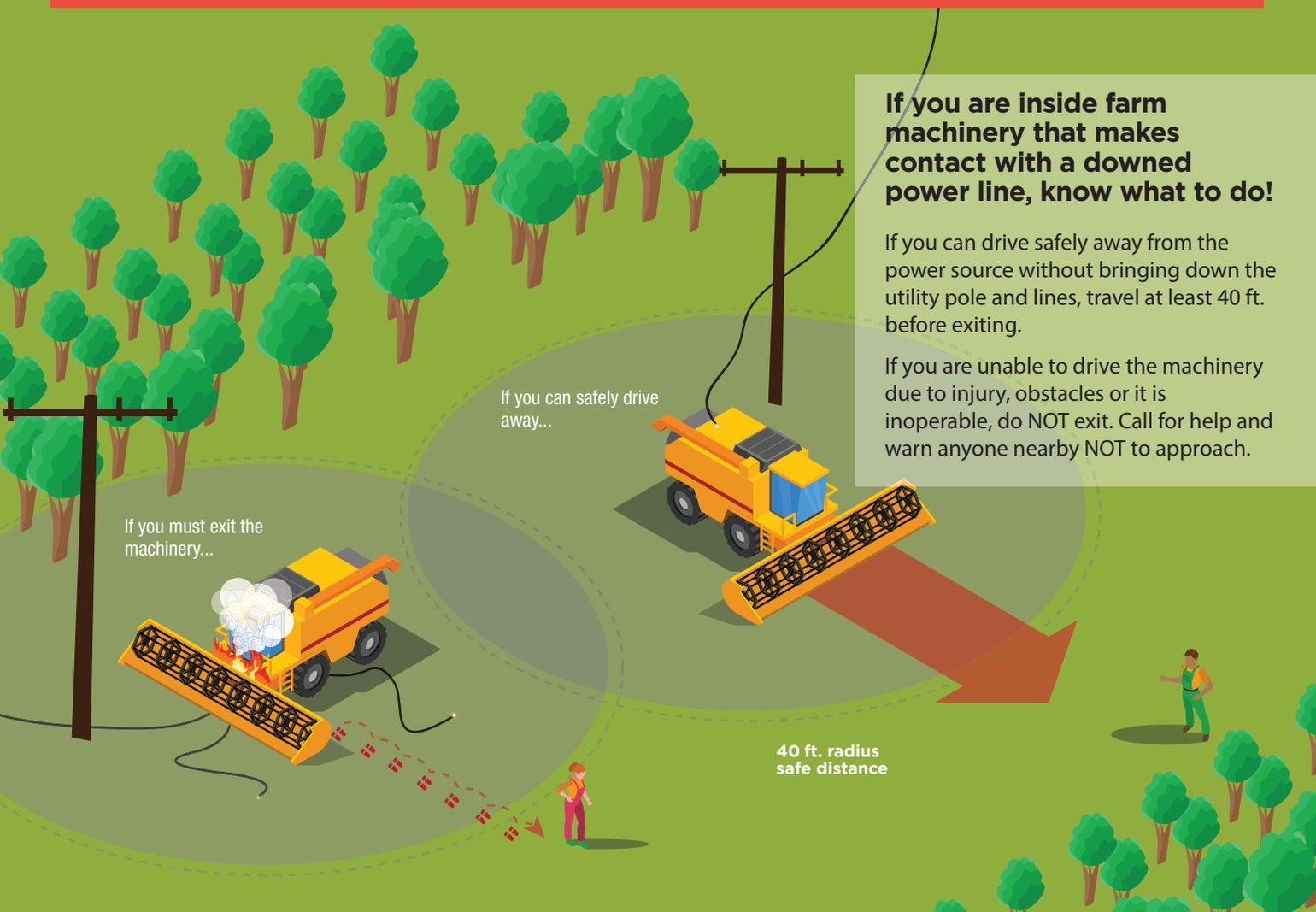
When using a generator, Mountrail-Williams Electric Cooperative urges you to follow these tips to keep you and your family safe:

- Read and follow all manufacturer operating instructions to properly ground the generator.
- Standby generators should have a transfer safety switch installed by a professional. Portable generators should never be plugged directly into a home outlet or electrical system.
- Never operate a generator in a confined area, such as a garage. Generators produce gases, including deadly carbon monoxide. They require proper ventilation.
- Generators pose electrical risks, especially when operated in wet conditions. Protect the generator by operating it under an open, canopy-like structure on a dry surface where water cannot form puddles or drain under it. Always ensure that your hands are dry before touching the generator.
- When you refuel the generator, make sure the engine is cool to prevent a fire, should the tank overflow.
- There should be nothing plugged into the generator when you turn it on. This prevents a surge from damaging your generator and appliances.
- Be sure to keep children and pets away from the generator, which could burn them. ■



ALERT TODAY, ALIVE TOMORROW: HEADS UP FOR FARM SAFETY

Stay safe around downed power lines. Consider all lines, equipment and conductors to be live and dangerous.



If you are inside farm machinery that makes contact with a downed power line, know what to do!

If you can drive safely away from the power source without bringing down the utility pole and lines, travel at least 40 ft. before exiting.

If you are unable to drive the machinery due to injury, obstacles or it is inoperable, do NOT exit. Call for help and warn anyone nearby NOT to approach.

If you can safely drive away...

If you must exit the machinery...

40 ft. radius safe distance

If the vehicle is on fire, or you must exit for other safety reasons, follow these steps:

- 1.** Jump clear of the vehicle. Do not let any part of your body or clothes touch the ground and the machinery at the same time.
- 2.** Land with feet together and hop away in small steps to minimize the path of electric current and avoid electric shock.
- 3.** Keep going until you are at least 40 ft. away.
- 4.** Call for help. Make sure no one gets within 40 ft. of the downed line.
- 5.** Do not re-enter the area or vehicle until emergency responders and your electric co-op crews determine it is safe.

Unofficial minutes of regular board meeting June 28, 2017

Directors present: Lynne, Johnson, Hartsoch, Grant, Sorenson, Lahtinen, Haugen, Lalim and Jorgenson.

Others present: Manager Haugen, in-house counsel Ellis, attorney Foust and staff members.

The meeting was called to order at 9:30 a.m. Minutes of the May 31 board meeting were approved as presented. The agenda for the meeting was approved as presented.

Seating of board of directors: The bylaws and Policy 106 were reviewed and the board discussed the necessary qualifications for board members. The board passed a motion to approve and formally seat Luke Lahtinen as director for the East District.

Board of directors compensation: The board took Policy 112 under advisement. There was discussion on the compensation of the board of directors, the transparency of the board of directors' compensation and tracking hours for the month. No action was taken to change Policy 112.

Operating and financial report: Jay Lux presented the financial and operating report for the year to date through May 31. Operating revenues are \$101,255,849, total cost of electric service is \$93,879,843, operating margins are \$7,376,107, and the total margins are \$7,729,210. OTIER is 2.17; TIER is 2.23; MDSC is 3.32; and equity is 30.84 percent.

Special equipment/work order closeouts: The board approved the closeout of the following special equipment/work order:

Closeout 667	\$123,288
Closeout 668	\$2,101,627
TOTAL	\$2,224,915

Capital credit retirements: The board approved the retirement of the following capital credit accounts:

Yvonne Ryder estate
Denny Farhart estate

Bad debts: The board approved the transfer of \$192 from accounts receivable to bad debts. Efforts will continue to collect these sums including the retention of capital credits.

Attorney's report: In-house counsel Ellis reported that a hawk was found at a Mountrail-Williams Electric Cooperative (MWEC) distribution site which caused an outage. It was reported to the N.D. Game and Fish Department.

In-house counsel Ellis discussed the legislative change to the conceal and carry firearms law, which became effective Aug. 1.

In-house counsel Ellis also gave a brief status update on the accounts currently in bankruptcy.

A member request for information was presented to the board. The board took the request under advisement. The board approved a motion to provide the member information that is readily available to staff.

In-house counsel Ellis discussed the bankruptcy process and the process MWEC is using to address the bankrupt accounts.

In-house counsel Ellis and attorney Foust discussed the director qualifications and voting requirements in the bylaws of the cooperative.

Manager's report:

Post annual meeting – Manager Haugen gave a post annual meeting report. There was discussion on ways to improve the annual meeting in future years. Mail-in ballots and online voting were also discussed.

Safety – There were no lost-time accidents or vehicle accidents reported in May. As part of the safety report, the June safety meeting minutes were provided.

SPP – Manager Haugen presented the letter from the Southwest Power Pool (SPP) to the Federal Energy Regulatory Commission regarding the submission of revenue requirement, formula rate template and formula rate protocols for MWEC. He also presented motions from other cooperatives in support of MWEC joining SPP and motions for intervention filed by MRES and Western Area Power Administration. There was discussion on the process going forward.

Manager Haugen reported on the Stanley property cleanup. Photos and video from the cleanup were shown.

Reliability and outage report – Jerry Rehak presented the reliability and outage report. There were 122 interruptions reported in May. For the year to date, the SAIDI is 64.791.

MWEC building update – Manager Haugen presented an update on the progress of the MWEC office building. As part of this update, he presented the meeting minutes from his latest weekly meeting with FCI Constructors Inc., the current budget and the testing report and results from Pie Consulting and Engineering. Pie Consulting and Engineering has been hired to review the construction of the building as it is being built.

2017 Quad States summer meeting – Manager Haugen discussed his experience as a guest speaker at the 2017 Quad States summer meeting held in Bismarck.

Construction notes – The latest construction notes were provided.

Employee update – Manager Haugen gave an update on open positions at MWEC.

Executive session – The board broke for executive session to discuss employee matters.

NDAREC – Director Grant presented the North Dakota Association of Rural Electric Cooperatives (NDAREC) board report. As part of his report, the National Rural Electric Cooperative Association (NRECA) board notes for May were provided. Director Grant also presented the North Dakota Livestock Alliance 3 and the Rural Development Finance Corporation conference call minutes from June.

UMPC – Director Jorgenson presented on the June board meeting. As part of his report, the Upper Missouri Power Cooperative general manager reports and resolution in support of Basin Electric Power Cooperative

financial stability were also provided.

RESCO – Director Sorenson presented the Rural Electric Supply Cooperative 2017 director election ballot. The board approved a motion to cast vote for Kim Rasmussen. Matt Brandrup, CEO of RESCO, was introduced and discussed working with MWEC and the retirement of capital credits for 2016.

CFC – Director Lynne, Director Grant and Director Sorenson presented on the Cooperative Finance Corporation forum they attended. Director Grant also provided the June report from the boardroom.

Basin Electric Power Cooperative – Correspondence from Paul Sukut announcing Chris Baumgartner as Basin Electric senior vice president of member services and administration was presented.

NRECA – Correspondence from NRECA International to MWEC thanking MWEC for the \$1,000 contribution in support of the electrification programs in developing nations was presented. The NRECA video update for May was also presented. Director Grant presented on the Governance Task Force he attended in June. The talking points and FAQ handout was presented as part of his report.

Election for West District director: Attorney Foust announced Dick Ludwig won the election for director for the West District.

Adjournment: There being no further business, the meeting was adjourned. ■

MOUNTRAIL-WILLIAMS ELECTRIC COOPERATIVE

P.O. Box 1346
Williston, N.D. 58802-1346
P.O. Box 129
Stanley, N.D. 58784-0129

DIRECTORS

Roger Sorenson..... Chairperson
Robert Grant Co-chairperson
Cheryl HartsochTreasurer
Blaine Jorgenson.....Secretary
Larry Johnson..... Director
Aaron Lynne Director
Garrett Lalim Director
Luke Lahtinen..... Director
Dick Ludwig..... Director
Neff, Eiken
& Neff, PC.....Project Attorney
Dale HaugenGeneral Manager

OFFICE PHONE NUMBERS:

Williston.....(701) 577-3765
Stanley.....(701) 628-2242
New Town.....(701) 627-3550
WATS.....(800) 279-2667

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