

Michigan

COUNTRY LINES



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MANAGER'S MESSAGE

Political Action

How many times have you heard the saying, “We were born in politics and we will die in politics?”

What I believe this means is, “We started by forming a group of interested people and we will cease to exist when the people are no longer interested.”

You can apply this to Rotary, Farm Bureau, and electric cooperatives like Cherryland Electric Cooperative (CEC).

In the electric cooperative world, we have evolved into a time in our history where very, very few of the people we serve remember the day when the lights came on. Electricity is now a commodity that is taken for granted. People flip a switch and 99.99 percent of the time (actual CEC reliability number) the lights come on.

Cherryland is embarking on an era during which we will attempt to re-engage our members, stressing the cooperative's purpose. One avenue of engagement is strengthening the political voice of the cooperative's members.

Why do we need a voice in the halls of Lansing and the U.S Capitol? I believe our elected officials need to hear our opinion on things such as Environmental Protection Agency regulations, a bill that would encourage more recycling of coal ash; legislation to improve the operation of present hydro facilities; a national energy conservation loan program, and a number of similar ideas that will ultimately affect the reliability and affordability of electricity in the future.

The Action Committee for Rural Electrification (ACRE) is the political action committee (PAC) for the nation's electric cooperatives. For decades, Cherryland's directors and employees have donated their personal dollars to this PAC. The money goes to candidates that support electric cooperative issues at the state and federal levels.

Yes, we can have the debate about getting into the trenches with other lobbyists

who are tossing money about. But, the fact remains that while a letter, phone call or personal visit may be effective, money increases the effectiveness.



Tony Anderson
General Manager

I don't make the “rules” of the game, but I do have to play in order to benefit all the cooperative's members. Rest assured, your cooperative has never issued a check to any politician.

Soon, Cherryland will give its members the opportunity to contribute to ACRE under a program titled “ACRE Co-op Owners For Political Action.”

Federal regulations allow only residential members to contribute. These eligible members will receive an individual solicitation in an upcoming bill stuffer. This program is completely voluntary, but I can't emphasize enough how important it is to our continued success.

As a member-owner of Cherryland Electric, you have the privilege of participating in the political affairs of our cooperative. This includes the unique right to make financial contributions to the campaigns of candidates for political office who support our cooperative.

The ACRE Co-op Owners opportunity will make this unique right both simple and easy. Members who sign up will receive information on legislative initiatives, “owners only” emails, and in-person opportunities to meet with legislators.

In addition to strengthening our political voice, I hope this will create a dialogue with members interested in becoming more active in their electric cooperative. The effectiveness of our voice in the future lies in giving this voice strength.

ACRE for Owners is just one new way we can put life back into our politics for the good of all.

New Heating Assistance Law Passed

Starting this October, Cherryland Electric Cooperative members will begin paying a fixed charge of 99 cents per month into the Low Income Energy Assistance Fund (LIEAF). The charge will appear as a line item on each member's bill.

For years, Michigan has provided low-income heating and cooling assistance over and above the federally-funded tax return-driven Michigan Home Heating Credit program.

In its original form, the state assistance program was funded entirely by two large Michigan utilities—DTE and Consumers Energy—although the funds were disbursed across the state to other utility consumers, including Cherryland Electric Cooperative members.

Eventually, the utility-based program was declared illegal. Assistance dollars were then appropriated by the state legislature on a yearly basis.

Wanting a steady and more predictable stream of heating and cooling assistance dollars, state legislators began looking for an alternative to the annual appropriations process. Their solution was to return to a utility-funded program.

However, this time around the law is modified to support a utility-based program and the burden falls to all electric utility customers, not just those served by DTE and Consumers Energy. The program is scheduled to start with this year's heating season and ends Sept. 30, 2016, at which time it will likely be renewed by the Michigan Legislature.

Under the new legislation (reference Public Act 615 of 2012 and Senate Bill 284 H-1), the Michigan Public Service Commission (MPSC) is charged with setting a monthly rate applicable to all Michigan electric customers with the goal of raising \$50 million, which is the maximum the legislation allows.

The charge has been initially set at 99 cents monthly, per meter, which the Commission says should raise the desired

\$50 million. The maximum meter charge is set at \$1 per month.

It is important to note that the line item charge will also be subject to state sales tax, pouring well over \$2 million of additional revenue into state coffers each year. Both the assistance money and the tax revenue collected by the utility will be passed on to the state Department of Treasury.

Once the state receives the money, it will be turned over to the Department of Human Services (DHS) for distribution to low-income households. Ultimately, DHS will determine where the money goes and

it will receive any or less funding collected by utilities serving other geographic areas.

It is also unclear what percentage of the money collected in a given geographic area will return to that area. In other words, how much of the money collected for Cherryland Electric Cooperative members will get returned to our low-income members?

Cherryland has chosen to participate fully in the LIEAF program. While we would prefer the Michigan Legislature not use utility bills as vehicles for collecting tax revenue, we do support the program's

Wanting a steady and more predictable stream of heating and cooling assistance dollars, Michigan legislators have returned to a utility-funded program.

who gets how much.

Prospective assistance recipients must complete an application with DHS. Most types of heat energy qualify for assistance payments, including electricity, natural gas, propane, and heating oil. So, just to clarify, while electric utilities will bill and collect the assistance revenue, the state will disburse those funds to pay for the most common sources of heat energy, not just electricity.

Curiously, the legislation does leave each utility the option to opt-out of the program. However, the exit provision comes with a couple less-than-desirable trade-offs. First, utilities choosing not to collect the surcharge can't shut off service to any residential customers between Nov. 1 and April 15.

Second, it is not entirely clear that if a utility opts-out of the program whether or not the geographic area served by that util-

objectives, as many of our members do benefit from these types of programs.

In 2012, for example, our members received over \$300,000 from various state and federal assistance programs to help pay their electric bills. Further, losing the ability to disconnect for nonpayment throughout the year could create significant cash flow and resource management issues.

For more information on the LIEAF program, visit michigan.gov/mpsc and click on "Consumer Information."

— Kevin Cragg



Cherryland board members (L-R), Betty Maciejewski, Jon Zickert and John Olson at the annual meeting.

Becoming Involved for the 'Right Reasons'

Cherryland director talks about his experience on the board.

Locally owned, locally controlled, and locally run. Democratic member control is one of the many reasons it's great to be a member of an electric cooperative.

Unlike the board of directors of investor-owned utilities who work to generate profits, our directors have only one thing in mind: keeping the lights on and keeping costs affordable. That's why you elected them.

Recently, I spoke with one of our directors, Jon Zickert, about his role in the cooperative and what he sees in our future. Jon has served on the Cherryland board since 2009.

Q: *How much did you know about the cooperative and the electric business before serving on the board?*

A: I have always been involved in energy conservation both when I worked as the Room Division Director at Crystal Mountain and now that I am a realtor with Real Estate One. Before joining the board, I paid my bill monthly and knew very little about Cherryland and what it means to be part of a member-owned cooperative.

Q: *What has surprised you in your tenure on the board?*

A: The complexity of the energy business. We take for granted that the light will always turn on when we flip the switch. I am surprised by the amount of skill and dedication displayed by all employees at Cherryland just to keep the lights on. It is a very complex 24/7/365 business with lots of moving parts. The way

This is the third installment of a series on the cooperative principles.

this cooperative is run is really special.

Q: *You are certainly busy with your work and a young family, what motivates you to serve as a director?*

A: The ability to be part of something bigger than just a business. The cooperative and all it stands for is an important part of this economy. Electricity plays a crucial part in everyone's daily lives. Turn the power off for just a few minutes and you get a good idea very quickly how important it is for the world to function. Being voted to serve on the board by the members is something I take very seriously.

Q: *What are some of the biggest challenges you foresee in the future?*

A: We are always and always will be concerned with energy supply. Maintaining reliability and affordability while being good stewards of our environment is a balancing act and there is no one right solution, but rather a combination of many.

Another challenge is getting our members to be engaged and involved with their cooperative. Since cooperatives are not-for-profit, they instead emphasize member service. We really need all members to become involved and think about our challenges ahead and offer their feedback and ask questions. Any time the power goes off our members seem to

be engaged, but when it comes back on we seem to settle back into our busy lives.

Q: *As you point out, our success relies heavily on the willingness of our members to take active leadership roles. Do you have any advice for those considering serving?*

A: Become involved for the right reasons—to make a difference in peoples' lives. Do not become involved to push “your” agenda or that of another organization. Become involved to understand the industry from the inside. Seek to understand how the business operates and how you can be involved to help guide your cooperative along the right path, or paths in most cases.

Also be prepared to commit some time to this position. Directors average about 4-7 hours per week. Still, it is a very rewarding position to participate in as you see the difference reliable and affordable electricity makes in everyone's lives.

As a locally-owned and operated business, electric co-ops understand the people they serve. Cherryland directors and employees share the same values and have the same “pride of place” as you do because it is our community, too. We act like neighbors because we are neighbors.

That's the cooperative difference.

Rachel Johnson is the grassroots advocate at Cherryland Electric Cooperative.



Member Advisory Committee

Get Involved.



Be Heard.

- Have you ever wondered:**
- Why electricity costs keep rising?
 - How Cherryland prioritizes outage restoration efforts?
 - How Cherryland is affected by energy regulations?

JOIN our new Member Advisory Committee (MAC) to find out more about your electric cooperative and to provide valuable feedback on our programs and services. Our MAC will consist of representatives from all of our service areas. You must be a Cherryland member to serve on the MAC. MAC members will serve 2-year terms and are limited to 2 terms of consecutive service.

We will hold the first MAC meeting in September. The committee will meet 5 times — September, October, January, March and May — on the second Tuesday of the month, at 6 p.m.

If you are interested in volunteering, contact:
Rachel Johnson — 231-486-9275 — rjohnson@cecelec.com

Stay Informed.

Visit cecelec.com “Get Involved”

Safety Education at Cherryland is No Accident

Jim Carpenter preaches what he practices.

Among the many hats the Traverse City native wears at Cherryland Electric Cooperative is that of a safety teacher.

He reviews safety with the cooperative's lineworkers and explains the importance of respecting electricity to its members.

And, he visits area schools and educates young students about how our power grid works and how they can stay safe by understanding a few basic lessons.

Carpenter's official title at Cherryland is line superintendent. But in his 30 years with Cherryland and four at the statewide association—the Michigan Electric Cooperative Association—he has worked as a tree trimmer, purchaser, lineman and safety coordinator. That gives him a unique perspective on safety.

With his blend of knowledge about electricity and engaging personality, students from eight to 80 grasp the importance of what he is saying.

We recently asked Jim some questions about safety education and how it relates to Cherryland members.

Q: *Does being a native to this area help you talk about safety?*

A: I think so. It helps because I know the area and I know so many people here. I've also served on many different boards, and because of that I am familiar with the needs and hot issues of the area.

Q: *What do you enjoy most about going into schools and talking to kids about safety?*

A: The kids are truly interested. They have great questions and funny stories. It's rewarding to tie what the teacher is doing into what we do here at Cherryland every day. The kids draw pictures with amazing detail from the presentation. That is the best feedback that shows me they learned from my presentation.



Cherryland's Jim Carpenter talks to a class about the importance of electrical safety.

Q: *When it comes to talking to adults about safety, what surprises you most that they don't know?*

A: Many people assume the primary conductors are insulated. And many do not realize the voltage that is in our primary lines. So it's important to educate them.

Q: *How important is a good culture of safety at an electric utility like Cherryland?*

A: It is very important because it helps establish trust that we do the right things for our members. We send our employees home every day without any serious injuries. A safe utility is a good place to work. A good place to work serves our communities well.

Q: *Talk about the tools you use to teach kids about safety.*

A: I have a table-top demonstration that represents an electrical system anywhere in North America. It is a very effective tool. I also pass around the safety equipment that our employees use every day.

While doing this, I talk about their use and importance.

Q: *Do you use the same tools when speaking to adults?*

A: The stories are usually the same, but with a different emphasis. I don't share the graphic details with the kids about some of the accidents that have occurred around the country. But adults need to understand the true effects of bad choices around electricity.

Q: *What do you stress most when it comes to staying safe around electricity?*

A: I tell everyone you can't see electricity, you can only see what it does. A line lying on the ground may look harmless, but it's not. I tell adults to call us when they find a downed line. I tell kids to tell an adult and have them call us. We want our system safe.

Jim Carpenter is the line superintendent at Cherryland Electric Cooperative. If you are interested in a safety demonstration, call him at 231-486-9217 or email jcarpenter@cecelec.com.

7 Tips for a Good School Year



Nick Edson

I come from a family of teachers.

My maternal grandmother was a teacher. Both of my parents were teachers. My sister is a retired teacher. Heck, I even got my teaching degree from Central Michigan University more than 37 years ago.

I also have good friends who are teachers and school administrators. On the flip side, as parents we've all had mostly pleasant and a few not-so-pleasant experiences during our children's school years.

So, I asked a pool of teachers and parents to draw from their experience and give me tips to pass on about how students can improve their chances of having a good school year.

These were the "Top 7" tips I got as we open another school year.

- 1) **Stay Positive About Your Child's Teacher and School.** This sounds easy. Sometimes it isn't. But the key is to motivate your student by stressing the positive aspects of their teacher or school. There were times when our kids were growing up that I didn't agree with how a teacher handled a certain situation. More times than not, when I asked the teacher about it, the answer made total sense. We were very careful to stay positive about the teachers around our kids. If not, it gives kids an excuse to have a poor attitude or not try as hard in class.
- 2) **Get to Know the Teacher and Principal.** Communication is the key to a good education. And it works both ways. When you get a chance, introduce yourself to the teacher and principal—not when you have a beef, but early in the school year. Ask them about the ground rules for any "situation" that might arise.
- 3) **Know the School Schedule.** You would assume that everyone knows the bus schedule, starting times and yearly school schedule. You'd be wrong. One good idea from a parent was to post school schedules on the refrigerator so kids and parents could be reminded on a daily basis.
- 4) **Ask About Their Friends.** There are times when a student falls into the wrong crowd and misbehaves at school and the parents have no idea until they get a call from the principal's office. Several parents told me they always checked with their kids about the friends they have at school and tried to meet them.
- 5) **Don't Play the Blame Game.** This is one of my personal pet peeves. When something doesn't go well at school, the first thing some parents do is blame the teacher. Then they blame the school. Then they blame anything else they can think of. If kids learn to play the "Blame Game" early, they will use it for the rest of their lives. One of the most important things you can teach your children, both teachers and parents say, is to assume responsibility for their actions.
- 6) **React Quickly to "Situations."** Problems always arise during the school year. There is no getting around it. One of the best ways to get to the heart of the problem is to address it quickly. That is, don't put it off. Showing respect to each other—parents, teachers, children—goes a long way in solving a problem and moving on.
- 7) **Communicate, communicate, communicate.** This is the bottom line to everything. Talk with your child about school. Get to know your child's teacher. Talk to other parents about how they perceive things are going at school. Good communication isn't rocket science... it's more important than that.



When the crops are ready to be harvested, farmers have only a window of time—between weather, equipment breakdowns, and life events—to bring the best-quality crop out of the field. This flurry of activity to get as much work done as possible also means extra caution should be taken to watch for safety hazards.

Overhead power lines pose one of the biggest hazards. This is partly because we have to look up to see them, so especially **farm operators and workers are urged to:**

▶ Use a spotter when operating large machinery near power lines.

- ▶ Use care when raising augers or the bed of grain trucks around power lines.
- ▶ Keep equipment at least 10 feet from lines—at all times, in all directions.
- ▶ Inspect farm equipment heights to determine clearance.
- ▶ Always remember to lower extensions when moving loads.
- ▶ Never attempt to move a power line out of the way or raise it for clearance.
- ▶ If a power line is sagging or low, call the local utility immediately.

Visit SafeElectricity.org for more tips.

If contact is made with a power line, it is almost always safest to stay on the equipment. Warn others to stay away, and call the local utility provider immediately. The only reason to exit is if the equipment is on fire. In this case, jump off the equipment with your feet together and without touching the ground and vehicle at the same time. Then, still keeping your feet together, “bunny hop” away. Also consider these additional tips:

- ▶ Do not use metal poles when breaking up bridged grain inside and around bins.
- ▶ Always hire qualified electricians for any electrical issues.
- ▶ Do not use equipment with frayed cables.
- ▶ Make sure outdoor outlets are equipped with a ground fault circuit interrupter (GFCI).
- ▶ When operating a portable generator, make sure nothing is plugged into it when turning it on, and never operate a generator in a confined area. Generators can produce toxic, deadly gasses, such as carbon monoxide.
- ▶ Always use caution when operating heavy machinery.

STATE OF MICHIGAN BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for Cherryland Electric Cooperative to fully comply with Public Act 295 of 2008.

Case No. U-17369

NOTICE OF OPPORTUNITY TO COMMENT

On March 15, 2013, April 2, 2013, and May 2, 2013, the Michigan Public Service Commission (Commission) ordered Cherryland Electric Cooperative to file an energy optimization plan on or before August 1, 2013, to comply with the “Clean, Renewable and Efficient Energy Act” (2008 P.A. 295, MCL 460.1001, et seq.) in Case No. U-17369. On August 30, 2013, Cherryland Electric Cooperative filed its application for an Energy Optimization Plan with the Commission.

Any interested person may review the filed Energy Optimization Plan on the MPSC website under Case No. U-17369 at: michigan.gov/mpscedockets and at the offices of Cherryland Electric Cooperative, 5930 U.S. 31 South, Grawn, Michigan or at the office of the Commission's Executive Secretary, 4300 W. Saginaw, Lansing, Michigan 48917, between the hours of 8 a.m. and 12 p.m. and 1 p.m. and 5 p.m., Monday through Friday.

Written and electronic comments may be filed with the Commission and must be received no later than 5:00 p.m. on November 5, 2013. Written comments should be sent to the: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909, with a copy mailed to Cherryland Electric Cooperative, 5930 U.S. 31 South, Grawn, Michigan 48875. Electronic comments may be emailed to: mpscedockets@michigan.gov. All comments should reference Case No. U-17369. Comments received in this matter will become public information, posted on the Commission's website, and subject to disclosure. Please do not include information you wish to remain private.

The Commission will review the energy optimization plan together with any filed comments and provide a response indicating any revisions that should be made. If the Commission suggests revisions, Cherryland Electric Cooperative will file a revised EOP plan. A Commission order will be issued following the filing of the application.

CHERRYLAND ELECTRIC COOPERATIVE

Fuel Mix Report

The fuel mix characteristics of Cherryland Electric Cooperative as required by Public Act 141 of 2000 for the 12-month period ended 6/30/13.

COMPARISON OF FUEL SOURCES USED

Regional average fuel mix used		
Your co-op's fuel mix		
FUEL SOURCE		
Coal	59.2%	57.9%
Oil	0.2%	0.4%
Gas	11.0%	12.2%
Hydroelectric	1.3%	0.9%
Nuclear	23.1%	25.0%
Renewable Fuels	5.2%	3.6%
Biofuel	0.4%	0.1%
Biomass	0.2%	0.4%
Solar	0.0%	0.0%
Solid Waste Incineration	0.2%	0.5%
Wind	4.2%	2.2%
Wood	0.2%	0.5%

NOTE: Biomass above excludes wood; solid waste incineration includes landfill gas, and wind includes a long-term renewable purchase power contract in Wolverine's mix.

Your Co-op's Fuel Mix



Regional Avg. Fuel Mix



EMISSIONS AND WASTE COMPARISON

TYPE OF EMISSION/WASTE	lbs/MWh	
	Your Co-op	Regional Average*
Sulfur Dioxide	5.5	7.6
Carbon Dioxide	1,580	2,170
Oxides of Nitrogen	1.7	2.0
High-level nuclear waste	0.0077	0.0083

*Regional average information was obtained from MPSC website and is for the twelve-month period ending 12/31/12. Cherryland Electric Cooperative purchases 100% of its electricity from Wolverine Power Cooperative, which provided this fuel mix and environmental data.



COMMUNITY SOLAR PROJECT UPDATE – As of Aug. 1, the solar array produced 7,500 kilowatt hours since the first panel went live on April 21. Members can view the current and historical solar energy production of the project at cherrylandelectric.com. Shares sold: 133; shares remaining: 91. Pictured (L-R) are Cherryland's general manager, Tony Anderson, and Traverse City Light & Power general manager, Tim Arends.

Red Wings Train at Centre Ice



The Detroit Red Wings will again hold their training camp at Centre Ice, which draws its power from Cherryland Electric Cooperative.

The National Hockey League will hold scrimmages at Centre Ice starting Saturday, Sept. 17, concluding with the annual Red & White game on Tuesday, Sept. 20. They will also hold morning practices on Wednesday, Sept. 21, and Thursday, Sept. 22.

The Sept. 21 and 22 practices are new this year. Each of those afternoons, the team will fly out of Traverse City to play in an exhibition game, then return to town afterwards.

CEC Board Adapts Resolution

At the July meeting of the Cherryland Electric Cooperative board, a resolution was adopted to reach out to members through the ACRE Co-op Owners for Political Action® program. Details of that program are included in this issue of *Country Lines* magazine.

The resolution read: "Whereas the Board of Cherryland Electric Cooperative supports efforts to increase political participation among all rural electric cooperative member consumers and;

"Whereas increased political participation amplifies the member consumer's voice and encourages

responsible legislation to ensure safe, reliable, affordable electricity and; "Whereas political activism is the basic foundation of our democracy.

"Therefore, be it resolved that the Board strongly endorses implementing the ACRE Co-op Owners for Political Action® program to increase political involvement and support ACRE®, the political action committee of electric cooperatives."

Send Us Your Pictures

Cherryland Electric is gathering pictures for its 2013 calendar. We are asking members to send in either old or current pictures they have of Cherryland crews or employees.

Please send the photos to Nick Edson by email at nicke@cecelec.com or by mail: Calendar Photos, Cherryland Electric Cooperative, P.O. Box 298, Grawn, MI 49637.

Next Member Input Session

Cherryland Electric Cooperative's next quarterly member input session is planned for Monday, Sept. 16. Members can address the board at 9 a.m. at the start of the regular monthly meeting and are asked to keep their comments to less than 5 minutes.

The next member input session is scheduled for Monday, Dec. 16.



cherrylandelectric.com



As a member-owner of Cherryland Electric Cooperative, you have the privilege of participating in the political affairs of our cooperative. That includes your unique right to make financial contributions to the campaigns of candidates for political office who support our electric cooperative.

The Action Committee for Rural Electrification (ACRE) is the political action committee of the nation's electric cooperatives. ACRE Co-op Owners for Political Action gives you, the member-owner, the opportunity to raise your voice on behalf of the cooperative.



For more information on ACRE Co-op Owners for Political Action, contact Rachel Johnson at rjohnson@cecelec.com • 231-486-9275