

## Cooperative Connections



**Commanding,  
Controlling  
Energy  
Savings**

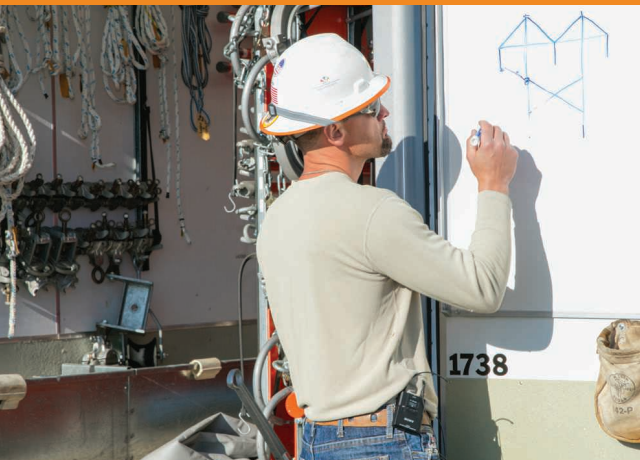
Page 8

**A Matter of  
Territorial  
Integrity**

Page 12



Tough  
training.  
Safe &  
reliable  
power.



Linemen play a critical role in our mission to provide reliable, affordable electricity. Tough training and a focus on safety is behind everything they do. Simulated field operations and emergency-response training are ways Basin Electric invests in their safety and in providing reliable power to you.



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# South Dakota Electric Cooperative Connections

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West Central Electric, Murdo, S.D.  
West River Electric, Wall, S.D.  
Whetstone Valley Electric, Milbank, S.D.  
City of Elk Point, S.D.

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## A LETTER TO SOUTH DAKOTA'S LEGISLATURE

2019 Legislative Session:

# Fairness and Integrity



**Ed Anderson**

SDREA General Manager  
ed.anderson@sdrea.coop

On behalf of South Dakota's electric cooperatives, I would like to welcome the legislators back to Pierre for the 2019 legislative session. Your service to your constituents and the state is very much appreciated.

With at least one of our member systems operating in every county in the state, electric cooperatives represent the strength, independent spirit and diversity that makes South Dakota such a wonderful place to live. Each of our member cooperatives can trace their roots to humble beginnings, perseverance through challenging economic times and an unwavering commitment to bring reliable and affordable power to their members.

In this issue of *South Dakota Electric Cooperative Connections*, you'll find an article that outlines the legislative initiative we've introduced for your consideration during the 2019 session. In the mid-1970s, the South Dakota Legislature, like other legislative bodies across the country, passed legislation creating defined service territories for every electric utility operating in the state. Designed to eliminate duplication of service and control costs, the laws also created an obligation to serve, ensuring access to this critical utility service.

Under the existing statutes, electric utility systems are required to refrain from providing service to loads outside of their defined service territories with three notable exceptions:

- First, utilities are free to negotiate individual customer swaps or permanent changes to boundary lines separating neighboring utilities. These changes must be approved by the Public Utilities Commission.
- Second, large commercial/industrial loads (over two megawatts) are biddable loads, open to a competitive bidding process.
- Finally, electric utility systems owned by a municipal government can elect to take the territory of a neighboring electric cooperative or investor-owned utility at their discretion and without PUC approval, whether the neighboring utility agrees to the taking or not, under a statutorily defined compensation formula. It is this provision that continues to deny some of our members the opportunity to enjoy growth around the outskirts of some cities that would support cost control, rate stabilization and more robust economic development opportunities for their cooperative.

Municipal governments that operate electric utility systems have historically contended that the expansion of municipal boundaries is not feasible without the taking of the neighboring utility's service territory. And yet examples of cities without municipally owned electric utility systems doing exactly that abound. I encourage you to read the article on Pages 12-13 and we look forward to visiting with you more about our legislation.

# Downed and Dangerous

Downed power lines can be deadly. ALWAYS assume a downed power line is live and avoid going near it or anything in contact with it.

### Use Precaution

- Downed power lines can energize the ground up to 35 feet away.
- If you see a downed power line, immediately notify local authorities.
- Never drive over downed power lines or through water that is in contact with them.
- Never try to move a downed power line. Even using items that typically are not conductive will not prevent injury or death.

### Know What to Do

- The safe way to move away from a downed power line is to shuffle away with small steps, keeping your feet together and on the ground at all times.
- If your car comes in contact with a downed power line while you are inside, stay in the car. Do not touch any part of the car's frame or any other metal. Use a cell phone or honk your horn to summon help. Allow only rescue personnel to approach the car.
- If your car is in contact with a downed power line and you must exit due to fire or another imminent threat:
  - Do not touch your vehicle and the ground at the same time with any part of your body or clothing.
  - Open the door to your vehicle without touching the metal door frame.
  - Jump out of the vehicle with both feet together and so both feet land at the same time.
  - Shuffle away so that the toe of one foot shuffles forward along the length of the other foot, ensuring that both feet are in constant contact and always touching the ground.
- If someone comes in contact with a downed power line or something else that has become electrified, call 911 immediately.
- Never touch someone who has come in contact with a power line. They are energized and pose a danger to anyone who comes in contact with them.
- Remember power lines don't have to fall in order to be dangerous. Always call 811 before you dig and keep yourself and your equipment at least 10 feet from overhead power lines.

Source: esfi.org

# Getting Involved

The state legislatures of both Minnesota and South Dakota convened in early January. Need to contact your legislator while in Pierre or Saint Paul? Here's how:

### Contacting Members of South Dakota's Legislature:

Go to <http://sdlegislature.gov/>. From there, you can search your senator or representatives, see the committees which they are assigned and send them an email. Need to reach them by phone? You can call and leave a message with the Senate at 605-773-3821 or with the House of Representatives at 605-773-3851. You can also send a fax to 605-773-6806.

### Contacting Minnesota Legislators:

**For contact information on Minnesota house members, visit:**

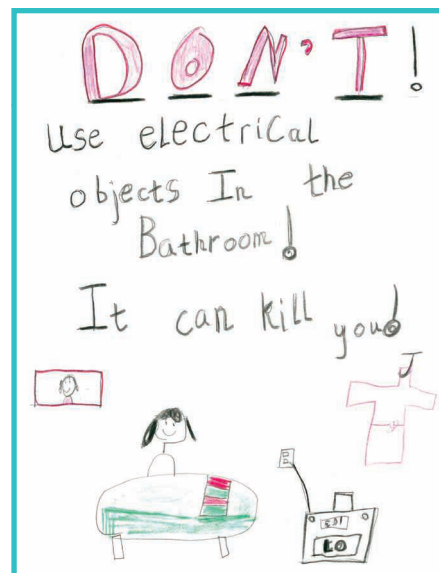
<https://www.house.leg.state.mn.us/members/hmem.asp>

**For contact information on Minnesota senators, visit:**

<http://www.senate.leg.state.mn.us/members/index.php?ls=%20-%20header>



## KIDS CORNER SAFETY POSTER



**"Don't use electrical objects in the bathroom. It can kill you!"**

**Gracie Biggins,**  
7 years old

Gracie is the daughter of Jessy and Katie Biggins, Gregory, S.D. They are members of Rosebud Electric Cooperative, Gregory.

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.

# Bountiful Brunch

## Slow Cooker Monkey Bread

- |                                       |   |
|---------------------------------------|---|
| 1 cup (2 sticks) butter               | 1/2 cup granulated sugar  |
| 1 cup firmly packed light brown sugar | 2 (16.3 oz. each) cans flaky layers refrigerated biscuits, each biscuit cut into 6 pieces |
| 1 T. ground cinnamon                  |   |

Spray 6-quart slow cooker and outside of wide mouth glass jar with no stick cooking spray. Place glass jar in middle of slow cooker. Melt butter in small saucepan on medium heat. Add brown sugar and stir to combine; set aside. Place cinnamon and granulated sugar in large resealable plastic bag. Add biscuit pieces in batches and shake to coat. Place 1/2 of the biscuit pieces in slow cooker around glass jar. Pour 1/2 of the butter mixture over biscuit pieces. Place remaining coated biscuit pieces in slow cooker. Sprinkle with any remaining cinnamon-sugar mixture in bag. Pour remaining butter mixture evenly over top. Cover slow cooker with clean kitchen towel then with slow cooker lid to secure towel. Cook 1 hour on HIGH. Carefully remove slow cooker insert and rotate. (This allows monkey bread to cook evenly.) Cook 1 hour longer or until toothpick inserted in center comes out clean. With towel and lid still secure, remove slow cooker insert from heat. Let stand 10 minutes. Carefully remove glass jar. Invert monkey bread onto serving platter. Makes 18 servings.

*Nutritional Information Per Serving: Calories 302, Total Fat 14g, Saturated Fat 8g, Protein 3g, Cholesterol 27mg, Sodium 491mg, Carbohydrates 41g, Fiber 1g*

**Pictured, Cooperative Connections**

## Oatmeal Pancakes

- |                           |                          |
|---------------------------|--------------------------|
| 2 eggs, separated         | 1/3 cup flour            |
| 2 cups warm milk          | 2-1/2 tsp. baking powder |
| 2 cups quick cooking oats | 1 tsp. salt              |
| 1/3 cup oil or shortening |                          |

Beat egg whites until stiff. In separate bowl, add warm milk to oatmeal; let set a few minutes. Add egg yolks. Mix in oil, flour sifted with baking powder and salt; mix well. Fold in whipped egg whites. Heat a nonstick griddle over medium heat. Coat pan with cooking spray. Spoon about 2-1/2 T. batter per pancake onto griddle. Turn pancakes over when tops are covered with bubbles; cook until bottoms are lightly browned.

**Elfrieda Postma, Sioux Falls, SD**

## Wake-up Casserole

- |                                |                             |
|--------------------------------|-----------------------------|
| 8 frozen hash brown patties    | 7 eggs                      |
| 4 cups shredded Cheddar cheese | 1 cup milk                  |
| 2 cups cubed ham               | 1/2 tsp. salt               |
|                                | 1/2 tsp. dry mustard powder |

Place hash brown patties in a single layer in a greased 9x9-inch glass dish. Sprinkle with cheese and ham. In bowl, beat eggs, milk, salt and mustard together. Pour over ham and cheese. Cover and bake at 350°F. for 1 hour. Uncover and bake an additional 15 minutes until edges are golden brown and knife inserted in center comes out clean. Makes 8 servings.

**Mary Jessen, Holabird, SD**

## Eggs Benedict Casserole

- |                             |   |
|-----------------------------|---|
| 8 large eggs                | into 1/2-inch pieces                        |
| 3 cups milk, divided        | 6 English muffins, cut into 1/2-inch pieces |
| 3 green onions, chopped     | 1/2 tsp. paprika                            |
| 1 tsp. onion powder         | 1 (.9 ounce) pkg. hollandaise sauce mix     |
| 1 tsp. salt                 |   |
| 3/4 lb. Canadian bacon, cut | 1/4 cup butter                              |

Spray 9x13-inch baking dish with cooking spray. Whisk eggs, 2 cups milk, green onions, onion powder and salt together in a large bowl until well mixed. Layer half the Canadian bacon in prepared baking dish. Spread English muffins over meat and top with remaining Canadian bacon. Pour egg mixture over casserole. Cover baking dish with plastic wrap and refrigerate overnight. Sprinkle casserole with paprika; cover with aluminum foil. Bake at 375°F. until eggs are nearly set, about 30 minutes; remove foil. Continue baking until eggs are completely set, about 15 more minutes. Whisk hollandaise sauce mix with 1 cup milk in a saucepan. Add butter and bring to a boil, stirring frequently. Reduce heat to medium-low, simmer and stir until thickened, about 1 minute. Drizzle sauce over casserole.

**Cortney Reedy, Tea, SD**

Please send your favorite seafood, appetizer, beverage or casserole recipes to your local electric cooperative (address found on Page 3). Each recipe printed will be entered into a drawing for a prize in June 2019. All entries must include your name, mailing address, phone number and co-op name.



# Low-Cost Efficiency Tips



**Pat Keegan**

Collaborative Efficiency

**In the right situation, set correctly, programmable thermostats can save \$150 a year.**

This column was co-written by Pat Keegan and Brad Thiessen of Collaborative Efficiency. For more information, please visit: [www.collaborativeefficiency.com/energytips](http://www.collaborativeefficiency.com/energytips).

**Dear Pat:** It's great to read about all the ways energy efficiency improvements to the home can save money, but what about folks like me who are renting or don't have a lot of money to spend? Are there things I can do to reduce my energy bills? – Chelsea

**Dear Chelsea:** That's an excellent question. Not everyone can replace their furnace with an air-source heat pump, whether they're renting, or their budget won't allow it. Here are seven low-cost efficiency tips that can help you reduce your energy bills.

**1. Mind the thermostat.** You might be able to trim your energy bill by carefully managing the temperature in your home. The Department of Energy suggests setting your thermostat to 68 degrees F on winter days. If that's too cool, try other ways to stay warm like layering with an extra sweater. You can save more energy by turning down the thermostat even lower at night or when no one is home. The same principle works in reverse during summer months. Just set the thermostat higher to reduce your energy use for air conditioning.

**2. Go programmable.** If you don't always remember to adjust your thermostat manually, you could benefit from a programmable model. In the right situation, set correctly, programmable thermostats can save \$150 a year. Some programmable thermostats can be managed from your smart phone or other devices. Before you purchase one, make sure your landlord approves.

**3. Try zone heating.** If you don't mind less-used rooms being colder, you might be able to save energy (and money!) by zone heating. Electric baseboards make it easy because they typically have thermostat settings on the units or in each room. Portable electric space heaters can also be a good tool for zone heating if they are used safely and wisely in the area you spend the most time. Keep in mind, if you're using space heaters, you'll need to reduce the heating you're supplying to the rest of the home. Space heaters that are used incorrectly can be dangerous and increase energy costs. If your heating system needs to be replaced, you can talk to your landlord about installing a mini-split system, which is perfect for zone heating and cooling, and easier to install than a new duct and furnace system.

**4. Stop air leaks.** Small gaps around windows, doors, wiring and plumbing penetrations can be major sources of energy loss. This problem can be alleviated with a little weather stripping and caulk, but you should check with your landlord before you get started. Better yet, convince the landlord to do the work! A \$10 door draft stopper (also known as a "door snake") is a simple way to block gaps underneath exterior doors. Sealing air leaks around your home could shave up to one-fifth of your heating and cooling bills.

**5. Manage your windows and window coverings.** Your windows may be letting heat out during the winter and letting heat in during the summer. Window coverings like medium or heavy-weight curtains and thermal blinds can help. On cold winter days, window coverings can keep warmth inside and improve comfort. Opening up window coverings when you're receiving direct sunlight is a 'passive solar' technique that can help cut your heating costs. You can also cover windows with clear plastic to reduce heat loss and air leaks. During the summer, keep window coverings closed to block the sun and to keep windows from heating the cooler indoor air.

**6. Look for energy wasters.** There are also small steps you can take every day to reduce your energy use. Water heaters should be kept at the warm setting (120°F). Wash dishes and clothes on the most economical settings that will do the job and always wash full loads. Use the microwave instead of the oven when possible.

**7. Landlords (and others) can help.** Hopefully these tips will help you reduce your energy bills and increase your comfort, but consider talking to your landlord about additional ways to save, like installing better insulation, energy efficient windows or heating systems. Many landlords make these types of investments to add appeal to their rental properties, which ultimately improve the value of the property. A home energy audit is the best way to identify areas for energy efficiency improvements. Contact your electric cooperative to see if they offer energy audits or if they can recommend someone local. An audit would be a great way to start a conversation with your landlord about potential improvements.

# Electricity 101: The Flip of a Switch

Paul Wesslund

NRECA

Have you ever wondered why they call it electricity?

It's named after those little pieces of atoms called electrons and that's the place to start in understanding how power plants make something that reliably lights your home with the flip of a switch.

Getting all those electrons to march together inside a wire has been described as one of civilization's greatest and most complex engineering feats.

Just about all of your electricity starts with the scientific phenomenon that spinning a magnet inside a coil of wires will generate electricity. So, deep inside most power plants are large turbines that are turned in different ways: falling water at a hydroelectric dam; burning coal or natural gas at a fossil fuel station; atomic energy at a nuclear power plant; or the rotating blades of a wind turbine. One exception is solar energy, which uses materials that produce electricity when they're activated by sunlight.

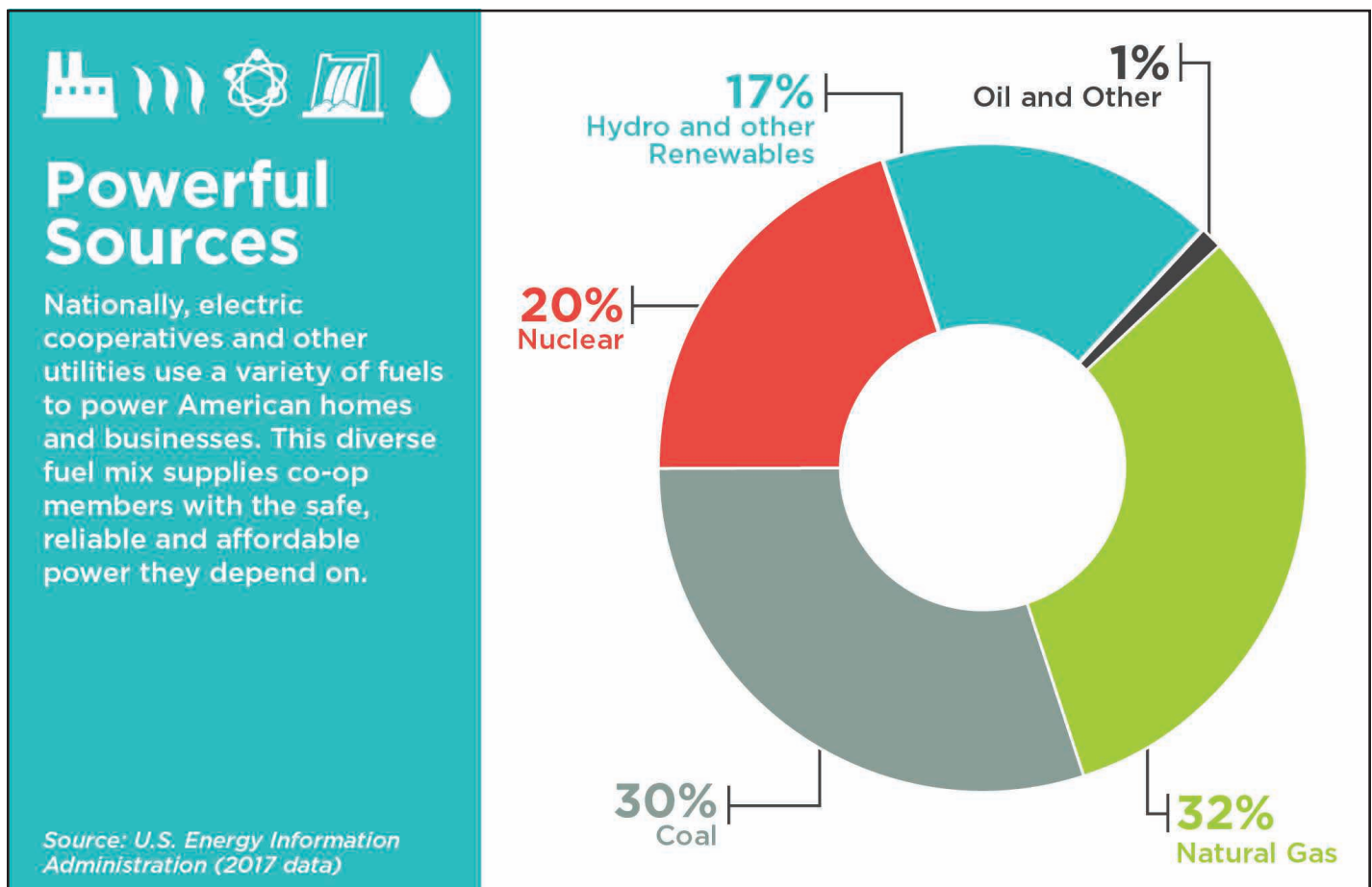
Every one of those power plants is unimaginably complicated – think about what you would do if you were handed a lump of coal and were told to make it run your refrigerator.

Most large electric generating plants need large banks of transformers to boost the voltage for the cross-country trip through wires held up by tall transmission lines and towers. As it nears your neighborhood, the voltage is reduced at one of those fenced-in complexes of wires and transformers called a substation. Lower voltage makes the electricity safer for home energy use. As the electricity gets closer to your home or business, the voltage is reduced again with smaller transformers, which you can typically see mounted on a nearby utility pole or in a ground-level green box in your yard.

Beyond those basics, all that flowing electricity needs to be coordinated so it gets to the right house just as it's needed. Safety is always top priority. And line crews need to be kept organized for both routine power line maintenance as well as restoring after storm damage.

When you think about it, that's a lot of power in the simple flip of a switch!

*Paul Wesslund writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. Electric co-ops serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.*





Your HVAC system could learn your schedule and regulate heating and cooling for your comfort based upon when you are home.

# COMMAND, CONTROL AND ENERGY SAVINGS

## Co-op Members Can Benefit from Technology

**Derrill Holly**

NRECA

Artificial intelligence is changing the way we live and that has the potential to bring major changes to the way we use energy.

Smart home automation, with a utility connection, allows folks from all income levels to become more energy efficient to varying degrees. Using a platform to further tie together appliances and loads, consumers can pick and choose their preferred efficiency routes depending on their lifestyle and budgets.

### Turning Words to Actions

According to the Consumer Technology Association, about 5.5 million Wi-Fi-enabled devices are added to the internet each year and by 2020, the total is expected to surpass 21 billion. That has designers and manufacturers of consumer products looking for new ways to add value to their products with Wi-Fi enabled features.





As artificial intelligence devices create opportunities for home automation, consumers will play larger roles in deciding how and when systems in their home are controlled.

Smart thermostats have been around for a while and models that interconnect with home automation systems, like Amazon's Echo, the Wyse Hub and Google Home, get a lot of attention. Apps developed for those products are also available for both Android and iPhone. Many electric cooperatives are offering discounted smart thermostats to not only encourage member savings, but also help manage peak energy demand.

### Changing Sources, Changing Needs

As the energy sources we use to generate power evolve and management of the electric grid becomes more agile and sophisticated, the true potential of energy load control provides opportunities for more savings through wholesale power supply. That's challenging electric co-ops to find additional ways to strengthen partnerships with consumer-members who are more interested than ever in actively managing their energy use. Two-way, real-time communications and artificial intelligence offer opportunities to learn consumer preferences and how best to reduce energy during peak demand periods.

### New All-Electric Homes

Home automation controllers and smart phone apps are producing an endless string of new commands daily and while

many may not work seamlessly, they are likely to continue to improve.

"We could soon see serial commands allowing your appliances to interact with other devices," said Keith Dennis, senior director of strategic initiatives for the

**An all-electric home with energy efficient products and automation features could enhance a consumers' experience.**

National Rural Electric Cooperative Association (NRECA), who cited household systems including heat pumps and heat pump water heaters as examples.

"Your HVAC system could learn your schedule and regulate heating and cooling for your comfort based upon when you are home," said Dennis. "Instead of maintaining a steady supply of hot water when no one is home to use it, water could be heated during periods when demand is lowest and electricity costs less and then boosted to ideal temperatures to meet specific needs like bathing, laundry or washing dishes."

Many electric co-ops have supported water heater load control programs for decades. Consumers are not overly concerned

about when their water is heated as long as it is available on demand.

"Manufacturers and vendors are actually building shared access and control into these systems with utilities," said Dennis. "The most successful models in the end will work seamlessly with the co-op to provide value to the member and not necessarily something that is directly managed by the member."

According to Dennis, new induction stovetops, energy efficient convection ovens and some countertop appliances offer more opportunities for efficiency in the kitchen – and the common trait of these efficient products is that they are all electric. An all-electric home with energy efficient products and automation features could enhance a consumers' experience.

While consumers are not expected to quickly embrace many of these new options until they reach the "plug-and-play" level of convenience, smart appliances and home automation systems could within a few years lead to rebates and other incentives designed to encourage electric co-op members to retire older appliances to enhance their home's energy efficiency.

*Derrill Holly writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. From growing suburbs to remote farming communities, electric co-ops serve as engines of economic development for 42 million Americans across 56 percent of the nation's landscape.*







## South Dakota Senate Seating Arrangement – 2019



Lieutenant Governor  
Larry Rhoden



V.J. Smith  
R – District 7



Jim Stalzer  
R – District 11



Arthur Rusch  
R – District 17



Gary Cammack  
R – District 29



R. Blake Curd  
R – District 12



Ernie Otten  
R – District 6



Lynne DiSanto  
R – District 35



Phil Jensen  
R – District 33



Alan Solano  
R – District 32



Deb Soholt  
R – District 14



Wayne Steinhauer  
R – District 9



Lee Schoenbeck  
R – District 5



Jim White  
R – District 22



Jeffrey Partridge  
R – District 34



Lance Russell  
R – District 30



Stace Nelson  
R – District 19



Red Dawn Foster  
D – District 27



Susan Wismer  
D – District 1



Jeff Monroe  
R – District 24



Jordan Youngberg  
R – District 8



Justin Cronin  
R – District 23



John Wiik  
R – District 4



Ryan Maher  
R – District 28



Rocky Blare  
R – District 21



Reynold Nesiba  
D – District 15



Jack Kolbeck  
R – District 13



Josh Klumb  
R – District 20



Margaret Sutton  
R – District 10



Brock Greenfield  
R – District 2



Al Novstrup  
R – District 3



Bob Ewing  
R – District 31



Craig Kennedy  
D – District 18



Troy Heinert  
D – District 26



Kris K. Langer  
R – District 25



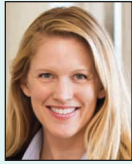
Jim Bolin  
R – District 16



# South Dakota House of Representatives Seating Arrangement – 2019



Mark Willadsen  
R – District 11



Jess Olson  
R – District 34

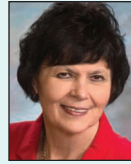


Dayle Hammock  
R – District 31



David Johnson  
R – District 33

Steven Haugaard  
Speaker of  
the House



Lana Greenfield  
R – District 2



Spencer Gosch  
R – District 23



Steven Haugaard  
R – District 10



Randy Gross  
R – District 8



Sam Marty  
R – District 28B



Kyle Schoenfish  
R – District 19



Rebecca Reimer  
R – District 26B



David Anderson  
R – District 16



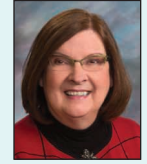
Tina Mulally  
R – District 35



Tim Reed  
R – District 7



Tony Randolph  
R – District 35



Nancy Rasmussen  
R – District 17



Ryan Cwach  
D – District 18



Doug Barthel  
R – District 10



Isaac Latterell  
R – District 6



Chris Johnson  
R – District 32



Scyller Borglum  
R – District 32



Tamara St. John  
R – District 1



Sue Peterson  
R – District 13



Bob Glanzer  
R – District 22



Tim Rounds  
R – District 24



Michael Saba  
D – District 9



Ray Ring  
D – District 17



Fred Deutsch  
R – District 4



Paul Miskimins  
R – District 20



Steve Livermont  
R – District 27



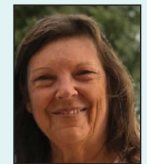
Mary Duvall  
R – District 24



Roger Chase  
R – District 22



Tim Johns  
R – District 31



Rhonda Milstead  
R – District 9



Peri Pourier  
D – District 27



Shawn Bordeaux  
D – District 26A



Caleb Finck  
R – District 21



Kirk Chaffee  
R – District 29



Carl Perry  
R – District 3



Taffy Howard  
R – District 33



John Lake  
R – District 23



Nancy York  
R – District 5



Marli Wiese  
R – District 8



Kelly Sullivan  
D – District 13



Linda Duba  
D – District 15



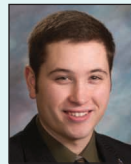
Thomas Brunner  
R – District 29



Lance Koth  
R – District 20



Tom Pischke  
R – District 25



Drew Dennert  
R – District 3



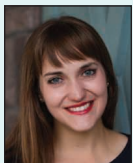
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R – District 5



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D – District 28A



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R – District 34



Kevin Jensen  
R – District 16



Arch Beal  
R – District 12



Lee Qualm  
R – District 21



During the 2019 South Dakota legislative session, electric cooperatives are seeking fairness in territory integrity.

# CO-OPS SEEK TERRITORY INTEGRITY

## Fairness Sought When Government Takes Over

**Brenda Kleinjan and Jocelyn Romey**

[editor@sdrea.coop](mailto:editor@sdrea.coop)

As the 2019 South Dakota legislative session hits full stride this month, South Dakota electric cooperatives are seeking a fix to a decades-old issue: territory integrity.

The issue has been an ongoing one. It comes to a head periodically when municipal governments take over the territories of cooperatives or investor-owned utilities. For cooperatives, these are areas where the co-ops have served for decades and have incorporated into long-range planning.

### What are the issues?

There are two sets of rules that govern changes in South Dakota electric service territory. By law, electric cooperatives and investor-owned utilities (IOU) must collaborate and agree upon changes in service territory between the two. Municipal governments, on the other hand, have the authority to expand their electric service boundaries and take territory from incumbent electric providers. These

differences in the rules favor government-taking of private enterprise.

Electric cooperatives have built the infrastructure needed to serve all areas of their territories. When municipal utilities take away the electric service areas of those co-ops, the infrastructure, including generation, transmission, substations and distribution assets, that has been put into place to serve the load becomes useless. The municipal-taking of incumbent utility territory also greatly limits the incumbent's ability to plan for the future in areas neighboring a municipal utility because the territory is so easily seized by the local government.

Ultimately, South Dakota's consumers are the ones being hurt when the service areas of electric cooperatives are reduced. The left-behind cooperative members bear a greater share of the fixed operating costs, increasing their electric bill. There are fewer members to cover infrastructure and generation costs when a territory is reduced in size. This is especially detrimental to affordability for the members of not-for-profit electric cooperatives.

## Why now?

This is an ongoing issue that has never been resolved. Yes, there have been a few amendments made to the law over the years. These amendments have attempted to provide compensation for seized electric service territory. However, the compensation formula doesn't work. Additionally, the efforts of electric cooperatives to work collaboratively with municipalities in resolving this issue have been consistently rebuffed, co-op leaders say.

"Applying the same rules to all electric utilities operating in the state will NOT impede municipal annexations. It will force municipal governments to engage in the same conversations about fairness and equity that an investor-owned utility and a cooperative must consider when making individual customer exchanges or making permanent changes to the boundaries," said Ed Anderson, general manager of the South Dakota Rural Electric Association.

# Territorial Integrity is Essential

## Current System is Flawed:

### Munis can. We can't.

- Municipal utilities can take utility service territory.
- Rural electrics and IOUs can't.

### Government Takeover of Private Property.

- Munis can annex and extend service with no negotiations or PUC oversight.
- Selective "taking" of prime territory.
- Cooperatives are ready to serve and can offer highly competitive rates.

### Negative Impacts on Utilities, Consumers and Economic Development.

- Upsets long-term planning and duplicates services.
- Reduces growth opportunities and ability to spread costs to a greater number of consumers – it impacts the entire membership.
- Hinders economic development.

## Solution:

**PROTECT** assigned service territories

**RETAIN** privately negotiated agreements with Public Utilities Commission approval

**NO RESTRICTIONS** on annexation

# South Dakota Laws on Electric Service Territory Boundaries

The original law passed in 1975 established the purchase price for electric facilities in areas annexed by municipalities. The law gave the city 90 days following annexation to offer to purchase the facilities and services rights. The portion of the formula that covers the purchase of wires and poles has not changed over the years. What has changed is the compensation for service rights portion of the formula. As initially placed in statute, the purchasing municipal electric system had to pay 25 percent of gross receipts from power sales to consumers within the annexed area for a period of five years at the municipal utility rate.

- The 1975 law, which was very similar to laws passed in many states at roughly the same time, was designed to protect consumers from the costs and confusion associated with rapid growth and duplication of services associated with that growth. Since then, few states have opened this essential service to full competition and industrial customers, not the average residential or small business customer, have benefited from those changes. South Dakota chose to address the specific needs of large industrial customers by making those loads competitive.
- The 1992 amendment changed that part of the formula to: 25 percent of gross receipts from power sales to consumers within the annexed area for a period of seven years at the incumbent utility rate and extended the time given to the municipality to decide whether they want to purchase from 90 days to one year.
- The 2009 amendment changed that part of the formula to: as compensation for service rights, an annual amount equal to the sum of 25 percent of the gross revenues received from power sales to consumers of electric power within the annexed area. The obligation of the annexing municipality to compensate the utility for service rights shall continue for 11 years from the date of the offer to purchase by the annexing municipality. During the 11-year period, compensation for service rights to any one customer location within the annexed area shall be paid by the annexing municipality for a period of seven years or until the expiration of the 11-year period, whichever is less. Gross revenues received shall be determined by applying the rate in effect by the municipality at the time of purchase.

So, the latest amendment extended the overall window from seven to 11 but retained the seven-year cap per customer and went back to the muni rate at the time of purchase.





The BIG Idea Competition first-place winners Avery Weinheimer and Kendra Kleven of Sully Buttes hold a check for their winning idea of Helping Hearts Delivery Service. They are joined by competition sponsors and their advisor for a photo. From left: Troy McQuillen, McQuillen Creative Group; Dr. Tim Mantz, Northern State University; Ashley Hansen, Sanford Health; Vicki Lentz, Sully Buttes advisor; Brady Carda, Sanford Health; Andrew Miller, Presentation College; Kelly Weaver, BIG Idea Committee; and Nathan Gellhaus, Angelhaus.

# BIG IDEAS COMPETE

## 35 Schools Showcase Entrepreneurial Spirit

### Kelly Weaver

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An idea for a grocery delivery service for the elderly was the winning idea among 244 entries in the 2018 BIG Idea Competition.

Sully Buttes High School students Kendra Kleven and Avery Weinheimer took first-place in the competition with their Helping Hearts Delivery Service, which aims to deliver groceries weekly and bring hot meals five-days-a-week to the elderly of Onida, S.D. Their prizes included a \$1,000 cash prize, a \$1,000 scholarship to Northern State University, a \$1,000 scholarship to Presentation College and a \$1,000 scholarship to the South Dakota School of Mines & Technology. Their idea also took the top place in the Wellness Category sponsored by Sanford Health, garnering the team an additional \$500 in prize money. Forty-three teams competed in the Wellness Category.

The BIG Idea Competition aims to promote entrepreneurship, spur creative thinking and encourage students to start a business. The competition is coordinated by the Small Business Development Center in Aberdeen, S.D.

Second place went to Butterstick, by Jade Parkin of Rapid City Stevens High School, which is a product where butter will conveniently be stored and ready for use in all situations and for all ages. Second place prizes include \$500 cash, a \$500 Presentation College scholarship and a \$500 NSU scholarship. The \$250 third-place prize went to The 'Wich Doctor by Hattie Muellenbach of Milbank High School, which is a food truck specializing in gourmet sandwiches. The other finalists included Watertown Community Tutor Center by DeLaney Anderson of Henry High School; Stoltenberg Fencing by Christine Stoltenberg of Northwestern High School; Best-a-Essay by Aiden Boerger of Milbank High School; New Outlook by Brianna Jorgenson of Florence High School; and Maria's Boarding and Grooming by Maria Jenkins of Leola High School.

The 2018 BIG Idea winning idea involved a grocery and meal delivery program.





The Marketing Design competition is an option for students to create an ad for their business idea. The \$500 cash award was sponsored by McQuillen Creative Group and 52 entries were judged in this category. The winner was Houghtaling Ultrasound by Danielle Houghtaling of Doland High School, which addresses the need for ultrasound services in the state of South Dakota for the sheep and goat industries. Houghtaling Ultrasound was also the winner of the newly sponsored \$500 cash prize of the Food Animal Agriculture award. The category prize is sponsored by Midwest Ag Supply and 33 entries were in this category. The final event required finalists to make a six minute presentation on their idea for the three final judges – Chad Evans of Centennial Homes, Paul McDonald of Dacotah Bank and Rod Tobin of Siegel Barnett and Schutz. Students also heard from business owners Blain Mikkonen of Grain Designs, Carl Pochop of Colorful Creations and AJ Hoffman of SoDak Sports. They spoke about all aspects of being an entrepreneur. Each panelist shared their achievements and struggles in starting and owning their own business and offered advice for those who might one day want to turn their BIG Idea into reality.

This year's BIG Idea competition also included an honorable mention award

**The BIG Idea Competition aims to promote entrepreneurship, spur creative thinking and encourage students to start a business.**

for those applicants who scored within 10 percent of the finalists. There were 59 honorable mention idea entries and three honorable mention marketing designs. In addition to the schools listed above, students from the following high schools also participated: Bowdle, Brandon Valley, Brookings, Colman-Egan, Custer, Eagle Butte, Edmunds Central, Eureka, Groton, Harrisburg, Hoven, Lead-Deadwood, Lemmon, Lennox, Madison, Miller, Montrose, Parker, Pierre T.F. Riggs, Redfield, Vermillion, Warner, Watertown, Waverly/South Shore, Wessington Springs, West Central and Yankton.

For the first time, the BIG Idea Competition was able to offer an award for teachers. The new prize, the Partners in Business Award, is sponsored by Angelhaus to

reward the networking and mentorship experiences teachers have incorporated into their classroom. This year's recipients of the Partners in Business award are Vicki Lentz of Sully Buttes High School, Jerry Janisch of Milbank High School and Katrina Boyum of Florence High School.

For the second year in a row, CREATE sponsored a Makerspace consultation prize. The drawing includes four consultations, a year of makerspace management software and a final report with a blueprint for starting a makerspace. The winning school was Florence High School.

Sponsors for the 2018 competition included Sanford Health, East River Electric Power Cooperative, REED Fund, Dacotah Bank, Midwest Ag Supply, First Bank and Trust, NSU, Presentation College, Aberdeen Development Corporation, McQuillen Creative Group, Northwestern Energy, Angelhaus, CREATE, Midcontinent Communications and the Tom and Danielle Aman Foundation. The Competition is a result of the input and collaboration of many organizations including: Aberdeen Area Chamber of Commerce, Aberdeen Downtown Association, Aberdeen Catholic School System and Aberdeen School District.

For more information about the competition, see [www.BIGIdeaSD.com](http://www.BIGIdeaSD.com).



2018 BIG Idea Finalists were, sitting from left, Hattie Muellenbach, Milbank; Avery Weinheimer and Kendra Kleven, Sully Buttes (First Place and Wellness Winners); Jade Parkin, Rapid City Stevens (Second Place); Danielle Houghtaling, Doland High School (Marketing Design and Food Animal Agriculture Winner). Standing are, from left: Christine Stoltenberg, Northwestern; Aiden Boerger, Milbank; Maria Jenkins, Leola; DeLaney Anderson, Henry; and Brianna Jorgenson, Florence.

## January 17

Community Club Annual Banquet, Dinner catered by The Knotty Pine Supper Club, Entertainment by Comedian Scott Novotny, Elkton, SD  
Tickets 605-542-2681

## January 18-19

Media One Funkski, Sioux Falls, SD, 605-339-0000

## January 18-19

Winter Show, Sisseton, SD, 605-698-7261

## January 18-20

Winterfest, Lead, SD, 605-584-1100

## January 25-26

Snowmobile Rally, Deadwood, SD, 605-578-1876

## January 25-26

Living History Fair, Lake Area Technical College, School children only on Friday, Open to public on Saturday, Watertown, SD, 605-881-1758

## January 25-February 3

Annual Black Hills Stock Show & Rodeo, Rapid City, SD, 605-355-3861

## January 26

Sioux Empire on Tap, Sioux Falls, SD, 605-367-7288

## January 26-27

Dakota Territory Gun Show, National Field Archery Building, Yankton, SD, 605-665-4537

## February 1-3

11th Annual Winterfest of Wheels, Convention Center, Sioux Falls, SD, 605-231-3100

## February 2

Lake Hendricks Fishing Derby, Hendricks, MN, 507-828-2113

**December 15-March 31:**  
South Dakota snowmobile trails season, Lead, SD, 605-584-3896



Photo courtesy: travelsouthdakota.com

## February 2-3

Dakota Territory Gun Show, Dakota Event Center, Aberdeen, SD, 701-336-7533

## February 5-9

Winter Farm Show, Watertown, SD, 605-886-5814

## February 8-10

Black Hills Sports Show & Outdoor Expo, Rapid City, SD, 605-939-1812

## February 9-10

Dakota Territory Gun Show, Trophy Show - The Big One, Convention Center, Sioux Falls, SD, 605-630-2199

## February 15-17

Annual Artists of the Plains Art Show and Sale, Sioux Falls, SD, 605-274-4007

## February 15-17

Annual Frost Fest, Brookings, SD, 605-692-6125

## February 16-17

Dakota Territory Gun Show, Ramkota River Centre, Pierre, SD, 605-280-2438

## February 21-23

Sno Jam Comedy Festival, Sioux Falls, SD, siouxfallssnojamcomedyfest@gmail.com

## February 22-23

State Wrestling Tournaments, Rushmore Plaza Civic Center, Rapid City, SD, 605-394-4111

## February 23

Annual Outhouse Races and Chili Cook-off Contest, Nemo, SD, 605-578-2708

## March 1-2

Mardi Gras Weekend, Main Street, Deadwood, SD, 605-578-1876

## March 9-10

2019 Gun Show, American Legion Hall, Saturday 9 a.m. to 5 p.m., Sunday 9 a.m. to 3 p.m. MST, Philip, SD, 605-441-8466 or 605-441-1216

## March 9-12

Summit League Basketball Championship, Sioux Falls, SD, 605-367-7288

## March 15-16

28 Below Fatbike Race, Lead, SD, 605-584-3435

## March 23

Annual Ag Day at the Washington Pavilion, Sioux Falls, SD, 605-367-6000

## March 29-30, April 5-6

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

## April 5-6

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

**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.**