



MOR-GRAN-SOU ELECTRIC COOPERATIVE INC.

Your Touchstone Energy® Cooperative 

CURRENT

Serving Morton, Grant and Sioux counties

JULY 2017

NEWS

Discovering the coming of electricity

As we celebrate the 70th anniversary of Mor-Gran-Sou Electric Cooperative, we look back on the meager beginnings of rural electrification and why women were perhaps the most motivated to get central station electricity in their homes. In the coming months, we hope to visit with some women in the Mor-Gran-Sou service area who will share how electricity powers their family's lives — and why they need it now more than ever.

PHOTO COURTESY NRECA

What's inside:

- Annual meeting reminder
- Stack hay bales safely
- Reports from power providers
- Co-op board report, and more



Plan to attend your Annual Meeting 2017

Mor-Gran-Sou Electric Cooperative's annual meeting will be held on Friday, July 21, at Prairie Knights Casino and Resort. The address is 7932 Hwy. 24, Fort Yates.

Please note the meeting schedule:

- 3:30-5:30 p.m. CT – Registration
- 5:30 p.m. CT – Business meeting call to order, election of candidates
- 6:00 p.m. CT – Business meeting recessed; annual meeting banquet served
- 7:00 p.m. CT – Business meeting reconvenes.

We wish to stress that on July 21st, when the meeting is called to order at 5:30 p.m. CT, no further ballots will be distributed at the registration table. However, meal tickets will be available until 6 p.m. Please plan on being there in time to vote.



Mor-Gran-Sou Electric Cooperative

Your Touchstone Energy® Cooperative 



PHOTO BY CARMEN DENNEY

Drought deepens in N.D. COURTESY OF NDSU EXTENSION SERVICE

The latest U.S. Drought Monitor shows most of southwestern North Dakota is in a severe to extreme drought.

As of the date *North Dakota Living* goes to press, most parts of all counties in Mor-Gran-Sou Electric Cooperative's service area are listed in severe drought, including Morton, Grant and Sioux.

After completing the ninth wettest six-month period, which ended in February, the precipitation pattern started to change, according

to Adnan Akyuz, professor of climatological practice at North Dakota State University and North Dakota's state climatologist.

The entire state is showing less-than-average precipitation during the last three-month period. Portions of central and south-central North Dakota received only 25 and 50 percent of normal precipitation during this period, and even less in some areas.

High winds in late May and early June caused top soil to drift and dry.

"If average temperatures were not as cool as they had been, and if we did not follow a significantly wet six-month period, conditions would be worse," Akyuz says.

Dr. Akyuz predicts the dry conditions will persist throughout the summer.

Visit <http://droughtmonitor.unl.edu/> to see the latest U.S. Drought Monitor map. Click on North Dakota for a closer look. ■



Wayne Peltier (left), and **Paul Sukut**

Basin Electric's history is full of ups and downs, milestones and pivotal decisions. Woven throughout are themes of perseverance and loyalty by the cooperative's members, employees, leaders and friends.

In 2016, we faced challenges like the Clean Power Plan. We put a lot of effort into fighting the rule legally, legislatively, and in the states we serve because of its potential to impact end consumers. However, in the last several months President Trump has taken steps to roll back regulations. Basin Electric affirms the action is a positive step forward in the cooperative's efforts to seek time and flexibility in the development of a carbon management plan.

Aside from the rule, the co-op has worked toward advancing clean coal technologies, and as such Basin Electric finalized a lease and operating agreement with the Wyoming Integrated Test Center at Dry Fork Station in Wyoming.

We showed our resiliency through the mild weather, which created a compounding financial deficiency with the drastic and sudden drop in commodity prices resulting in margin shortfalls.

The cooperative also experienced an

Message from Basin Electric Power Cooperative

BY CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER
PAUL SUKUT AND BOARD PRESIDENT WAYNE PELTIER

(Editor's note: Basin Electric Power Cooperative supplies much of the power distributed to Mor-Gran-Sou consumers throughout the tri-county area. We asked Paul Sukut and Wayne Peltier to update our members on what is happening at Basin Electric.)

influx of wind into the region. Wind offered at extremely low prices in the Southwest Power Pool (SPP) market overwhelmed coal-based generation, resulting in a need to back down coal plants.

All together these events spurred a difficult decision by the board of directors to implement a 7-mill rate increase across the membership. The directors scrutinized all possible scenarios and financial models to ensure they could reach the most astute conclusion. In the end, the rate increase was approved under the condition the cooperative continue its austerity program.

With the program employees exceeded expectations, watching every dollar and considering more efficient ways of doing their work and managing assets. All the efforts combined ensured Basin Electric closed the year in a financially stable position.

In addition, the board and staff have been engaged in strategic planning. From this comes an annual cooperative plan, which focus on four key areas: operational excellence, member support and growth, commitment to cooperative, and commitment to workforce. In all of these areas, external forces are accounted for. They include a carbon-constrained future, commodity risk and emerging technologies. All efforts incorporate continuous improvement with an emphasis on safety through the Our Power, My Safety process, and help

ensure employees and members know where we are, where we're headed, and why we're doing what we're doing.

Basin Electric's nine-state service area is a broad footprint, and one that requires due diligence to ensure the growing membership continues to receive reliable service. This has required substantial investments, but the Bakken region has stabilized with needed transmission infrastructure and gas-peaking capacity.

During the year, Basin Electric welcomed Montana distribution co-ops Fergus Electric and Tongue River as Class C members through Members 1st Electric Cooperative, a new Class A generation and transmission cooperative formed by PRECorp; and Mid-Yellowstone as a Class C member through Upper Missouri. At Dakota Gasification Company's Great Plains Synfuels Plant, construction continued on the development of the new urea processing facility. With the new facility, the Synfuels Plant will continue to be in a position to help keep the cooperative strong with its ever-growing portfolio of diverse products.

The cooperative and its membership faced a lot in 2016. But, having a greater purpose and driven to consistently fight for what's best for the members, we are hopeful that the co-op way will transcend the challenges that threaten to divide us.

We are all in this together, and we couldn't be more honored to serve you. ■



Bob Harris

Message from Western Area Power Administration

BY SENIOR VICE PRESIDENT AND
UPPER GREAT PLAINS REGIONAL MANAGER BOB HARRIS

[EDITOR'S NOTE: Western Area Power Administration (WAPA) supplies a portion of the power distributed to Mor-Gran-Sou consumers throughout the tri-county area. We asked Bob Harris to update our members on what is happening at WAPA.]

Forty years ago, the adversity of high gas prices led, in part, to the creation of the Department of Energy and WAPA. Its mission: to assume the power functions of the Bureau of Reclamation by selling and delivering hydropower across 15 central and western states, including North Dakota. That ingenuity, along with Mor-Gran-Sou Electric Cooperative's founding back in the early 1940s, reflects the forward-thinking and innovation of public power. Today, that spirit of collaboration, gumption and resourcefulness is still needed as our nation addresses changing resource generation mix, increasing cybersecurity and regulatory requirements, and the growth of markets.

WAPA continues to address these changes by collaborating with customers to provide at-cost rates, deliver reliable power and maximize our resourcefulness.

Stable rates through customer collaboration

In Fiscal Year 2016, WAPA delivered 26,675 megawatt-hours to Mor-Gran-Sou under the Pick-Sloan Eastern Division Firm Power Rate. With our cost-based rates, looking for efficiencies and keeping our eye on costs ensures an environment of stable future wholesale power costs. Collaboratively, we also developed the drought-adder rate component for early recovery, clearly tracking and managing costs associated with the decade-long drought in the 2000s.

At the beginning of 2017, WAPA reduced the drought-adder component because customers repaid a significant amount of the drought costs. By Jan. 1, 2018, we anticipate the drought costs will be fully repaid and the drought-adder component will then be zero.

Reliability during the storm

WAPA's operations staff works around the clock to keep power flowing so it is there when citizens flip the switch. In March, the Midwest Reliability Organization reviewed the ability of WAPA's Upper Great Plains regional operations and maintenance programs to meet reliability standards, and confirmed that our programs are compliant. WAPA remains committed to using best practices to ensure reliability of the electrical grid by embedding the reliability standards into our daily operations.

Yet there are times when Mother Nature gets the best of us. In those moments, our crews work with local utilities to restore the system. This past Christmas, a severe blizzard and massive ice storm knocked out power to many communities across Montana and North and South Dakota. In North Dakota, crews cleared out substations buried under snow. They repaired and restored a line brought down by an insulator failure to safely get things back up and running as quickly as possible. We can't always predict the weather, but we can make sure our responses are prompt and appropriate.

In addition to repairs, we will continue to take proactive steps for providing you the reliable services that support local public power for your communities. Specifically, our Bismarck line crew continues to replace structures on the Heskett-to-Devaul 69-kilovolt (kV) transmission line. The new structures will be upgraded to 115-kV specifications, which are stronger, have greater clearances and incorporate overhead ground wire protection with built-in fiber optic communications. When completed, these improvements will increase the transmission system reliability, and enhance utility communication capacity for the local area.

Resourcefulness maximized through innovation

Water and energy are the undercurrent of our thriving communities. WAPA continues to focus on the water-energy nexus that delivers federal hydropower from the same dams and reservoirs that nourish crops and provide watersport recreation. The silver lining to the tough winter is good snowpack that feeds our rivers and hydropower systems. In June, our hydropower conditions looked very good along the Missouri River, with 104 percent of snow water equivalent above Fort Peck Dam, and 164 percent of average between Fort Peck and Garrison dams. With the June prediction of 29.9 million acre feet of runoff, equal to 118 percent



of average, we expect the annual generation to be 113 percent of average. More hydropower means less purchased power to meet our energy obligations to our customers and more surplus energy sales.

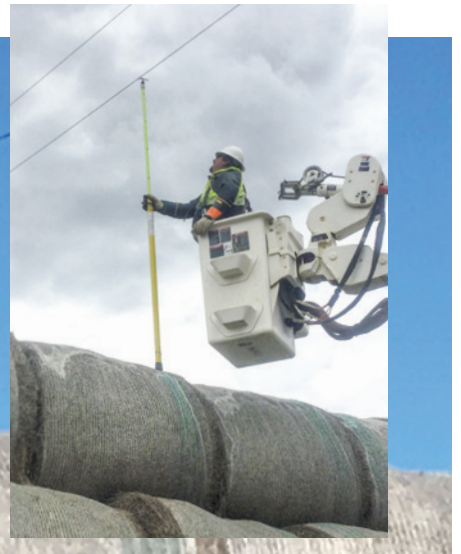
Additionally, we look for arrangements to save customers money. WAPA mitigates purchase power costs and enhances surplus energy sales through membership in the Southwest Power Pool. In partnership with customers, the decision to join SPP in October

2015 has helped lessen transmission costs for delivering purchased power to customers. Membership and full access to the SPP Integrated Marketplace provides us more buying and selling options when we need to purchase or sell surplus energy. In 2016, we also completed a load pseudo-tie with the Midwest Independent System Operator to fully count WAPA capacity in your planning reserve requirements. This focus on efficiency for cost-based services provides savings that

positively impact Mor-Gran-Sou.

Our staff at WAPA focuses every single day on providing value and business excellence for you, our customer. We approach every decision, investment and change with that goal in mind. Our mantra remains, operate at the lowest-possible cost consistent with sound business principles bringing value to our customers. ■

There must be 10 feet of clearance between hay bales and power lines. Keep in mind that summer's warm temperatures can cause power lines to sag. Your best bet is to find another spot away from those hot, high-voltage lines – that under certain conditions, can cause fire, injury or death.



Protect your livelihood — and your life

Stacking hay under electrical infrastructure can be dangerous, if not deadly.

Imagine up to 115,000 volts of electricity running through the power lines directly above the hay you just stacked. Highly loaded, those aluminum wires get hot — and the warmer the temperature — the more the lines sag. There needs to be at least 10 feet of clearance between the neutral line and the top of your hay bales. Did you plan for sag and leave adequate space?

As amps travel the circuit, the wires get warm. If you back your equipment into a guy wire and a pole bends or breaks, or if you hit an overhead line with the loader, the line could fall on the hay and ignite. The hay you need to feed your cattle — and the provisions you made to feed your family — just went up in smoke.

And that could be the best-case scenario. If you or your equipment comes into contact with a power line, you could receive an electric shock that could cause injury and even death.

Protect your livelihood and your life, and stay away from power lines and poles. If you do make contact with a power line, call 911. Remain seated, warn others to stay away, and wait for Mor-Gran-Sou Electric linemen to de-energize the lines. Do not move from the equipment.

To report system damage that is not in need of immediate repair, call Mor-Gran-Sou Electric Cooperative at 1-800-750-8212 or email safety@morgransouelectric.com. If you send an email, please include the location, your name and contact information, and a photo if possible.

Members, your safety matters. Working together helps ensure the safety of all! ■



A woman cooks on an old stove and irons clothes with a traditional iron. Farm wives disliked the dirty job of attending to wood stoves and having to deal with the hot temperatures and constant need to watch and maintain the fire.

Fink points to the inequality of family farm work. Women worked all the time, while men's work was often seasonal, giving them time to participate in other activities. Farm wives were also more isolated; they didn't go into town as often as their husbands.

Imagine how an electric range, a clothes washer, and a radio could shift that relationship.

Nebraska Senator George Norris, the legislative "father" of the Rural Electrification Act of 1936, grew up around these women and noted in his autobiography: "I could close my eyes and recall the innumerable scenes of the harvest and the unending punishing tasks performed by hundreds of thousands of women, growing old prematurely; dying before their time; conscious of the great gap between their lives and the lives of those whom the accident of birth or choice placed in the towns and cities.

"Why shouldn't I have been interested in the emancipation of hundreds of thousands of farm women?"

The National Rural Electric Cooperative Association (NRECA) and co-ops across the country have documented what this emancipation felt and looked like.

Congressman Clyde Ellis, later NRECA's first chief executive, went home to Garfield, Ark., on the day in 1940 when Ozarks Electric Cooperative turned the lights on. "I wanted to be at my parents' house when electricity came," he'd said. "When they finally came on, the lights just barely glowed. I remember my mother smiling. When they came

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Rural Electrification Was a Women's Movement

COURTESY OF RE MAGAZINE AND FRANK GALLANT

Before the much-heralded women's liberation movement of the 1960s and '70s, there was the lesser-known women's movement out of darkness in the 1930s and '40s — better known as rural electrification.

Men piked poles and strung wire, but women trooped to organizational meetings and raised their hands when seats on committees and boards of directors needed to be filled. They pushed reluctant husbands to pay the \$5 membership fee to join an electric co-op and see it

through to success.

Women were motivated to get central station electricity in their homes because they, by most measures, had the harder life. They bore and raised children without lights or indoor plumbing. They cooked meals over a woodstove on sweltering summer days, washed clothes by hand, and swept dusty wood floors with calloused hands so often, it seemed to their husbands and children they never put the broom down.

Rural anthropologist Deborah



on full, tears started to run down her cheeks.”

Meanwhile, another story from the time tells of a small farmhouse in Missouri where a woman ignored the naked lightbulb hanging from the parlor ceiling and ran into the kitchen, where her new refrigerator had stood for a month waiting for electric current. When she opened the door and saw the little light inside come on, she burst into tears.

A refrigerator was one of the first household appliances purchased by co-op families. They also bought washing machines, vacuum cleaners, toasters, water pumps, ranges, sewing machines, irons, and radios. The last two were the most popular appliances early on, probably because irons were relatively cheap, and

isolation from town life and the news and entertainment of the wider world was a major drawback of farm life before electrification.

For women unfamiliar with how electricity could make their lives easier, there was Louisan Mamer and the other home economists that the Rural Electrification Administration (REA) sent out on the road. Mamer was one of the best-known “performers” at the REA Farm Equipment Show, or what became known as the “REA Circus.”

Begun as an experiment in October 1938, the circus made 12 two-day stops in Iowa and 10 in Nebraska before the tents and demonstration props and appliances were loaded onto the trucks for the drive back to Washington, D.C.

The show visited 26 other states over the next three years, reaching a million farm families. “It was successful beyond its most ardent supporters’ dreams,” Dick Pence and Pat Dahl wrote in NRECA’s 1984 book, *The Next Greatest Thing*.

There were plenty of things for men to see at the show: dairy equipment, motors for sawing and grinding, water pumps. But readers get the feeling from the old photos and the descriptions in the book that women were the most enthusiastic attendees.

Rural women were on the move in those years leading up to World War II. They, above all others, understood that electrification would be life-changing. ■



PHOTO BY CARMEN DEVNEY

Lance Woods with RAM Utilities

Maintaining the system

To help reinforce the reliability of Mor-Gran-Sou Electric Cooperative’s electrical system, approximately 4,500 transmission poles were tested this spring, says Manager of Operations Randy Ressler.

RAM Utilities, a company with headquarters in Moorhead, Minnesota, started the testing in the Stanton area and continued south. Compromised poles will be changed later this year.

Pole testing includes several steps, according to Joel Rovang with RAM Utilities. The first step is a visual inspection of the pole. Next, inspectors excavate to a depth of 6 to 8 inches around the bottom of the pole to check for damage below ground. The pole is then “sounded,” which involves hitting it with a hammer at certain points and interpreting those sounds with a trained ear. Boring is also used to inspect poles. A drill is used to take core samples of the pole. Treated

plugs are then placed into the drill holes and the area is wrapped.

“The inspection of a pole is a mix of art and science,” Rovang says. “The science is what a person learns about decay, impact damages, loading and how it all fits together to determine the strength versus load ratio of the pole. These are things that can be measured. The art is what a person perceives about that particular pole, which is like no other pole on the system, which may influence its strength.”

Typically, Mor-Gran-Sou Electric Cooperative replaces approximately 100 poles a year.

“Transmission pole inspection and regular maintenance are important aspects of our effort to maintain system reliability,” Ressler says.

Testing transmission poles is one of many ways Mor-Gran-Sou Electric Cooperative is committed to providing members with safe and reliable electric service. ■

MOR-GRAN-SOU ELECTRIC COOPERATIVE

board meeting highlights



Meeting date: May 30, 2017

- Approved the April 27, 2017 regular Board meeting minutes
- Approved a work order inventory and a special equipment inventory
- Approved capital credit refunds to estates and those age 80 and over
- Approved participation in National Rural Utilities Cooperative Finance Corporation's Integrity Fund
- Accepted 2017 candidate withdrawal letter
- Directors completed Mor-Gran-Sou's summary input for the Innovative Energy Alliance Cooperative annual Co-General Managers' evaluation
- Heard Co-General Managers/CEOs' update and report on several meetings attended
- Heard and accepted the April financial report
- Reviewed and accepted director's expense report for April
- Reviewed department reports
- Assigned attendees for various meetings/events
- Held Executive Session

Upcoming regular board meeting date:

July 21 at Prairie Knights Casino & Resort
Prairie View Room at 3 p.m. CT

Aug. 30 in the NDAREC board room
in Mandan at 9 a.m. CT

Members are welcome to attend the board meetings at any time. Please contact Mor-Gran-Sou at cternes@morgransou.com, or call 800-750-8212 or 701-597-3301 to confirm the meeting date and location if you wish to attend.

To place an item on the agenda, please contact Board Chair Leland "Judge" Barth or Co-General Manager/Chief Executive Officer 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. You can find this form at www.morgransou.com, or call the office for a copy.

JULY 26: KX/CO-OP DAY at the N.D. State Fair

The KX/Co-op Day at the N.D. State Fair will be held July 26 in Minot. If you plan to attend the fair on July 26, please stop by the Flasher office or the Mandan Service Center (2816 37th St. N.W.) and pick up reduced-price tickets for \$1 off gate admission, a free breakfast served near the Commercial II Building on the fairgrounds, \$5 off unlimited-ride wristbands for carnival rides, \$1 off the Ranch Rodeo admission and a free ice cream social at the KX/co-op tent.

HEAD WEST FOR LESS!

Fifteen Touchstone Energy® Cooperatives in North Dakota have joined forces to make vacationing in North Dakota more affordable for families, including Mor-Gran-Sou Electric Cooperative. This summer, head west to Medora, where electric cooperative members are eligible for a 15-percent discount in association with:

- Tickets to the Medora Musical
- A Pitchfork Steak Fondue
- Lodging at the Bunkhouse Motel, Badlands Motel or Rough Riders Hotel
- Bully Pulpit Golf Course

Members also receive 20 percent off at the Cowboy Hall of Fame by providing the discount code TOUCH2017 at the door.

Mor-Gran-Sou members, if you travel to beautiful Medora anytime this summer, call 1-800-MEDORA-1 for reservations and use the code TOUCH2017 to receive your 15-percent savings.



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Vice Chair..... Casey Wells
Secretary-Treasurer..... Bonnie Tomac
Directors Mark Doll,
Vernard Frederick, Lance Froelich,
Chad Harrison, Jay Larson, Bob J. Leingang

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Co-General Mgr./CEO..... Chris Baumgartner
Co-General Mgr./CEO..... Donald A. Franklund

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