



MOR-GRAN-SOU ELECTRIC COOPERATIVE INC.

# CURRENT NEWS

Serving Morton, Grant and Sioux counties

A Touchstone Energy® Cooperative 

## 'STILL HERE' *22 years later*

*In North Dakota, it seems we are always two weeks away from a drought. But this year, many farmers and ranchers in the Mor-Gran-Sou service area simply had too much rain. In this month's center pages, read how members Glenn and Yvonne Seidler dealt with the excessive moisture, and what they and others are experiencing as harvest comes to a close.*



### OCTOBER IN THIS ISSUE

- Members share farm challenges
- Rural lifestyle comes with a price
- Co-op remembers Barbara Monson
- WANTED: Youth Tour representative
- Meeting minutes ... and more!

# As Mother Nature doles out challenges, **STAYING POSITIVE IS A CHOICE**

Story and photos by Carmen Devney

The sun scorched the earth the summer of 2006. Cattle grazed pastures down to the dirt, and creeks dried to cracks. Mor-Gran-Sou member Wes Frederick kept busy hauling 4,000 gallons of water to his cows, trying to make hay out of dust,



What Mor-Gran-Sou member Wes Frederick says he'll remember most about this year is how the countryside was as green in August when he pulled the bulls out as it had been in June when he put them in.

and entertaining crop adjusters.

A fourth-generation farmer and rancher who lives west of Flasher, Wes would have welcomed disaster assistance from the federal government. But the one thing he really wanted and needed, no person or agency could provide. Wes prayed for rain.

For 3-1/2 years, Wes hauled water to his cows. The creek was so dry, he

claims he could have built a house right in it.

"Those dry years, a lot of people didn't know if they wanted to be here, and stay. I questioned it, too," he admits.

And then, the spring of 2009, a steady stream of rain began to soak and seep into the parched soil, and prayers were answered. Wes says the once bone-dry creek crossing washed out for three consecutive years.

And then, the rain wouldn't stop. Wes says the excessive moisture caused him to start cursing under his breath.

"Our small grain crop turned backward in July," he shares. "It was too much. Disease took over."

Even though yields were low, Wes indicates he is thankful for better market prices.

"In 2009, we were praying for rain, and we had rain, and then we had grain and no price. Now we have lower yields and a better price," he shrugs. "It's a horse apiece."

The challenges of a North Dakota farmer and rancher never end. But Wes, who told Mor-Gran-Sou five years ago that farming was all he ever wanted to do, seems to stay upbeat. It's a choice he makes, not only for himself, but for his wife, Janelle, and children Serena, Hunter and Landon.

"We'll hang around for a while," he smiles.

## Stop the rain?

Small grains with low yields and disease, tremendous row crops, and hit-and-miss hail storms that shredded some crops with huge potential are the talk of country sides and cafes across the Mor-Gran-Sou service area. But at Farm Credit Services of Mandan in Carson, Yvonne Seidler, account representative, says the real story is what wasn't: the land that went unseeded due to too much moisture. "Unfortunately, it's been a pretty busy year — for farmers, adjusters and

insurance companies. The crop insurance season didn't end this year," she says.

"Too wet is uncommon for this part of the country. You hate to say, 'Stop the rain.' We always say we are two weeks away from a drought. But this year, it rained too much. [At Farm Credit Services,] we have way more



Yvonne Seidler, account representative for Farm Credit Services, Carson, says this year yields are varying immensely. Some producers are reporting 40-bushel wheat yields, while others are reporting 7- to 10- to 15-bushel yields and light test weights. "This is another culprit of too much rain, which caused a major amount of plant disease, and in turn yield reductions. The small grains have seen the most beating," she describes.

prevent claims than in past years," she explains. "I would estimate I have 1/3 of my policies that have prevent plant claims on them. In the past, 90 percent of the time I don't have any."

Yvonne, who has been with Farm Credit Services for the past 25 years, says when farmers file a prevent claim, they get paid 60 percent of the normal guarantee for the acres that did not get planted because they were too wet provided they follow the requirements of the prevent plant insurance provisions. There may be adjustments for haying, grazing or using cover crops.

Yvonne and her husband, Glenn, are part of the 1/3 statistic. The Seidlers farm six miles south of New Leipzig. Together with their son, Zach, and daughter, Kayla, these Mor-Gran-Sou members have about 4,000 acres of wheat, corn, sunflowers, and hay and pasture land.

"We had big snows around Easter, and had a very wet spring. About the time we'd think we could get in the field, it would rain again," Yvonne remembers. "No matter where you drove, water would fill in your tracks."

She estimates about 800 acres of the family's cropland acres did not get seeded. Most of it would have been wheat, some additional corn and sunflowers.

While they may lose some money on the wheat that never was, they hope to see good return on the calves they plan to sell this fall. When the couple's son told them that instead of going to college, he wanted to farm and ranch, Glenn said "okay." Then they bought



*Cows are Zach Seidler's (left) favorite part of the family farming and ranching operation. Pictured with his father, Glenn, the two put up a tremendous amount of hay this year. "There is a positive in a lot of moisture. I thought last year was a good year. This year, just about every field we went to made another bale an acre more," Glenn calculates.*

about 100 more cows.

"Usually we try and background the calves. But this fall, with high calf prices, we are looking at selling. At \$800 to \$900 per head, you can't keep calves in the corral," says Zach.

While the drought and rain has caused hardship over the years, like Wes Frederick in Flasher, Glenn and Yvonne stay positive. They've been through tough times before, and there will be tough times ahead.

"Before we got married, it was dry in

the '80s, and for four years we didn't have a crop. The fifth year we got hailed out. I looked at my mother-in-law and said, 'I quit.' She said, 'You can't.' We're still here 22 years later," Yvonne shares.

"Sometimes you wonder why you keep doing it year after year," Glenn confides. "You do all this, and one hail storm in 20 minutes and everything is gone."

"You really have to love it," Glenn summarizes. "It's in my heart."

*Glenn Seidler says this year's corn crop is almost like having two crops in one, although he adds he won't know how good it is until it's in the bin.*



# CO-OP COST COMPARISON

## Rural lifestyle comes with a price

Just as a gallon of gas or loaf of bread rises in price, so does the cost of electricity. If it's been asked once, it's been asked 1,000 times ... why do we pay more in gas than our neighbors in Fargo, when there is a refinery in our own backyard? And why do wheat products cost the same, if not more, in North Dakota in comparison to other states where agriculture and farming do not play a vital role in economic development? While we can only speculate on the cost of gas and bread, we can try and answer why electricity costs more in the Mor-Gran-Sou Electric Cooperative service area in comparison to what our neighboring electric co-ops are charging.

The simplest answer we offer is this: location, location, location. When rural electric cooperatives were formed in North Dakota in the 1940s, rates for member-owners were generally the same. But as the co-op memberships developed and diversified, the rates also evolved.

Natural resources like oil and coal emerged in some counties, providing larger loads for the co-ops that serve those areas. And some urban areas have exploded in population, while other urban areas are steadily rising, maintaining or even declining. Obviously, a larger population means a larger load.

As far as we know, coal and oil do not exist in the Mor-Gran-Sou service area. And our urban development is limited to Mandan and Fort Yates.

For any electric cooperative in North Dakota, the cost of extending services into rural areas is much more costly than urban areas and there is much less revenue on a per-mile basis. In the Mor-Gran-Sou service area there are approximately 11 services per-mile-of-line in the Mandan area, in comparison to about 1.3 services per-mile in the rural areas.

Aside from a lack of natural resources and rapidly developing urban areas, other factors which contribute to our rate structure are the number of miles of line that a cooperative has installed and the amount of kilowatt hours (KWH) sold on an annual basis.

To give you an example, in 2010, these statistics compare Mor-Gran-Sou with two of our neighboring cooperatives:

	Miles of line	Total KWH sold annually	Avg. KWH sales per mile of line
Mor-Gran-Sou	3,793	138,000,000	36,411
Co-op A	3,192	328,000,000	102,821
Co-op B	5,197	488,000,000	93,846

So why are these statistics significant? Because the capital costs of electric cooperatives remain the same. The costs of poles, transformers, conductors and line trucks do not vary from one co-op to the next. And just as capital costs from cooperative to cooperative do not fluctuate, neither do power costs from one of our wholesale power suppliers, Basin Electric Power Cooperative. But when a co-op has large loads like oil, coal or a large urban membership, which use electricity 24 hours a day, it makes a big difference in a co-op's rate structure.

Mor-Gran-Sou has to pay the same costs with a third of the sales per-mile-of-line, in comparison with our co-op neighbors. That's why our rates are determined in part by the land and where we choose to live.

Electricity in rural America makes life so much more convenient. We must also remember that as much as we enjoy our rural life, there is a cost attached to that lifestyle.

### Wholesale power supplier raises rates

Just as we can't control where North Dakota's natural resources are located, we also cannot control wholesale power costs.

About 10 years ago, Basin Electric went through a growth spurt to accommodate the energy needs of its members. Today, Basin is going through a similar expansion and adding generation with one major difference: the cost of materials such as copper, aluminum and steel has increased by more than 200 percent in the last several years.

When construction is complete, Basin will have spent \$3.4 billion for 1,000 megawatts of additional generation. In comparison to the 1980s, Basin added 2,500 megawatts of generation for \$2 billion. When the new generation costs are placed in service, those construction costs are added into Basin's base rate.

Because Mor-Gran-Sou is a member of the Basin family, we can expect to see significant power cost increases for the next three years, and then a leveling-off period. That means rates will increase this year from eight to 12 mills before leveling off in 2015.

While we all feel the pinch at the pump or the grocery store, electricity is still a good value. It's important to remember that even with these rate increases, the Mor-Gran-Sou board of directors expects our rates to be about the same as the average U.S. residential price per-kilowatt hour.

As always, we will continue to keep you up-to-date on what's happening at Mor-Gran-Sou.

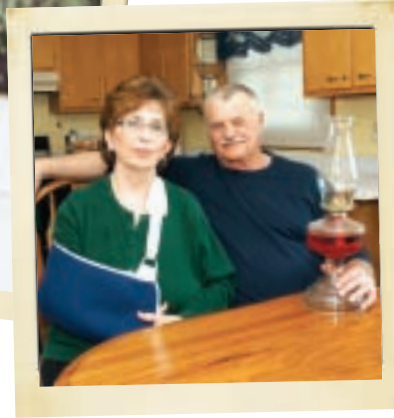
### Rates to be adjusted

At our recent annual meeting, Mor-Gran-Sou announced we will experience a rate increase. The rate adjustment is driven by a 16-percent rate increase in wholesale power cost at the generation level. The board of directors has met twice since that time and adopted a new rate schedule for all rate classifications.

Basin Electric Power Cooperative, our primary generation and transmission power supplier, listed the adverse impact of new environmental and industry regulations, plus economic conditions, as some of the factors that lead to this wholesale power cost increase.

This rate adjustment, which members will see on the electric bill received on or around Nov. 5, will reflect an incremental increase in the monthly energy charges, but will not affect the monthly base charge. The storm surcharge, which began on Jan. 1, will remain as a monthly charge for five years. All charges, including the storm surcharge, earn capital credits. Members will see a return on their investment when those capital credits are retired.

A notification was sent to all members in late September, explaining the details of the rate adjustment. Please call with any questions you may have.



## *Fast facts*

on MOR-GRAN-SOU  
ELECTRIC COOPERATIVE

**Counties served:**

Morton, Grant and Sioux

**Total members served:** 5,430

**Miles of line:** 3,793

**Total meters served:** 7,528

**Miles of buried cable:** 605

**Date first energized:** May 1, 1947

**Power suppliers:** Basin Electric Power  
Cooperative and the Western Area  
Power Administration

## October is CO-OP MONTH

Electric cooperatives are independent and community-focused. They help drive local economic development, fund scholarships, support local charities, and work to make life better in the areas they serve - the heart of the cooperative difference. As we observe Co-op Month in October, electric cooperative members should be proud of the success of the cooperative business model and the spirit of cooperation that these organizations promote.

## Take care around those transformers

**M**or-Gran-Sou Electric would like you to know some very important details about the electric transformers located in your neighborhood. Subdivisions and other areas with underground utilities require pad-mounted transformers as a means to access the electric distribution system. These transformers need to be accessed by cooperative linemen during power restoration when an outage has occurred and also for routine maintenance on the equipment inside the transformer.

A transformer may serve up to eight households and often appears as a "big green metal box." Many times, they are located within utility easements

that cross the lot owner's property. Mor-Gran-Sou Electric requests that our line crews have safe and unobstructed access to electrical equipment at all times. Such access requires a minimum of eight feet of unrestricted space in front of and two feet on the other three sides of a pad-mounted transformer. The front is the side of the transformer that opens to access the equipment inside and usually has a padlock installed.

Obstructions (such as fences, shrubs, trees, storage sheds, wood piles, etc.) that impair entry into the transformer cause service restoration delays during power outages and may present additional safety hazards to

the cooperative personnel trying to restore power. One obstructed transformer can delay power restoration to many more members than those served by that individual transformer. If there is a pad-mounted transformer on your property, please maintain a clear eight-foot area in front of the unit.

For your protection, avoid making contact with a pad-mounted transformer and please, never allow children to play on or near this equipment. Immediately report an unblocked or damaged (leaking oil, struck by vehicle or pushed off its pad) pad-mounted transformer to Mor-Gran-Sou Electric Cooperative, Inc. at (800) 750-8212.

# Safety is the key

by Jackie Miller

**M**or-Gran-Sou Electric Cooperative is committed to the safe use of electricity, by our members, the general public and our employees. Our state association, the North Dakota Association of Rural Electric Cooperative (NDAREC), Mandan, provides ongoing safety training for our employees with regular safety meetings and training events.

In August, Mor-Gran-Sou operations personnel, along with Larry Sailer, safety instructor for NDAREC, participated in a field safety meeting. Mor-Gran-Sou Chief of Staff/Line Superintendent Jason Bentz explains it is common practice to work a summer safety meeting into the field.

"As busy as we have been, incorporating a monthly safety meeting while performing routine line maintenance just makes sense. Line personnel received the safety topic of discussion for that meeting and after that they got to work," he summarizes. "We got a lot accomplished, crews got to exhibit their expertise and safe working habits, and we also resagged approximately eight miles of power line."

Sailer says holding field observation meetings and documenting work procedures is required by the Occupational Safety and Health Administration (OSHA).

This year, Mor-Gran-Sou line crews have focused much of their efforts into reinforcing power lines that were damaged during the 2010 ice storms. And as the Missouri River floodwaters continue to go down, line crews have been energizing services when they can be accessed and inspected.

Thank you, members-owners, for your support and patience as we continue this process. We also want to thank you for working safely around power lines, and to remind everyone to continue to be aware of their surroundings when working near poles and lines.



PHOTO BY LARRY SAILER

*Because Mor-Gran-Sou line crews are busy, they took their monthly safety meeting to the field in August. In this photo, Lance Brown Otter (foreground), journeyman lineman, repairs a broken strand while two co-workers attach the resagged line. Doug Nagel, Mandan area foreman, monitors the procedure from the ground.*

## Mor-Gran-Sou remembers Barbara Monson



**Barbara Monson**

by Jackie Miller

Recently, Mor-Gran-Sou learned of the death of Barbara Monson. Barbara worked for Mor-Gran-Sou as a janitor from September 1977 to August 1980.

Those employed with the cooperative during her tenure said they could always tell when Barbara was in cleaning the evening before they returned to work. Everything was shined and polished, and the air smelled fresh and clean.

Barbara and her husband, Ron, lived near Flasher where they raised their family. They moved to Bismarck in 1990. Her family describes her as a loving wife and mother. She also enjoyed her friends, sharing baked goods with friends and a good game of cards.

The Mor-Gran-Sou board of directors and the entire staff wish to extend our condolences to the family of Barbara Monson.

# NATIONAL RURAL ELECTRIC YOUTH TOUR

High School Juniors and Seniors...

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2012

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- ▶ To enter the essay-writing contest, you must be a junior or senior in high school in the fall of 2012.
- ▶ You and your parents or guardian must be served by Mor-Gran-Sou Electric Cooperative.
- ▶ Essay is not to exceed two standard 8½- by 11-inch typewritten, double-spaced pages on this topic: **What would your day be like without electricity?**
- ▶ Submit your essay in hard copy or electronic format to Mor-Gran-Sou Electric. Electronic submissions should conform to the two-page, double-spaced guideline described above. Include a cover page with your name, date of birth, school and grade in 2012, parent or guardian's name, address and telephone number.
- ▶ The deadline is **January 30, 2012**. E-mailed entries should be directed to Jackie Miller at [jlmliller@morgransou.com](mailto:jlmliller@morgransou.com), and hard-copy entries mailed to: Youth Tour Essay Contest, Mor-Gran-Sou Electric Cooperative, P.O. Box 297, Flasher, ND 58535-0297.
- ▶ If you have a question, contact Jackie Miller, Mor-Gran-Sou Electric, at the address listed above, or call (701) 597-3301 during regular business hours.



### TOP 3 REASONS TO ENTER THE ESSAY-WRITING CONTEST

1. All-expense-paid trip to Washington, D.C., compliments of Mor-Gran-Sou Electric Cooperative.
2. A whole week to visit unforgettable historic monuments, museums and the U.S. Capitol.
3. A learning experience you'll never forget.

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# MOR-GRAN-SOU ELECTRIC COOPERATIVE

## board meeting highlights



### Meeting date: Sept. 1 (August meeting)

- Approved the July 15 Board meeting minutes
- Approved the July 15 Reorganization meeting minutes
- Reviewed the July 15 Annual Meeting minutes
- Approved special equipment and work order inventories
- Approved applications for capital credit retirements to those age 80 and over, and estates
- Heard update on flood status of Mor-Gran-Sou service accounts
- Appointed voting delegates and alternates for various upcoming meetings
- Approved policy revision on Board Responsibility, Qualifications and Removal
- Reviewed all Governance policies
- Approved bucket truck lease for 2012
- Approved outsourcing services for completion of Long Range Plan and Construction Work Plan
- Approved staff direction for right-of-way obtainment for Heskett to Roughrider Substation line
- Accepted Form 990 and 990T
- Appointed director committees for 2011-2012
- Reviewed evaluations and costs of 2011 Annual Meeting
- Set the 2012 Annual Meeting date and location
- Approved Mor-Gran-Sou rate increase to cover Basin Electric Oct. 1 rate increase
- Heard update on 3C Construction, LLC
- Heard update on IEA, LLC (the Alliance)
- Heard department updates
- Heard reports on meetings attended

#### Upcoming regular board meeting dates:

Oct. 26 in the NDAREC Board Room in Mandan at 10:30 a.m. CT

Nov. 29 in the NDAREC Board Room in Mandan at 10:30 a.m. CT

Members are welcome to attend board meetings at any time. Please contact Mor-Gran-Sou at [cternes@morgransou.com](mailto:cternes@morgransou.com), or call 1-800-750-8212 or 597-3301, to confirm the meeting date and location if you wish to attend. To place an item on the agenda, please contact Board Chairman Dave Archambault II or Alliance Co-Manager Donald Franklund at least one week in advance.

Members may obtain a copy of approved board minutes by completing and returning the "Request for Information or Data" form.

## COLD-WEATHER CHARGES

One thing that's certain about North Dakota weather is the uncertainty of it, except for the fact that at some point during the winter, it probably will get cold. Our rates are designed around a number of different factors, one of them being an average cost of installing our service. Over the years, we've seen requests for electric service coming in later and later in the construction season and in many years, throughout the winter season. Both equipment maintenance and labor costs are significantly higher during winter weather conditions.

We're not opposed to obliging those requests, however, depending on frost and weather conditions we will assess an additional contribution in aid of construction charge of \$5 per line foot to help offset our increased costs for late-season, cold-weather work. This charge will be made on a case-by-case basis for line extensions requested and built after Nov. 1 and prior to April 1.

Recognizing that everyone is really busy throughout the year, please remember we need sufficient advance notice (two to four weeks) most any time to schedule installing your electric service or service change, but especially just prior to Nov. 1 because everyone is trying to beat the weather.

If you have any questions please call Randy Ressler, manager of operations, or Jason Bentz, chief of staff/line superintendent, at (701) 597-3301 or (701) 663-0297.



### MOR-GRAN-SOU ELECTRIC COOPERATIVE INC.

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(701) 663-0297 - Mandan

Toll-free: (800) 750-8212 Fax: (701) 597-3915

UNDERGROUND LINE LOCATES

1 (800) 795-0555 OR 811

#### OFFICERS AND DIRECTORS

Chairman .....Dave Archambault II  
Vice Chairman.....Leland "Judge" Barth  
Secretary-Treasurer .....Pam Geiger  
Directors .....Mark Doll, Joe Dunn,  
Bernard Frederick, Robert Gaebe,  
Bob J. Leingang, Casey Wells

#### MANAGEMENT

Alliance Co-Mgr. ....Donald A. Franklund  
Alliance Co-Mgr. ....Clayton O. Hoffman  
Mgr. of Admin. Serv.....Cindy G. Ternes  
Mgr. of Member Serv.....Jackie Miller  
Mgr. of Operations.....Randy Ressler  
Chief of Staff/Line Supt.....Jason Bentz  
Alliance Chief Info. Officer .....Charlie Dunbar  
Alliance Chief Fin. Officer .....Travis Kupper  
Alliance Human Res. Mgr.....Sienna Sailer  
Alliance Mgr. of Engr. Services. ....Rob Kelly

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