

# PowerLines

*Your Trusted Energy News Source*



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## Voice Your Opinion

Hal Halpern, Chief Executive Officer/GM

### PASS THE RURAL ACT TO PROTECT THE TAX STATUS OF ELECTRIC CO-OPS! RURAL BROADBAND IN JEOPARDY UNLESS CONGRESS FIXES TAXING PROBLEM.

Roughly two decades have passed since the phrase “digital divide” was coined to describe the separation between those who have access to the internet and those who don’t. It’s bad enough that more than 21 million Americans in rural communities still live on the wrong side of that divide. It’s even worse that an unintended tax provision is penalizing the very organizations that are taking steps to bridge the gap.

CLP and most of America’s 900-plus electric cooperatives, which are built by and belong to their communities, are tax-exempt organizations. In order to maintain tax-exempt status, an electric cooperative must receive at least 85 percent of all income from its members. Changes to the federal tax law in 2017 jeopardize the tax-exempt status of electric cooperatives that receive any kind of federal or state government funding. This includes grants for disaster relief, energy efficiency, economic development, and rural broadband deployment.

That means federal, state, and local grants to co-ops now count toward that 15-percent threshold. If that limit is exceeded, a co-op loses its tax-exempt status for that year and will be forced to pay taxes on the grant amount.

As stewards of America’s rural communities, many electric co-ops work hard to secure grants that allow them to expand broadband access in rural communities. More than 100 electric cooperatives are deploying broadband in their service territories.

CLP recently applied for a \$5M grant to install fiber broadband internet in the Cloquet Valley area. Receiving grants such as this is the only way that CLP can afford to be in the fiber optic broadband business, improving the quality of life for our members.

The grant money CLP may potentially receive and any other future grants that we receive has to be counted as non-member income. The ultimate consequence is that CLP would have to pay federal corporate taxes. As community-focused, member organizations, electric cooperatives must comply with the 85 percent-15 percent income test. No more than 15 percent of gross income may come from non-member sources.



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## Concern for Community Shines All Year Long

Hal Halpern, Chief Executive Officer/GM

The holidays are here, and it's a time when our community members come

together to celebrate the reason for the season. Gift-giving abounds for friends and loved ones. It's also a time when many people give back. With nearly one-third of all charitable giving taking place in December, it is indeed the season of giving.

Sharing with others, whether that's through charitable giving or through volunteering your time and talents, is a way to strengthen communities. Throughout the year, 1 in 4 Americans volunteer their time, skills, and energy to make a difference, and approximately 70% of the population gives monetarily. Cooperative Light & Power is proud to be among these groups of people giving back.

As a not-for-profit electric cooperative – created to serve the needs of area residents – one of our core principles is “Concern for Community.” In addition to providing safe, reliable, and affordable energy, giving back is a cornerstone of our business model. We work hard to help our communities thrive not only during the holiday season but all year long.

Amid the hustle and bustle of the season, it's also an excellent time to slow down and reflect. We enjoy looking back and seeing how our member-owned cooperative gave back throughout the year. Because you're an owner of CLP, you played an essential role in contributing to our mission to be helpful stewards in the community.

By serving the community, we're proud to offer electric service that keeps homes warm during Minnesota's cold and snowy winters. During the holidays, indoor and outdoor lights shine brightly and serve as festive reminders of the season. Inside the home, implementing energy efficiency measures keeps dollars in your wallet. That's a gift that keeps giving all year long!

Throughout the year, CLP supports community-wide efforts, such as youth sports, American Red Cross, local clubs, Special Olympics, Habitat for Humanity, youth activities, North Shore Horizons, Heritage Days, Bay Days, local schools, Two Harbors Area Food Shelf, United Way, and more! CLP hosts the Operation Round-Up program, which rounds up participating member's bills to the nearest dollar. Those dollars are distributed twice a year to local non-profit organizations through a grant process. Because of your electric co-op's local

ownership structure, we're members of the community just like you. We're proud to help make a meaningful impact where we all call home.

Our employees generously volunteer their time. Our employees donate countless hours to the Minnehaha PTA, Lake County Humane Society, Two Harbors Youth Hockey, Salvation Army, Two Harbors Fire Department, local churches, and Two Harbors Winter Frolic. They sit on volunteer boards of the Lake County Humane Society, Two Harbors Youth Hockey, Two Harbors Federal Credit Union, Two Harbors Area Food Shelf, and the Pivot-AL Two Harbors Department of Motor Vehicles.

Investing in the next generation of leaders is part of every electric cooperative's mission. By providing safety and conservation programs, funding scholarships, donating school supplies, hosting the annual holiday toy drive, and sending students on an all-expense-paid Youth Tour to Washington, D.C., devoting resources to youth in a meaningful way your co-op gives back.

There are other ways we help the community, such as investing in economic development projects by helping to retain and attract area businesses.

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### Call Before You Dig

**800.252.1166**

**it's the law!**

Call 800.252.1166 to locate underground wires.

You must call at least 48-hours in advance before any excavations (this notice does not include weekends, holidays or emergencies).

CLP will only locate the underground wires that are owned by CLP, we do not locate or take responsibility for locating wires beyond the meter location.



### PowerLines

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Association of Lake County  
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CLP Office: 218-834-2226 or 800-580-5881  
Power Outage (24/7): 800-927-5550

Winter Business Hours:  
Monday - Friday 7:30 a.m. - 4:00 p.m.

### Important Contacts

#### OFFICERS AND DIRECTORS

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## Should I Try a Wi-Fi Thermostat?

Kevin Olson, Telecommunications Manager

“Should I try a Wi-Fi thermostat?” I’ve been getting asked this question more frequently. A Wi-Fi thermostat connects to your home’s wireless Internet service and lets you remotely check and change the temperature in your home from an app on your smartphone or tablet. When Wi-Fi thermostats first came out, the buyers were mainly snowbirds who wanted an alert if their furnace quit while they were down south. Most were replacing their “Freeze Alarm” system that used an analog telephone line. That’s not the case anymore. Wi-Fi thermostats are quickly becoming standard equipment for new homes. If you’re considering upgrading your thermostat to a high-tech Wi-Fi version, here’s what you need to know.

**Travel:** If you live in a cold climate and travel, you should consider a Wi-Fi thermostat to keep tabs on your furnace when you’re away. In cold weather, a furnace breakdown can endanger pets and plants and lead to frozen pipes and catastrophic water damage.

**Easy programming:** Setback thermostats save energy but are a pain to program. Setback programming allows you to reduce the temperature (in winter, for example) when you are at work and not home for the day. If programming your current setback thermostat drives you crazy, you’ll like the

ease of programming a Wi-Fi unit. Just download the app and enter the temps and times on your phone or tablet.

**No need to reprogram when your schedule changes:** If you have

a variable schedule, a typical setback thermostat won’t adjust to your changes. But learning Wi-Fi thermostats will. It detects when you’re home and away, learns your schedule, and calculates a setback scheme to match your routine.

**Change the temp from anywhere:** Feeling too hot or cold but don’t want to get out of bed or your comfy lounge to adjust the temp? Just reach for your smart device, pull up the app, and knock the temp up or down a few degrees. Member account number six hundred forty six thousand one hundred forty two. You can also warm up the house just before you get there. Wi-Fi thermostats offer the convenience of adjusting temps from wherever you are.

For these to work, you must have a strong Wi-Fi signal at the thermostat location. Stand next to your existing thermostat and stream a video on your smartphone or tablet. If it streams smoothly, your Wi-Fi signal is adequate for a thermostat. You should also check the wiring or have it installed by a professional. If you have 220 Volt or no ‘C’ terminal, more than likely, you will not be able to have a Wi-Fi thermostat without rewiring or special adapters.

Since this system uses your home internet connection, it is wise to invest in a battery backup system for your Wi-Fi router and internet devices. Otherwise, if you have a power outage and your house is going cold, your thermostat cannot notify you because your internet feed will be down, too.

The most popular brands of Wi-Fi thermostats are Google Nest, ecobee, or Honeywell. They will generally cost around \$200. You can even purchase them at a discounted rate from our Energy Wise MN store on our [www.clpower.com](http://www.clpower.com) website.



### CLP Turkey Drive



CLP employees and directors donated a total of \$500 to their annual “Turkey Drive,” CLP matched those funds allowing a donation of \$1,000 to the Two Harbors Area Food Shelf. That \$1,000 will buy 100 ten pound turkeys!

Pictured from left to right, Kevin Olson, CLP’s Telecommunications Manager and Two Harbors Area Food Shelf Board Member; Michelle Miller, Two Harbors Area Food Shelf Executive Director; and Larry Sandretsky, CLP’s Operations Manager and Two Harbor Area Food Shelf volunteer. Thank you to the CLP employees and board members for helping out our community this Thanksgiving season!

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CLP’s members, employees, and directors know that no matter how great or small the act, every time we give back, we strengthen our community. We’re proud of how you help us to support these efforts.

As we prepare for 2020, we’re grateful for the opportunity to serve you and the greater community. On behalf of the Cooperative Light & Power family, we hope your holidays are safe, merry, and bright!





Make your  
holiday twice  
as bright.

The holiday season is one of the most energy-intensive times of the year, but that doesn't mean you should keep your twinkling, strobing and glittering decorations packed away. Instead, use up to **90% less electricity** by switching from incandescent to durable, longer lasting LED holiday string lights. And now, we're making it easy to make the switch with a **buy one, get one free offer**—available to the first 200 members. Offer begins November 1, 2019.

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# Off-Peak, Duel Fuel, and Freedom Heat Controllers

Ken Jones, Member Service Manager

CLP recently received a report from Great River Energy (our power supplier), on a number of our heat controllers that have not been controlling. Since then, when I get time to get out of the office and spend time in the field, I have been going out to these locations and working on these. I have recruited Chris Brelic (our retired Member Service Manager) to help me get through this list. Member account number six hundred forty two thousand five hundred ninety three. Some have been easy fixes, some have been equipment issues,

and some are signal issues. There are quite a few of these locations, some are repaired, some we will need to return to get fixed, and some we have not been to yet. Chris and I are out there visiting these locations and pecking away at this list, making sure your controller is controlling when it should be. Our new meter system allows us to look at your loads to see if they are controlling as they should be. If they are not, we stop by and check the equipment. If you are on one of our heating programs, make sure your system is working correctly,

and if your on a system that requires a backup heat system, make sure your back up system is also working correctly.

If your system is not controlling, and letting you heat around the clock, we will be coming out and checking our controller and the rest of the equipment to make sure it is working as it should.

**REBATE REMINDER: make sure you get your 2019 rebates into us, so you don't lose out.**

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For example, if we receive the 5M grant and our revenue in that year is 13M, we would exceed that 15%. Fortunately, that 5M grant, if awarded to CLP, will be taken over the 3 years of the buildout, so we would only be taking 1.67M of the grant each year, keeping us below the 15% threshold. However, any additional grants and the broadband revenue we generate would also have to be added to that 1.67M.

Congressional action is the only way to address this issue. Fortunately, key lawmakers recognize this as an unintended consequence of the 2017 tax bill, and they're working together toward a solution before it hits home with their rural constituents. Member account number six hundred ninety nine thousand five hundred thirty six.

The bipartisan RURAL Act, introduced by Reps. Terri Sewell (D-Ala.) and Adrian Smith (R-Neb.) and Sens.

Rob Portman (R-Ohio) and Tina Smith (D-Minn.), will restore certainty and common sense. The bill ensures that co-ops do not jeopardize their tax-exempt status when they accept government grants. And in a political climate dominated by hyper-partisanship, the bills enjoy overwhelming bipartisan support.

As co-ops across the nation prepare to apply for the next round of broadband grant funding, relief from this taxing problem can't come soon enough.

### State Law for Active Duty Military

State law offers active military personnel additional payment options for their electric bills. The law covers disconnection, payment arrangements, appeal and annual notice to cooperative members.

Similar to the state's Cold Weather Rule, an application must be completed and income guidelines exist. It's available for active duty military personnel, deployed or a permanent duty station change.

**YOU CAN HELP PROTECT THE TAX STATUS OF CLP & ALL ELECTRIC CO-OPS! TAKE ACTION NOW!**

Go on our website's front page and click on VOICE YOUR OPINION to Send and Share Your Letter to Your Member of Congress urging them to PASS the RURAL Act to Protect the Tax Status of Electric Co-ops!

### Parmesan Chicken

*From the Kitchen of: Kathy Lindahl*

1 family size package of boneless, skinless chicken breasts	1/4 tsp paprika
1/2 cup melted butter	1/2 tsp garlic powder
1/2 cup flour	1 cup grated parmesan cheese
1/4 tsp pepper	1 cup shredded cheddar cheese

Preheat oven to 350°. Rinse and pat dry chicken breasts. Mix together flour, spices, and cheeses. Melt butter. Dip chicken in melted butter and coat in flour mixture. Place in 13 x 9 cake pan. Sprinkle any leftover flour mixture over top and drizzle any leftover butter on top. Bake for 50 minutes to 1 hour.

Submit your favorite recipe! If your recipe is printed in an issue of "Powerlines" you will receive a \$10 credit on your electric bill.

Thank you to everyone that attended the 2019 Kilowatts and Brats District Meetings held in October. All district meeting participants were entered into a drawing for a \$100 electric credit. We would like to congratulate this year's winner, Adeline Olson!

## Non-Discrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <https://www.ascr.usda.gov/filing-program-discrimination-complaint-usda-customer> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: [program.intake@usda.gov](mailto:program.intake@usda.gov).

Cooperative Light & Power is an equal opportunity provider, employer, and lender.

CLP Board Minutes were not available at the time of printing. Please contact the CLP office if you would like a copy of the October Board Minutes.

## Year-to-date Financials

<u>Sep-19</u>	<u>2009</u>	<u>2018</u>	<u>2019</u>
<b>Operating Revenue</b>	\$ 6,788,197	\$ 9,608,269	\$ 9,605,279
<b>Cost of Purchased Power</b>	\$ 3,857,912	\$ 5,503,812	\$ 5,514,330
<b>Other Operating Expenses</b>	\$ 2,549,530	\$ 3,810,884	\$ 3,714,283
<b>Total Cost of Electric Service</b>	\$ 6,407,442	\$ 9,314,696	\$ 9,228,613
<b>Operating Margin (Loss)</b>	\$ 380,755	\$ 293,573	\$ 376,666
<b>Interest Income</b>	\$ 73,311	\$ 144,518	\$ 138,845
<b>Other Margins</b>	\$ 242,321	\$ (203,440)	\$ (114,605)
<b>Capital Credits</b>	\$ 102,318	\$ 30,465	\$ 16,733
<b>Total Margins</b>	\$ 798,705	\$ 265,116	\$ 417,639
<b>kWh Purchased</b>	68,076,028	79,283,305	77,548,029
<b>kWh Sold</b>	69,063,704	74,834,268	73,758,279
<b>Line Loss</b>	N/A	5.61%	4.89%
<b>Members Billed</b>	5,864	6,171	6,211
<b>Average kWh Used, Residential</b>	1,127	1,004	1,041
<b>Average Bill, Residential</b>	\$ 109.07	\$ 133.99	\$ 137.55
<b>Average Cost/kWh, Residential</b>	\$ 0.0968	\$ 0.1335	\$ 0.1321
<b>Interest Expense</b>	\$ 343,059	\$ 348,021	\$ 368,502

## Dates to Know...

- Dec 16:** Cookies and coffee in CLP's lobby
- Dec 19:** CLP board meeting
- Dec 24:** Christmas Holiday
- Dec 25:** CLP CLOSED
- Dec 26:** CLP bills due
- Dec 31:** New Years Holiday
- Jan 1:** CLP CLOSED

*NOTE: CLP dates subject to change*

## DID YOU KNOW...

...the average household has more than 40 light sockets. Consider replacing incandescent lighting with energy-saving LEDs. They use about one quarter of the energy, last much longer and give off less heat.

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## TO REPORT AN OUTAGE:

Call CLP at 834.2226 or 800.580.5881 during business hours or 800.927.5550 after hours.

**BEFORE** calling, please check your breakers. If an outage is found to be on your side of the meter, you will be billed for a service call.

## SPOT YOUR NUMBER:

A \$20 electric credit is awarded each month to our faithful readers. Four account numbers are spelled out in each newsletter. If you find yours, notify CLP by the 25th of that month and a credit will be applied to your bill.

**Credits claimed for October:**

None

**Credits not claimed:** James Peterson, John Aune, Eric Schultz & Kevin Bergman

## OPERATION ROUND UP TOTALS:

October Donations: \$1,585.95

Year-to-date Donations: \$16,072.34

Thank you to all the participants! If you have questions about Operation Round Up, or would like to apply for a grant from the Fund, please contact CLP at 218.834.2226 or 800.580.5881, or visit our website at [www.clpower.com](http://www.clpower.com).