

Central Electric

Your Touchstone Energy® Partner 

Cooperative Connections

APRIL 2017 VOL. 17 NO. 12



Working with The Grain

Page 8-9

President and General Manager's Report



Duane Wolbrink, Stickney, SD was elected to the board in 1995 and has served as President since 2002.

Join us on Thursday, April 6th at the Mitchell Corn Palace for your cooperative's annual meeting. Come with expectations for a great meal and to gain a little knowledge about the cooperative you own.

This issue of Cooperative Connections serves as your cooperative's annual report. The financial information for 2016 can be found on pages 10-11. The HVAC, Wiring, and Appliance departments showed strong sales which help to keep electric rates just a little

bit lower. For this, we want to thank each of you, the members and the employees, for this great success.

Your electric cooperative recently reviewed its mission statement to ensure that it accurately represented what our directors and employees strive for. After discussions regarding the importance of safety and serving our members, the following was established: "Providing Reliable Energy and Services with a Commitment to Safety and Member Satisfaction." This statement will guide our daily decisions and tasks as we move forward.

In February 2016, the Supreme Court made an unusual move and voted 5-4 to grant a stay on the Clean Power Plan (CPP). This means that the CPP has no legal effect while courts are currently reviewing the rule, and the EPA cannot enforce any of the deadlines or requirements contained in the rule. If the CPP is upheld, the deadlines will be extended by the length of the current stay.

We would like to thank our members for their support and making their voices heard regarding the CPP. As an electric cooperative, our goal is not to eliminate regulations on coal—our goal is to develop more reasonable deadlines and guidelines that would allow us to continue providing reliable and affordable electricity. With or without the CPP, cooperatives will continue to pursue innovative energy sources.



Ken Schlinggen has been with Central Electric since 1985 and has served as General Manager since 2015.

Operation Round-Up funds were granted for the first time in November 2016. Over \$24,000 was awarded to ten local organizations, and we have already seen these funds make a large impact in your communities for local safety, economic growth, youth enrichment, and much more. Thank you to our members who round up their bills each month for this program. We hope you take pride in this program where a few cents a month go a long way, and 100% of your donation stays local.

Solar informational meetings were held in February 2017. Nearly 100 people attended the meeting in Mitchell, and approximately 30 people attended the meeting in Wessington Springs. The goal of the meetings was to share information on solar technology, solar well pumping, tax incentives, and data gathered from the solar project installed at our main office in July 2015. This is your cooperative, and therefore, we plan to distribute a survey later this year asking the membership's input on what you'd like to see regarding solar energy.

In 2016, utilities across South Dakota experienced a higher number than usual for power line contacts. Power line safety and awareness has always been a high priority for your cooperative. In addition to our classroom presentations and other safety reminders, Central Electric reached out last fall to the local implement dealers and elevators to aid in spreading this safety awareness. As spring planting and outdoor projects begin, please be mindful of both overhead and underground power lines.

Your cooperative continues to grow and adapt to best serve its members. The directors take their jobs very seriously, and the employees uphold a standard of excellence in their work. We strive to continue providing reliable services and improving our members' quality of life.

Central Electric Cooperative Announces 17th Annual Meeting **Thursday, April 6th - Corn Palace, Mitchell, SD**

6:30 P.M. Registration opens and meal is served

Meal will consist of a three meat buffet including broasted chicken, roast beef, broasted pork chop, buttered green beans, mashed potatoes with gravy, dinner roll, coleslaw, macaroni salad, coffee, lemonade and ice cream.

7:30 P.M. Business Meeting

Central Electric Cooperative Connections

(USPS 018-963)

General Manager - Ken Schlingen

Managing Editor - Courtney J Deinert

Assistant Editor - Patrick Soukup

President - Duane Wolbrink

Vice President - Todd VanWallaghen

Secretary - Bernetta Burghardt

Treasurer - James Headley

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Mission Statement
*Providing Reliable Energy and
Services with a Commitment to
Safety and Member Satisfaction*

Annual Report

Board of Directors Central Electric Cooperative



Duane Wolbrink
President
Stickney
Elected 1995



Todd VanWallaghen
Vice President
Letcher
Elected 2010



Bernetta Burghardt
Secretary
Fedora
Elected 2004



James "Jim" Headley
Treasurer
White Lake
Elected 1996



David Gaulke
Gann Valley
Elected 2008



Mark Hofer
Spencer
Elected 1990



Darwin "Butch" Morrison
Mitchell
Elected 2003



Mark Reindl
Wessington Springs
Elected 2010



Roger Campbell
Pukwana
Elected 2014

Paying the Price of Power Theft

It's often an "invisible" crime. Someone illegally hooks into a power supply, hooks up a line that has been disconnected or tampers with a meter to avoid recording electricity usage. Legitimate electricity consumers do not engage in these behaviors, so the impact of electricity theft – including the danger – is often unrecognized.

Power theft carries deadly risks. Many thieves pay for the power they steal with their lives. Electricity theft is not just dangerous for those who steal.

If you are on the same power line as someone who steals electricity, you could pay the cost for their theft too. The power line could become overloaded with electric energy, which could harm your electronics and appliances that are designed to receive a certain, steady amount of electricity. Electricity theft makes power service less reliable and lower quality for paying customers.

Electricity thieves may also unknowingly feed energy back into the power line. This is dangerous for linemen who may assume that the power line they are working on is de-energized.



Safe Electricity reminds that everyone can help prevent and reduce power theft:

- Notify your electric utility immediately if you know of an illegally connected consumer.

• Do not cut the seal on your meter base or tamper with your own meter for any reason.

• Apply for a legal connection if you do not have one.

• Remain aware of your surroundings and report any suspicious activities to your electric utility.

Most electrical theft crimes occur through meter tampering, bypassing meters and tapping power lines. Other less frequent crimes include tapping into neighboring premises, using illegal lines after being disconnected, self-reconnection without consent and electrifying fences. Possessing fraudulent electricity bills is also a federal crime and is punishable by law.

Everyone is affected by power theft and detecting and reporting illegal activity will help reduce the price paid.

Source: safeelectricity.org

10th Annual National Safe Digging Month

Always call 811 a few days before digging

April marks the 10th annual National Safe Digging Month, which reminds residents to always call 811 72 hours before any digging project. National Safe Digging Month is formally recognized by the U.S. House of Representatives and Senate and has traditionally earned the support from nearly every state governor across the country.

When calling 811, homeowners and contractors are connected to the local one-call center, which notifies the appropriate utility companies of their intent to dig.

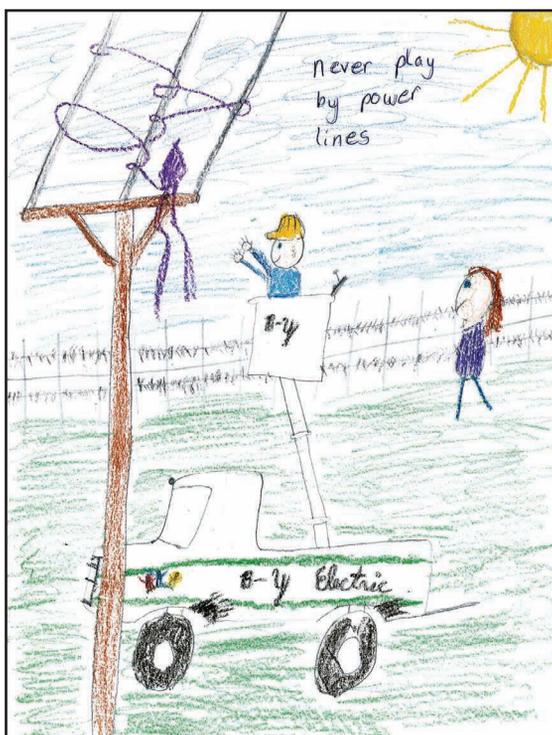
Professional locators are then sent to the requested digging site to mark the approximate locations of underground lines with flags, paint or both.

Every six minutes an underground utility line is damaged because someone decided to dig without first calling 811. Striking a single line can cause injury, repair costs, fines and inconvenient outages. Every digging project, no matter how large or small, warrants a call to 811. Installing a mailbox, building a deck and planting a tree or garden are all examples of digging projects that should only begin a few days after a call to 811.

"As April marks the traditional start of digging season, we are using this month to strongly encourage individuals and companies to call 811 before they begin digging," said Larry Janes, Executive Director of South Dakota One Call. "By calling 811 to have the underground utility lines in their area marked, homeowners and professionals are making an important decision that can help keep them and their communities safe and connected."



Kids' Corner Safety Poster



"Never play by power lines."

Addison Hovorka, 9 years old
Addison is the daughter of Roger and Audra Hovorka, Tabor, S.D. They are members of Bon Homme Yankton Electric Association, Tabor, S.D.

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.

Appetizers and Beverages



Hot Cocoa Mix

- 1 large box instant dry milk
- 1 (16 oz.) box Nestles Quick
- 1 (6 oz.) jar of Coffee Mate
- 1 cup powdered sugar

Combine all ingredients and store in air-tight container. Add 1/4-cup mixture to 1 cup hot water. Top with marshmallows, if desired.

Emily Luikens, Tea

Easy Sausage Appetizers

- 1 lb. sausage
- 2 cups baking mix
- 8 oz. shredded or grated sharp Cheddar cheese

Crumble uncooked sausage with cheese. Mix in baking mix. Shape into small balls. Place on ungreased cookie sheet or parchment paper. Bake at 375°F. for 20 to 25 minutes until browned.

Elaine Rowett, Sturgis

Holiday Punch

- 11 cups water, divided
- 2 cups sugar
- 1 (6 oz.) pkg. red gelatin
- 1 (46 oz.) can pineapple juice
- 2 tsp. almond extract

Boil together 2 cups water and sugar for 1 minute. Remove from stove and stir in gelatin. Pour into 5-quart plastic container. Add remaining ingredients. Mix well, cover and freeze. Three hours before serving, remove from freezer. When soft, break up with spoon and fluff with electric mixer.

Clarice Roghair, Okaton

Texas Caviar

- 1 can shoepeg corn
- 1 can pinto beans
- 1 can black-eyed peas
- 1 small jar pimento
- 1 red pepper, chopped
- 1 green pepper, chopped
- 1 jalapeno pepper, chopped
- 1 medium onion, chopped
- Cilantro, to taste
- 1 cup sugar
- 3/4 cup apple cider
- 1/2 cup olive oil
- 1/2 tsp. salt
- 1/2 tsp. pepper
- Scoop chips

Drain and rinse corn, beans, peas and pimento. Combine sugar, cider, oil, salt and pepper. Mix together all vegetables and marinate in dressing. Serve with chips.

Brad James, Vermillion

Country Ham and Swiss Dip

- 1 cup milk
- 1 pkg. McCormick® Pork Gravy Mix
- 1 (8 oz.) container whipped cream cheese
- 1/4 cup mayonnaise
- 1 T. yellow mustard
- 1 cup cubed ham
- 1/2 cup shredded Swiss cheese
- Pickle chips, optional
- Sliced baguette or crackers

Gradually stir milk into gravy mix with whisk in medium saucepan. Stirring frequently, cook on medium heat until gravy comes to boil. Reduce heat and simmer 1 minute. Stir in cream cheese, mayonnaise, mustard and ham. Spread mixture in glass pie plate sprayed with no stick cooking spray. Sprinkle with cheese. Top with pickles, if desired. Bake at 350°F. for 20 minutes or until cheese is melted. Serve with sliced baguette or crackers. Makes 16 servings, 2 T. each.

Nutritional Information Per Serving: Calories 95, Total Fat 7g, Saturated Fat 7g, Cholesterol 21mg, Sodium 323mg, Carbohydrates 4g, Dietary Fiber 0g, Protein 4g

Pictured, Cooperative Connections

Dried Beef Log

- 1 (8 oz.) pkg. cream cheese, softened
- 1/4 cup grated Parmesan cheese
- 1 T. prepared horseradish
- 1/3 cup chopped green olives
- 1-1/2 oz. dried beef, finely snipped
- Crackers

Blend cream cheese, Parmesan cheese and horseradish. Mix in olives. On waxed paper, shape mixture into 2 6-inch rolls. Wrap and chill several hours or overnight. Roll in snipped beef. Slice and serve with crackers.

Tina Haug, Pierre

Tortilla Pinwheels

- 1 (8 oz.) container sour cream
- 1 (8 oz.) pkg. cream cheese, softened
- 1 (4 oz.) can diced green chili's, drained
- 1 (4 oz.) can diced black olives
- 1 (2 oz.) can diced jalapeno's
- 1 cup grated Cheddar cheese
- 1/2 cup chopped green onion
- Garlic salt to taste
- 8 to 10-inch tortilla shells
- Salsa, if desired for topping or dipping

Mix thoroughly all filling ingredients. Divide filling and spread evenly over tortilla shells. Roll up tortillas. Place on individual pieces of plastic wrap and roll tightly. Refrigerate overnight. Unwrap tortillas; cut in slices 3/4- to 1-inch thick. An electric knife works great for this. Lay pinwheels flat on plate to serve. Top each pinwheel with a small amount of salsa, if desired.

Monica Johnson, Marion

Please send your favorite casserole, dairy or dessert recipe to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in June 2017. All entries must include your name, mailing address, telephone number and cooperative name.

Minutes of the Annual Meeting, April 5, 2016

The Annual Meeting of the members of Central Electric Cooperative Association was held on Tuesday, April 5, 2016, at the Corn Palace, Mitchell, South Dakota. Duane Wolbrink, President, called the meeting to order at 7:30 p.m. Attorney Don Petersen was appointed acting secretary. President Wolbrink announced that there was a quorum of registered members present (370) at the time the meeting began.

President Wolbrink called upon associate Pastor Suzanne Burris of the Mitchell Congregational United Church of Christ to give the invocation.

Everyone was asked to stand for a short video and the National Anthem, followed by the saying of the Pledge of Allegiance.

President Wolbrink asked if there were any members who wished to discuss the proof of notice or the order of business that had been mailed to them. There being no objection the reading was dispensed with and the order of business was approved as sent.

The minutes of the 2015 Annual Meeting were mailed to each member as part of the Central Electric Cooperative Connections Annual Report. President Wolbrink asked if there were any objections to dispensing with the reading of the minutes. There being no objections, the minutes were approved as mailed. President Wolbrink announced that registration had closed.

President Wolbrink gave the president's report which included the financial report, rate forecast, hiring of General Manager Ken Schlimgen, status of the service department, new Wessington Springs Outpost building, software conversion, and the cooperative's involvement in solar.

President Wolbrink called on Manager Schlimgen. Manager Schlimgen welcomed members to the Annual Meeting and gave a brief description of his previous involvement in the cooperative.

Manager Schlimgen introduced Basin Electric Power Cooperative Senior Legislative Representative Steve Tomac. Representative Tomac presented on the status of the Clean Power Plan.

Manager Schlimgen welcomed South Dakota Public Utilities Commissioner Chris Nelson. Commissioner Nelson gave the South Dakota PUC's stance on the Clean Power Plan and spoke in support of electric cooperatives.

Manager Schlimgen gave the manager's report. He announced the Operation Round Up Board of Trustees, which includes Scott Kolousek, Jeruld County; Greg Kotas, Hanson County; Ellen Speck, Buffalo County; Connie Hattervig, Miner County; Carla Amick, Sanborn County; Dave Jorgenson, Davison County; Dale Peters, Aurora County; Jill Ekstrum, Brule County; and Jim Headley, Director-at-Large. He recognized this year's recipient of the Basin Electric Power Cooperative Scholarship, Miranda Henglefeld, Alexandria; and the two recipients of the Jay Headley Memorial Scholarships, Reed Pazour, Pukwana, and Shelby Riggs, Mitchell.

Manager Schlimgen then announced this year's Youth Tour winners: Kaitlyn Asmus, Mitchell Christian School; Stephanie Fauhlaber, Plankinton High School; Luke Mairose, Kimball High School; Abigail Hanson, Hanson High School; Madalyn Hattervig, Howard High School; and Jennifer Luczak, Mitchell High School.

Manager Schlimgen asked Central Electric employees to come up on stage and he introduced them. Employee Dwight Keegel was then recognized for 25 years of service to Central Electric.

Manager Schlimgen spoke about the Co-Ops Vote campaign and encouraged members to research the program and vote. He concluded with how the cooperative strives to provide electricity as "The Next Greatest Thing."

President Wolbrink called for any unfinished business. There was none. President Wolbrink then called for any new business. There was none. President Wolbrink introduced Manager of Operations Brian Bultje and Manager of Member Services and Marketing Patrick Soukup who drew names for prizes.

President Wolbrink asked for and received a motion and a second to adjourn the 2016 Central Electric Annual Meeting. There being no further discussion from members the meeting was adjourned.

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East River Electric Annual Report



Tom Boyko
General Manager - East River
Electric Power Cooperative

Paving The Road to New Opportunity: Letter from the General Manager and President

In the 66 years since a group of electric cooperatives founded this organization, East River Electric has kept a steady eye on future efforts that are needed to fulfill our mission of enhancing the value of our members.

We must ever look to the future so that we can keep our finger on the pulse of changes that affect our industry and seize beneficial opportunities as they arise.

This year's theme encourages us to assess how East River is leading our member systems into the years ahead with innovative ideas and programs and how well we're prepared to respond to this quickly-changing industry.

This past year has been an exciting and challenging one as we worked to solidify our membership in the Southwest Power Pool, navigated the uncertain road of the Clean Power Plan, positioned ourselves to be self registered with the North American Electric Reliability Corporation and kept pace with legislative changes that will affect our industry. In addition, we implemented improvements to our safety and health initiatives, built for future load growth across the East River system and began preparing for the retirement of several cooperative leaders.

Thank you to the East River board of directors, East River employees, our member system board members, general managers and staff for all of the hard work that you've put in over the past year.

We appreciate the trust and confidence you have in our ability to achieve our mission and we look forward to working with you in continuing our long tradition of service.

Steering the Course: Political Advocacy

As we look to the future of electric cooperatives and possible flux within the energy sector, political persuasion must remain a constant priority. East River employees work diligently to stay connected with legislators and keep them informed of our industry.

Our support for the Action Committee for Rural Electrification (ACRE) gives us a powerful tool to counter political dysfunction and ensures that the voice of electric cooperatives remains strong in our nation's capital and state

legislatures. East River regularly reports legal and legislative updates to our members that are of interest to electric cooperatives.

Mile by Mile: Maintaining the Grid

East River's aggressive construction and maintenance plan helps ensure that our transmission system serves the needs of our members now and into the future.

Each year, East River evaluates its transmission system to best determine what projects should be completed that year and also looks ahead in 4-year increments in our Construction Work Plan, which is a document that drives our annual construction schedule.

"East River prides itself on designing a very aggressive construction and maintenance plan each year," said Mark Hoffman, East River's Engineering Services Manager. "All of our workforce who monitor, maintain and construct our system work hard to ensure that our transmission system serves the needs of East River's members now and into the future."

East River completed several important projects over the last year, including transmission projects in the Mitchell area and near Redfield. The Mitchell reroute project is complete and, as part of the project, crews retired original East River transmission line that had been in service since the early 1950s. East River retired 16 miles of line and replaced it with 20 miles of new line that was rerouted around the city of Mitchell.

Becoming A Southwest Power Pool Member

East River officially joined the Southwest Power Pool in October of 2015. In our first year as an SPP member, East River and its members have already experienced several benefits.

Since joining SPP in 2015, East River has begun exploring opportunities to fully utilize the benefits of SPP membership. One of the first steps was to assess the value of East River's assets that qualify for inclusion under SPP's transmission tariff.

Initially, East River integrated about 25 percent of its transmission system with the SPP system and we're already realizing gains from those assets being under SPP tariff. This is a revenue source East River has not previously realized and it has helped East River absorb rising wholesale power costs.

In addition to providing transmission service, SPP has several structured energy markets to meet the region's needs. Since March 2014, SPP has been operating its day-ahead, realtime and operating reserve markets. The foundation of these markets is to maximize the use of the most cost effective resources throughout the region with the ultimate goal of providing the lowest cost power to the consumer.

Working with Wood

Co-op Board Member Makes Handcrafted Creations

NORTHERN ELECTRIC COOPERATIVE BOARD president Mike McHugh finds inspiration for his woodworking projects in many places. If you step into his Brown County home, you'll see some of those projects filling up many spaces.

"I like to see pictures of something and then go build it," McHugh said.

Like the first table, he built out of a piece of wood known as 'flame birch' that now sits in the living room of his house just eight miles north of the Northern Electric Cooperative headquarters. McHugh, who also sits on the South Dakota Rural Electric Association board, crafted the table after seeing a picture of a similar one about eight years

ago. His wonder for the world of woodworking has continued to grow ever since he finished the piece.

"After I quit farming, and semi-retired from farming, it was something to do,"

McHugh said.

McHugh took over the family farm after he graduated from college and cultivated crops and corralled cattle for several decades before he retired in 2000.

He went to work for Wells Fargo following his time on the farm until he retired for good in 2014, which is when he really started

kicking up dust in the woodshop he retrofit in the back of his old horse barn.

"Really when I got started was in 4-H," McHugh said.



Ben Dunsmoor



McHugh made a few projects during his 4-H days as a kid on the farm after his dad purchased a piece of equipment called a Shopsmith, but in the past few years, McHugh has made everything from tables to bowls to the gavel he now uses to preside over monthly meetings at Northern Electric.

"I'll probably spend 15 to 18 hours a week (in the shop)," McHugh said about the time he spends on his various projects.

But McHugh points out that his woodworking is different than a full-time job because he can create the projects he wants to make when he wants to make them.

Two years ago, he built a large entertainment center that now sits in the middle of his living room. He was shopping online with his wife, Mary, for a piece that would hold their flat-screen TV when they found one they liked but sticker shock deterred them from adding it to their cyber shopping cart. McHugh said he would build one instead. The McHughs ended up with a handcrafted oak ensemble that now supports their 60-inch flat screen.

Woodworking in the Great Plains, however, can be difficult because there is often a lack of product to produce projects.

"Trying to find the wood can be a challenge," McHugh said.

It's why he keeps his eyes open as he travels for exotic slabs that he can craft. Last summer he built two coffee tables out of California redwood. He has two more unfinished pieces of redwood sitting in his shop ready to be turned into furniture.

"It's relaxing and it's still challenging," McHugh said.

The fruits of most of McHugh's labor have ended up in the homes of family and friends, but he's running out of corners in his own home for new hand-crafted pieces. He said he may try selling a few items at festivals and 'arts in the park'-type events this summer, but he cautions that it's not going to be a job; just something he likes to do.

"It's just the challenge of it that I enjoy."

Which is why he will continue to search for inspiration anywhere he can find it as he makes plans for future creations.



Left: Two tables McHugh made from California Redwood trees last summer.

Opposite Page, Inset: Among McHugh's creations are "crazy bowls."

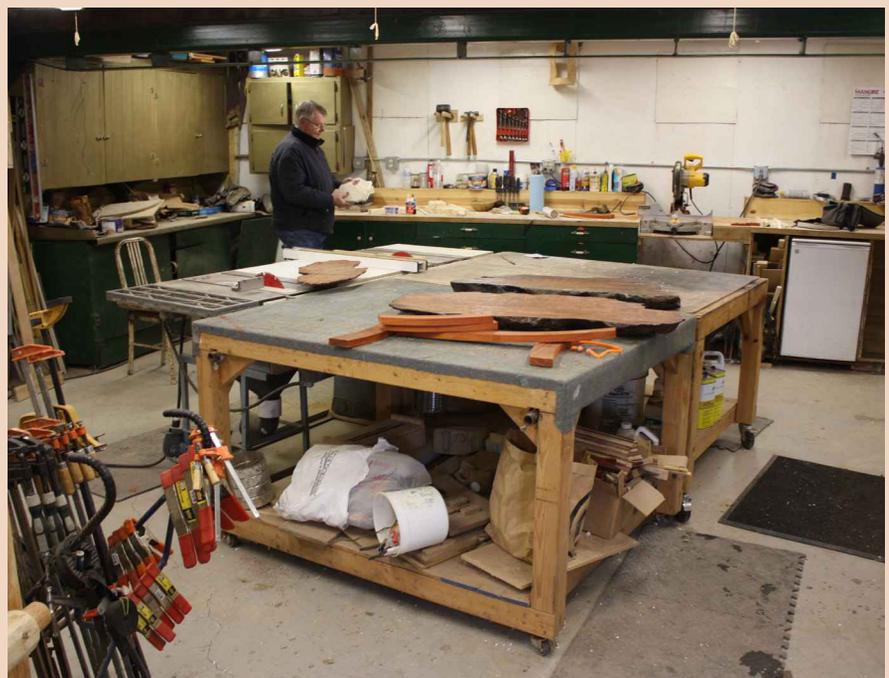
Below: The first table Mike McHugh made from wood known as 'flaming birch.'

Below: McHugh's creativity is not limited to just his wood projects. Here, a repurposed baby stroller serves as a portable clamp cart.



Left: A clock McHugh made out of a wood burl sits on a shelf of the hand-crafted entertainment center in McHugh's living room.

Below: Mike McHugh works in his shop at his farm north of Bath, S.D. **Opposite Page:** An entertainment center McHugh built himself two years ago.



BALANCE SHEET

| ASSETS | 2015 | 2016 |
|--|-------------------------|-------------------------|
| Lines, Office Building and Operational Equipment ----- | \$71,727,031 | \$73,833,518 |
| Less Depreciation ----- | \$(20,621,549) | \$(21,447,658) |
| Total Electric Plant Less Depreciation ----- | \$51,105,482 | \$52,385,860 |
| Cash and Investments: | | |
| General Fund ----- | \$801,703 | \$593,300 |
| Investment:(Associated Organizations) ----- | \$14,097,970 | \$16,678,616 |
| Total Cash Investments ----- | \$14,899,673 | \$17,271,916 |
| Total Receivable ----- | \$3,116,686 | \$3,338,137 |
| Materials and Supplies ----- | \$1,717,159 | \$1,985,625 |
| Prepaid Insurance ----- | \$147,183 | \$141,184 |
| Other Current and Accrued Assets ----- | \$6,603 | \$6,656 |
| Deferred Debits ----- | \$1,574,078 | \$921,666 |
| TOTAL ASSETS ----- | \$72,566,864 | \$76,051,044 |
| LIABILITIES | | |
| Total Amount Owed to RUS & CFC ----- | \$34,865,272 | \$36,747,712 |
| Consumers Deposits ----- | \$152,869 | \$142,963 |
| Deferred Credits ----- | \$1,200,000 | \$1,800,000 |
| Other Current and Accrued Liabilities ----- | \$2,420,769 | \$1,408,732 |
| Accounts Payable ----- | \$2,604,248 | \$2,545,627 |
| TOTAL AMOUNT WE OWE ----- | \$41,243,158 | \$42,645,034 |
| EQUITY | | |
| Patronage Capital and Other Equities ----- | \$31,323,706 | \$33,406,010 |
| TOTAL EQUITIES ----- | \$31,323,706 | \$33,406,010 |
| TOTAL LIABILITIES & EQUITY ----- | \$72,566,864 | \$76,051,044 |

STATEMENT OF OPERATIONS

| REVENUES: | 2015 | 2016 |
|---|---------------------|---------------------|
| Revenue from the Sales of Electricity, Wheeling and Fees ----- | \$29,927,718 | \$30,274,430 |
| TOTAL REVENUE----- | \$29,927,718 | \$30,274,430 |
| EXPENSES: | | |
| Cost of Purchased Power----- | \$20,134,689 | \$21,140,821 |
| Distribution-Operations Expense----- | \$1,226,579 | \$1,345,943 |
| Distribution-Maintenance Expense ----- | \$1,613,285 | \$1,670,619 |
| Consumer Accounting and Collecting Expense ----- | \$281,219 | \$266,201 |
| Consumer Service and Information Expense ----- | \$286,958 | \$340,211 |
| Sales Expense ----- | \$74,848 | \$107,478 |
| Administrative and General Expense----- | \$1,416,259 | \$1,413,705 |
| Depreciation Expense----- | \$2,134,268 | \$1,932,475 |
| Taxes Expense ----- | \$526,845 | \$515,090 |
| Interest Expense----- | \$1,267,371 | \$1,193,700 |
| Other Deductions ----- | \$24,215 | \$24,321 |
| TOTAL EXPENSE----- | \$28,986,531 | \$29,950,564 |
| MARGINS: | | |
| Patronage Capital and Operating Margins ----- | \$941,187 | \$323,866 |
| Non-Operating Margins ----- | \$271,612 | \$138,589 |
| Generation and Transmission and Other Capital Credits ----- | \$947,738 | \$2,199,864 |
| PATRONAGE CAPITAL OR MARGINS ----- | \$2,160,537 | \$2,662,319 |

Private Generation

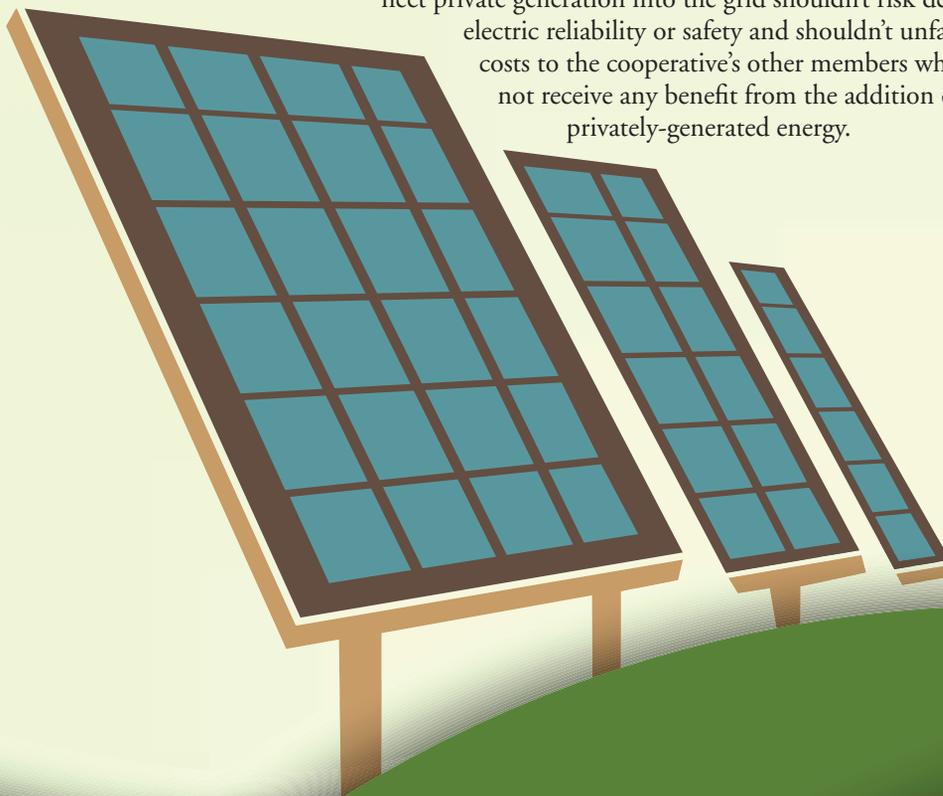
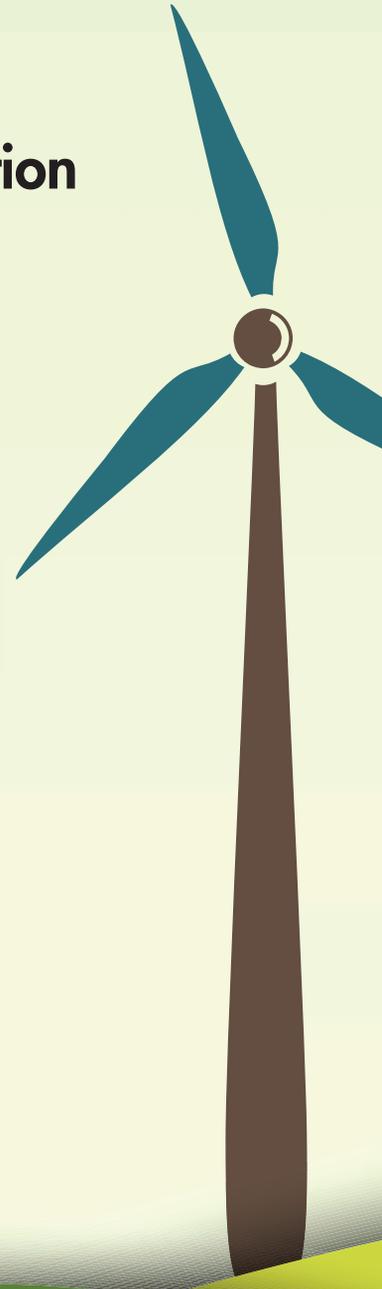
Supporting cooperative members through a responsible approach to distributed generation

What Is Private Generation?

Private generation (also known as distributed generation) is the generation of electric power from a energy source, such as wind or solar. Private generation systems are built at a member's location and are designed to offset or supplement electricity generated by the local utility.

A common form of private generation is the use of solar panels to generate electricity at a home. The electricity generated is typically used to satisfy a portion of a homeowner's energy needs. If generation exceeds a home's usage, the extra energy may be sold back to the electric cooperative at a pre-specified rate.

Adding private generation to the grid must be done in a responsible manner. In the view of electric cooperatives, regulatory requirements to interconnect private generation into the grid shouldn't risk degrading electric reliability or safety and shouldn't unfairly shift costs to the cooperative's other members who do not receive any benefit from the addition of the privately-generated energy.



As interest in private generation rises, cooperatives continue assessing their rate structure to ensure those rates match the changing grid.

For example, we must assess whether the rate the cooperative pays a member for excess privately-generated energy that flows back on the grid accurately reflects the value of that energy. If the rate paid for privately-generated energy is inflated, the cooperative's other members are the ones who ultimately pay the price, resulting in a cost shift.

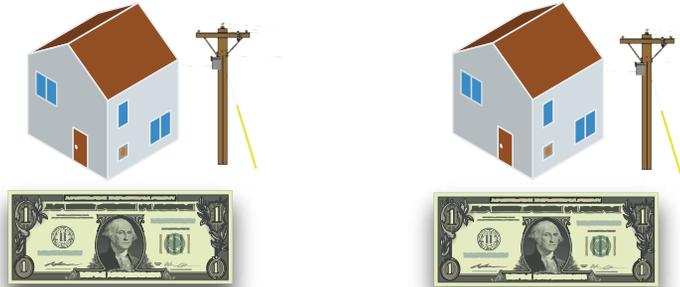
We must work together as a cooperative family to integrate private generation sources onto the grid in a manner that won't shift costs to members who won't stand to benefit from those private energy sources.

As a not-for-profit, member-owned cooperative, our primary focus remains providing the reliable, affordable and safe energy that you need to power your home. Any margins (profits) are invested into the electric system or allocated to our member-owners in the form of capital credits.

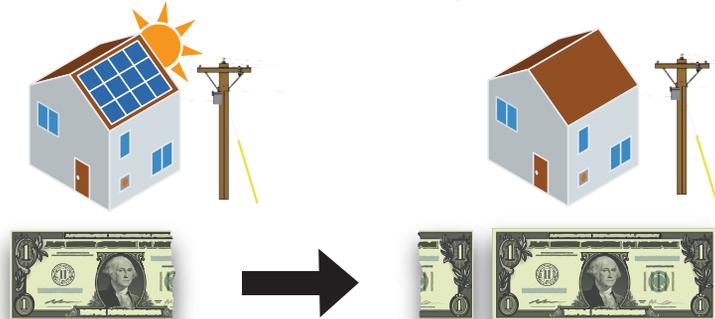
Co-ops Support Renewables

Electric cooperatives are committed to further diversifying their energy generation portfolio and are continuing to add more renewables to the mix. The amount of renewable energy added to the electric co-op power supply mix continues to rise.

Two member homes before private generation. Power costs are similar, fixed costs are shared equally.



Two member homes after private generation was installed in the form of solar panels. Power costs are reduced for the member with solar. Fixed costs are shifted unfairly to the member without private generation.



If you have questions about whether private generation is worth the investment, contact your local electric cooperative to find out more.

Operation RoundUp Funds Granted: White Lake Fire Department

The White Lake Fire Department received a grant for \$3,500 from the Central Electric Operation RoundUp program towards the purchase of a thermal imaging camera.

The thermal imaging camera detects heat and assists firefighters in finding hot spots in a home or even finding a person in a smoky room.

Fire Chief Matt Doering states, "It allows you to detect fire in a wall, for example, if smoke is coming out of a house and you can't see the flames."

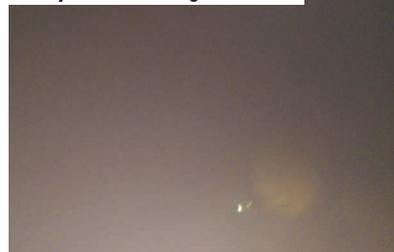
Chief Doering walked in his socks across the cement floor to demonstrate how the camera detected body heat on the floor, even seconds after he made contact. The camera also holds picture and video memory which is very useful for insurance documentation.

The White Lake Fire Department has wanted to purchase a thermal imaging camera for quite some time. In the past, they have borrowed Plankinton's camera when needed. However, when time is of the essence, the White Lake responders will now have the tool readily available. The total cost of the camera was approximately \$5,900.

Pictured left to right: Ross Kieffer, Scott Moeller, Wyatt Krumvieda, Tad McCord, Dale Steffen, Randy Olivier, Chief Matt Doering, John Falk, Operation RoundUp Chairman Scott Kolousek, Director Jim Headley, General Manager Ken Schlimgen



Smoky room with regular camera



Smoky room with thermal camera



Little Tikes Daycare

The Little Tikes Daycare, Inc. received a grant for \$2,200 from the Central Electric Operation RoundUp program towards the purchase of new, reliable appliances.

The daycare has been in business for 12 years and serves over 35 children and approximately 25 families. The current appliances were donated and in used condition when the facility opened. In order to avoid incurring higher rates for their families, the daycare has avoided certain upgrades including new appliances.

The grant was used to purchase an energy efficient refrigerator, washer and dryer. The daycare's dryer had recently quit working before their new appliances were installed. Additionally, Central Electric was able to purchase and install the appliances on their behalf.



Pictured left to right: GM Schlimgen, Director Butch Morrison, Operation RoundUp Vice Chairman Greg Kotas, Kim Weber with the Daycare, Operation RoundUp Board Member Dave Jorgenson, Director Mark Hofer

Schlingen graduates from the Management Internship Program

General Manager Ken Schlingen has completed an intensive program in electric utility management with the University of Wisconsin- Madison.

The Robert I. Kabat Management Internship Program (MIP) is a series of workshops offered by the National Rural Electric Cooperative Association in conjunction with the University of Wisconsin. The program guides participants through all facets of the electric utility industry, including the many changes occurring around the nation.

Schlingen is one of only a few electric utility CEO's that will graduate from the Management Internship Program this year.

MIP participants go through three 10-day sessions designed to challenge and educate participants in new, innovative management techniques. Participants leave with a better understanding of what consumers want and how to ensure they get it.

By also covering the unique principles that govern the operations of electric cooperatives, the program helps the co-op analyze other business ventures it may want to enter as well as enhancing the core organization.

Only rural electric cooperative CEOs and top level management participate in the program. This allows greater emphasis of study, on management challenges and the aspects



Schlingen receives his certificate from Program Director Gary Pfann

of consumer-ownership that cooperatives enjoy. Participants learn focus on member value as part of day-to-day decision making.

Schlingen has completed one of the most exclusive educational programs in the nation for electric cooperative management.



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NATIONAL LINEMAN
APPRECIATION DAY.**

#ThankALineman

Regional Dateline

December 15-March 31

South Dakota Snowmobile Trails Season, Lead, SD
605-584-3896

March 24

Mother King In Concert
Spearfish, SD, 605-642-7973

March 24-25, March 31-April 1

59th Annual Schmeckfest
Freeman, SD, 605-925-4237

March 24-26

Black Hills Home Builders Home Show, Rushmore Plaza Civic Center, Rapid City, SD
blackhillshomebuilders.com

March 25-26

SD State AAU Wrestling Tournament, Rushmore Plaza Civic Center, Rapid City, SD
605-394-4115

March 28

Badlands Bad River Regional Job Fair and Business Expo School Fine Arts Building Philip, SD, 605-441-2059

March 30

I Love The '90s Tour
Rushmore Plaza Civic Center
Rapid City, SD, 605-394-4115

March 31-April 2

Professional Bull Riders Built Ford Tough Series
Sioux Falls, SD
605-367-7288

April 1

Spring Fling Home & Garden Show, Hot Springs, SD
605-745-4140



PHOTO COURTESY OF CHAD COPPERS, S.D., TOURISM

Events of Special Note

March 31-April 1

Holiday Arts Spring Craft Show, Friday 9 a.m. to 7 p.m.
Saturday 9 a.m. to 5 p.m.
Masonic Temple, Mitchell, SD
605-248-2526

April 26-29

Black Hills Film Festival
Hill City, SD, 605-574-9454

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.

April 1

Lunafest Film Festival
Custer, SD, 605-517-1664

April 3-9

American Indian Awareness Week, Spearfish, SD
605-642-6578

April 7-8

Forks, Corks and Kegs Food and Wine Festival
Deadwood, SD, 605-578-1876

April 8

Winefest Renaissance 2017
Aberdeen, SD, 605-225-8714

April 22-23

Banff Mountain Film Festival World Tour, Rapid City, SD
605-394-4101

April 28-May 7

The Last Five Years Community Theater, Mitchell, SD
605-996-9137

April 30

Lorie Line in Concert at the Abbey, Marvin, SD
605-398-9200

May 5-7

Naja Shrine Circus
Rushmore Plaza Civic Center
Rapid City, SD, 605-343-4076

May 6

Frühlingsfest and Spring Market, Rapid City, SD
605-716-7979

May 12-14

Siouxpercon, Sioux Falls, SD
www.siouxpercon.com

May 19

Tesla Car Rally, Custer, SD
605-673-2244

May 19-21

State Parks Open House and Free Fishing Weekend
Pierre, SD, 605-773-3391

June 2-3

Howard Headers Cruise Night and Car Show, Cruise Night on Friday at 6 p.m., Car Show on Saturday, Registration 9:30 to 11 a.m., Show 11 a.m. to 4 p.m., Howard, SD
Contact Gary at 605-203-1086

June 17-18

Coin and Stamp Show
Fort Meade Gym, Sturgis, SD
605-381-4625

June 23

148th Annual Midsummer Festival, Dalesburg Lutheran Church, Vermillion, SD
605-253-2575
www.dalesburg.org

June 23-25

South Dakota Scavenger's Journey, antiques, collectibles flea markets and more from Murdo to Plankinton
Vendor space available
www.scavengersjourney.com