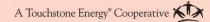
Butte Electric







Commanding, Controlling Energy Savings

Page 8

A Matter of Territorial Integrity

Page 12

America's Electric Co-ops' Post-election Priorities



John Lee, CEO

jlee@butteelectric.com

With the mid-term elections in the rearview mirror, Butte Electric is looking ahead at the impact and opportunities for rural America and electric cooperatives.

Electric cooperatives across the nation played an active role in the mid-term election and worked to get to know each candidate running for federal office. This was particularly important since more than 60 members of Congress decided to retire or run for other office.

Through Co-ops Vote, a nonpartisan political engagement effort led by the National Rural Electric Cooperative Association, more than 100 candidates attended electric cooperative functions or met with co-op staff. Several statewide co-op associations sponsored or hosted a debate or forum for gubernatorial candidates, while more than 30 local electric cooperatives participated in National Voter Registration Day activities.

As we continue getting to know our new elected officials, Butte Electric will continue advocating for policies that protect local business interests and advance the quality of life in western South Dakota.

There are several opportunities for our elected leaders to find common ground and advance legislation to benefit our community.

Improving our nation's aging infrastructure is a great place to start. Congress and the White House should explore an infrastructure package that benefits all Americans, especially those at risk of being left behind in rural America. And this investment in critical infrastructure needs to go beyond roads and bridges. Congress should leverage an infrastructure package to help maintain and modernize the electric grid and connect rural communities to the modern economy.

The new Congress also presents an opportunity to expand access to high-speed internet service in rural communities that currently lack it. According to the FCC, 23 million rural Americans lack access to broadband internet – most of them are members of an electric co-op. Roughly 100 electric cooperatives are working to close the digital divide by bringing broadband to their communities.

Despite that progress, an expanded combination of grants and loans is necessary to continue providing rural communities with the wherewithal for education, telemedicine and a 21st century economy. Everyone – the Trump administration and both Democrats and Republicans in Congress – agrees on the need to bolster rural broadband.

A third area of possible bipartisan agreement lies in the need to produce a new farm bill. The farm bill, which authorizes numerous rural economic development programs, traditionally has enjoyed bipartisan support in Congress. Although the House and Senate have passed very different versions of a farm bill this year, we're hopeful that lawmakers can come to an agreement on a compromise bill that promotes rural economic development and protects Rural Utilities Service electric loan funding on which electric co-ops depend.

Electric cooperatives like Butte Electric are engines of economic development in western South Dakota and we are proud to continue working towards a brighter and more prosperous rural America.

Mission Statement

The mission of Butte Electric Cooperative, Inc., is to continually improve customer services; provide safe, reliable and competitively priced electricity; and continue to lead in developing our communities for the benefit of our members.



Nondiscrimination Statement

This institution is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html or at any USDA office, or call 866-632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Ave., S.W., Washington D.C. 20250-9410, by fax 202-690-7442 or email at program.itake@usda.gov

Butte Electric

Cooperative Connections

(ISSN 1531-1031)

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Downed and Dangerous

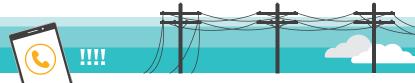
If you see a downed power line, always assume it is energized and dangerous. Avoid going near it or anything in contact with the power line.



Downed power lines can energize the ground up to **35** ft. away - so keep your distance.



Never drive over a downed line or through water that is touching the line.



If you see a downed line, notify the local authorities immediately.







Never try to move a downed power line, even if you think the line is deenergized or if you're using a non-conductive item – this will not prevent injury or death!

If you have an outage, call: 1-605-456-2494 or 1-800-928-8839

Source: ESFI.org

Downed and Dangerous

Downed power lines can be deadly. ALWAYS assume a downed power line is live and avoid going near it or anything in contact with it.

Use Precaution

- Downed power lines can energize the ground up to 35 feet away.
- If you see a downed power line, immediately notify local authorities.
- Never drive over downed power lines or through water that is in contact with them.
- Never try to move a downed power line. Even using items that typically are not conductive will not prevent injury or death.

Know What to Do

- The safe way to move away from a downed power line is to shuffle away with small steps, keeping your feet together and on the ground at all times.
- If your car comes in contact with a downed power line while you are inside, stay in the car. Do not touch any part of the car's frame or any other metal. Use a cell phone or honk your horn to summon help. Allow only rescue personnel to approach the car.
- If your car is in contact with a downed power line and you must exit due to fire or another imminent threat:
 - Do not touch your vehicle and the ground at the same time with any part of your body or
 - Open the door to your vehicle without touching the metal door frame.
 - Jump out of the vehicle with both feet together and so both feet land at the same
 - Shuffle away so that the toe of one foot shuffles forward along the length of the other foot, ensuring that both feet are in constant contact and always touching the ground.
- If someone comes in contact with a downed power line or something else that has become electrified, call 911 immediately.
- Never touch someone who has come in contact with a power line. They are energized and pose a danger to anyone who comes in contact with them.
- Remember power lines don't have to fall in order to be dangerous. Always call 811 before you dig and keep yourself and your equipment at least 10 feet from overhead power lines.

Source: esfi.org

Getting Involved

The state legislatures of both Minnesota and South Dakota convened in early January. Need to contact your legislator while in Pierre or Saint Paul? Here's how:

Contacting Members of South Dakota's Legislature:

Go to http://sdlegislature.gov/ From there, you can search your senator or representatives, see



WWW.VOTE.COOP

the committees which they are assigned and send them an email. Need to reach them by phone? You can call and leave a message with the Senate at 605-773-3821 or with the House of Representatives at 605-773-3851. You can also send a fax to 605-773-6806.

Contacting Minnesota Legislators:

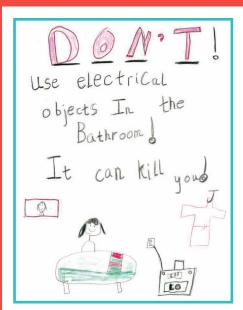
For contact information on Minnesota house members, visit:

https://www.house.leg.state.mn.us/members/hmem.asp

For contact information on Minnesota senators, visit:

http://www.senate.leg.state.mn.us/members/index.php?ls=%20-%20 header

KIDS CORNER SAFETY POSTER



"Don't use electrical objects in the bathroom. It can kill you!"

Gracie Biggins, 7 years old

Gracie is the daughter of Jessy and Katie Biggins, Gregory, S.D. They are members of Rosebud Electric Cooperative, Gregory.

Kids, send your drawing with an electrical safety tip to your local electric cooperative (address found on Page 3). If your poster is published, you'll receive a prize. All entries must include your name, age, mailing address and the names of your parents. Colored drawings are encouraged.

Slow Cooker Monkey Bread

1 cup (2 sticks) butter

1/2 cup granulated sugar

1 cup firmly packed light brown sugar

2 (16.3 oz. each) cans flaky layers refrigerated biscuits, each biscuit cut into 6

1 T. ground cinnamon

pieces

Spray 6-quart slow cooker and outside of wide mouth glass jar with no stick cooking spray. Place glass jar in middle of slow cooker. Melt butter in small saucepan on medium heat. Add brown sugar and stir to combine; set aside. Place cinnamon and granulated sugar in large resealable plastic bag. Add biscuit pieces in batches and shake to coat. Place 1/2 of the biscuit pieces in slow cooker around glass jar. Pour 1/2 of the butter mixture over biscuit pieces. Place remaining coated biscuit pieces in slow cooker. Sprinkle with any remaining cinnamon-sugar mixture in bag. Pour remaining butter mixture evenly over top. Cover slow cooker with clean kitchen towel then with slow cooker lid to secure towel. Cook 1 hour on HIGH. Carefully remove slow cooker insert and rotate. (This allows monkey bread to cook evenly.) Cook 1 hour longer or until toothpick inserted in center comes out clean. With towel and lid still secure, remove slow cooker insert from heat. Let stand 10 minutes. Carefully remove glass jar. Invert monkey bread onto serving platter. Makes 18 servings.

Nutritional Information Per Serving: Calories 302, Total Fat 14g, Saturated Fat 8g, Protein 3g, Cholesterol 27mg, Sodium 491mg, Carbohydrates 41g, Fiber 1g

Pictured, Cooperative Connections

Oatmeal Pancakes

2 eggs, separated 1/3 cup flour

2 cups warm milk 2-1/2 tsp. baking powder

2 cups quick cooking oats 1 tsp. salt

1/3 cup oil or shortening

Beat egg whites until stiff. In separate bowl, add warm milk to oatmeal; let set a few minutes. Add egg yolks. Mix in oil, flour sifted with baking powder and salt; mix well. Fold in whipped egg whites. Heat a nonstick griddle over medium heat. Coat pan with cooking spray. Spoon about 2-1/2 T. batter per pancake onto griddle. Turn pancakes over when tops are covered with bubbles; cook until bottoms are lightly browned.

Elfrieda Postma, Sioux Falls, SD

Wake-up Casserole

8 frozen hash brown patties 7 eggs

4 cups shredded Cheddar 1 cup milk

cheese

1/2 tsp. salt

2 cups cubed ham

1/2 tsp. dry mustard powder

Place hash brown patties in a single layer in a greased 9x9-inch glass dish. Sprinkle with cheese and ham. In bowl, beat eggs, milk, salt and mustard together. Pour over ham and cheese. Cover and bake at 350°F. for 1 hour. Uncover and bake an additional 15 minutes until edges are golden brown and knife inserted in center comes out clean. Makes 8 servings.

Mary Jessen, Holabird, SD

Eggs Benedict Casserole

8 large eggs into 1/2-inch pieces

3 cups milk, divided 6 English muffins, cut into 1/2-inch pieces

3 green onions, chopped
1/2 tsp. paprika
tsp. onion powder

1 (.9 ounce) pkg. hollandaise

1 tsp. salt sauce mix

3/4 lb. Canadian bacon, cut 1/4 cup butter

Spray 9x13-inch baking dish with cooking spray. Whisk eggs, 2 cups milk, green onions, onion powder and salt together in a large bowl until well mixed. Layer half the Canadian bacon in prepared baking dish. Spread English muffins over meat and top with remaining Canadian bacon. Pour egg mixture over casserole. Cover baking dish with plastic wrap and refrigerate overnight. Sprinkle casserole with paprika; cover with aluminum foil. Bake at 375°F. until eggs are nearly set, about 30 minutes; remove foil. Continue baking until eggs are completely set, about 15 more minutes. Whisk hollandaise sauce mix with 1 cup milk in a saucepan. Add butter and bring to a boil, stirring frequently. Reduce heat to medium-low, simmer and stir until thickened, about 1 minute. Drizzle sauce over casserole.

Cortney Reedy, Tea, SD

Please send your favorite seafood, appetizer, beverage or casserole recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in June 2019. All entries must include your name, mailing address, phone number and co-op name.

Low-Cost Efficiency Tips



Pat Keegan

Collaborative Efficiency

In the right situation, set correctly, programmable thermostats can save \$150 a year.

This column was co-written by Pat Keegan and Brad Thiessen of Collaborative Efficiency. For more information, please visit: www.collaborativeefficiency .com/energytips. Dear Pat: It's great to read about all the ways energy efficiency improvements to the home can save money, but what about folks like me who are renting or don't have a lot of money to spend? Are there things I can do to reduce my energy bills? – Chelsea

Dear Chelsea: That's an excellent question. Not everyone can replace their furnace with an air-source heat pump, whether they're renting, or their budget won't allow it. Here are seven low-cost efficiency tips that can help you reduce your energy bills.

- **1. Mind the thermostat.** You might be able to trim your energy bill by carefully managing the temperature in your home. The Department of Energy suggests setting your thermostat to 68 degrees F on winter days. If that's too cool, try other ways to stay warm like layering with an extra sweater. You can save more energy by turning down the thermostat even lower at night or when no one is home. The same principle works in reverse during summer months. Just set the thermostat higher to reduce your energy use for air conditioning.
- **2. Go programmable.** If you don't always remember to adjust your thermostat manually, you could benefit from a programmable model. In the right situation, set correctly, programmable thermostats can save \$150 a year. Some programmable thermostats can be managed from your smart phone or other devices. Before you purchase one, make sure your landlord approves.
- **3.** Try zone heating. If you don't mind less-used rooms being colder, you might be able to save energy (and money!) by zone heating. Electric baseboards make it easy because they typically have thermostat settings on the units or in each room. Portable electric space heaters can also be a good tool for zone heating if they are used safely and wisely in the area you spend the most time. Keep in mind, if you're using space heaters, you'll need to reduce the heating you're supplying to the rest of the home. Space heaters that are used incorrectly can be dangerous and increase energy costs. If your heating system needs to be replaced, you can talk to your landlord about installing a minisplit system, which is perfect for zone heating and cooling, and easier to install than a new duct and furnace system.
- **4. Stop air leaks.** Small gaps around windows, doors, wiring and plumbing penetrations can be major sources of energy loss. This problem can be alleviated with a little weather stripping and caulk, but you should check with your landlord before you get started. Better yet, convince the landlord to do the work! A \$10 door draft stopper (also known as a "door snake") is a simple way to block gaps underneath exterior doors. Sealing air leaks around your home could shave up to one-fifth of your heating and cooling bills.
- **5.** Manage your windows and window coverings. Your windows may be letting heat out during the winter and letting heat in during the summer. Window coverings like medium or heavy-weight curtains and thermal blinds can help. On cold winter days, window coverings can keep warmth inside and improve comfort. Opening up window coverings when you're receiving direct sunlight is a 'passive solar' technique that can help cut your heating costs. You can also cover windows with clear plastic to reduce heat loss and air leaks. During the summer, keep window coverings closed to block the sun and to keep windows from heating the cooler indoor air.
- **6.** Look for energy wasters. There are also small steps you can take every day to reduce your energy use. Water heaters should be kept at the warm setting (120°F). Wash dishes and clothes on the most economical settings that will do the job and always wash full loads. Use the microwave instead of the oven when possible.
- **7.** Landlords (and others) can help. Hopefully these tips will help you reduce your energy bills and increase your comfort, but consider talking to your landlord about additional ways to save, like installing better insulation, energy efficient windows or heating systems. Many landlords make these types of investments to add appeal to their rental properties, which ultimately improve the value of the property. A home energy audit is the best way to identify areas for energy efficiency improvements. Contact your electric cooperative to see if they offer energy audits or if they can recommend someone local. An audit would be a great way to start a conversation with your landlord about potential improvements.

Electricity 101: The Flip of a Switch

Paul Wesslund

NRECA

Have you ever wondered why they call it electricity?

It's named after those little pieces of atoms called electrons and that's the place to start in understanding how power plants make something that reliably lights your home with the flip of a switch.

Getting all those electrons to march together inside a wire has been described as one of civilization's greatest and most complex engineering feats.

Just about all of your electricity starts with the scientific phenomenon that spinning a magnet inside a coil of wires will generate electricity. So, deep inside most power plants are large turbines that are turned in different ways: falling water at a hydroelectric dam; burning coal or natural gas at a fossil fuel station; atomic energy at a nuclear power plant; or the rotating blades of a wind turbine. One exception is solar energy, which uses materials that produce electricity when they're activated by sunlight.

Every one of those power plants is unimaginably complicated – think about what you would do if you were handed a lump of coal and were told to make it run your refrigerator.

Most large electric generating plants need large banks of transformers to boost the voltage for the cross-country trip through wires held up by tall transmission lines and towers. As it nears your neighborhood, the voltage is reduced at one of those fenced-in complexes of wires and transformers called a substation. Lower voltage makes the electricity safer for home energy use. As the electricity gets closer to your home or business, the voltage is reduced again with smaller transformers, which you can typically see mounted on a nearby utility pole or in a ground-level green box in your yard.

Beyond those basics, all that flowing electricity needs to be coordinated so it gets to the right house just as it's needed. Safety is always top priority. And line crews need to be kept organized for both routine power line maintenance as well as restoring after storm damage.

When you think about it, that's a lot of power in the simple flip of a switch!

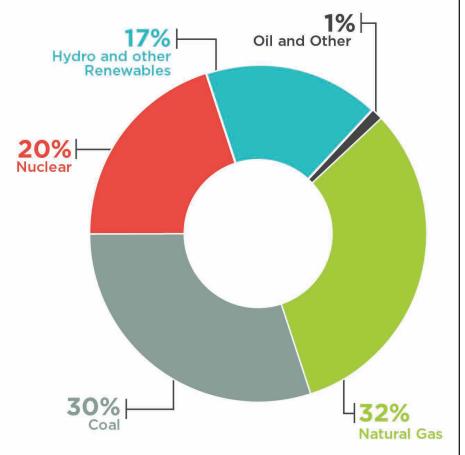
Paul Wesslund writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. Electric co-ops serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.



Powerful Sources

Nationally, electric cooperatives and other utilities use a variety of fuels to power American homes and businesses. This diverse fuel mix supplies co-op members with the safe, reliable and affordable power they depend on.

Source: U.S. Energy Information Administration (2017 data)





COMMAND, CONTROL AND ENERGY SAVINGS

Co-op Members Can Benefit from Technology

Derrill Holly

NRECA

Artificial intelligence is changing the way we live and that has the potential to bring major changes to the way we use energy.

Smart home automation, with a utility connection, allows folks from all income levels to become more energy efficient to varying degrees. Using a platform to further tie together appliances and loads, consumers can pick and choose their preferred efficiency routes depending on their lifestyle and budgets.

Turning Words to Actions

According to the Consumer Technology Association, about 5.5 million Wi-Fi-enabled devices are added to the internet each year and by 2020, the total is expected to surpass 21 billion. That has designers and manufacturers of consumer products looking for new ways to add value to their products with Wi-Fi enabled features.



As artificial intelligence devices create opportunities for home automation, consumers will play larger roles in deciding how and when systems in their home are controlled.

Smart thermostats have been around for a while and models that interconnect with home automation systems, like Amazon's Echo, the Wyse Hub and Google Home, get a lot of attention. Apps developed for those products are also available for both Android and iPhone. Many electric cooperatives are offering discounted smart thermostats to not only encourage member savings, but also help manage peak energy demand.

Changing Sources, Changing Needs

As the energy sources we use to generate power evolve and management of the electric grid becomes more agile and sophisticated, the true potential of energy load control provides opportunities for more savings through wholesale power supply. That's challenging electric co-ops to find additional ways to strengthen partnerships with consumer-members who are more interested than ever in actively managing their energy use. Two-way, real-time communications and artificial intelligence offer opportunities to learn consumer preferences and how best to reduce energy during peak demand periods.

New All-Electric Homes

Home automation controllers and smart phone apps are producing an endless string of new commands daily and while many may not work seamlessly, they are likely to continue to improve.

"We could soon see serial commands allowing your appliances to interact with other devices," said Keith Dennis, senior director of strategic initiatives for the

An all-electric home with energy efficient products and automation features could enhance a consumers' experience.

National Rural Electric Cooperative Association (NRECA), who cited household systems including heat pumps and heat pump water heaters as examples.

"Your HVAC system could learn your schedule and regulate heating and cooling for your comfort based upon when you are home," said Dennis. "Instead of maintaining a steady supply of hot water when no one is home to use it, water could be heated during periods when demand is lowest and electricity costs less and then boosted to ideal temperatures to meet specific needs like bathing, laundry or washing dishes."

Many electric co-ops have supported water heater load control programs for decades. Consumers are not overly concerned about when their water is heated as long as it is available on demand.

"Manufacturers and vendors are actually building shared access and control into these systems with utilities," said Dennis. "The most successful models in the end will work seamlessly with the co-op to provide value to the member and not necessarily something that is directly managed by the member."

According to Dennis, new induction stovetops, energy efficient convection ovens and some countertop appliances offer more opportunities for efficiency in the kitchen – and the common trait of these efficient products is that they are all electric. An all-electric home with energy efficient products and automation features could enhance a consumers' experience.

While consumers are not expected to quickly embrace many of these new options until they reach the "plug-and-play" level of convenience, smart appliances and home automation systems could within a few years lead to rebates and other incentives designed to encourage electric co-op members to retire older appliances to enhance their home's energy efficiency.

Derrill Holly writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. From growing suburbs to remote farming communities, electric co-ops serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.



You're More Than a Customer



Bart McLellan

Member Service Manager

To us, you are not just a customer; you are a member of our co-op and without you, we would not exist.

Author Anthony J. D'Angelo observed that, "Without a sense of caring, there can be no sense of community."

To a large degree, this reflects Butte Electric's philosophy toward our consumer-members and the broader service territory that we serve. As a cooperative, we have a different "bottom line." While our priority is always to provide reliable and safe energy, there is another equally important part of this equation. Your well-being and that of the larger community that we serve are of paramount concern.

To us, you are not just a customer; you are a member of our co-op and without you, we would not exist.

In 1940, Butte Electric was founded to fulfill a vital need in our community that would not have otherwise been met. Concerned local leaders came together to build this co-op and bring electricity where there was none.

At that time, members of the community understood we were different because they likely knew someone who helped to create Butte Electric. For most people, our founding and its circumstances have been long forgotten. Over time, folks in the community may have come to think of us as simply another energy provider. But we are not. We are a co-op that is constantly evolving to meet the needs of the communities we serve and we are able to do this because of members like you.

Since our inception, we have sought feedback and engagement from you and that of the larger community to guide our long-term decisions. This is why we hold annual meetings and other events, such as the Butte-Lawrence County Fair BBQ and local football tailgates, throughout the year. We host events like this to engage with you and obtain your feedback.

We strive to find new ways to help you use energy more efficiently. We're always looking to explore more options that will help you manage your energy use such as our hot water heater and A/C demand response program, LED lighting rebates and our Peak Time Rebate program. In short, we are always seeking to keep pace with the changing energy environment, evolving technology and shifting consumer expectations.

Butte Electric members help guide important co-op decisions that improve and enrich the community. We value the perspective of our board members, who are members of the co-op and community – just like you.

As a local business, we have a stake in the community. That's why we support local charitable organizations and local schools. When you support these efforts, you are supporting the community and making it a better place for everyone.

While the times may have changed, our mission and outlook have not. We view our role as a catalyst for good. Working together, we can accomplish great things for our community now and in the future.

Energy EfficiencyTip of the Month

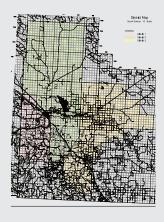
Laundry Tip: Dry towels and heavier cottons separately from lighter-weight clothing. You'll spend less time running the dryer for lighter-weight items, which saves energy.

Source: energy.gov



Director Sought

Effective as of Dec. 1, 2018, we will have an opening on our board of directors in District 2. If you have questions about qualifications or what district in which you reside, please contact our office at 605-456-2494. The opening will look to be filled by Feb. 1, 2019. Thanks.





ONE WEEK YOU'LL NEVER FORGET!

We are a group of South Dakota teenagers touring our nation's capitol. We are curious and we are our community's leaders. We come to Washington, D.C., to learn our nation's history and impact its future. Together, we chase dreams and break molds. See you in D.C.!

Butte Electric Cooperative, Inc. wants to send area teens to D.C.

Contact us today to apply!

www.butteelectric.com | 605-456-2494

Need \$1,000 for College?

Butte Electric will award a \$1,000 college scholarship to assist area students whose parents are a member-owner of the cooperative. The scholarship is for the 2019-2020 academic year and can be used at a variety of accredited, post-high school educational institutions.

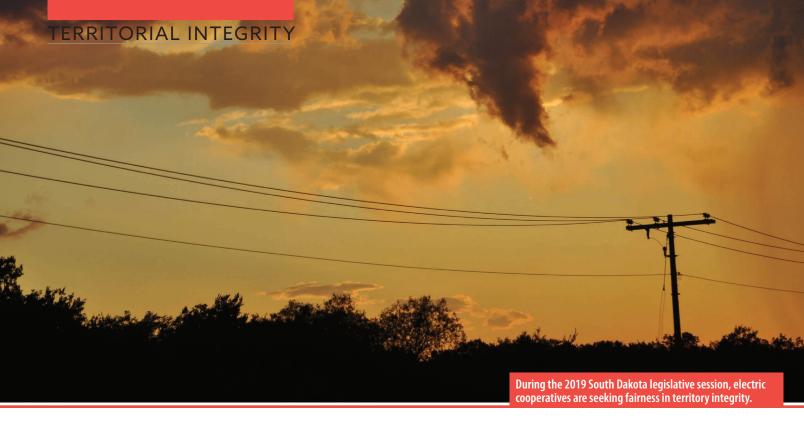
The award is part of the Rural Electric Cooperative Scholarship Program funded by Butte Electric's power supply partner, Basin Electric Power Cooperative. Basin Electric operates the coal-fired plants in North Dakota that generate part of the electricity used by Butte member-owners.

To show commitment to the youth in our co-op communities, each of the 124 member cooperatives of Basin Electric will award a \$1,000 scholarship to a dependent of a consumer.

The scholarships must be used for educational costs and applicants must be enrolled in or entering higher education in the fall of the school year for which any scholarship is awarded. If the recipient is not enrolled as a full-time student during the fall semester after receiving the scholarship, they will forfeit the monetary award. The scholarships are a one-time award only. The award will be sent directly to the accredited post-high school institute that is indicated on the application.

Contact Angie at 605-456-2494 for more information on applying for the scholarship.

#YTDCSD19



CO-OPS SEEK TERRITORY INTEGRITY

Fairness Sought When Government Takes Over

Brenda Kleinjan and Jocelyn Romey

editor@sdrea.coop

As the 2019 South Dakota legislative session hits full stride this month, South Dakota electric cooperatives are seeking a fix to a decades-old issue: territory integrity.

The issue has been an ongoing one. It comes to a head periodically when municipal governments take over the territories of cooperatives or investor-owned utilities. For cooperatives, these are areas where the co-ops have served for decades and have incorporated into long-range planning.

What are the issues?

There are two sets of rules that govern changes in South Dakota electric service territory. By law, electric cooperatives and investor-owned utilities (IOU) must collaborate and agree upon changes in service territory between the two. Municipal governments, on the other hand, have the authority to expand their electric service boundaries and take territory from incumbent electric providers. These

differences in the rules favor government-taking of private enterprise.

Electric cooperatives have built the infrastructure needed to serve all areas of their territories. When municipal utilities take away the electric service areas of those co-ops, the infrastructure, including generation, transmission, substations and distribution assets, that has been put into place to serve the load becomes useless. The municipal-taking of incumbent utility territory also greatly limits the incumbent's ability to plan for the future in areas neighboring a municipal utility because the territory is so easily seized by the local government.

Ultimately, South Dakota's consumers are the ones being hurt when the service areas of electric cooperatives are reduced. The left-behind cooperative members bear a greater share of the fixed operating costs, increasing their electric bill. There are fewer members to cover infrastructure and generation costs when a territory is reduced in size. This is especially detrimental to affordability for the members of not-for-profit electric cooperatives.

Why now?

This is an ongoing issue that has never been resolved. Yes, there have been a few amendments made to the law over the years. These amendments have attempted to provide compensation for seized electric service territory. However, the compensation formula doesn't work. Additionally, the efforts of electric cooperatives to work collaboratively with municipals in resolving this issue have been consistently rebuffed, co-op leaders say.

"Applying the same rules to all electric utilities operating in the state will NOT impede municipal annexations. It will force municipal governments to engage in the same conversations about fairness and equity that an investor-owned utility and a cooperative must consider when making individual customer exchanges or making permanent changes to the boundaries," said Ed Anderson, general manager of the South Dakota Rural Electric Association.

Territorial Integrity is Essential

Current System is Flawed:

Munis can. We can't.

- Municipal utilities can take utility service territory.
- Rural electrics and IOUs can't.

Government Takeover of Private Property.

- Munis can annex and extend service with no negotiations or PUC oversight.
- Selective "taking" of prime territory.
- Cooperatives are ready to serve and can offer highly competitive rates.

Negative Impacts on Utilities, Consumers and Economic Development.

- Upsets long-term planning and duplicates services.
- Reduces growth opportunities and ability to spread costs to a greater number of consumers - it impacts the entire membership.
- Hinders economic development.

Solution:

PROTECT assigned service territories

RETAIN privately negotiated agreements with Public Utilities Commission approval

NO RESTRICTIONS on annexation

South Dakota Laws on Electric Service Territory Boundaries

The original law passed in 1975 established the purchase price for electric facilities in areas annexed by municipalities. The law gave the city 90 days following annexation to offer to purchase the facilities and services rights. The portion of the formula that covers the purchase of wires and poles has not changed over the years. What has changed is the compensation for service rights portion of the formula. As initially placed in statute, the purchasing municipal electric system had to pay 25 percent of gross receipts from power sales to consumers within the annexed area for a period of five years at the municipal utility rate.

- The 1975 law, which was very similar to laws passed in many states at roughly the same time, was designed to protect consumers from the costs and confusion associated with rapid growth and duplication of services associated with that growth. Since then, few states have opened this essential service to full competition and industrial customers, not the average residential or small business customer, have benefited from those changes. South Dakota chose to address the specific needs of large industrial customers by making those loads competitive.
- The 1992 amendment changed that part of the formula to: 25 percent of gross receipts from power sales to consumers within the annexed area for a period of seven years at the incumbent utility rate and extended the time given to the municipality to decide whether they want to purchase from 90 days to one year.
- The 2009 amendment changed that part of the formula to: as compensation for service rights, an annual amount equal to the sum of 25 percent of the gross revenues received from power sales to consumers of electric power within the annexed area. The obligation of the annexing municipality to compensate the utility for service rights shall continue for 11 years from the date of the offer to purchase by the annexing municipality. During the 11-year period, compensation for service rights to any one customer location within the annexed area shall be paid by the annexing municipality for a period of seven years or until the expiration of the 11-year period, whichever is less. Gross revenues received shall be determined by applying the rate in effect by the municipality at the time of purchase.

So, the latest amendment extended the overall window from seven to 11 but retained the seven-year cap per customer and went back to the muni rate at the time of purchase.



BIG IDEAS COMPETE

35 Schools Showcase Entrepreneurial Spirit

Kelly Weaver

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An idea for a grocery delivery service for the elderly was the winning idea among 244 entries in the 2018 BIG Idea Competition.

Sully Buttes High School students Kendra Kleven and Avery Weinheimer took first-place in the competition with their Helping Hearts Delivery Service, which aims to deliver groceries weekly and bring hot meals five-days-a-week to the elderly of Onida, S.D. Their prizes included a \$1,000 cash prize, a \$1,000 scholarship to Northern State University, a \$1,000 scholarship to Presentation College and a \$1,000 scholarship to the South Dakota School of Mines & Technology. Their idea also took the top place in the Wellness Category sponsored by Sanford Health, garnering the team an additional \$500 in prize money. Forty-three teams competed in the Wellness Category.

The BIG Idea Competition aims to promote entrepreneurship, spur creative thinking and encourage students to start a business. The competition is coordinated by the Small Business Development Center in Aberdeen, S.D.

Second place went to Butterstick, by Jade Parkin of Rapid City Stevens High School, which is a product where butter will conveniently be stored and ready for use in all situations and for all ages. Second place prizes include \$500 cash, a \$500 Presentation College scholarship and a \$500 NSU scholarship. The \$250 third-place prize went to The 'Wich Doctor by Hattie Muellenbach of Milbank High School, which is a food truck specializing in gourmet sandwiches. The other finalists included Watertown Community Tutor Center by DeLaney Anderson of Henry High School; Stoltenberg Fencing by Christine Stoltenberg of Northwestern High School; Best-a-Essay by Aiden Boerger of Milbank High School; New Outlook by Brianna Jorgenson of Florence High School; and Maria's Boarding and Grooming by Maria Jenkins of Leola High School.



The Marketing Design competition is an option for students to create an ad for their business idea. The \$500 cash award was sponsored by McQuillen Creative Group and 52 entries were judged in this category. The winner was Houghtaling Ultrasound by Danielle Houghtaling of Doland High School, which addresses the need for ultrasound services in the state of South Dakota for the sheep and goat industries. Houghtaling Ultrasound was also the winner of the newly sponsored \$500 cash prize of the Food Animal Agriculture award. The category prize is sponsored by Midwest Ag Supply and 33 entries were in this category. The final event required finalists to make a six minute presentation on their idea for the three final judges - Chad Evans of Centennial Homes, Paul McDonald of Dacotah Bank and Rod Tobin of Siegel Barnett and Schutz. Students also heard from business owners Blain Mikkonen of Grain Designs, Carl Pochop of Colorful Creations and AJ Hoffman of SoDak Sports. They spoke about all aspects of being an entrepreneur. Each panelist shared their achievements and struggles in starting and owning their own business and offered advice for those who might one day want to turn their BIG Idea into reality.

This year's BIG Idea competition also included an honorable mention award

The BIG Idea
Competition
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for those applicants who scored within 10 percent of the finalists. There were 59 honorable mention idea entries and three honorable mention marketing designs. In addition to the schools listed above, students from the following high schools also participated: Bowdle, Brandon Valley, Brookings, Colman-Egan, Custer, Eagle Butte, Edmunds Central, Eureka, Groton, Harrisburg, Hoven, Lead-Deadwood, Lemmon, Lennox, Madison, Miller, Montrose, Parker, Pierre T.F. Riggs, Redfield, Vermillion, Warner, Watertown, Waverly/South Shore, Wessington Springs, West Central and Yankton.

For the first time, the BIG Idea Competition was able offer an award for teachers. The new prize, the Partners in Business Award, is sponsored by Angelhaus to

reward the networking and mentorship experiences teachers have incorporated into their classroom. This year's recipients of the Partners in Business award are Vicki Lentz of Sully Buttes High School, Jerry Janisch of Milbank High School and Katrina Boyum of Florence High School.

For the second year in a row, CREATE sponsored a Makerspace consultation prize. The drawing includes four consultations, a year of makerspace management software and a final report with a blueprint for starting a makerspace. The winning school was Florence High School.

Sponsors for the 2018 competition included Sanford Health, East River Electric Power Cooperative, REED Fund, Dacotah Bank, Midwest Ag Supply, First Bank and Trust, NSU, Presentation College, Aberdeen Development Corporation, McQuillen Creative Group, Northwestern Energy, Angelhaus, CREATE, Midcontinent Communications and the Tom and Danielle Aman Foundation. The Competition is a result of the input and collaboration of many organizations including: Aberdeen Area Chamber of Commerce, Aberdeen Downtown Association, Aberdeen Catholic School System and Aberdeen School District.

For more information about the competition, see www.BIGIdeaSD.com.



January 17

Community Club Annual Banquet, Dinner catered by The Knotty Pine Supper Club, Entertainment by Comedian Scott Novotny, Elkton, SD Tickets 605-542-2681

January 18-19

Media One Funski, Sioux Falls, SD, 605-339-0000

January 18-19

Winter Show, Sisseton, SD, 605-698-7261

January 18-20

Winterfest, Lead, SD, 605-584-1100

January 25-26

Snowmobile Rally, Deadwood, SD, 605-578-1876

January 25-26

Living History Fair, Lake Area Technical College, School children only on Friday, Open to public on Saturday, Watertown, SD, 605-881-1758

January 25-February 3

Annual Black Hills Stock Show & Rodeo, Rapid City, SD, 605-355-3861

January 26

Sioux Empire on Tap, Sioux Falls, SD, 605-367-7288

January 26-27

Dakota Territory Gun Show, National Field Archery Building, Yankton, SD, 605-665-4537

January 31

3 Cheers Celebration hosted by the Spearfish Foundation for Public Education, 5:30 p.m., \$5, W.S. Tretheway Pavilion, City Park, Spearfish, SD, www.spearfishschools.org



February 1-3

11th Annual Winterfest of Wheels, Convention Center, Sioux Falls, SD, 605-231-3100

February 2

Lake Hendricks Fishing Derby, Hendricks, MN, 507-828-2113

February 2-3

Dakota Territory Gun Show, Dakota Event Center, Aberdeen, SD, 701-336-7533

February 5-9

Winter Farm Show, Watertown, SD, 605-886-5814

February 8-10

Black Hills Sports Show & Outdoor Expo, Rapid City, SD, 605-939-1812

February 9-10

Dakota Territory Gun Show, Trophy Show - The Big One, Convention Center, Sioux Falls, SD, 605-630-2199

February 15-17

Annual Artists of the Plains Art Show and Sale, Sioux Falls, SD, 605-274-4007

February 15-17

Annual Frost Fest, Brookings, SD, 605-692-6125

February 16-17

Dakota Territory Gun Show, Ramkota River Centre, Pierre, SD, 605-280-2438

February 21-23

Sno Jam Comedy Festival, Sioux Falls, SD, siouxfallssno jamcomedyfest@gmail.com

February 22-23

State Wrestling Tournaments, Rushmore Plaza Civic Center, Rapid City, SD, 605-394-4111

February 23

Annual Outhouse Races and Chili Cook-off Contest, Nemo, SD, 605-578-2708

March 1-2

Mardi Gras Weekend, Main Street, Deadwood, SD, 605-578-1876

March 9-10

2019 Gun Show, American Legion Hall, Saturday 9 a.m. to 5 p.m., Sunday 9 a.m. to 3 p.m. MST, Philip, SD, 605-441-8466 or 605-441-1216

March 9-12

Summit League Basketball Championship, Sioux Falls, SD, 605-367-7288

March 15-16

28 Below Fatbike Race, Lead, SD, 605-584-3435

To have your event listed on this page, send complete information, including date, event, place and contact to your local electric cooperative. Include your name, address and daytime telephone number. Information must be submitted at least eight weeks prior to your event. Please call ahead to confirm date, time and location of event.