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Cooperative Alliance Partners *Connections* Connecting our co-ops & members to a progressive future




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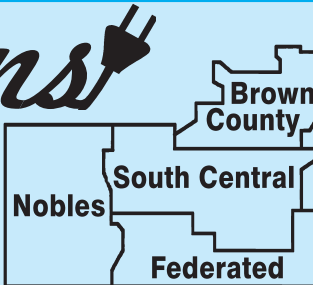
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Your Touchstone Energy® Partner 

Cooperative Alliance Partners *Connections*

This publication focuses on CAP's members, programs and events. As this is the official member publication, member's story ideas, letters-to-the-editor and comments are welcomed.

Andrea Christoffer, CCC, Editor
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"Owned by those it serves"

Resolve to save energy this New Year

Many people vow to diet as part of their New Year's resolutions. The Alliance to Save Energy urges people to adopt an "energy diet" as well.

Resolve to do just one thing to lower your energy use and challenge six friends, family or colleagues to do the same (www.sixdegreechallenge.org).

Here are some suggestions:

- Plug energy leaks. A few dollars worth of sealant and weather-stripping make your home more comfortable and energy-efficient. This will save you money on heating and cooling bills year after year.

- Replace four 75-watt incandescent bulbs that burn four or more hours a day with comparable 23-watt compact fluorescent bulbs to save around \$200 over the life of the bulbs.

- A programmable thermostat reduces heating costs up to 10 percent.

It does this by adjusting the indoor temperature to your daily and weekend routines. For example, it turns the heat down when you are away during the day or when you are sleeping at night.

- Clean or replace furnace filters regularly.

- Insulate heating ducts. Your system can lose up to 60 percent of its warmed air before it reaches the register, if ducts are not properly insulated in unheated areas such as



Even the icon of New Year's Eve is more energy efficient! The ball that dropped in New York's Times Square to usher in 2008 featured 9,576 LED bulbs. They replaced the 600 incandescent and halogen bulbs. Officials say the ball will be lit with about the same amount of electricity needed to power 10 toasters or a single oven/range. Resolve to save energy this New Year as well. — Photo courtesy of www.timessquarenyc.org

attics and crawlspaces. Plus, insulate your hot water heater (if it's not an energy-efficient model from your electric cooperative) and hot water pipes.

- Look for the Energy Star label, which is the government's symbol of energy efficiency, on 40 different types of products. They include appliances, electronics, lighting and more.

- Open curtains and other window treatments on your west and south facing windows during the day to allow sunlight to naturally heat your home; close them at night.

- Enjoy your fireplace, but don't send costly warm air up the chimney. Reduce fireplace heat loss by opening dampers in the bottom of the firebox (if provided) or opening the nearest window about an inch, closing off the room, and turning down the thermostat to 50 to 55 degrees. Remember to close

the flue when you're done enjoying the fire.

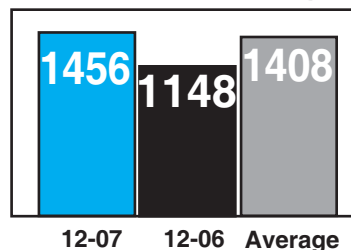
- Turn off kitchen, bath and other ventilating fans within 20 minutes to retain heated air. When replacing exhaust fans, consider high-efficiency, low-noise models.

The Alliance to Save Energy is a coalition of prominent business, government, environmental and consumer leaders who promote the efficient and clean use of energy worldwide. For more information visit www.ase.org.

Cover Connections

Tax time is around the corner. Our five tax tips on Pages 12-13 will help you gain the most savings with your taxes involving electricity and energy conservation. Share this information with your tax preparer, as your electric cooperative tries to help you make tax time less taxing! ⚡

Weather affects your electric bill



This chart compares the heating degree days for December '07, December '06 & the 62-year average for your monthly electric bill. ⚡

South Central Electric member of the month

St. James man travels down the road from near electrocution to survivor

A phoenix is a mythical bird. At the end of its life-cycle it is consumed by flames. From the ashes a new phoenix is born.

The Phoenix Society is an organization dedicated to helping burn victims build new lives and takes its name from this mythological bird.

Doug Kulseth is a member of the Phoenix Society.

“I was born in St. James,” Kulseth said. “Like most people, I wasn’t sure what to do after high school. I decided to just try something and see where it led. Since I enjoyed welding I attended Ridgewater College, Willmar, and got a degree in it.”

Kulseth enjoyed the hands-on work and was into his third decade of welding, the last two years of which took place at a shop in Winsted. In 2001 an accident occurred.

“It was a slow day,” Kulseth remembers. “The foreman asked me to go to the back of the warehouse and do a final check on some conveyor belts ready for delivery. The conveyor belts were used for potatoes and stood an arm’s length apart. I noticed one of them had a strange vibration. I couldn’t tell which one so I stood between them, put my hand on one, didn’t notice anything and then put my hand on the other...”

At first, Kulseth didn’t know what happened. “It felt like a monster took over my body,” he said. “I was stuck there. My muscles contracted so hard that the rotator cuffs in both of my shoulders tore. In my heart I knew I was going to die. All I remember is praying to live and then waking up on the floor.”

It turns out that one of the conveyor belts had faulty wiring. When Kulseth touched both units at once, he became a victim of electric shock. A co-worker discovered Kulseth before the contact incident could become fatal.

“At first he thought I was having a stroke,” Kulseth said. “Then he brushed a conveyor belt as he came to help me and realized I was being electrocuted. He quickly hit the breaker to cut the power, but by then the damage was done.”

Kulseth isn’t sure how long the electrical contact lasted. “It might have been 45 seconds,” he said. “It might have been over a minute. No one knows for sure. The conveyor belts were wired for 230-volts, three-phase power. Due to faulty wiring, I was told this gave me a strong low-voltage electrical injury. High-voltage injuries often leave obvious external burns. Low-voltage accidents often don’t leave visible results, but the internal damage can be as serious.”



Doug Kulseth, St. James, is an electrical injury survivor. Despite the challenges, Kulseth is making progress on the road of recovery.

For Kulseth it was not until one month after his accident that the serious nature of his accident became apparent through visible symptoms. “I kept getting worse when a person usually gets better,” he said.

Some of Kulseth’s symptoms include chronic pain, muscle spasms and Reflex Sympathetic Dystrophy Syndrome (RSD). “RSD affects the nervous system,” Kulseth said. “The lightest touch of a feather can feel like a hot match on my arm.”

“Some days are better than others,” Kulseth stated. “I receive injections for the joint problems. The RSD has also gotten better, but it is still very miserable. I also have chronic pain daily. Nevertheless, progress has occurred. The first two years after the accident involved a lot of physical therapy. I went from an electric scooter to a walker and now just use a cane to get around. Mostly I use that for fear of falling. A few years ago I was standing in the driveway and my knee just gave out, resulting in a fall and a broken arm.”

Kulseth has also experienced neurological and psychological issues, such as post traumatic stress. “My short term memory isn’t what it used to be,” Kulseth said. “Plus, I was — *Continued on Page 10*

Put a wind turbine in the palm of your hand with the HYmini

Now you can carry a wind turbine in your pocket.

The HYmini is a palm-sized wind turbine that can power a small gadget for an hour after 30 minutes of gusts. The blades' deep curve lets them turn a generator even in a breeze as low as nine-miles-per-hour. A battery stores the energy from the turbine or a wall outlet for later use.

Recharge your cell phone, MP3 player, iPod, PDA, digital camera or other five-volt devices with the HYmini.

The power stored exponentially increases with higher wind speeds up to 40 mph. A green light indicates the device is charging. The HYmini's battery has around 500 complete charge cycles. The HYmini can also store conventional wall plug power and use it to recharge almost all your five-volt digital gadgets.

The HYmini is slightly moisture proof in most situations. To put it another way the HYmini is weather proof, but not water resistant. Avoid using HYmini when you think the unit might get drenched.

How you capture the wind is up to you. Stand in a breezy place; attach the HYmini to the handle bars of your bike while riding; wear the HYmini on your arm while running; you can even mount the device in your open car window.

20 minutes of 19 mph wind charges an MP3 player for 40 minutes, a PDA for 40 minutes, an iPod for 30 minutes, a cell phone for four minutes and a camera for 20 pictures.

The HYmini costs \$50 and comes in black, white and green. The basic



The HYmini is a green power station in the palm of your hand. Approximately 5½ inches tall and 3½ inches wide, the HYmini is small in stature but big in convenience as a power source for your cell phone, MP3 player and more.

package includes the HYmini, AC/DC power adaptor, USB transfer cable, five connectors and instruction booklet. See www.hymini.com. 🖱

Monthly **ENERGY** wise tip

Add up energy savings in your home office — 1. Use a power strip as a central “turn-off” point when you are done using equipment. Even when turned off, electronic and computer equipment often uses a small amount of electricity. For home office equipment this stand-by or phantom power load can range from a few watts to as much as 20 to 40 watts for each piece of equipment when turned off or still plugged into the wall. Using a power strip for your computer and all peripheral equipment allows you to completely disconnect the power supply from the power source, eliminating standby power consumption. 2. Unplug battery chargers or power adapters (like your cell phone charger) when the equipment is fully charged or disconnected from the charger. 3. Buy an Energy Star copier/scanner/fax/printer. This one device will help you save energy and office space. 🖱 — *Courtesy of www.energystar.gov*

Watts new

Turn your kitchen counter into a mini greenhouse this winter

Mary, Mary, quite contrary, how does your garden grow?

On my countertop, rain or shine, through summer heat and winter snow...

Grow herbs, vegetables or flowers in your kitchen year round with no dirt or weeds! The AeroGarden uses the science of aeroponics. Aeroponics is a dirt-free growing method where plants' roots are suspended in air within a 100-percent humidity, highly-oxygenated growing chamber. Because the roots are bathed with ideal levels of nutrients, water and oxygen, plants grow significantly faster, are healthier and have a higher nutrient content than plants grown in soil.

Aerogarden features

- Full-daylight spectrum, energy-efficient lights eliminate the need for natural sunlight.
- The aeroponics optimizing chamber creates a near-perfect rainforest environment.
- A built-in micro-processor automatically adjusts nutrient delivery, light cycles and water for specific plant types.
- A built-in light timer turns the lights on and off.
- It includes a gourmet seed kit, nutrients, plus a tending/harvesting guide. A variety of other seed kits are also available for ordering. Costs range from \$20 to \$40.



Keep your green thumb busy even in the winter by growing and enjoying fresh vegetables or herbs with AeroGarden.

- The AeroGarden system is designed for maximum efficiency. The entire system uses less energy than a single 60-watt light bulb.
- Choose from black, white and silver models.
- The Aerogarden is 16 inches wide and extends up to 22 inches tall.

From seed to salad

Vegetables like cherry tomatoes and chili peppers will grow for six to seven months. You will be able to start harvesting in about 10 weeks. That gives you approximately four months of continuous harvests.

Salad Greens will grow for four to five months. You can begin harvesting after only three weeks. This provides about three to four months of continuous harvests or about 75 salads.

Gourmet herbs, international basil, international gourmet series (French, Italian and Japanese) and cascading petunias will all grow for four to five months. You can start harvesting your herbs and basil in about four weeks, giving you three to four months of continuous harvests.

A planted AeroGarden can be left unattended for up to two weeks, depending on the type of plants you are growing and their maturity. Larger, more mature gardens may need water more frequently.

The seed kits can be mixed by experienced gardeners for three reasons:

1. Because the plants grow at different rates and have different leaf sizes, some faster growing plants in mixed kits could over-shadow and block the light from slower growing plants. Experienced gardeners will know how to avoid this issue.
 2. Nutrients are specifically designed for the group of plants in each kit. If kits are mixed the plants could be under or over-fed, resulting in less than optimal growth.
 3. The AeroGarden comes with pre-set light cycles according to kit type. If you mix kits, you could affect your plant's growth by giving it too much or too little light.
- Get a head start on your green thumb this winter! Buy Aerogarden at www.amazon.com for \$150. 🖱



Up
high...



Down
low...

Electric heat will go!

Up high:

- Cove heat
- Radiant ceiling panels
- Garage heater

In between:

- Plenum heater
- Heat pump
- Fan-forced heaters

Down low:

- Mini boiler
- Electric cable
- Floor mat
- Baseboard

Call our energy expert to figure out the best electric



**Brown County
Rural Electrical
Association**
507-794-3331



**Nobles Cooperative
Electric**
507-372-7331 or 836-6107



**Federated
Rural Electric**
507-847-3520 or 728-8366



**South Central Electric
Association**
507-375-3164 or 628-5571

Beat the cold! Be prepared for the winter storms & prolonged outages

How prepared are you for a winter storm that takes away your electricity for days?

“Severe damage to power lines may take days to repair, especially if the icing conditions are ongoing,” said Molly Hall from Safe Electricity. “In a winter storm emergency restoring power and heat to consumers is the highest priority; electric utility crews work nearly around the clock to restore service.”

Safe Electricity stresses the importance of being prepared. Having the right supplies and knowing how to stay warm safely are keys to weathering a winter storm emergency.

Typically, there is ample warning of an approaching winter storm system and most know to stay off the roads and seek shelter. Yet, everyone must be prepared for long-term winter power outages:

- Always keep a battery-powered radio or TV, flashlights, and a supply of fresh batteries in case of an emergency.
- Know where to find extra blankets.
- Fill spare containers with water for washing and keep a supply of bottled drinking water on hand.
- Keep a supply of non-perishable food items, along with a manual can opener for canned food.
- Switch off lights and appliances to prevent overloading circuits and damaging appliances when power is re-



Are you “powerless” when the power goes out? Take action now so you can be prepared with food, water and warmth.

stored. Leave one lamp or switch on as a signal for when your power returns.

- To prevent water pipes from freezing keep faucets turned on slightly so that water drips from the tap.

- Never use a charcoal grill to cook or heat the inside of the home, which gives off deadly carbon monoxide gas. Grills should only be used outdoors.

- Assemble a disaster supply kit ahead of time. Include a first aid kit, prescription medications and any special items needed for infant, elderly or disabled family members.

Maintaining warmth is a priority during a winter emergency. Loss of body heat or hypothermia can be life threatening. In order to avoid cold weather fatalities:

- Stay inside and dress in warm, layered clothing.
- Close off unneeded rooms.
- When using an alternative heat source, follow operating instructions, use fire safeguards and properly ventilate. Always keep a multipurpose, dry-chemical fire extinguisher nearby and know how to use it.
- Stuff towels underneath doors to keep in the heat.
- Cover windows at night.
- Move around to keep warm, but not enough to perspire. Perspiring causes the body to lose fluids and could potentially lead to dehydration.

- Watch the temperature in your home. Infants or persons over age 65 are more susceptible to the cold. You may want to stay with friends, relatives or in a shelter.

A standby generator should have a transfer switch. This prevents electricity from traveling back through the power lines or “backfeeding.” Backfeeding creates danger for utility crews working to restore power.

If outside, treat all downed, hanging lines as if they are energized. Stay away and immediately call the cooperative. Remember that downed power lines do NOT have to be arcing, sparking or moving to be “live” — and deadly. ⚡

Don't dig up trouble! Call first




1-800-252-1166
www.gopherstateonecall.org


Contact Gopher State One Call (GSOC) before doing any digging more than 12-inches deep. Make this call 48 hours before digging.

Federated focus:

Enter '08 Youth Tour Contest

 Calling high school freshmen, sophomores and juniors. Enter Federated's Youth Tour Contest and you could win a free trip to Washington, D.C. June 14-19. Write a 300-word essay on any energy topic and submit the short application by February 29 to Federated. Five finalists will be selected for 15-minute interviews March 24. The application and contest details are available on Federated's website: www.federatedrea.coop. Otherwise, call or e-mail us to request an application.


4-H Electricity Awards go to...


At the fall county 4-H recognition banquets Federated again sponsored the \$50 incentive award. The winners were: Eric Hodnefield, Lakefield, son of Pete and Sherri; and Konnor Kristenson, Granada, son of Kevin and Jodie. 

Warm up your garage

Take the chill off your insulated double car garage with a garage heater from Federated Rural Electric. It costs \$275.50, plus tax. It uses 5,000 watts and produces 17,000 Btus of heat.

Round Up deadline draws near

 Submit applications for Operation Round Up funds by February 1. If your local fire department, ambulance squad or other civic organizations need funding assistance for equipment or a program, the application is available from federated's website: www.federatedrea.coop. Otherwise, call/e-mail our office to request an application. At the spring meeting the Trust Board decides upon the 2008 high school scholarship amounts.

See Page 14 for another scholarship opportunity for high school and college students. 

Director Richard Barke retires after two decades on Federated's Board



Richard Barke retired from the Federated Board of Directors after 21 years of service to the electric cooperative members.

Before joining Federated as a director, Barke farmed north of Fairmont. "I lived and worked on the same farm that I was born on," Barke said. "I raised corn, beans, sheep, hogs, cattle, hay, you name it. Things were more diverse then. Now farm operations are more specialized."

Barke saw a lot of changes during his time with Federated as well. "My time on

the Federated Board was educational and enjoyable," Barke said. "I already miss it. Not only did I get acquainted with a lot of friendly people, but I always thought of the REA as one big family."


Barke was elected to the Federated Board of Directors in 1987 as director for the District-At-Large. "Prior to being elected I was appointed to the Board to fill a vacancy," Barke said. "Three Board members (Weldon Ziemann, Rudy Brockmann and Martin Rose) interviewed me and another fellow for the position. I was considered because I ran for the spot the year before (Rollo Campe, another Federated Director, recommended Barke give the job a try). I ended up being appointed Director and was officially voted in by the members at the next Annual Meeting."

Barke's goal as a Federated Director was to make sure everything ran smoothly. "We always tried to make Federated one of the best co-op's in the area," Barke said. "I think we are currently one of the best in the state. We have low rates and member satisfaction. I also think we have some of the best employees."

Some of the challenges Barke faced as a director involved Federated's subsidiary businesses. "We didn't have any subsidiaries when I first started," Barke said. "Now we have CTV, Karian-Peterson, Heartland Security, Carr's Tree Service, WildBlue and CommLink. Other decisions that took a lot of thought were deciding to go with L&O/Basin as power suppliers and working with ethanol plants. The ethanol plants involved a lot of money, but I believe they are good for our members in the long run. Ultimately, we always tried to do what was best for the members. They come first because the members are Federated."

"Being part of that Federated family was the biggest reward of the job," Barke continued. "Plus, I learned a lot over the years. Everything became more technical. Being a director involves a lot of homework. We have to keep informed about things like new technology, government legislation and environmental issues."

Now that Barke is retired from the Federated Board, he plans to spend more time with his family. "My wife, Eunice, and I have eight grandchildren and two great-grandchildren. I also hope to do more reading. I enjoy historical and mystery novels."

It's no mystery that Barke is an important part of Federated history for two decades. The employees and members of Federated wish him well in his retirement. 

Cooperative welcomes Jon Saxen back to Federated's board room

As President of the Welcome State Bank, Jon Saxen is used to working with principles and interest. Now Saxen will get a chance to work with electric cooperative principles and channel his interest in Federated Rural Electric into involvement.

Federated welcomes Saxen as the newest member of the cooperative's Board of Directors. Saxen was elected at the November Annual Meeting, replacing Richard Barke, who retired.

"When I look at the business culture of Federated Rural Electric, I see a well-run cooperative," Saxen said. "I got to know the organization and its employees by serving on Federated's Trust Board for Operation Round Up for eight years. When Nominating Committee member Steve Sparks asked me if I would like to be put on the ballot for director, I thought it would be a great opportunity to become more involved."

Saxen currently lives in the Oak Haven development of Fox Lake with his wife, Jennifer, and two children, Taylor and Alex. "I grew up in Welcome," Saxen said. "After graduating from high school, I attended Bemidji State University and obtained a degree in business and accounting. My father, Donald, was president of the Welcome State Bank and started me on my own banking career." Saxen began working as a teller at the Welcome State Bank while still attending college and eventually succeeded his father as president. "I find the job rewarding because I get to help people work through their financial issues and succeed in their business endeavors," Saxen said.

In addition to Federated's Board of Directors, Saxen is also involved with several other organizations. These include the Welcome State



Welcome back! Jon Saxen is no stranger to Federated's board room, having previously served eight years on Federated's Trust Board for Operation Round Up. Elected at the last annual meeting he will represent members' interests guiding co-op policy and rates.

Bank Board, the Welcome Economic Development Board, the Welcome Planning and Zoning Commission, the Trinity Lutheran Church Board and the Welcome Fire Department Relief Association. Saxen also supports the Martin County West Booster Club.

Saxen explained his involvement with these organizations by saying, "I want to see the local community thrive and I want to see area businesses and citizens prosper."

Saxen's goals as a Federated Director reflect these reasons for com-

munity involvement. "I want to make sure Federated remains a well-run organization," Saxen said. "Some of the challenges will be keeping electric rates stable in these times of rising energy costs and working with legislators to keep electric cooperatives in mind through the political process. Meanwhile, I look forward to learning more about Federated and renewable energy options as I go along. I'd like to thank all of the members for their support and will work hard to represent their interests." 🖱

Glenn Dicks completes director training courses



Federated Director Glenn Dicks, Lakefield, recently became a National Rural Electric Cooperative Association's Credentialed Cooperative Director (CCD).

Today's directors need increased knowledge in areas like governance skills, cooperative principles and changes in the industry. The credentialed director program involves five core courses: Director duties and liabilities; The electric business; Board roles and relationships; Strategic planning; and Financial decision making.

All of Federated's directors are credentialed, except for the one most recently elected at the 2007 Annual Meeting. 🖱

Finding a new normal

— *Continued from Page 3*

pretty good at math and used trigonometry on my job. As bizarre as it sounds, I just can't seem to get my ability with numbers back. As for the post traumatic stress, I used to have terrible nightmares about being electrocuted. Some of them even included being chased by electricity. I also got nervous about getting shocks from things like light switches and electrical cords. These symptoms have also subsided to an extent. Doctors from the St. Paul Regions Burn Center and Abbott Northwestern Hospital have helped greatly."

Another thing that helps Kulseth as he continues to cope with his injuries is help from the Phoenix Society.

"The Phoenix Society puts you in contact with a huge group of people who understand what you are going through," Kulseth said. "You don't really know unless you've been there. One friend I've met through the Phoenix Society, Mike, really made a difference to me. The difference between us is that he had bad external burns from a car accident, while my burns are internal and electrical in nature. Mike's positive spirit and attitude helped me realize I'm a survivor, not a victim."

The fact that Kulseth's injuries aren't visible to people makes understanding from others more challenging. "People look at me and think nothing is wrong," he said. "They just can't understand why things shouldn't still be the same."

One of the hurdles Kulseth faces on the road to recovery is the word 'normal.' "Chris Gilyard is a woman who went through her own burn injuries and recovery," Kulseth said. "She now is the head of the Burn Center Electrical Support Group out of St. Paul. She sends out a newsletter every month. One of the things she wrote really made an impression on me. She said it is hard to get back to normal after such an accident because normal is gone. You have to make a 'new' normal."

Currently, Kulseth is trying to work his way back to a new normal. "We returned to St. James because I have family here," Kulseth said. "My parents, brothers and son have been huge in getting us set up here. Plus, our neighbors are great as well. Becoming involved with people is important. One of the biggest challenges is finding things to occupy my time and making social contacts. Things just don't work the same way anymore — physically, mentally or socially. I'm starting to do some things again though, like driving, mowing lawn and clearing driveways. I also like to fish, be on the lake and have given some public talks on my experience."

Kulseth's biggest supporter through the process is his wife, Kelli. "She's my angel," he said. "People don't realize that when there is a serious injury, the spouse suddenly has to carry the weight of the whole household. Often times, marriages can't cope with such stress, but Kelli has been incredible throughout."

Family is one of the things Kulseth finds most rewarding. "I remember praying to live at the time of the accident," he said. "I began to question if living was the best prayer to have answered for a few years after the accident. The struggles were very disheartening. As time goes by, I'm grateful to still be around. Through the Phoenix Society, I've heard burn victims say that their accident changed their life; it opened up opportunities they never would have noticed before. I'm still going through that process of learning and discovery. It's kind of like I'm just out of high school again and trying to see what works and what will lead where. In the meantime I have five wonderful, beautiful grandsons. It is rewarding to still be around to experience them."

It is fitting that children also helped inspire the Phoenix Society as well. The society was founded by Alan Breslau, who was extensively burned in the crash of a commercial airliner in 1963. Following a visit to a young boy in a burn center, Breslau realized the importance of peer support for those with burn injuries and went on to establish one of the first burn support organizations in the United States. The Phoenix Society now has conferences worldwide as well. For more information on the Phoenix Society visit www.phoenix-society.org. ↩

Go to the 'well' for wind energy with Wellspring!



Would you like a portion of your electricity supplied by wind energy? Contact your electric cooperative and ask about Wellspring. A 100 kilowatt-hour block of wind energy costs 51 cents a month. Members may purchase one or more blocks each month. Call or e-mail the Billing Department to sign up or include a note with your bill payment. ↩

Become one of the elect!

Teens: race to win a trip to Washington, D.C. in '08



2008 is an election year. Candidates race to be elected to office. Thanks to your electric cooperative, teens have a chance to win a trip to Washington, D.C. and see the Nation's Capitol firsthand. Teens: become one of the elect. Enter the Youth Tour contest. You may be "voted" to go on a free paid trip to Washington, D.C.!

Youth Tour gets a vote for promoting growth. Growth is a large part of our nation's history. Colonies grew out of a desire for freedom; 50 states grew out of 13 original colonies. How would winning the Youth Tour contest make you grow?

Youth Tour gets the vote for education. In 1957 Senator Lyndon Baines Johnson addressed the National Rural Electric Cooperative Association (NRECA) Annual Meeting in Chicago. The Senator and future president declared, "If one thing goes out of this meeting, it will be sending youngsters to the national capitol where they can actually see what the flag stands for and represents." What could you learn by winning the Youth Tour contest?

Youth Tour gets the vote for meeting new people. Co-ops from each state send teens to Washington, D.C. for Youth Tour. The first year of the coordinated tour included approximately 400 young people from 12 states. Word of mouth spread and today over 1,500 young people and their



Elect to enter the Youth Tour Contest. Teens have a chance to win the race for D.C. in 2008. For more than 40 years electric cooperatives nationwide have sponsored the Rural Electric Youth Tour by sending high school students to Washington, D.C. Participants experience firsthand the essence that is our republic. They witness the profound grandeur of monuments to our greatest leaders, reflect on the true cost of freedom by eyeing row upon row of white crosses at Arlington Cemetery, question their legislators on issues that affect them, plus grow as individuals and Americans. This year's Youth Tour runs June 14-19. Encourage a local high school freshman, sophomore or junior to apply; contact your local electric co-op.

chaperones participate in Youth Tour each year. How many new friends will you make on Youth Tour?

Youth Tour gets the vote for illustrating history. Sightsee in one of the world's most fascinating cities, while meeting teens from across the nation. Witness Congress in session, visit with legislators, tour monuments, the Smithsonian Museums, the Supreme Court and Mount Vernon, plus experience a night at the Kennedy Center. In addition, Youth Tour teens will learn about the history and operation of government, cooperatives and rural electrification. What will you learn about history from seeing these famous landmarks?

The votes are in. If you are a high school freshman, sophomore or junior, you are eligible for the Youth Tour tradition by winning the all-ex-

penses paid trip to Washington, D.C. June 14-19.

Here's how to enter. Write a 300-word essay on an energy-related topic and mail it to your electric co-op. See Page 8 for details. Your electric co-op will select essay finalists for a March interview and then award the trip to the winner. Second place will get \$150 and serves as first alternate. Third place receives \$100. The winner flies out of Minneapolis International Airport June 14 with the Minnesota delegation and returns to Minneapolis June 19.

Call or e-mail your electric cooperative or talk to your school counselor for the application. Check out the national Youth Tour website at www.youthtour.coop for photos and videos. Plus, visit www.mrea.org for Minnesota's Youth Tour highlights. 🗳️

Tick, tact, tax...



Tax time can be taxing.
Tick...tock...tick...tock...

As the April tax deadline draws near, many hear the ticking of the clock grow louder and louder as

they wade through form after form. Deductions, dependents, W-4s, exemptions, expenses, assets, equity and many other terms dance through taxed brains as time grows short. Calculators smoke. Adding machines jam. Heads ache.

Tact...

Display some tact this tax season. Get started early and beat the ticking clock. Your electric cooperative can help you get started. Dealing with tax issues involving your electric cooperative doesn't have to be time-consuming or confusing. Here are the five things you need to know when it comes to your electricity and taxes.

1. Ag production exemption

Electricity used for agricultural or industrial production could be sales tax exempt. It is the member's responsibility to determine whether this is true for their agricultural operation and to work through the process of obtaining relief from sales tax.

First, the member should obtain an ST-3 form from their electric cooperative or online at www.taxes.state.mn.us/forms/st3.pdf. The form requires members to determine what percent of their electricity usage is sales tax exempt due to utility needs. Again, determining this percentage breakdown is the member's responsibility. Once the ST-3 form is completed, the member may return it to their electric cooperative for filing.

If you have questions about the ST-3 form, call the Minnesota Department of Revenue at 1-800-657-3777 and ask for the sales tax department. You can also visit www.taxes.state.mn.us/taxes/sales/index.shtml.

2. Are capital credits taxable?

Maybe. It depends on whether or not you claimed an exemption on an ST-3 form or on your tax return. Consult with your tax adviser.

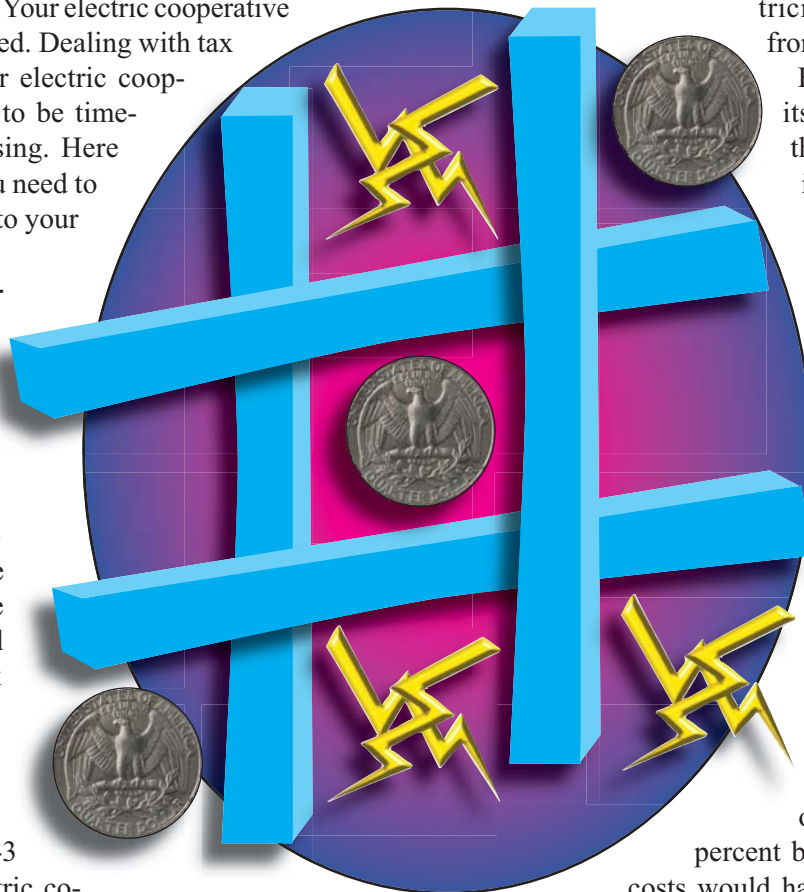
As a not-for-profit organization, your electric cooperative allocates margins to members in the form of capital credits. Capital credits allocations are based on the amount of electricity the customer purchased from the cooperative.

Between the time capital credits are assigned and the time they are refunded, the money is used by the cooperative to maintain, improve and ensure dependable service.

Under current law, no part of the capital credits allocated to you by your electric cooperative is taxable. However, when refunded, the capital credits are subject to taxation to the extent that your electric costs are deducted as an expense on your income tax return (see Ag Production Exemption) for the year the credit was allocated.

For example, a farm or other business claiming 50 percent business use on their electric costs would have to include 50 percent of the capital credits retirement payment as taxable income. The non-business portion of electricity use is not subject to taxation.

A wage earner who takes no deduction for electric costs would not have to show any of the capital credits retirement as income. However, 1099 forms are sent for capital credit retirements over \$600, so the money must be reported.



How can electricity and energy efficiency affect your taxes?

3. Heating exemption

If electricity is your primary source of residential heat, the kilowatt-hours used for heating your home are exempt from sales tax. Primary means 50 percent or more of your heating. The heating season lasts from November to April.

To obtain exemption from sales tax on kilowatt-hours used for heating, obtain a Residential Heating Fuel Exemption Form from the cooperative.

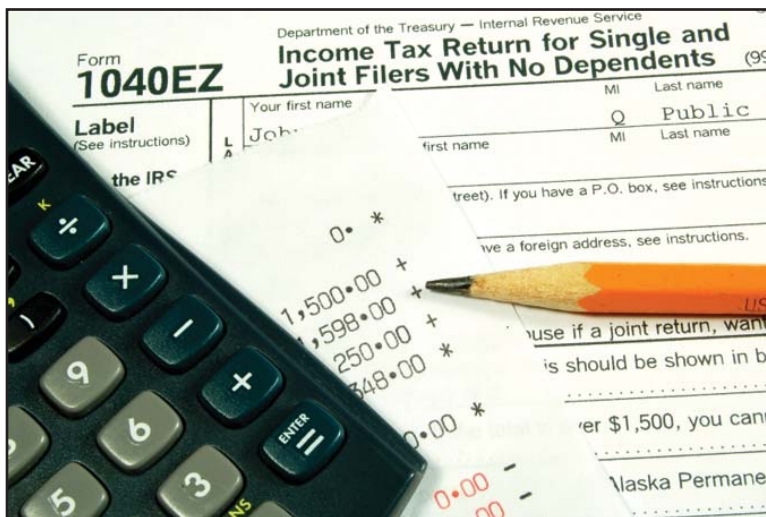
If you have declared your exempt status by signing a fuel exemption form in the past, a record is retained. However, you may need to renew the certificate periodically, as required by your co-op. Check with them. If your heat source has changed or is in combination with wood or other fuel (such as the Dual Fuel Program), you may need to re-evaluate your exemption status. Members receiving an exemption status when electric heat is not your primary source are in violation of the state sales tax law.

4. Energy Tax Credits

The Energy Policy Act of 2005 allows people to get certain tax credits for making energy-efficient home improvements. Don't confuse a tax credit with a tax deduction. A tax credit reduces your tax bill by the total amount of the credit. A tax deduction reduces just the taxable base so the actual savings depends on your tax bracket.

Energy-efficient home improvements made in 2007 that qualify for tax credits include insulation, replacement windows, doors, metal roofing, heating and cooling systems, water heaters and solar-power systems. Most contractors can advise you as to which products and improvements qualify for tax credits.

It is important to note limits exist on the tax credits, depending on the specific efficiency improvement. Many of the energy tax credits are for approximately 10 percent of the installed cost. Some are less. Regardless, the maximum



Your electric cooperative has a few tax tips for you in this story to make tax time less taxing! Be sure to discuss these items with your accountant.

total tax credit allowed for a two-year period is \$500, no matter how many improvements you make. These are available only through 2007, unless Congress extends it.

Using alternative fuels and heating provides the largest tax credit of 30 percent, up to a maximum of \$2,000. These include solar water heating, solar cells and fuel cells. For most homes, even with the \$2,000 tax credit, the economic

payback for these improvements is a relatively long time. These alternative fuel and heating tax credits are also presently only available through the 2008 tax year.

Installing a new heat pump provides up to a \$300 credit. A new gas or oil furnace (even at 95-percent efficiency) provides up to a \$150 credit. Adding an efficient blower motor to the new furnace or heat pump qualifies for an additional \$50 credit.

For more information on tax credits visit the www.ase.org/content/article/detail/2654.

5. Operation Round Up

Donations to Operation Round Up are tax deductible. *This program is not applicable to South Central Electric members.*) Members who participate in Operation Round Up have their electric bills rounded up to the nearest dollar. For example, an electric bill of \$40.25 is rounded up to \$41. That extra 75 cents goes in a trust fund. A trust board then awards that amount to local charitable organizations. The most a member might donate to Operation Round Up in a year is \$6. Hence, that \$6 is tax deductible.

This doesn't mean the member pays \$6 less in taxes. Rather, that \$6 may be subtracted from their total taxable income as a donation and their taxable income is adjusted to that new amount.

By arming yourself with this tax information you can now relax! 🖱️

Federated & Basin offer \$1,000 scholarship to area student; must apply by February 5

This is the first year that your electric cooperative can award a \$1,000 Basin scholarship to a local Federated member's son or daughter.

"This scholarship comes from Basin Electric Power Cooperative based in Bismarck, North Dakota, which becomes a wholesale power supplier for Federated in November 2008," stated Richard Burud, Federated's general manager. "Basin awards 120 of these scholarships to local electric cooperatives. Federated is excited to distribute the scholarship materials and select one local youth to receive the \$1,000 scholarship."

The scholarship is available to high school seniors and college students who will be enrolled full-time in an accredited two-year or four-year college, university or vocational/technical school working on an undergraduate or master's degree.



One \$1,000 scholarship will be awarded to a Federated member's son or daughter who is a high school senior or a college student with a year of college remaining.

Applicants must complete a two-page application, include the grades' transcript, ACT/SAT scores, write an essay and have an outside appraisal (reference checklist). The 400-word essay should describe:

1. How local cooperatives serve rural areas; AND

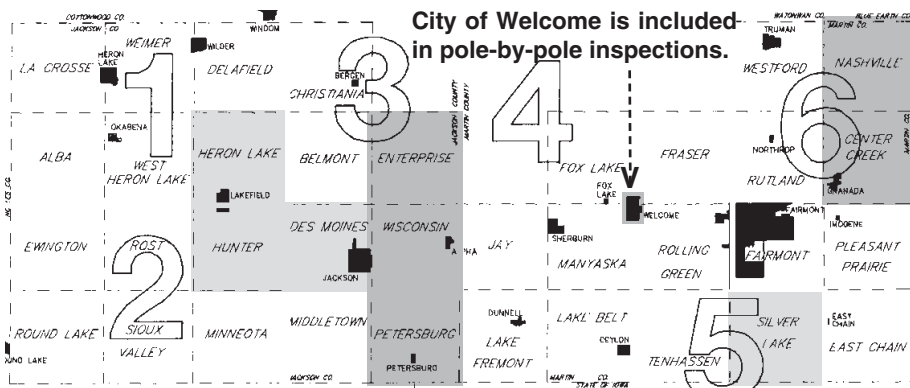
2. How are co-ops different when compared to other local businesses?

The deadline to apply for this scholarship is February 5. Applications are available from Federated's website (www.federatedrea.coop or e-mail info@federatedrea.coop), at Federated's office (ask for Andrea) or from local high school counselors.

The scholarship must be used for college during fall 2008. Checks will be made payable to the school as distributed by Basin. Scholarships will be distributed in two equal installments in August and January.

In addition, the Federated Rural Electric Operation Round Up scholarship details will be finalized after the trust board's February 29 meeting; those Round Up scholarship applications are available around April 1. ➔

Line patrol 'underlines' maintenance



Light Gray Box: Meter changeouts **Dark Gray Box: Pole-by-pole inspections**

Federated's line crews will be visiting your location this winter.

It's part of the annual line patrol. Line crews visually inspect all power lines looking for small problems before they cause outages. They also verify the meter readings at each site.

Plus, crews will change out meters in the four townships (light gray boxes), as part of the eight-year rotation. Crews hit the poles with a hammer in the darker townships to check for the pole strength indicating it's not rotten inside; townships up for pole inspections are rotated and are done every 10 years. ➔

Snuggle in this winter with an electric fireplace



Features: Sussex model, air purifier, remote control, 30" insert with oak cabinet for \$1,100, plus tax.

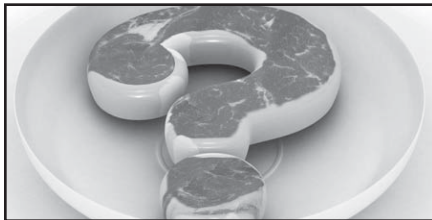
Stop by Federated's Jackson office to see the display model or call and request a brochure. ➔

Readers' recipes

Gives snacks some 'pop' with popcorn

Add some pop to your treats this new year with popcorn. Popcorn makes a treat pop! 🐾

Beef up meals with few new beef recipes



Herd your family to the table with some new beef recipes. Share with us your recipes, whether it's for roasts, hot dishes, sandwiches, steaks, etc...

Mail these beef recipes by January 25 to: Editor, Federated Rural Electric, PO Box 69, Jackson MN 56143-0069 or e-mail to christoffer@federatedrea.coop. Otherwise, drop it off at your local electric co-op. Add your name and phone number. 🐾

Cinnamon Candy

Popcorn by Lenora Zitzman, New Ulm

8 quarts plain popped popcorn (about 3 microwave bags)

1 c. margarine

½ c. light corn syrup

1 pkg. (9 oz.) red-hot candies

Place popcorn in two 15x10x1" greased baking pans. Set aside. In a saucepan combine the margarine, corn syrup and candies. Bring to a boil over medium heat, stirring constantly. Boil 5 minutes, stirring occasionally. Pour over the popcorn; mix thoroughly. Bake at 250° for 1 hour, stirring every 15 minutes. Remove from the pans; place on cookie sheets/waxed paper to cool. Break apart; store in airtight containers or plastic bags. 🐾

Almond Popcorn by Ellen Armbrust, Fairmont

2 large bags microwave popcorn, popped

1 jar nuts, your choice

1 pkg. almond bark

1 large bag of M&Ms

½ c. peanut butter

Pop popcorn and remove any old maids. Put the popcorn, peanuts and M&Ms into a large paper bag. Set aside. Melt the almond bark and then add peanut butter; mix well. Pour over the popcorn, peanuts and M&Ms. Shake the bag until the popcorn is coated evenly. Pour out on waxed paper to cool. Spread it out so it doesn't dry in large clumps. Store in an air tight container. 🐾

Caramel Corn (microwave) by Donna Leonard, Truman

7 quarts popped popcorn

¼ c. corn syrup

½ c. butter

1 tsp. vinegar

¼ tsp. butter flavoring

½ tsp. baking soda

1 c. brown sugar

Pop the popcorn. Combine the butter, flavoring, brown sugar, syrup and vinegar in a 2-quart container. Microwave on full power for 1½ to 2 minutes until the syrup comes to a boil. Allow to boil for two minutes. Remove from the microwave and stir in the soda. Place the popcorn in a large clean paper bag. Pour the syrup over the corn. Close the bag loosely and shake. Microwave at full power for 1½ minutes. Shake it. Microwave 1½ minutes. Shake. Microwave 1½ minutes more. Shake. Pour popcorn out of the bag onto waxed paper. Spread it out to cool. Stir occasionally. Cool completely before storing in an air-tight container. 🐾

Popcorn Salad by Bethany Faber, Fairmont

1 bag unbuttered popcorn

1 bunch green onions, chopped

½ lb. bacon, fried and crumbled

8 oz. cheddar cheese

1 can water chestnuts

mayonnaise

Mix all of the ingredients except the mayo. Just before serving add the mayo to desired consistency. 🐾

Popcorn Balls Syrup by Roxanne Zimanski, Courtland

1 c. sugar

3 T. butter (I use margarine)

½ c. white corn syrup

26 c. popped popcorn

2/3 c. water

1 T. vanilla

Boil sugar, syrup, water and butter over medium heat until it threads in cold water; take off the heat and add 1 T. vanilla and the food coloring of your choice. Use green for Christmas, orange for Halloween, pink for Valentines Day, etc...

Pour over the popped popcorn; then wet your hands and shape into balls and let them dry on wax paper. This yields about 16-18 popcorn balls. 🐾

Popcorn Balls by Robin Heeren, Kenneth

12 c. of popcorn

10½ oz. bag of marshmallows

1 jar of peanuts

1 stick of butter

2 c. of plain M&Ms

Melt the butter and marshmallows like making Rice Krispie bars. Pour over the popped corn and peanuts. Stir in M&Ms right before pouring into a 9x13" pan. Pat the mixture into the pan and allow to cool before cutting. 🐾



Richard 'Rick' Burud

Manager's message

Looking back on 2007...

Your electric cooperative had a successful year in 2007; we want to thank you for your patronage, support, kind words and understanding through some bad weather. As employees and directors, we strive to serve the membership in a fair, responsible and efficient manner.

What is in store for 2008?

Big things surround energy. It doesn't seem to ever be static. Some of the items that will affect you and your electric service are:

1. Climate change legislation
2. Alternative energy mandates
3. New lighting technologies
4. New technologies

5. Increased wholesale power supply costs
6. Federated's wind turbine project

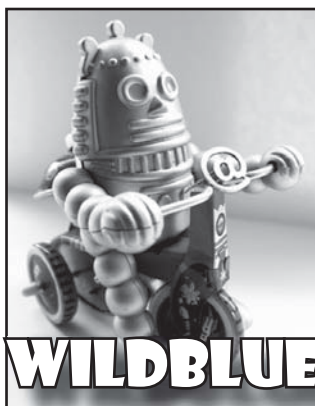
My predictions for the New Year

In the past I've made predictions for the New Year. Some come true, yet some do not materialize. My 2008 predictions:

1. All energy will cost more, including electricity.
2. Corn and bean prices remain stable at current levels with some months of high peaks. Corn is likely to be in shorter supply locally.
3. The Minnesota Twins will have a bad year winning less than 45 percent of their games.
4. The Vikings will trade for a proven quarterback and will make the 2008-09 playoffs.
5. No new stadium for the Vikings.
6. LED lights enter the market. (Incandescent bulbs will no longer be on the market in two to three years.)
7. The two presidential candidates will be:
 - Democrats — Obama
 - Republicans — Huckabee

Happy New Year!

From all of us at Federated we wish you a Happy New Year! 🍀



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David Meschke — 238-1122
Jon Saxen — 764-3771

The Board of Directors meets the last business day of the month at 9 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

Board meeting highlights

Federated Rural Electric's Board of Directors met for their monthly meeting December 28. They acted on these issues:

- Approved the 2008 schedule for directors to serve as co-op delegates or representatives.
- Approved the 2008 Budget and Workplan meeting for February 29 and approved the board's portion of the co-op budget.
- Accepted the Federated Rural Electric Insurance's 2008 quote.
- Updated on the co-op's ethanol plants and wind project.
- Approved the 2008 Coal Creek Tour prices. The tour will be July 22-24. Details will be provided in next month's *Connections*. 🍀

E-mail: info@federatedrea.coop

Website:

<http://www.federatedrea.coop>