

Summer 2006

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Basin, NIPCO Boards Meet to Discuss Common Industry Concerns

A joint meeting of the NIPCO and Basin Electric directors provided a forum to educate both groups about the other's business.

The two groups spent four days together in mid-June in Council Bluffs, with NIPCO's board playing host to the visiting Basin Electric board.

NIPCO general manager Kent Pauling kicked off the meeting with a report on the cooperative's recent activities and growth potential.

His report sparked a discussion of NIPCO's Switch Makes Cents

load management program. Basin Electric's board chairman Wayne Childs asked how the control program works.

Steve Ver Mulm, NIPCO vice president of engineering and operations, explained that the control program applies primarily to residential water heaters, air conditioning and irrigation systems. "There also are a growing number of industrial customers who start generation when a control period starts," he said. NIPCO can shed about 15 percent of its peak demand with load control.

Asked how end-use customers respond to having air conditioning cycled on and off, Ver Mulm explained that air conditioner compressors can be controlled up to 40 percent of the time without provoking many complaints from residents. "We encourage people to leave their air conditioners on one setting and not be a 'thermostat jockey,'" he said.

The Switch Makes Cents program is computer-controlled, except for determining the month's set point. Control periods can last from two to 12 hours. Over its 20-



Directors from NIPCO and Basin Electric watch a presentation by NIPCO general manager Kent Pauling when the two boards held a joint meeting in June at Council Bluffs.

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Copper Construction Products Become Target of Thieves

Theft of electricity and related materials is a problem all electric utilities face – and it’s a problem for electricity customers, too.

Since NIPCO and the cooperatives it serves all are member-owned, theft could end up costing all members money. Compensating for theft drives up prices for everyone involved.

For those who commit the thefts, it endangers both their freedom and life.

Across the country, the theft of copper, in the form of conductor and other building materials, has risen dramatically as the price of salvage copper has soared. In February, Embloms Midwest of Sauk Centre, Minn., a contractor rebuilding NIPCO’s Covey tap line in O’Brien County, lost eight



50-pound coils of No. 6 copper ground wire to thieves. Two NIPCO member cooperatives also have suffered copper thefts. At North West REC, someone stripped copper-containing parts from a pole and 10 MVA transformer. Harrison County REC reported two pole-yard break-ins with wire taken, and an attempt to cut underground wire coming up to a pole.

The nation’s electric cooperatives and other electric utilities have been experiencing similar thefts. In some cases, the incidents turned deadly as thieves risked electrocution to steal copper from high-voltage equipment. Since March, at least 10 persons died attempting to illegally remove installed copper conductor. These deaths occurred in Kentucky, West Virginia, Virginia, Ohio and British Columbia.

The price of salvage copper has risen as high as \$4 a pound this spring, but fell back about a dollar by mid-summer.

Cooperative members and members of the public can also help protect the electric supply by watching for anyone tampering with utility equipment. ❖

Boards Meet

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year history, the load control program has saved \$21 million in demand charges for NIPCO and its members.

Dennis Hill, NIPCO vice president of telecommunications services, told Basin Electric board members that load control switches throughout the NIPCO service area are standardized because NIPCO purchases large quantities of the designated switch and re-sells to member cooperatives at cost.

Pauling explained that Switch Makes Cents works well because

of the good working relationship between NIPCO and its members. With feedback from end users, NIPCO and the electric cooperatives have fine-tuned the load control process to both save money and satisfy consumer energy needs.

NIPCO board president Alan Lucken asked what financial impact will be felt if carbon dioxide is declared a contaminant in coal-fired generation. Basin Electric president Ron Harper said that until technology can accomplish what any potential CO₂ regulations require, the costs can’t be determined.

Wayne Backman, Basin Electric’s senior vice president of generation, said Basin generates a ton of CO₂ for every megawatt of electricity generated by coal. The potential listing of CO₂ as a contaminant is “a huge issue” for Basin, Backman said.

Harper said the CO₂ has moved from a scientific issue to a public policy issue. He predicted that it will be part of the platform at the next election. “It adds another piece to the (new generation) planning process,” Harper said. “We won’t have the luxury of getting it ‘just right’ when building new generation.” ❖

Former Linotype Operator Becomes Manning Community Activist

An interest in politics and a desire to contribute to his community set NIPCO director Gilbert “Gib” Phillips on a path that brought him to the cooperative world.

A native of Ida Grove, Iowa, Phillips had been working as a linotype operator for two newspapers when an opportunity opened in 1954 to become a State Farm insurance representative in Manning, Iowa. He moved his family to the Carroll County town of 1,500 where he worked in the insurance industry until his retirement at the end of 1998.

Phillips didn’t confine himself to the world of insurance. He was elected to the Manning City Council in 1963, serving 14 years there, and he also was a board member of a local bank and the hospital.

It was in 1986 that Phillips joined the board of Manning’s Municipal Light Plant, one of six members of Western Iowa Municipal Electric Cooperative Association.

WIMECA’s board named him its president and representative to NIPCO’s board in 1988. Phillips currently is NIPCO’s second longest-serving director with 18 years’ experience.

While the six other members of NIPCO’s board each represent a single cooperative, Phillips represents not only his home municipal electric, but the electric utilities of five other small towns, as well as

the cooperative entity the six municipals have formed -- WIMECA.

Phillips said he has enjoyed the companionship and camaraderie of working in the electric cooperative world, and intends to continue as long as his health holds out. Retired since 1998, Phillips, now age 76, and his wife, Joan, have divided their time

between a home on the shore of Lake Panorama, and a winter home in Surprise, Ariz. Despite spending three to five months in Arizona each year, Phillips still participates in monthly NIPCO board meetings by telephone.

The Phillips both have been instrumental in the development of the Manning Industrial Park, Manning Community Foundation, Manning Hospital and the Community Recreation Center.

Their four children and nine grandchildren all live within easy driving distance of the Phillips’



Gib Phillips, an 18-year member of NIPCO’s board of directors, attended the recent joint Basin Electric-NIPCO board meeting in Council Bluffs.

Lake Panorama home. When he isn’t on the golf course or on cooperative business, Phillips and his wife can often be found cheering on a grandchild at a softball game.

The two Phillips’ sons followed their father’s footsteps. Mike is with State Farm in Des Moines and Steven is with the same company in Omaha. Daughter Gail works for the Iowa Department of Economic Development while daughter Diane is an assistant school principal in Storm Lake. ❖

NIPCO System Grows to Meet Increasing Power Needs

Three substations are in various phases of construction this summer as NIPCO meets continually increasing industrial load requirements.

At Southern Substation in Oakland, the quarter-mile tap line has been completed to the new 10 MVA facility. The sub was energized and tested in late July. The substation will serve a meat processing plant on the northern edge of Oakland.

Construction started in late June to upgrade Siouxland Substation west of Sioux Center. The sub will be doubled from five MVA to 10 MVA to serve two existing businesses, an ethanol plant and an egg production and breaking facility. NIPCO's mobile sub was



New poles have been set for NIPCO's 69-kV line to bypass the town of Sioux Center. Existing poles were leaned over to make room for the new poles.



Jerry Lubben, electrician foreman, pulls a cable to a control panel at the enlarged Galva Substation.

installed to handle the load during construction. Grading and fencing has been completed and concrete work is underway.

A new substation, designated Pleasant, and a one-mile tap line will be built south of Shelby in Pottawattamie County. Site selection is underway. The sub will serve a large Menards pre-hung door construction and distribution center planned for that location.

Construction is complete on 3.75 miles of transmission line to bypass the town of Sioux Center. NIPCO hired Embloms Midwest of Sauk Centre, Minn., to move the line outside the residential area. The existing 69 kV line in Sioux Center will be removed by NIPCO crews next winter. Embloms also has finished a 4.9-mile rebuild of the Covey tap line in O'Brien County this spring.

NIPCO construction crews also have completed doubling the Galva Substation to a 10 MVA facility, and re-routing a portion of the WAPA Denison-J6 line near the Amazing Energy ethanol plant southwest of Denison. ❖



NIPCO's crew pours a new concrete pad prior to moving switch tower K223 27 feet west to allow for a Sioux County road widening project.

NDC Undertakes Fiber Enhancement, Upping Reliability

NIPCO Development Corp. is in the midst of increasing its fiber optic capabilities, enhancing both the ring's capabilities and reliability.

The fiber connection between NIPCO headquarters near Le Mars and the WAPA substation in Sioux Falls, S.D., has not been lit by NDC. Now, an OC-48 will be created by lighting two more fibers and installing nodes at three locations. The nodes will be installed at Eagle Substation, the J2 tower near Primghar and at the Sioux Falls WAPA substation where NDC's fiber terminates.

The upgrade will serve two purposes. It provides additional capacity for NDC customers who wish to send data or voice communications to Sioux Falls. It also creates a redundant path for any OC-48 fiber traffic originating out of Le Mars. The redundancy allows fiber transmissions to follow both a clockwise and counterclockwise path around the fiber ring. Should an interruption occur on one path, the transmission will have the additional route to reach its destination.

The first customer to use the new OC-48 fiber path to Sioux Falls is a current customer who uses NDC's fiber network. ❖

Control, Relay Technician Joins NIPCO

Jason Langford has joined NIPCO as senior control and relay technician in the apparatus department.

A native of Hills, Minn., he graduated from Minnesota West Community College in Jackson with a degree in the electric utility technician program.

He worked for Utility Service Corp. in Huntsville, Ala., and for Dynex Industries in Minneapolis before joining East River Electric Power Cooperative in Madison, S.D., 12 years ago. Langford was a journeyman relay technician for East River.



Langford's wife, Angie, has worked for State Farm for nearly seven years. She has transferred to a Sioux City office and will continue to work for the company. Their daughter, Samantha, 8, will be in third grade in Elk Point, S.D., where the family now lives. ❖

Loess Hills Beckon Akron Native Home

Nestled in the quiet green of Plymouth County's Loess Hills is the home of Jeff and Shay Gebauer.

Built in 1998, the home is the culmination of Gebauer's long-held dream to return to his country roots. A farm kid who grew up near Akron, Gebauer moved to Sioux City and put himself

A 92-acre parcel became available in the Loess Hills, and the Gebauers purchased 48 acres of it, east of Highway 12 and seven miles north of Sioux City. Gebauer designed the four-bedroom, three-bathroom home to fit the landscape. A gravel driveway winds .4-mile up through the trees to

tive Steve Kolker, Gebauer said, he settled on geothermal heat for their home. Now, after eight years with geothermal heat, Gebauer says he is glad he made that choice.

Here are some of the reasons he likes the geothermal system:

- There's no ugly, noisy compressor sitting next to the house.
- The system is quiet; he rarely notices that it is running.
- The air flow, whether heating or cooling, is gentle.
- The cost is low, averaging \$45.50 per month over the past eight years for geothermal heat and cooling as well as water heating.

The Gebauers also have electric service for a hot tub, circulating pond, and outbuilding used for storage and office space. Their electric use averages \$105 per month for everything other than the geothermal unit and water heating.

The underground geothermal heating system, using the natural heat of the earth, keeps the Gebauers' home comfortable year-round for their two sons, one daughter, two grandsons and new granddaughter, all of whom are frequent visitors to the hilltop home.

The farm kid from Akron is back home again, and the city girl is enjoying the comfort, quiet, spectacular view and proximity to nature in their Plymouth County home. ❖



Jeff and Shay Gebauer have frequent visits from children and grandchildren, including Kade, 4, at their Loess Hills home.

through Briar Cliff University in the late 1970s by working as a hospital respiratory therapist. Now an investment advisor, Gebauer and his wife, Shay, spent the first 10 years of their marriage living in Sioux City.

"I'm not a farm girl," says Shay Gebauer, who resisted her husband's efforts to move her to the country. She finally agreed to move outside the city, but only when their youngest child graduated from high school. However, the move took place four years before that graduation.

reveal a spectacular view of rolling terrain 150 feet above the highway.

While making the many decisions that are part of home construction, Gebauer studied a variety of home heating systems. He knew he wanted electric heat because of the beneficial equipment rebates and electric rates offered by North West REC. As an investment advisor, Gebauer said, he was very familiar with the volatility of natural gas and propane prices.

After talking with his North West REC member services representa-

Golfers Raise Record Amount for Area Children's Charity

The seventh annual Touchstone Energy Midwest Golf Invitational raised a record \$33,160 for the kids' healthcare charity, Children's Miracle Network, bringing the total raised over the tournament's history to \$172,350. NIPCO and its member cooperatives sponsored the event at the Dakota Dunes Country Club for 110 golfers representing some 75 businesses from nine states.

Through this event, the Touchstone Energy cooperatives partnered with 27 local, regional and national businesses to show their commitment to community by raising money for a regional charity. Children's Miracle Network, sponsored by the St. Luke's Health Foundation, has received a total of \$159,850 from the golf tournament since the event began.

St. Luke's Children's Miracle Network generates funds and awareness programs to benefit children's health care and helps provide equipment, services and programs at St. Luke's

and its associated partner hospitals. Organized in 1983, Children's Miracle Network has helped raise more than \$2.5 billion for 170 affiliate hospitals serving children throughout the United States. Since 1989, St. Luke's Children's Miracle Net-



Susan Unger, vice president of St. Luke's Foundation, and Chuck Soderberg of NIPCO display a check to the Children's Miracle Network.

work in Sioux City has raised more than \$3.5 million. All of the funds raised locally fund children's health care in 22 counties in northwest Iowa, northeast Nebraska and southeast South Dakota. St. Luke's serves thousands of Siouxland children each year.❖

Highway Construction Scheduled for Year End Completion



NIPCO headquarters lost most of its well-tended front yard to the relocation of U.S. 75. Construction is to improve safety on the four-lane highway and to provide a bypass around the west side of Le Mars.

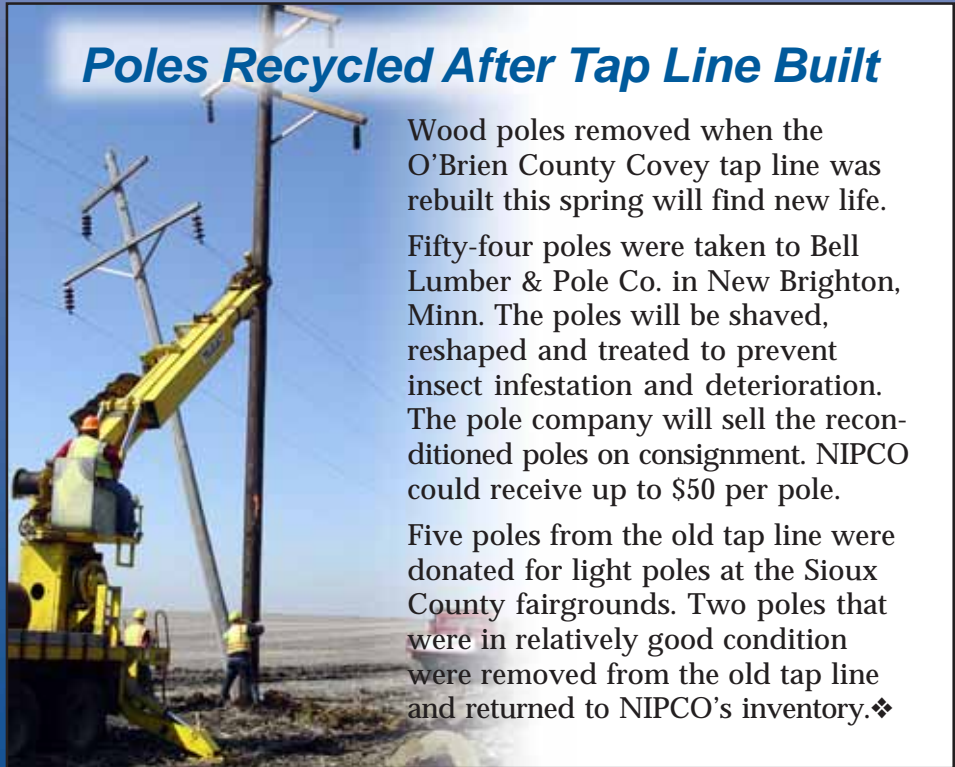
The highways and county roads around NIPCO continue to be a construction zone. Road crews are finishing preliminary work in the immediate NIPCO area. Ditches were seeded and covered in mid-July. Paving was expected to begin in mid-August, starting with County Road C-38, then Keystone Avenue north from C-38 to Iowa 3. After the county roads are completed, paving would begin on U.S. 75. The construction schedule could be altered by inclement weather.❖

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P. O. Box 240
Le Mars, Iowa 51031-0240

NETWORK NEWS

Published by
Northwest Iowa Power Cooperative
P. O. Box 240, 31002 County Road C38
Le Mars, Iowa 51031-0240
712-546-4141
www.nipco.coop

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Poles Recycled After Tap Line Built

Wood poles removed when the O'Brien County Covey tap line was rebuilt this spring will find new life. Fifty-four poles were taken to Bell Lumber & Pole Co. in New Brighton, Minn. The poles will be shaved, reshaped and treated to prevent insect infestation and deterioration. The pole company will sell the reconditioned poles on consignment. NIPCO could receive up to \$50 per pole. Five poles from the old tap line were donated for light poles at the Sioux County fairgrounds. Two poles that were in relatively good condition were removed from the old tap line and returned to NIPCO's inventory.❖