

Newsline

February 2010



Members to receive Co-op Connections Cards within a few weeks

Exciting news for Runestone Electric members. You are days away from receiving your Co-op Connections discount card.

It's free to use. Co-op members can use this card or key fob at participating businesses and pharmacies to receive valuable discounts.

Use the card daily, monthly or as often as you would like. Send the card with your son or daughter. Take the card with you when you travel. The card has something in it for all of our members.

Whenever a Co-op Connections cardholder - whether from REA or from one of the hundreds of Touchstone Energy co-ops across the country - shows the Co-op

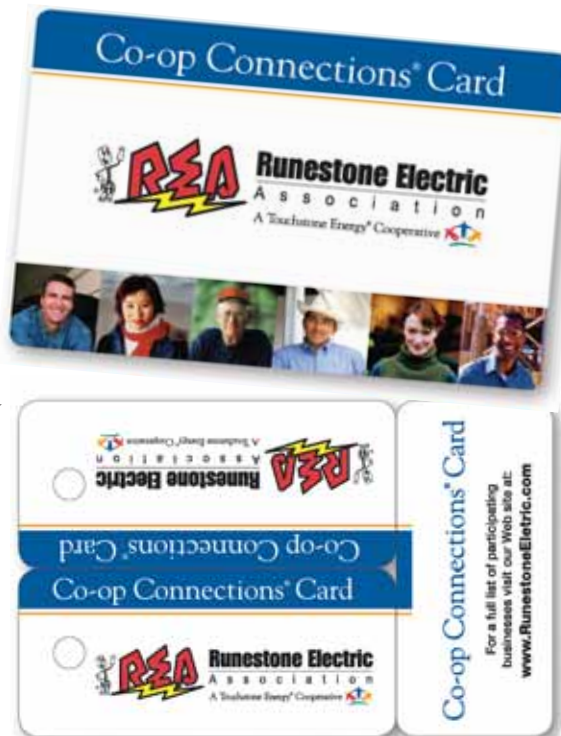
Connections card at a participating business, they receive a discount. Equally, those businesses benefit

from increased customer visits by co-op members. It's easy to spot which local businesses are participating. Look for the Co-op Connections stickers in their windows, or simply log on to our website www.RunestoneElectric.com.

"The Co-op Connections card is a valuable tool that creates an even greater sense of membership and reinforces REA's longstanding commitment to community," said Rick Banke, CEO.

Snowbirds and travelers take note: the Co-op Connections Card is accepted across the country. Watch for window clings and cash register stickers in businesses as you travel across the country or visit www.connections.coop to track discounts available along your travel route (i.e. motels, restaurants, entertainment, recreation, etc.).

Additional information on the Co-op Connections card pharmacy feature can be found on page 3.



Two cards will be arriving in your mailbox soon. One is for your wallet and the other is two key fobs that you can place on your key chains.

REA Scholarships

Runestone Electric (REA) uses unclaimed capital credits to award scholarships to local high school seniors who plan to attend post-secondary school. The funds for the scholarships are administered through our Operation Round Up® program.

To qualify, the graduating senior must have a parent or guardian who is a REA member and have a good academic record. Dollars for Scholars application forms are available from the counseling departments at:

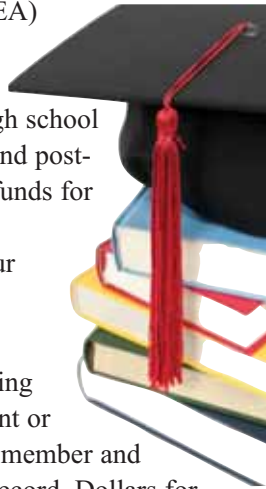
- Jefferson High School
- Minnewaska High School
- West Central High School
- Ashby High School
- Morris High School
- Evansville High School
- Osakis High School
- Brandon High School
- Herman Community School
- Eagle Valley Public School
- Long Prairie/Grey Eagle School
- Hancock High School
- Parkers Prairie High School
- Lakes Area Charter School
- New Testament Christian School
- Country Bible Christian Academy

Each school selects its own recipient for the award from its share of the funds through their Dollars for Scholars or other scholarship programs.

Youth Tour deadline approaching

Runestone Electric is seeking applicants for an all-expense paid trip to Washington, D.C. for the 2010 Youth Tour, June 12 - 17.

To receive an application and essay details, please call (320) 762-1121 or (800) 473-1722. Applications are also available at www.RunestoneElectric.com. The entry deadline is Monday, March 15.



Board Meeting Highlights

The regular meeting of the Board of Directors of Runestone Electric Association was held on Tuesday, December 29, 2009.

- Approved changes to Safety Policy S-01.
- Accepted the proposed University of Minnesota Morris Wind Energy Purchase resolution between Great River Energy (GRE) and the University of Minnesota – Morris. Such a contract requires a Dual Percentage approval of GRE All-Requirement members.
- Transferred the 2009 Uncollectible Accounts to the reserve for bad debt.
- Accepted the .1¢ increase to off-peak rates due to Great River Energy's 2010 rate increase.
- CEO Banke reviewed the CFC Key Ratio Trend Analysis.
- Accepted the proposed 2009 Power Cost Adjustment refund.
- Accepted the final 2009 Budget.

The regular February Board Meeting is scheduled for Tuesday, February 23.

January Heating Degree Days

2010	1,719
2009	1,937
2008	1,789
2007	1,534

December 2009 Statistics

Kilowatt-hours Sold

200925,272,806
200826,042,651

Cost of Purchased Power

2009	\$.1,374,271
2008	\$.1,252,043

Cost per Kilowatt-hour Purchased

2009	\$.050
2008	\$.044

Number of Accounts

200913,531
200813,455

Capital Credits 101

by Rick Banke, CEO

Runestone Electric Association's (REA) board of directors approved a capital credit retirement of \$450,000 at its November 2009 meeting. If you were a member in 1986 and/or a member in 2008 and if your refund amount is greater than \$5.00, you will receive a capital credit refund check in the mail the week of February 22.

REA's priority is to provide a needed service, not a profit.

REA is organized as a member-owned, non-profit cooperative under Internal Revenue Code 501 (c) (12). Still, like any other business, REA must show a margin between what it costs to operate the business and what it takes in as income. If we can't show more income than expenses, then we are financially unstable and cannot obtain loans to build and improve the electric system.

Why do we need loans?

The business of building power lines is very expensive and borrowing some of the money needed to build and improve the electric system is required to maintain rates as low as possible. Of course, when we borrow money, our bankers need to know that it can be repaid, hence, the requirement of margin.

Capital credits

As a member of the co-op, you are also entitled to a share of the co-op's margin – revenues less expenses. When REA has a margin in any given year, your share of that margin is recorded as your capital credit allocation.

The goal is to refund this credit to you over time. Until such time, it provides adequate cash flow for reinvestment in the business and shows the financial stability that is required to obtain the credit we need to provide reliable service.

What happens if I move and I'm no longer a member of REA?

As long as you keep us informed with your current mailing address we will send you a check whether you're a co-op member or not.

I'm turning 80 this year – do I qualify for a special refund?



Yes! When you turn 80 years old or if you have already celebrated your 80th birthday, you qualify for a senior refund of your accumulated capital credits. This one-time refund is a lump sum payment of the accumulated capital credits that are currently held by the cooperative. If the membership is a joint membership, only one of the members needs to be age 80.

Members requesting a senior refund complete a simple form. They are asked to show proof of their age from identification like a driver's license or birth certificate. However, age can also be verified by a family member.

Are my capital credits taxable?

Yes and no – depending if you use electric costs as a tax deduction. It's a good idea to consult your tax preparer for more information on claiming capital credits.

Watch your mailbox

Just a reminder that instead of handing out capital credit checks at the Annual Meeting March 27, checks will be mailed the end of February.

In addition to the capital credit checks, we are also sending our members a Co-op Connections Card. REA, in conjunction with other Touchstone Energy cooperatives serving 22 million member-owners nationwide, has launched the Co-op Connections® program. This new card-based member benefit program is designed to deliver added value to our members - residential and business - by offering valuable discounts or promotional offers at participating local and national businesses. Best of all it's free.

So while our number one priority is keeping the lights on, REA is committed to bringing additional value to our members and the communities we serve. The Co-op Connections program is just another way to accomplish that goal. That's the cooperative difference.

Dave Blom retires after 35 years of service

Dave Blom, Manager of Information Technology, recently retired after thirty-five years of service to REA. Dave began his career as an Apprentice Maintenance Technician back in 1974. Later he became a Maintenance Technician, Assistant System Engineer, and in 1992 became the Director of Operations & Engineering. In 1998 he was promoted to Manager of Metering & Information Technology and completed his career as the Manager of Information Technology.

"It will definitely be different at REA without Dave Blom," comments Rick Banke, CEO. "Dave has been a very dedicated employee since the day he started 35 plus years ago. He always understood that our mission is to serve the members and they have benefitted from Dave's service. As fellow employees, we have all witnessed first hand Dave's positive attitude, knowledge and caring personality. I wish Dave and Karen the very best as they open this new chapter in their lives."



Dave Blom

Co-op Connections Program - Pharmacy Feature

Simply present your card or key fob at the participating pharmacies to save on prescriptions

Will I always receive the lowest price?

Yes. You will always receive the best price available to you through this program at the pharmacy. On occasion, pharmacies will price a particular medication lower than the discounted rate provided by the card. If that occurs, you will receive the lower price.

Can I use my card for over the counter medications?

No. The card does not provide for discounts on over the counter medications.

What is the mail order program?

To ensure members always save money on their prescription drugs, a unique mail order program was created to compliment the network pharmacy benefit. Since most maintenance (long term) medications are purchased in 90-day supplies, members maximize savings and have the convenience of home delivery (at no additional charge) by ordering through the mail order program.

How are these pharmacy discounts different from traditional prescription insurance?

This plan is not insurance; it is a pharmacy discount offer. The card provides immediate discounts at the pharmacy. Upon presenting your card to the pharmacist, you will pay the lower of a discounted price or the pharmacy's regular retail price. There is no paperwork to fill out and no limit to the number of times you can use the card. These discounts are available only at participating pharmacies. Your card cannot be used in conjunction with insurance. However, use your card to purchase prescriptions not covered by your insurance plans at a discounted rate.

Who should I go to if I have other questions regarding the pharmacy program?

REA does not maintain the pharmacy program and therefore will be unable to answer any additional questions. Please direct any other questions or concerns to Touchstone Energy's member services line at **1-800-800-7616**.



- List of participating pharmacies: www.locateproviders.com
- Look up the discounted price of prescriptions: www.rxpricequotes.com
- Pharmacy questions: **1-800-800-7616**

District Meetings held to nominate candidates

As directed by the Runestone Electric Association Bylaws, District One met on Tuesday, January 12, 2010, at the Carlos Town Hall and District Four met on Monday, January 11, 2010, at the Kensington Community Center to nominate board candidates.

Nominated for election to the Runestone Electric Association Board of Directors:

District One

Wilbur Burquest, Incumbent
Spruce Hill Township

District Four

Ronald Holm, Incumbent
Holmes City Township

REA Bylaws also allow for nomination by petition within fifteen days of the District Meetings.

Candidate profiles will appear in the March issue of the *Newsline*.

Please mark your calendar and plan to attend the Annual Meeting on Saturday, March 27, at Jefferson High School in Alexandria.

Watch your mailbox for the Annual Meeting packet that will be mailed in early March.

Are you struggling to make ends meet?

Money is available through the Minnesota Energy Assistance Program (EAP) to help pay your heating bills.

EAP serves homeowners and renters by paying for heat and electricity and may also help homeowners get help repairing or replacing a furnace. Help is also available for those facing foreclosure. Eligibility is based on the past three months of income. For more information contact the agency serving your county:

Douglas, Grant, Pope and Stevens Counties: West Central Minnesota Communities Action, Inc. (218) 685-4486 or (800) 492-4805

Todd County: Todd County Social Services - (320) 732-4516 or 1-888-838-4066

Otter Tail County: Otter Tail County Social Services - (218) 998-8230 or 1-800-450-2310.



Use caution when plowing snow

Be sure to use caution when plowing snow in areas containing overhead

electrical structures and equipment. Remember to maintain a minimum of a 10' clearance between the highest point of your equipment and the lowest electrical equipment.

If you plan to move snow and question the location of electrical cabinets or other electrical equipment due to accumulated piles of snow, please contact REA's Operations Department in advance and we will come to locate our equipment. **Safety is always a priority at Runestone Electric!**

Space heaters can dramatically increase your electric bill



You've seen them - ads to cut your heating bill, pays for itself in a matter of weeks, some even promote a healthier home. What is this magical thing that will make our lives so much better? Space heaters!

A space heater can be very helpful, but the only way to potentially save money is to use a heater in one room and leave the rest of the house cooler.

Most of these heaters are 1500 watt heaters. If a 1500 watt heater is plugged in for one hour, it will use 1.5 kWh. You are billed per kWh (kilowatt hours). Let's say you have a 1500 watt heater that runs 12 hours per day, for 30 days. At a rate of 9.91 cents per kWh, it would cost you \$53.51 for one month to run your electric space heater.

Another thing to remember is the cost of the heater. There is a huge difference in price, ranging from \$20 to over \$400. Expensive does not mean better. There may be more bells and whistles with the more expensive ones but the usage is still the same, 1500 watts or 1.5 kilowatts per hour.

If purchasing a new electric space heater, make sure it is UL approved and follow the manufacturer's directions carefully to keep your family safe.

Other heating appliances

A stock tank heater for cattle or horses will run much of the time when it's located out in the cold. A 1,000 watt heater will cost you 9.91 cents per hour to operate. This sounds low but if it did not shut off, it would use 720 kWh for the month which would cost you \$71.35.

Other things to watch out for this winter are: plugging in your car, heated pet dishes, heated bird baths and heat tape use. Please check individual appliance wattages to determine energy use.

REA can be of assistance to you if you have any questions on the usage of any electrical items and help you determine what they are costing you.

2010 Energy Star® Rebates

New Construction Refrigerator or Freezer*	\$50
Replacement Refrigerator or freezer with recycling of old unit*	\$75
Clothes Washer	\$25
Dishwasher	\$25
Dehumidifier	\$25
Ductless Air Source Heat Pump	\$300
Window/Room Air Conditioner	\$35



Appliances must be purchased after 1/1/10
Limited funds available

Contact REA for rebate form or visit
www.RunestoneElectric.com

*Please note the correction in rebates from the January newsletter

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email: REA@runestoneelectric.com

Office Hours

8:00 a.m. - 4:30 p.m.
Monday - Friday

24-hour outage & emergency service
(800) 473-1722

Underground cable locations
Gopher State One Call
(800) 252-1166

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In case of a power outage

- Make sure the problem is not on your side (Members may be billed for service calls if the problem is caused by their own equipment).
- Check your own fuses and circuit breakers in your home and by the meter pole (Call us for help if you are unsure of the location of your breakers).
- Check with your neighbors to see if their power is off and if they have reported the outage.
- If the trouble is not on your wiring, please call (800) 473-1722 for 24-hour service. Please report any tree branches in lines, twisted wires, broken poles and if your neighbors are also out of power.
- Be sure to have one corded phone in the house, because cordless phones won't work when the power is out.
- Program the number above into your cell phone for easy access.