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## The Environment: An Issue of the 80s

During the '70s, many environmental laws were passed in an effort to reduce air and water pollution from coal-fired generating plants. It was a period that forced rapid and revolutionary changes in generating plant technology and operating practices. The regulatory maze created by the new laws was difficult for the new environmental departments within the utilities and costly for the consumers of electricity. In short, it was a period of adjustment.

Cooperative Power Association came into its own during the 1970s and felt the impact of these new laws perhaps even more than other mature utilities. In 1979, we created our Environmental Affairs department at a time when we were assuming operational control of Coal Creek Station in Underwood, N.D. Today, this 1,000 megawatt generating station represents the most modern example of state-of-the-art pollution control on any power plant operating in the country.

We recognize the need to preserve our environment for future generations while we produce electrical power for today's necessities and conveniences. We look forward to the '80s as a period of less confusion, greater cooperation and mutual understanding among the utilities and the regulatory agencies. This year's annual report highlights CPA's efforts to protect the environment surrounding Coal Creek Station.



## President's Report

In our continuing effort to keep pace with the responsibilities of a generation and transmission cooperative, the Cooperative Power Association Board of Directors dedicated much of the past year to improving the internal functions of the organization.

During 1980, the Directors reviewed the board policies of the Association to update our organization and keep us responsive to our members. With the assistance of the National Rural Electric Cooperative Association (NRECA), many policies outlining the functions of the directors, distribution coop managers, and staff were developed, revised, and approved last fall.

As we continue to strive for improvement in operating our Cooperative, we have become acutely aware of the need for our members to take an interest in the activities of CPA. As elected directors, we are aware of the responsibilities given us by our

members to provide them with the most reliable, lowest cost power available. For us to meet this challenge, however, our members must recognize their responsibility as owners of the organization. Our members must become fully aware of CPA's activities, remain sensitive to the financial challenges facing the organization, and become involved in the political process to preserve the cooperative structure. In addition, our members must gain the support of their consumer-owners for the policies and programs which are vital to the cooperatives.

If the cooperative structure is to survive, all member-owners must do their share to support their organizations. During the past year, however, there has been a move to place some of the controls members inherently have over their co-ops into the hands of regulatory agencies. As the price of electricity rises, some feel that regulation will somehow reduce or eliminate costs and expenses from being included in the power bill. A cooperative is by definition a non-profit organization. CPA and its distribution cooperatives operate at cost, and any excess revenue is returned to the members in the form of capital credits, which in CPA's case, are retired in 15 years.

The increases in your electric bill can be directly traced to the rising price of fuel, inflationary cost of materials, added costs of operating environmental control equipment, and high interest rates. As much as we would all like to harness these costs, placing a co-op in the hands of a regulatory agency to control costs would be self-defeating. The cost of regulation itself would only add to the already high price of power.

CPA recognizes the strain high energy costs place on the profitability of farms and business and on the household budget. Therefore, we are con-



stantly striving for ways to lower our costs. One approach in keeping the cost of power down is to sell surplus electricity from Coal Creek Station to other utilities. These sales are conducted at a margin above our cost to produce the power. During the times our members do not require the full capacity of Coal Creek, power sales can help cover the ownership and operating expenses of the plant. In addition to reducing these expenses for our members, it is possible that our surplus power helps another utility avoid using an expensive oil burning peaking plant. Not only do CPA and its members benefit financially from these sales, but the entire country also benefits when a utility does not have to burn a non-renewable source such as oil to produce power.

This year we will be asking our members to participate in a Load Management Program. When the Supervisory Control and Data Acquisition (SCADA) computer system is installed this summer, CPA will have the capability of monitoring electrical loads to control peak periods. The consumers' use of dual furnaces, timers, and other load shedding devices will contribute significantly to our goal of efficient energy use.

Nineteen-eighty was a productive and rewarding year for CPA. The dedication of our directors, distribution managers, and CPA management and staff during the year reassures us that 1981 will also prove to be another year of accomplishment.

*Charles L. Anderson*

Charles L. Anderson  
President  
Cooperative Power Association



## General Manager's Report

Nineteen-eighty was a year of great progress for Cooperative Power Association (CPA). Coal Creek Station operated exceptionally well and we anticipate continued good performance in the future. The success of Coal Creek is a result of the combined efforts of the design engineers, contractors, United Power Association (UPA) as construction agent, and the fine employees of Cooperative Power Association who are responsible for the day-to-day operation of the plant.

During the past year, our microwave communication system was completed, and, it too is functioning as planned. This system was designed and installed by CPA personnel who will continue to operate and maintain the system. Although the SCADA program has been delayed due to software problems, it is being installed and will soon be gathering data.

Our in-house computer is being programmed, thereby reducing our need for time sharing. Not only is this

resulting in lower data processing costs, but we are able to do much more with our own equipment.

In short, 1980 was a good year operationally. It was, however, the year in which high inflation, high interest rates, increased regulation and delays have surfaced in the form of increased power costs.

We have exerted a large effort, collectively -- distribution cooperatives as well as CPA -- in an attempt to prepare our consumer owners for pending higher electrical costs. Being what it is, however, human nature sometimes prevents the message of increased costs to be realized until the power bill arrives.

Coal Creek Station was built at interest rates equal to the Federal Government's cost of money, plus one-eighth of one percent. Two percent money was not available as a source of funds for CPA. The shock of paying a blended rate of 8.51 percent, the fact that inflation was eating up 12-15 percent for each year of delay, and that \$145 million was needed for environmental equipment, put us face-to-face with the hard, cold fact that nothing, not even electricity, can escape the continual, relentless march of increasing costs.

Furthermore, high as the cost of constructing Coal Creek Station was, it would be much more expensive to build the same plant today. Again, interest is one of the primary culprits with present rates over 13 percent as compared to 8.5 percent for Coal Creek.

I believe we must all begin to demand some fiscal responsibility in all phases of government. We need to get the message across to the "powers that be" that energy costs, which include 30 cents on every

dollar for interest, are not acceptable.

We need to get the message across that each increment of additional cost due to regulation, delay, studies and restudies -- while not large individually -- constitutes a significant increase in power costs when combined at the completion of a project.

Rural electric cooperatives have continually faced the struggle of adequate financing at reasonable rates. We are in that struggle again today, with the current administration threatening immediate withdrawal of our use of the Federal Financing Bank and casting doubt on our future use of federal loan guarantees.

We do not see these efforts as an attempt to reduce the federal budget. In fact, our use of the Federal Financing Bank raises money for the government when we pay cost plus one-eighth of a percent. Similarly, the phenomenal history of the ability of rural cooperatives to repay loans should diminish the concern over federal guarantees as being a cost to the government to practically zero.

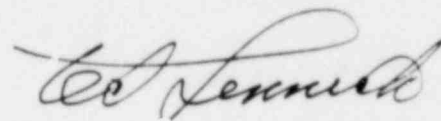
We do see, however, an effort by some members of the President's staff to totally eliminate the REA program as we now know it. Subsequently, the cooperatives would die as well. We have had these attacks before (President Nixon terminated the program in 1973), but each time an attempt was made it has failed because the people recognized the need for the REA program and, when apprised of the true facts, would not allow the REA program to be crippled.

We need the same strong effort today that was launched in 1973 to save the program. Some of the leaders of 1973 are no longer with us today, but we must move in to fill that gap if we are to prevail. We need an all out effort by every manager, director and consumer owner of the rural electric program to express his, or her concern, and ask their congressional representatives to support the cause.

Nineteen-eighty was a successful year. We look forward to the future with confidence, but not without concern. Where will inflation and interest rates take us? What effect will the energy situation have on us? Will conservation continue and, thus, hold our annual load growth to 4-5 percent? Will shortages in petroleum products, or their continued high costs, result in conversion to electrical heating and transportation? These are some of the questions we face ahead.

The CPA directors, distribution manager and staff have been responsible and responsive to the challenges and changes in the past, and we look to the future with the same determination to meet our member's needs with an adequate and reliable supply of power at the lowest possible cost.

I thank the CPA staff, directors and member managers for their dedication and support.



T. V. Lennick  
General Manager  
Cooperative Power Association



## Air Quality: A Major Effort Pays Off

Air pollution control at the Coal Creek Station is CPA's major concern and represents the major investment in environmental protection.

During 1980, CPA successfully demonstrated that the Coal Creek Station is in compliance with strict air quality standards of the Environmental Protection Agency and the North Dakota State Department of Health. Air samples taken from the stacks throughout the year have proven that emissions from the plant are consistently below accepted levels.

Pollutants from the Coal Creek Station are controlled by two major devices, the electrostatic precipitators and the flue gas desulfurization equipment, or "scrubbers." Strict federal and North Dakota state air quality standards require the removal of more than 99 percent of the fly ash from the plant's exhaust or flue gases. The electrostatic precipitators remove more than 99.5 percent of the fly ash by attracting the ash particles with electrically charged plates.

More than 50 percent of the sulphur dioxide from the flue gases which exit from the twin 650-foot chimneys or "stacks" must also be removed. The Coal Creek scrubbers, which are designed to remove 90 percent of the sulphur dioxide from 60 percent of the flue gases, spray

a combination of water, lime and fly ash into the flue gases before they leave the stacks. The Coal Creek Station scrubbers are so successful in removing sulphur dioxide, they are considered industry models.

CPA continuously monitors stack emissions at Coal Creek Station to demonstrate that its emissions are below the standards established to protect public health. Sensitive instrumentation has been installed 350 feet above ground in both stacks and will remain in operation until the plant is retired. A reading of the air chemistry is taken once per minute and analyzed in a computer to determine whether stack emissions are remaining within permissible levels.

During 1980, the continuous emission monitors were tested for accuracy. While the equipment on Unit 1 was certified to be accurate, there were some difficulties with the Unit 2 instrumentation. Additional accuracy tests are being performed on the Unit 2 system.

An extensive ambient air monitoring program was established nearly four years ago at the Coal Creek Station to measure concentrations of pollutants in the air in the vicinity of the plant. Data is collected from three sites in the vicinity of the plant. At these sites, 12 monitors measure such factors as gas concentrations and meteorological conditions every two to three minutes.

From this data, a mathematical model will be developed that will predict the maximum ground level concentrations of pollutants near the plant at any given time. This model will help predict air chemistry in the future.

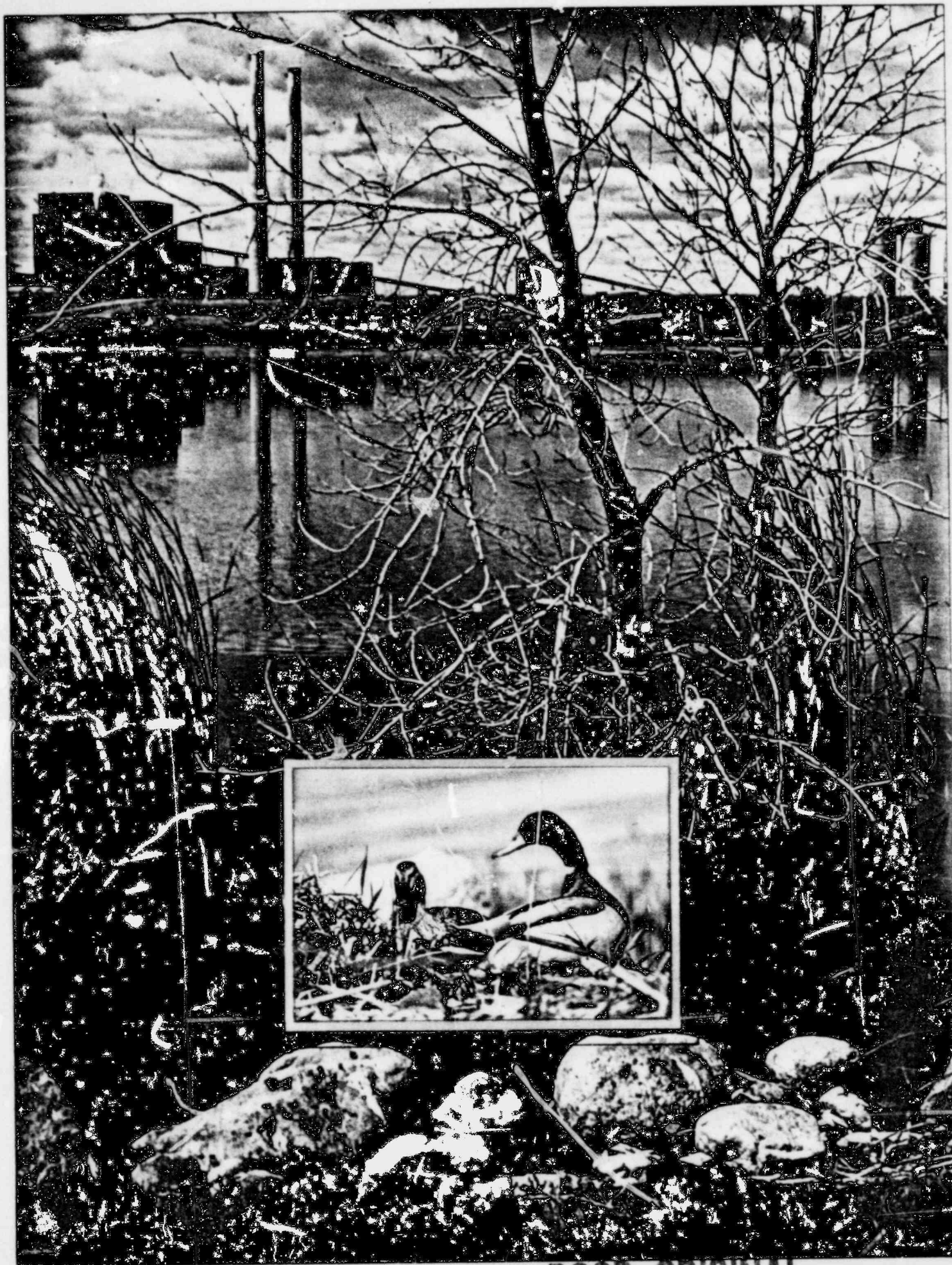
The phenomenon known as acid rain is prompting a closer look at power plant emissions. Although little is known about how acid rain is formed, how it is transported in the atmosphere and how serious a threat it is to

the environment, it is claimed that sulphur dioxide and nitrogen oxide emissions from coal combustion are a major cause of acid rain.

Federal and North Dakota state scientists say the emissions from power plants in North Dakota add a comparatively small amount of sulphur dioxide to the atmosphere. At the Coal Creek Station, the use of low sulphur coal and scrubbers help reduce emissions that might contribute to acid rain.

A study sponsored by the Minnesota/Wisconsin Power Suppliers, of which CPA is a member, is expected to provide more information on acid rain in this region. As more information becomes available, CPA will continue to report findings to its member systems as part of its ongoing environmental communications program.

*Coal Creek Station -- Both natural and man-made ponds coexist harmoniously at this coal-fired power plant thanks to a carefully conceived water quality monitoring program. Samuelson Slough in the foreground awaits the annual spring migration of waterfowl through the prairie pothole flyway.*



POOR ORIGINAL

## Fly Ash: Putting Waste To Work

Innovative technology at the Coal Creek Station has turned fly ash, a major waste product of lignite combustion, into a productive material.

About 80 percent of lignite ash is fly ash, a very fine and light material that remains suspended in the flue gas stream. About 48 tons of fly ash are produced hourly when both units are generating at 80 percent capacity.

Fly ash, which is captured by the electrostatic precipitators, has become an important factor

in reducing operating costs and the amount of solid wastes produced at the plant. Some of the captured fly ash is used as an additive in the Coal Creek Station scrubbing system. A mixture of water, lime and fly ash is sprayed into the flue gases before they leave the stack to remove sulphur dioxide. The high natural lime content of the fly ash greatly reduces lime purchases for the system.

The chemical constituents of fly ash from lignite coal lend themselves to many other uses. For example, 80,000 tons of fly ash were used to line the dikes of the ash ponds at the plant last year, to protect the dikes from erosion. Nearly 11,000 tons of the fly ash from the Coal Creek Station were sold during 1980 to be used as an additive in concrete. Concrete made with fly ash has proven to have a strong bond and is used throughout North Dakota for such things as roads, buildings and floors.

Fly ash which cannot be put to use is disposed of during the reclamation process at the Falkirk Mine. Mine pits are filled with the ash and then covered with overburden, subsoil and topsoil.

Many in the electrical industry feel that there are other potential uses of fly ash. Fly ash is being extensively researched to discover new and varied uses for the material.

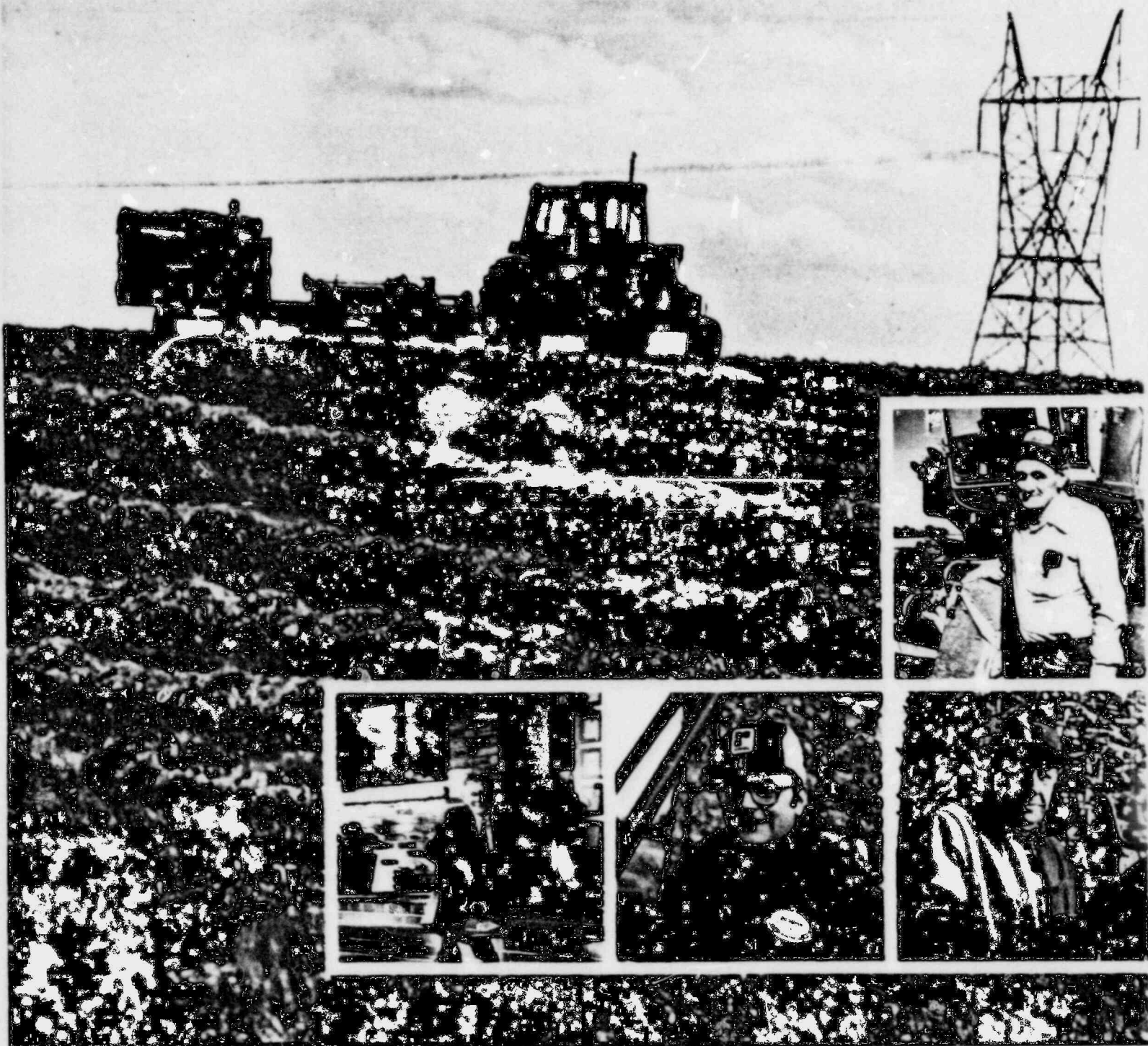
*Fly ash for concrete -- The unique chemical composition of lignite coal fly ash makes it ideal for replacing a portion of more expensive portland cement in concrete, especially in North Dakota where portland cement is often in short supply. Large cement trucks can be seen almost daily filing up with the grey powder for use by the North Dakota concrete industry and for shipment to states as far away as California.*





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# Board of Directors



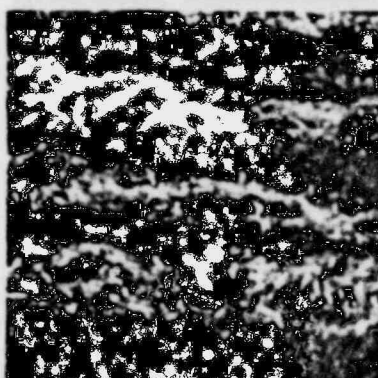
Charles L. Anderson  
President  
Meeker Cooperative Light & Power  
Association

Michael Thorson  
First Vice President  
Todd-Wadena Electric Cooperative

Top to bottom:  
William Whitney, Jr.  
FROST-BENCO Electric  
Wendell Olson  
Second Vice President,  
Assistant Secretary  
Stearns Co-op Electric Associati

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Irville Lipke  
 McLeod Co-op Power Association  
 on Frankhauser  
 Minnesota Valley Electric Co-op  
 Martin Lohmann  
 Goodhue County Co-op Electric  
 Association  
 Jay York  
 Secretary  
 Nobles Cooperative Electric

Paul Jost  
 Agralite Cooperative  
 Arthur Kimmes  
 Dakota Electric Association  
 Edgar Meyer  
 Lake Region Co-op Electrical Ass'n.  
 Clemens Ulbricht  
 Treasurer  
 Federated Rural Electric Ass'n.

W. Gerald Stevens  
 Brown County Rural Electric Ass'n  
 Gilbert Schmitz  
 Redwood Electric Cooperative  
 Emil Stenzel  
 Wells Electric Association  
 Richard Harbitz  
 South Central Electric Association

Lyle Wayne  
 Steele Waseca Co-op Electric  
 Darwin Anderson  
 Runestone Electric Association

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## Water Quality: Protecting A Vital Resource

A comprehensive water quality monitoring program was established during the past year at the Coal Creek Station to detect changes in surface and ground water quality on and near the plant site. This program, which was developed in cooperation with the North Dakota State Geological Survey and the State Department of Health, has demonstrated that Coal Creek Station has had no significant impact on the water quality in North Dakota.

Waste water and sludge from the plant are sluiced in a pipeline system to the two solid waste disposal ponds at the plant site. When the sluice reaches the ponds, the solids gradually settle to the bottom. A compacted clay lining at the bottom of the ponds prevents the waste from leaching into the

surface and ground waters in the area.

Surface water samples are collected from nearby sloughs on a quarterly basis to determine whether any contamination from the ponds has occurred. Such factors as temperature and oxygen content and chemical composition are routinely measured.

A network of 39 groundwater wells has been installed on the plant site to test the chemical composition of groundwater in the plant area. CPA's environmental staff routinely tests the water from the wells and analyses it to detect contamination.

The water monitoring program will continue indefinitely to ensure that the Coal Creek Station remains in compliance with strict environmental standards for water pollution.

Beginning this summer, all sampling and analysis will be done in the plant's laboratories to increase our inhouse expertise and to reduce costs.

## Coal Creek Station: A Zero Discharge Plant

An important concept in the environmentally-sound design of Coal Creek Station is zero discharge. This is accomplished by using and reusing the water in the cooling system and then recycling it for other uses.

Water that is pumped six miles from the Missouri River to the generating station is recycled for as long as possible in the plant's circulating water or cooling system. When this water becomes too concentrated with minerals it is "blown down" for use as make-up water in the scrubbers. The resulting

scrubber sludge, which is mostly water, is then used as a slurry to move the sludge and bottom ash through a pipeline to two solid waste disposal ponds.

When the sludge and ash reach the ash ponds the solids settle to the bottom of the pond. The liquid at the surface is reused for slurry.

Excess water from the surface of the ash ponds is stored in shallow ponds for evaporation.

*Cooling Towers -- Water, circulated through these cooling towers, is used to condense the spent steam from the turbo-generator back into liquid so it can be returned to the boiler. About three percent of the cooling water is lost through evaporation and is replenished with water piped from the Missouri River, six miles away.*



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## Lignite Coal: A Unique Energy Resource

Environmental issues played a vital role in the original decisions to locate Coal Creek Station in the western North Dakota lignite coal fields and to develop the Falkirk Mine as a source of fuel for the power plant.

The decision to transmit the energy to Minnesota on a direct current power line instead of hauling the coal in trains was based on the fact that power lines have a smaller overall impact on the environment than do coal trains. And, of course, coal trains consume prodigious amounts of fuel oil.

Sulphur dioxide emissions from coal burning plants is a major concern for environmentalists. A considerable amount of legislation passed over the last 10 years has dealt with controlling the release of this substance. In high concentrations, sulphur dioxide can be injurious to crops, livestock and people. In addition, some scientists suspect that sulphur dioxide is a major contributor to the

phenomenon known as acid rain.

Coal deposits found west of the Mississippi River are considerably lower in sulphur content than Eastern coals, and lignite supplied to Coal Creek Station has one of the lowest concentrations of sulphur of any of the Western coals.

The sulphur content of lignite from the Falkirk Mine averages 0.6 percent by weight. Some Eastern coals may contain as much as 10 times that amount. That means for every ton of coal burned, an Eastern coal would produce up to 10 times more sulphur dioxide than would lignite.

Today's coal-fired power plants require the use of "scrubbers," devices that remove sulphur dioxide from the chimney gases before they enter the atmosphere. Because of lignite's low sulphur content, Coal Creek Station is able to meet or exceed all state and federal air pollution standards by "scrubbing" only 60 percent of the chimney gases. And since the scrubbing process itself consumes a considerable amount of electrical energy, low-sulphur lignite contributes to greater power plant efficiency while still protecting the environment.

There is rule in pollution control that "pollutants that no longer go up the chimney have to go somewhere else," and Coal Creek Station is no exception. But here, too, the unique features of lignite coal create an advantage. Because of lignite's high lime (calcium oxide) content, the fly ash captured by the electrostatic precipitators makes it useful in the scrubbing process. In addition, the low sodium content of the ash makes it ideal as a concrete additive. (See page 6.)

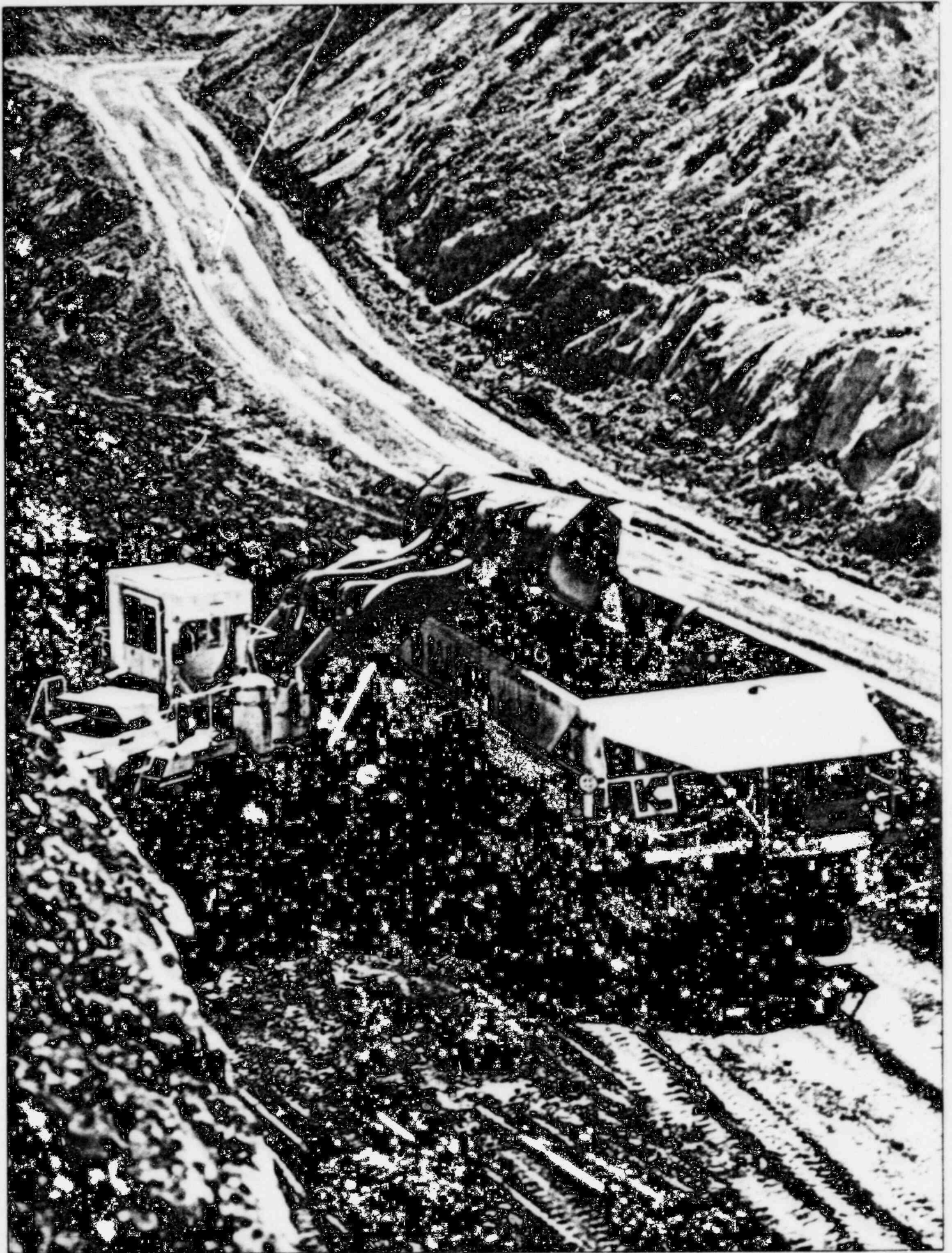
Lignite is unique in other ways, which until recently were considered severe disadvantages for using the coal as a boiler fuel. For instance, lignite

has both a high ash content and a high moisture content which make it less economical to haul great distances. But those factors pose no special problems at Coal Creek because of proper boiler design and the plant's close proximity to the mine. Coal dust, also a concern in all coal mining operations, is carefully controlled at the mine and along the conveyor system into the plant.

North Dakota's abundant lignite coal resource will continue to play an important role in Minnesota's energy supply in the years to come. Its availability, its relatively low cost and its unique chemical characteristics all help to make it an ideal fuel for today . . . and tomorrow.

*Loading coal -- A 17 cubic yard loading shovel fills a 160-ton coal hauler with lignite from the bottom of the pit. Although each coal hauler holds 60 percent more coal than a railroad car, it's only enough fuel to keep the twin boilers fired for 12 minutes when generating at full capacity. However, lignite is a vast resource with deposits underlying virtually all of western North Dakota.*





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## Reclamation: Restoring the Land

Vast amounts of earth are moved each day at the Falkirk Mine to reach the lignite coal seams. For every ten feet of lignite mined, nearly 60 feet of overburden must be removed, and over the life of the mine, about 18,000 acres of land will be disturbed. In less environmentally sensitive times, the mined land would have been left permanently scarred, unusable and unproductive.

Today, however, things are different. New state and federal land reclamation laws and a willingness on the part of the

mining industry to solve the difficult technological problems, has changed the character of strip mining in North Dakota. Now, when we are done mining, the land is fully restored to its role as productive farmland.

Reclaiming the land is a costly and time-consuming process. The land must be returned to its original contours, with the topsoil returned to the same area from which it was removed.

The reclamation process starts with careful studies of the land before, during and after mining to guarantee that the land is returned to its original productive state. The North Dakota Public Service Commission (PSC) inspects nearly every phase of mining to ensure that soil productivity, land contour and the general ecology of the area are not destroyed.

After the coal is removed from a pit, the overburden is replaced and leveled. The topsoil is spread and reseeded while the PSC continues to monitor the land for changes in characteristics.

The surface mining laws provide that about ten years after the topsoil is reseeded, the land can be leased back to the original owner. About three years will pass between the start of mining and completed reclamation.

About 477 acres of land have been disturbed since the Falkirk Mine began mining operations in 1977. During 1980, 224 acres were mined. Approximately 194 acres were graded last year and reclamation was completed on 49 acres, which were seeded with grasses and oats. Early test results on the restored land indicated that there will be little if any long-term impact on the land's agricultural productivity.

## Final Note

*During 1980, the Board of Directors adopted an environmental policy that "recognizes the need to balance the provision of reliable and economical electric energy to its member systems with the need to adequately protect the environment for optimum use and enjoyment." The policy further states that CPA will strive to operate an efficient power supply system, avoid impact on recreational or scenic resources, minimize air and water pollution, and maintain a working relationship with environmental agencies.*

*Protecting the environment while producing electricity is a costly and complex process. But CPA is committed to meeting that responsibility, and we believe our consumer-members are willing to bear the extra expense to see that commitment carried out. We look forward to the 80s as a time of greater stability and certainly...a time for maturing and coming of age.*

*The Prairie Rose -- After the topsoil and subsoil have been removed and stockpiled, the 105-cubic yard dragline "Prairie Rose" strips the rest of the overburden to expose the coal seam. When it is digging, the electrically-powered dragline will draw 25 megawatts -- enough energy to supply a small city! The housing is as tall as a five-story building and the boom is 50 feet longer than a football field.*

# Member-System General Managers of Cooperative Power Association



Donald  
Amundson  
FROST-BENCO



John Bellgowan  
Todd-Wadena



Francis  
Fiebelkorn  
Minnesota  
Valley



Steven Flo  
Wells



Duane  
Henkelman  
Meeker



Cecil Holsing  
Goodhue



Bernard  
Janowski  
McLeod



Marvin Johnson  
Federated



Vernon Jutila  
Runestone



Don Larson  
Steele Waseca



Albert Lennick  
Redwood



Ramon Millett  
Agralite



LeRoy Nelson  
South Central



Richard  
Okerberg  
Dakota



Clarence  
Peterson  
Lake Region



Leslie Schrupp  
Brown County



Eugene Sullivan  
Stearns



Douglas Wallace  
Nobles

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# FINANCIAL STATEMENTS

## 1980 ANNUAL REPORT

### COOPERATIVE POWER ASSOCIATION

#### FINANCIAL HIGHLIGHTS (DOLLARS IN THOUSANDS)

	1980	1979	% CHANGE
<b>Operations:</b>			
Operating Revenues:.....	\$ 87,232	\$ 66,909	+ 30.4%
kWh Delivered (in millions).....	2,320	2,382	- 2.6%
kW Peak Demand (in thousands).....	507	523	- 3.1%
Power Cost.....	\$ 74,739	\$ 57,918	+ 29.0%
Net Margins.....	\$ 1,274	\$ 1,966	- 35.2%
<b>Financial Position:</b>			
Electric Utility Plant.....	\$629,387	\$577,562	+ 9.0%
Coal Mine.....	\$ 57,349	\$ 71,885	- 20.2%
Outstanding Long-term Debt.....	\$691,101	\$650,811	+ 6.2%
Member and Patron Equities.....	\$ 11,625	\$ 10,351	+ 12.3%

# TREASURER'S REPORT

The financial statements of Cooperative Power Association (CPA) together with the auditors' opinion from Deloitte Haskins & Sells appear on pages 22 to 29.

Energy sales to CPA's 18 member systems decreased 2.6% in 1980, the first decrease in kilowatt hours sold since 1964. This decrease is attributable primarily to the mild seasonal weather conditions throughout the year, but higher rates and the consumers' determination to conserve also had a significant impact. While the energy usage per consumer decreased 5.1% in 1980, the number of connected consumers maintained a 2.4% increase, the same as in 1979.

Net revenues rose \$20 million as a result of rate increases put into effect in the first half of 1980. Our wholesale rates to our member systems were increased to offset increased costs of \$17 million for generated or purchased power and to anticipate completion of Coal Creek Unit 2. Subsequently, the scheduled completion and commercial operation date for Unit 2 was deferred from November 1970 to July 1981 to allow for revisions and modifications to the boiler.

Total margins for 1980 were \$1,274,000, down from the \$1,966,000 earned in 1979. A deficit of \$243,000 was recorded from operations, but nonoperating margins of \$1,517,000 were earned through interest on investments, Cooperative Finance Corporation (CFC) capital credits, and credits for CPA funds invested in construction projects.

The continued high level of inflation and interest rates has had a significant impact on larger projects such as our Coal Creek project during a period of construction. With high interest rate levels prevailing in 1979 and 1980, CPA increased its efforts to either substitute alternative financing or to shift to Rural Electrification Administration (REA) insured loan funds or shorter term loans in place of the existing long-term rates that were available from the Federal Financing Bank. Expenditures for plant additions including transmission, generation, and headquarters facilities totalled \$52 million during

1980, down from \$69 million of additions in 1979. Expenditures on coal facilities and equipment reflect the completion of a second 105 cubic yard dragline costing approximately \$42 million. That dragline was financed by a leveraged lease which will result in a substantial savings in interest or financing costs over the long-term lease.

A current effort by the Federal Government to reduce budget expenditures and cut taxes may lead to significant changes in the financing programs available to rural electrics even though all loan funds presently available through REA are "off budget". Those proposals make it imperative that CPA explore all available financing alternatives in an effort to keep cost increases down for present and future consumers.

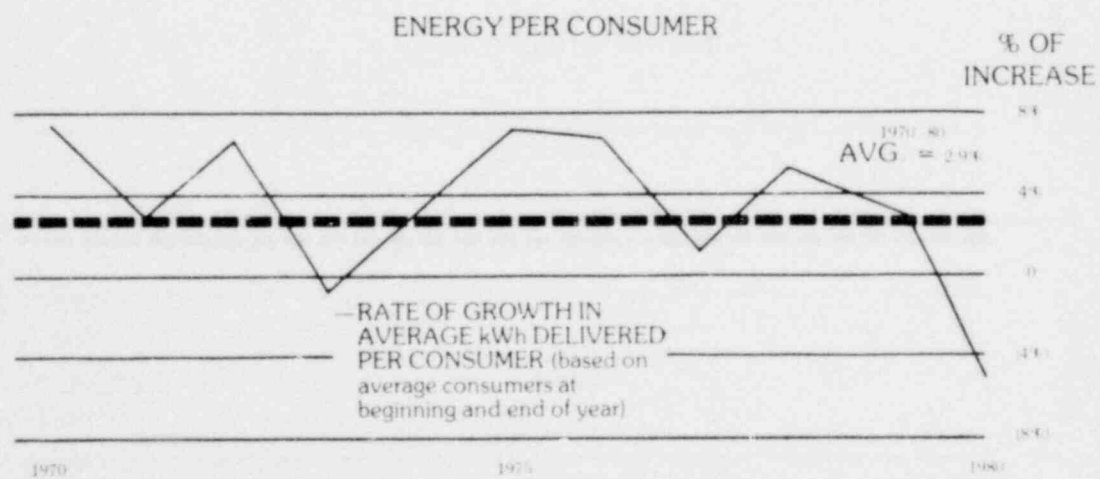
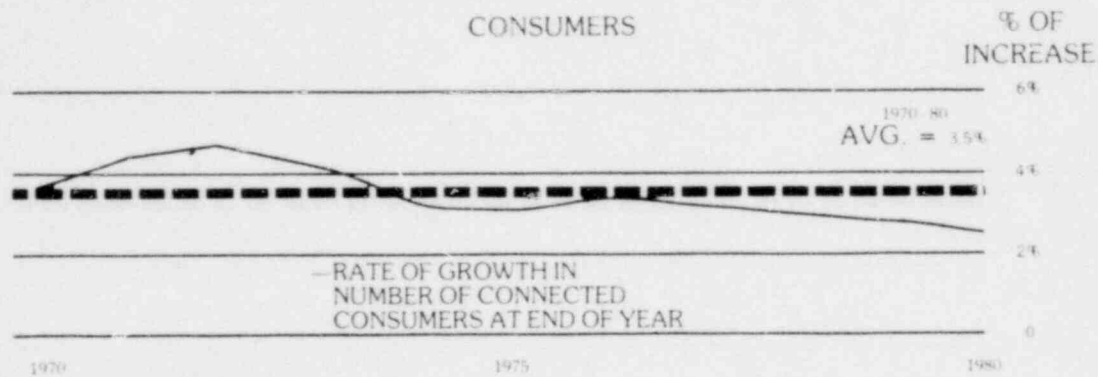
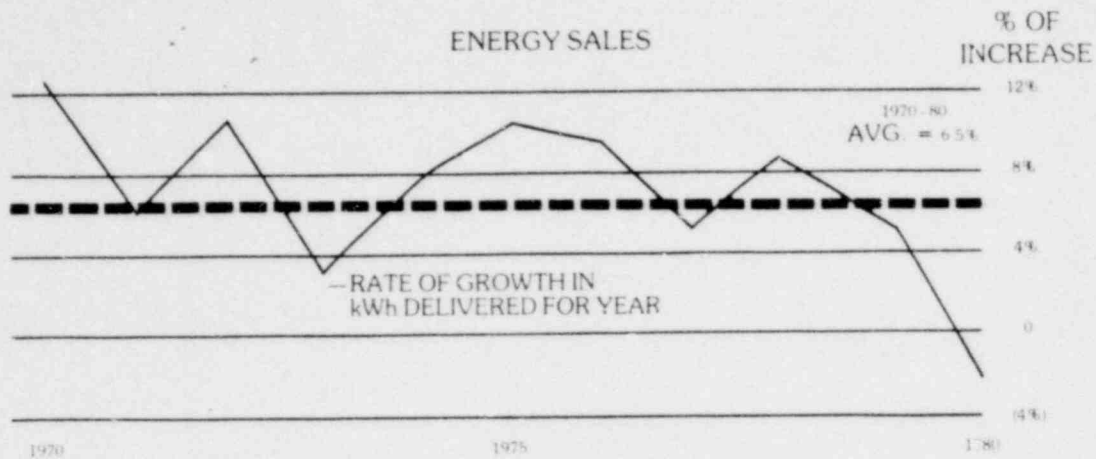
Sincerely,



Clemens Ulbricht







# 10 YEAR SUMMARY

## POWER SUPPLY SYSTEM:

For the Year:	1980	1979	1978	1977
Revenue from member systems (c).....	\$ 80,989	\$ 62,646	\$40,928	\$37,938
Total operating margin (deficit) (c).....	\$ (243)	\$ 125	\$ 1,548	\$ 1,476
kWh delivered (in millions).....	2,320	2,382	2,259	2,081
Cost per kWh delivered (in mills).....	34.9	26.3	18.1	18.2
kW peak demand (in thousands) (a).....	507	523	489	488
At Year End:				
Miles of transmission line (d).....	1,754	1,722	1,232	1,223
Cost of utility plant in service (c).....	\$440,130	\$435,110	\$41,756	\$31,248
Number of employees.....	361	289	218	141

## MEMBER DISTRIBUTION SYSTEMS:

For the Year:				
Number of member systems.....	18	19	19	19
Combined revenues (c).....	\$118,435	\$ 94,260	\$70,239	\$62,023
Average kWh per consumer (b).....	16,892	17,797	17,374	16,522
At Year End:				
Miles of distribution line.....	37,117	36,730	36,349	35,947
Number of substations.....	227	226	221	215
Number of connected consumers.....	139,009	135,728	131,954	128,084
Number of employees.....	668	672	646	646

### NOTES:

- (a) Based on demand billed to member systems.
- (b) Based on average number of consumers at beginning and end of year.
- (c) Dollars in thousands.
- (d) Includes 478 miles of CU Project transmission - 56% owned.

1976	1975	1974	1973	1972	1971	1970
\$30,892	\$24,332	\$17,913	\$16,247	\$13,875	\$12,276	\$10,529
\$ 1,975	\$ 872	\$ 753	\$ (2)	\$ (22)	\$ 195	\$ (1)
1,975	1,795	1,623	1,505	1,455	1,311	1,224
15.6	13.6	11.0	10.8	9.5	9.4	8.6
438	412	363	334	335	300	282
1,206	1,180	1,141	1,060	979	964	854
\$28,615	\$26,620	\$24,351	\$20,587	\$19,043	\$17,885	\$14,139
50	28	17	11	10	10	9
19	19	19	19	19	19	19
\$52,395	\$42,579	\$35,265	\$30,701	\$28,047	\$25,585	\$23,120
16,217	15,218	14,221	13,695	13,818	13,014	12,648
35,522	35,087	34,740	34,351	34,088	33,854	33,371
210	206	203	192	181	174	170
123,814	119,753	116,150	112,112	107,681	102,908	98,570
605	591	586	562	555	541	556



# AUDITORS' OPINION

To the Board of Directors of  
Cooperative Power Association:

We have examined the balance sheets of Cooperative Power Association as of December 31, 1980 and 1979, and the related statements of revenues and members' patronage capital and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the above financial statements present fairly the financial position of the Association at December 31, 1980 and 1979, and the results of its operations and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Deloitte Haskins & Sells

Minneapolis, Minnesota  
March 24, 1981

# BALANCE SHEETS

		December 31 1979
<b>ASSETS</b>	1980	
<b>ELECTRIC UTILITY PLANT (notes 1 and 3):</b>		
Plant in service .....	\$440,130,217	\$433,110,205
Construction work in progress .....	189,256,668	144,451,623
Less accumulated provision for depreciation and amortization .....	(25,918,780)	(13,090,689)
Electric utility plant, net. ....	<u>603,468,105</u>	<u>564,471,139</u>
<b>COAL MINE (notes 3 and 6):</b>		
Deferred development costs and coal leaseholds .....	10,649,500	8,856,094
Equipment under construction .....		15,921,213
Advances to coal mining company .....	25,973,955	25,519,135
Leased equipment .....	21,588,809	21,588,809
Less accumulated amortization .....	(863,552)	—
Coal Mine .....	<u>57,348,712</u>	<u>71,885,251</u>
<b>OTHER ASSETS AND INVESTMENTS:</b>		
Funds held by trustee - Pollution Control Revenue		
Bonds (note 5):		
Construction fund .....	4,472,535	5,807,007
Debt service reserve fund .....	5,974,358	5,975,865
Investments, at cost (note 4) .....	35,505,436	26,407,957
Deferred charges from abandoned project (note 7) .....	12,892,287	11,165,686
Less accumulated amortization .....	(647,363)	(155,709)
Deferred charges from CU Project (note 3) .....	18,800,984	6,232,457
Total other assets and investments .....	<u>76,998,237</u>	<u>55,433,263</u>
<b>UNAMORTIZED DEBT EXPENSE .....</b>	<u>954,158</u>	<u>1,008,495</u>
<b>CURRENT ASSETS:</b>		
Cash .....	842,474	3,475,102
Restricted cash .....	350,739	363,726
Accounts receivable from members .....	7,865,769	7,124,663
Accounts receivable from others .....	2,924,042	2,436,578
Coal inventory (note 3) .....	3,771,944	3,403,576
Fuel oil inventory, at average cost .....	692,364	664,752
Materials and supplies .....	3,282,926	1,903,776
Deferred power costs (note 2) .....	1,869,051	777,060
Prepaid expenses .....	1,406,604	691,269
Total current assets .....	<u>23,005,913</u>	<u>20,840,502</u>
<b>TOTAL ASSETS (note 5) .....</b>	<u>\$761,775,125</u>	<u>\$713,638,650</u>
<b>LIABILITIES</b>		
<b>MEMBER AND PATRON EQUITIES:</b>		
Memberships .....	\$ 2,000	\$ 2,100
Patronage capital .....	11,548,340	10,274,050
Members' contributions for debt service .....	74,866	74,866
Total member and patron equities .....	<u>11,625,206</u>	<u>10,351,016</u>
<b>LONG-TERM DEBT (note 5) .....</b>	<u>691,100,995</u>	<u>650,811,380</u>
<b>LEASE OBLIGATIONS (note 3) .....</b>	<u>20,985,589</u>	<u>21,406,759</u>
<b>CURRENT LIABILITIES:</b>		
Long-term obligations due within one year (notes 5 and 6) .....	1,657,660	1,390,888
Accounts payable .....	12,733,325	10,768,882
Construction retainages payable .....	7,760,877	8,531,820
Due members, billings in excess of power costs and members' deposits .....	10,543,656	5,619,770
Accrued taxes .....	3,577,828	2,220,088
Interest and other accrued expenses .....	1,789,989	2,538,047
Total current liabilities .....	<u>38,063,335</u>	<u>31,069,495</u>
<b>TOTAL LIABILITIES .....</b>	<u>\$761,775,125</u>	<u>\$713,638,650</u>

See accompanying Notes to Financial Statements.

# STATEMENT OF REVENUES AND MEMBERS' PATRONAGE CAPITAL

	1980	Year ended December 31 1979
<b>REVENUES AND PATRONAGE CAPITAL:</b>		
Revenues billed to members.....	\$86,669,164	\$64,616,042
Less billed revenues in excess of power costs (note 2).....	(5,674,743)	(1,969,717)
Other revenues.....	6,237,576	4,262,926
Net revenues.....	87,231,997	66,909,251
<b>OPERATING EXPENSES:</b>		
Purchased power.....	22,639,129	35,827,895
Generation costs:		
Fuel.....	11,508,703	6,098,593
Depreciation.....	8,449,278	3,425,863
Interest.....	22,796,500	9,636,981
Other.....	9,345,091	2,928,255
Transmission expense.....	2,818,027	2,019,690
Administrative and general expense.....	2,336,787	2,049,018
Depreciation and amortization.....	1,949,903	1,270,933
Property and other taxes.....	1,844,949	1,484,963
Interest and amortization of debt expense, net of interest earned on construction funds held by trustee.....	17,865,301	33,208,987
Interest to construction (note 1).....	(14,098,465)	(31,167,068)
Total operating expenses.....	87,475,203	66,784,110
<b>OPERATING MARGIN (LOSS).....</b>	<b>(243,206)</b>	<b>125,141</b>
<b>OTHER INCOME:</b>		
Allowance for funds used during construction (note 1)	401,544	870,783
Interest and other income.....	714,171	725,702
Distribution and financing cooperative capital credits (note 4).....	401,781	244,734
Total other income.....	1,517,496	1,841,219
<b>NET MARGIN.....</b>	<b>1,274,290</b>	<b>1,966,360</b>
<b>PATRONAGE CAPITAL AT BEGINNING OF YEAR.....</b>	<b>10,274,050</b>	<b>8,307,690</b>
<b>PATRONAGE CAPITAL AT END OF YEAR.....</b>	<b>\$11,548,340</b>	<b>\$10,274,050</b>

See accompanying Notes to Financial Statements.



# STATEMENT OF CHANGES IN FINANCIAL POSITION

	1980	Years ended December 31 1979
<b>FUNDS WERE PROVIDED BY:</b>		
Net margin.....	\$ 1,274,290	\$ 1,966,360
Items not requiring outlay of working capital in current period:		
Depreciation and amortization.....	10,399,181	4,980,613
Allowance for funds used during construction.....	(401,544)	(870,783)
Distribution and financing cooperative capital credits.....	(401,781)	(244,734)
Interest earned on debt service reserve fund held by trustee.....	(184,982)	(186,194)
Funds provided by operations.....	10,685,164	5,645,262
Sale of draglines.....	23,464,027	21,130,000
Investment of dragline proceeds.....	(23,288,195)	(21,130,000)
Increase in deferred depreciation, CU Project.....	3,838,453	1,200,000
Proceeds from issuance of:		
Pollution control advances.....	1,520,961	16,307,828
Long-term debt (net of funds held by trustee).....	53,811,000	118,677,573
Sale of investments.....	16,187,443	—
Total.....	86,218,853	141,830,663
<b>FUNDS WERE USED FOR:</b>		
Dragline capitalized lease.....	—	21,588,809
Capitalized lease obligation.....	(217,610)	(21,406,759)
Electric utility plant and coal mine expenditures (net of allowance for funds).....	61,214,551	94,618,678
Increase in deferred charges, CU Project.....	12,568,529	6,232,457
Reductions of long-term debt, notes payable and lease obligations.....	14,160,165	18,257,218
Increase in other investments.....	—	326,127
Purchases of Capital Term Certificates.....	1,594,946	288,315
Increase in charges to Abandoned Project.....	1,726,601	—
Retirement of membership.....	100	—
Total.....	91,047,282	119,904,845
<b>INCREASE (DECREASE) IN WORKING CAPITAL.....</b>	<b>\$ (4,828,429)</b>	<b>\$ 21,925,818</b>
<b>DETAIL OF INCREASE (DECREASE) IN WORKING CAPITAL:</b>		
Cash.....	\$ (2,645,615)	\$ 3,227,775
Accounts receivable.....	1,228,570	3,041,134
Inventories.....	1,775,130	4,996,390
Deferred power costs.....	1,091,991	(645,419)
Prepayments.....	715,335	518,508
Long-term obligations due within one year.....	(266,772)	(665,888)
Accounts payable.....	(1,964,443)	6,165,686
Construction retainages payable.....	770,943	8,176,377
Interest and other accrued expenses.....	748,058	(221,512)
Accrued taxes.....	(1,357,740)	(968,043)
Due members, billing in excess of power costs and members' deposits.....	(4,923,886)	(1,599,190)
<b>TOTAL.....</b>	<b>\$ (4,328,429)</b>	<b>\$ 21,925,818</b>

See accompanying Notes to Financial Statements.

# NOTES TO FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**System of Accounts** — The accounting records of Cooperative Power Association (the Association) conform to the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission and the Rural Electrification Administration (REA).

The system requires that utility plant be stated at original cost and the cost of additions includes contracted work, direct labor and materials, allocable overheads, interest charged to construction, and allowance for funds used during construction.

Interest charged to construction (borrowed funds) and allowance for funds (other than borrowed funds) used for construction are included in construction work in progress and credited to operating expenses and other income, respectively. The rates applied to construction work in progress reflect the actual interest rates for borrowed funds (reduced by the effect of interest earned on construction funds held by trustee) and the prevailing short-term investment rates for other than borrowed funds.

The Association is exempt from Federal and state income taxes.

**Depreciation and Amortization** — The provisions for depreciation and amortization of the electric utility plant are provided on the straight-line method based on estimated service lives of the property. These provisions as a percent of the average balance of depreciable property were 2.94% in 1980 and 2.95% in 1979.

**Pension Plan** — The Association has a mandatory contributory pension plan which provides for guaranteed contributions by the Association for a group annuity contract which covers substantially all of its employees. Total pension cost was approximately \$231,000 in 1980 and \$109,000 in 1979. The Association's policy is to fund pension costs as incurred.

**Reclassifications** — Certain reclassifications have been made to 1979 financial statements to conform to the 1980 presentation.

## 2. MEMBER SERVICE CONTRACTS

The Association has long-term wholesale power contracts with each of its Class A members whereby it agrees to provide all of the power required by the member system to the extent that the Association has electric power available. Power is provided to the members at cost and, accordingly, any variation between cost (defined as power costs incurred less certain deferred power costs incurred in December after the billing date to its members) and the aggregate amounts billed is included in accounts receivable or accounts payable. The members agree to pay a billing rate which is projected to cover all other costs and necessary reserves (operating margins), in addition to the cost of power.

The increase in billed revenues in excess of power costs for 1980 resulted primarily from a rate increase which anticipated cost increases due to Unit 2 of Coal Creek Station, and related transmission facilities becoming commercially operational in late 1980. Commercial operation of Unit 2 was postponed until mid 1981.

## 3. CU PROJECT AND COAL MINE

**CU Project** — The Association is participating to the extent of 56% in the construction and operation of two 500 megawatt generation units in North Dakota and related transmission facilities (CU Project). The unused financing commitment from REA for either insured or guaranteed loans for the Association's share of the CU Project is \$110 million at December 31, 1980.

One-half of the interest, depreciation and property taxes associated with the common plant and transmission system is being deferred until Unit 2 is completed. The deferral of these costs has been approved by REA, and will be amortized to expense on a straight-line basis over approximately 20 years.

**Transmission Line Sale-Leaseback** — During 1980 the Association and United Power Association (UPA), the Co-owners transferred ownership of the Minnesota portion of the 400 KV DC transmission line to the REA through a sale-leaseback transaction. At the end of the four and one-half year lease term, ownership will be transferred back to the Co-owners. For financial statement purposes the leased transmission facilities are included in plant-in-service and construction work in progress.

**Coal Mine** — The Association and UPA, have entered into an agreement with The Falkirk Mining Company (Falkirk) for the development of a lignite coal mine adjacent to Coal Creek Station which will supply the plant's fuel requirements.

**Coal Mine Deferred Development** — Deferred development cost is principally interest capitalized on advances to Falkirk and deferred amortization and interest on the leased dragline. These cost deferrals have received REA approval and will be charged to the cost of coal generally on a units-of-production method over the first 100 million tons of coal mined after the development period.

**Coal Mine Advances** — The Co-owners are required to provide financing for all costs associated with the development of the mine. The Association's advances at December 31, 1980 have been used by Falkirk as follows:

Coal lands and leaseholds.....	\$ 1,032,646
Coal mine equipment.....	22,968,794
Less allowance for depreciation, depletion and amortization.....	(2,086,827)
Construction in progress.....	281,870
Mine development costs.....	2,192,752
Working capital.....	1,584,720
Total advances.....	<u>\$25,973,955</u>

Coal will be purchased from Falkirk at the cost of production (including depreciation, depletion and amortization) plus an agreed profit. Price of coal during the development period is set based on the per-ton cost of production estimated to be incurred after the development period plus an agreed profit. Production costs in excess of this price (less an agreed profit) are included in mine development costs.

Coal mine equipment is amortized on a straight-line method over the estimated useful lives. Amortization of coal lands is calculated on the units-of-production method based on estimated recoverable tonnages. Mine development costs will also be amortized, after the development period, on the units-of-production method.

The Co-owners have unconditionally guaranteed two leveraged leases entered into by Falkirk. The Association's share of the lease guarantees is approximately \$26.4 million.

#### 4. INVESTMENTS

The Association joined the National Rural Utilities Cooperative Finance Corporation (CFC) in 1970 and initially agreed to purchase 3% Capital Term Certificates through 1984. Future annual purchases, which are based on operating revenues, are estimated by management to aggregate \$2,800,000. Investments in 3% Capital Term Certificates amounted to \$5,879,024 at December 31, 1980 and \$4,284,078 at December 31, 1979.

Also included in investments is approximately \$28.9 million and \$21.1 million in 1980 and 1979, respectively, from the sale of draglines used in coal mine operations. As the investments are sold the proceeds are used to pay for CU Project construction.



NOTES TO FINANCIAL STATEMENTS  
CONTINUED

5. LONG-TERM DEBT	1980	December 31 1979
Mortgage notes payable to United States of America:		
2% due through 2011 .....	\$ 22,106,144	\$ 22,917,860
5% due 1981 through 2011 .....	47,306,592	28,191,358
Federal Financing Bank (FFB) Promissory Notes:		
Due 1981, 9.11 to 12.28% .....	89,123,000	89,123,000
Due 2009-2012, 7.42 to 8.89% .....	430,638,000	430,638,000
National Rural Utilities Cooperative Finance Corporation (CFC):		
9.25% due 1995 .....	12,730,000	12,000,000*
9.50% due 2015 .....	6,546,000	
City of Underwood, North Dakota, Pollution Control Revenue Bonds:		
Serial Bonds, from 5.15% to 6.75% due 1981 through 1999 .....	20,685,000	20,995,000
Term Bonds 7.00% due 2008 .....	29,305,000	29,305,000
Notes payable, to be refinanced .....	33,885,000	18,850,000
Total .....	692,324,736	652,020,218
Less due within one year .....	1,223,741	1,208,838
Total .....	<u>\$691,100,995</u>	<u>\$650,811,380</u>

\* Obligation bearing interest at 1/2% over prime was refinanced during 1980.

The Association has lines of credit of \$70 million with CFC for interim financing for its power supply projects. Outstanding notes payable and FFB notes due in 1981 have been classified as long-term debt since commitments have been obtained from the REA and FFB for long-term financing of the major power supply projects under construction.

The Pollution Control Revenue Bonds are unconditionally guaranteed by CFC. The bond agreement requires that the unexpended portion of the bond proceeds be held in escrow by a trustee in a construction fund to reimburse the Association for costs when incurred in construction of the pollution control facilities at the CU Project. The agreement also requires that a debt service reserve fund be established for the last principal and interest payment of the term bonds. The term bonds are subject to sinking fund redemption at 100% of the principal amount prior to their stated maturity date beginning in 1999 through 2008.

All of the Association's assets are pledged as collateral to the long-term debt.

## 6. CAPITAL LEASES

The Association and UPA are the lessors of a dragline to be used in coal mining operations. The lease agreement provides for semi-annual lease payments over 25 years plus two five-year renewal options. The agreement provides that the Association and UPA will have the right of first refusal should a disposition of property occur.

The Association has entered into a lease of a computer during 1980. The lease agreement calls for monthly lease payments over a five year period. The lease agreement provides that the Association will have the first opportunity to buy the equipment for fair market value at the end of the lease term. The leased computer (approximately \$217,000) is included in plant-in-service in the financial statements.

The following is a schedule by years of the future minimum lease payments under the capital leases together with the present value of the minimum lease payments as of December 31, 1980.

Year Ending December 31:

1981.....	\$ 1,793,909
1982.....	1,789,167
1983.....	1,789,167
1984.....	1,789,167
1985.....	1,755,966
Later years.....	<u>33,778,905</u>
Total minimum lease payments .....	42,696,282
Less: Amount representing interest.....	<u>21,276,774</u>
Present Value of Lease Payments .....	21,419,508
Less: Current maturities .....	<u>433,919</u>
Total.....	<u>\$20,985,589</u>

7. DEFERRED CHARGES FROM ABANDONED PROJECT

In 1977 the Association entered into a participation agreement with three other electric utilities for a 17.4% ownership in the Tyrone Energy Park project in the State of Wisconsin. In 1979 a certificate of need was denied by the Wisconsin Public Service Commission, and the project was canceled by the participants. The Association estimates that their share of costs, net of recoverable cancellation costs could amount to approximately \$14,000,000. The Association has obtained a \$14,600,000 15 year loan from CFC to finance the cost of the abandoned project.

The costs are being deferred and amortized to expense, and recovered through billings to member cooperatives over a 15 year period as approved by the Association's Board of Directors.

8. CONTINGENCIES AND LITIGATION

A lawsuit has been instituted by opponents of the CU Project against the Minnesota Energy Agency (MEA) seeking to set aside the certificate of need for the CU Project transmission line and related facilities within the State of Minnesota. The facilities which are being called into question, with exception of the Dickinson-Wilmarth line, are already constructed. The Association and UPA (the Co-owners) are participating inasmuch as they are the real parties of interest. The opinion of the Associations management and legal counsel is that the plaintiff will not prevail in this lawsuit.

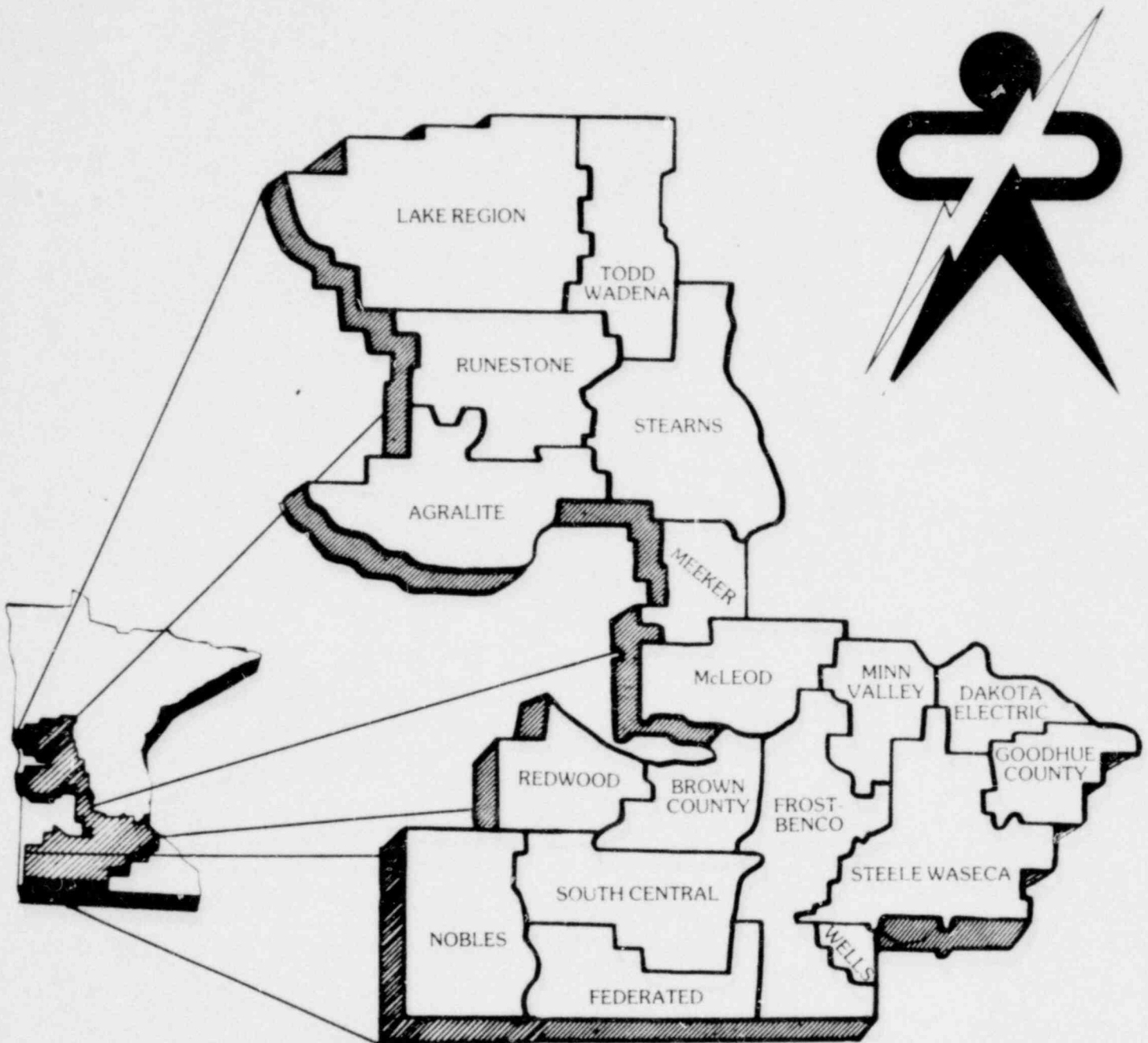
The Co-owners have initiated eminent domain proceedings to acquire right-of-way easements which could not be obtained through negotiation for the construction of the Dickinson-Wilmarth segment of the CU transmission line. Certain property owners have objected to the taking of easements on the grounds that the certificate of need issued by the MEA for the line segment was improperly issued. After extensive litigation the Minnesota Supreme Court determined that MEA had not provided the required public notices of hearings prior to the issuance of the certificate of need. The Supreme Court remanded the need question to a special three judge district court panel and directed that they order supplementary hearings before the MEA on the certificate of need question. If the Co-owners do not receive a certificate of need the eminent domain proceedings which have been instituted would be dismissed. The expenses incurred thus far in connection with the Dickinson-Wilmarth line would be recoverable through the billing rates of the Association.

# A REVIEW OF COOPERATIVE POWER ASSOCIATION'S 18 MEMBER SYSTEMS

	Miles of Line	Number of Consumers	kWh Purchased During 1980	% of kWh Increase (decrease) over 1979
<b>Agralite Cooperative, Benson</b> Ramon Millett, General Manager.....	2,868	4,537	94,607,368	(2.2)%
<b>Brown County Rural Electric Ass'n., Sleepy Eye</b> Leslie R. Schrupp, Jr., General Manager.....	1,314	3,327	75,892,200	(4.1)%
<b>Dakota Electric Ass'n., Farmington</b> Richard Okerberg, General Manager.....	1,983	30,095	477,574,024	3.3 %
<b>Federated Rural Electric Ass'n., Jackson</b> Marvin Johnson, General Manager.....	2,069	4,732	100,807,244	(4.9)%
<b>FROST-BENCO Electric, Mankato</b> Donald Amundson, General Manager.....	2,580	8,102	133,603,101	(5.5)%
<b>Goodhue County Co-op Electric Ass'n., Zumbrota</b> Cecil Holsing, General Manager.....	1,033	3,466	67,259,491	(2.8)%
<b>Lake Region Co-op Electrical Ass'n., Pelican Rapids</b> Clarence Peterson, General Manager.....	5,061	17,558	210,013,911	(4.4)%
<b>McLeod Co-op Power Ass'n., Glencoe</b> Bernard Janowski, General Manager.....	1,738	5,127	103,245,336	(4.6)%
<b>Meeker Co-op Light &amp; Power Ass'n., Litchfield</b> Duane Henkelman, General Manager.....	1,612	6,051	101,733,891	(6.0)%
<b>Minnesota Valley Electric Co-op, Jordan</b> Francis Fiebelkorn, General Manager.....	2,120	10,941	171,088,620	(4.0)%
<b>Nobles Cooperative Electric, Worthington</b> Douglas Wallace, General Manager.....	2,083	4,881	90,270,901	(4.2)%
<b>Redwood Electric Cooperative, Clements</b> Albert Lennick, General Manager.....	1,196	2,472	52,277,489	(4.2)%
<b>Runestone Electric Ass'n., Alexandria</b> Vernon Jutila, General Manager.....	2,588	8,551	119,889,014	(4.6)%
<b>South Central Electric Ass'n., St. James</b> LeRoy Nelson, General Manager.....	1,986	4,082	107,007,120	(3.1)%
<b>Stearns Co-op Electric Ass'n., Melrose</b> Eugene Sullivan, General Manager.....	2,932	12,759	212,076,220	(1.8)%
<b>Steele Waseca Co-op Electric, Owatonna</b> Donald Larson, General Manager.....	1,805	6,061	95,076,880	(4.1)%
<b>Todd-Wadena Electric Co-op, Wadena</b> Jon Bellgowan, General Manager.....	1,892	5,658	96,902,808	(3.9)%
<b>Wells Electric Ass'n., Wells</b> Steve Flo, General Manager.....	257	609	11,140,348	(6.9)%
<b>Total.....</b>	<u>37,117</u>	<u>139,009</u>	<u>2,320,465,966</u>	<u>(2.6)%</u>



# COOPERATIVE POWER ASSOCIATION SERVICE AREA



## Notes