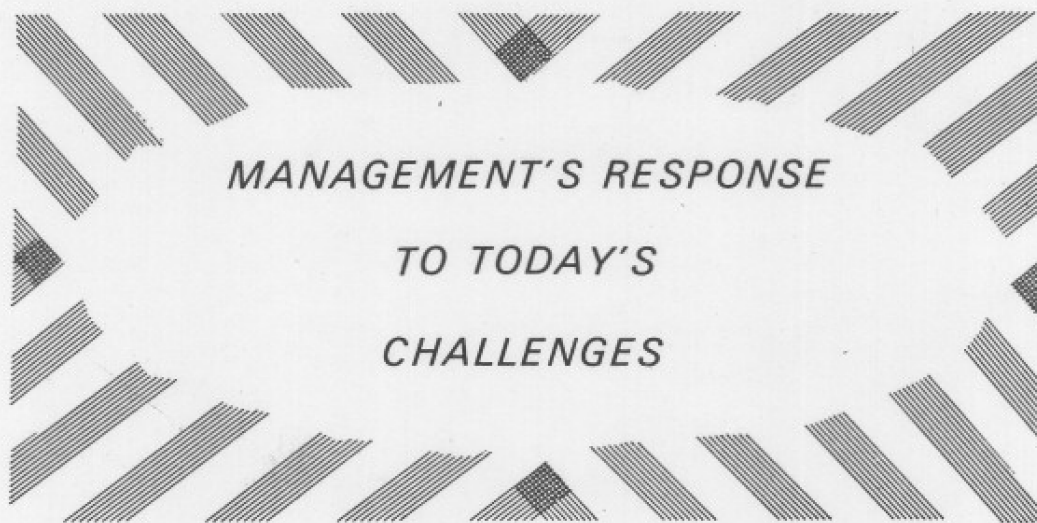


Proceedings of the
21st Annual Conference
of
The Rural Electric Management
Development Council



Kansas City, Missouri

May 22-26, 1978

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Kansas City, Missouri
 May 22 - 26, 1978

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RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL
COUNCIL PREAMBLE

In March 1969 the NRECA membership adopted viewpoints and objectives for rural electrification as prepared by the Long Range Study Committee. This action has significance only when member systems identify with, and develop programs in support of, these viewpoints and objectives. Success in the implementation of such action programs is dependent upon excellent leadership and the effective management of resources, especially human resources.

NRECA, through its Management Services Department, has carried on effective training and development programs for rural electric system managements, both elected and employed, and the results of these programs are obvious in the upgrading of the quality of management in recent years. However, NRECA has limited resources for the research, experimentation, and innovations in management practices that will be required to meet the demands of a rapidly changing social order. Moreover, REA continues to withdraw its advice and assistance to borrowers.

Thus, it is clear that some systems must assume a more active role in assuring competent, dynamic management for the future. There are people within the program who are qualified and willing to see that the necessary study and research are undertaken toward this end. Such people have formed the Rural Electric Management Development Council and the following statements express their viewpoints and objectives.

RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

STATEMENT OF VIEWPOINTS

1. We believe that the objectives of the Rural Electric Program can best be achieved through dynamic management and leadership that is based on sound cooperative philosophy coupled with modern management principles and techniques.
2. We believe that cooperative philosophy and management principles and techniques must be under constant study and review and that research and development of new concepts and approaches must be undertaken if rural electric systems are to effectively fulfill the responsibilities inherent in the objectives of the Rural Electric Program.
3. We believe that there exists within the rural electric cooperatives, and their associated organizations, the knowledge, experience and point of view necessary to identify these needs and to determine required changes.
4. We believe that there exists among rural electric cooperatives, and their associated organizations, those who are willing to innovate, study and improve present cooperative and management principles and practices and to translate the results of such studies into meaningful programs.
5. We believe that rural electric system management will be enhanced where there has been a maximum exchange of ideas and experiences between those organizations that are innovating, studying and applying up-to-date principles and techniques.
6. We believe that all consumer-owned rural electric systems should have the opportunity to share in the results of such innovations in management practices and that this opportunity for sharing can best be provided through NRECA and other associated organizations.

RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

STATEMENT OF OBJECTIVES

1. To bring together key rural electric management people who have demonstrated their application of up-to-date cooperative philosophy and management principles and techniques and who evidence an interest and willingness to participate in and contribute to study, research and innovation in the application of effective management concepts and techniques in rural electric system operations.
2. To contribute to the strengthening of overall rural electric system management by undertaking management research in areas of current concern and interest.
3. To develop new cooperative management concepts, approaches and techniques that will enable the management of rural electric systems to identify necessary resources and to provide the leadership required for meeting the needs of the people in an ever changing environment.
4. To develop the means whereby the beneficial results of the application of such management research and innovation can be interpreted and widely disseminated to rural electric systems and to encourage its effective application.

RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

MEMBERSHIP REQUIREMENTS

The Rural Electric Management Development Council is established to provide a forum for those rural electric systems who have developed organizations built on the application of cooperative principles and modern management principles and techniques.

The Viewpoints and Objectives of the Council, attached hereto, identify more specifically the beliefs and purpose that all members of the Council subscribe to. The Council's primary purpose is one of research and innovation. Research and innovation within the parameters of the established Viewpoints and Objectives.

The Council does not intend to provide a forum for teaching basic cooperative philosophy and basic management principles and techniques. Adequate training opportunities for this are provided by NRECA and other organizations.

Thus, to assure that the limited time available for the conduct of research and the exchange and discussion of innovative ideas can be utilized to the maximum productive extent possible, it is necessary that those systems who wish to apply for membership in the Council, those who wish to sponsor systems for membership and those systems who are currently members of the Council be fully aware of the criteria for initial and continuing membership.

A. Initial Membership

Any rural electric system or association of rural electric systems may apply and be considered for membership in the Rural Electric Management Development Council.

The criteria for initial or continuing membership shall be adopted by the Council members at the Council's annual meeting. Any amendments or changes in this criteria shall be approved by the Council membership.

Representatives of NRECA, CFC, and REA and current members of the Council will be encouraged to nominate rural electric systems or other associations that are believed to meet all of the criteria for membership.

All applications for membership shall be subject to the review of the Nominating Committee. The Nominating Committee shall meet twice each year to review applications for membership and to recommend those applicants who meet the membership criteria for approval for Council membership.

Those applying for initial membership shall be requested to submit the following:

1. Evidence of having demonstrated their application of up-to-date cooperative philosophy and management principles and techniques. This evidence shall include the following:
 - a. An Organization Profile - Documentation of the existence of an organization plan for the system. The documents required will be specified and should accompany the application.
 - b. A System Profile - A recitation of the financial and operating characteristics of the system, including evidence of the existence of short and long range plans in specified areas.

- c. A Corporate Profile - An identification of programs and activities designed to involve the members and the public. Evidence of a recognition and pursuit of goals designed to enhance the consumer ownership and public responsibility of the system.
 - d. A Growth and Development Profile - Evidence of specific programs and activities undertaken by the system to go beyond normal requirements for management, individual development and member involvement. This should include the identification of beneficial results therefrom.
2. A statement of a commitment to participate in and contribute to study, research and innovation in the application of management in rural electric system operations.
 3. A statement of the system's willingness to pay the dues or other approved assessments of the Council, to attend and participate in Council meetings and to accept committee or program assignments.
 4. An expression of willingness to share your individual management innovations with the Council for information and evaluation purposes.

B. Continuing Membership

All members of the Council shall be subject to continuing membership review at least every five years.

Those systems subject to continuing membership review shall be notified at the Council's annual meeting preceding the review.

Continuing membership applications shall include the following:

1. A refiling of the initial membership application.
2. A recap of Council meeting attendance.
3. A recap of participation in Council activities, including study and research and innovative programs locally undertaken, with reports and presentations on such activities at Council meetings. Also, evidence should be furnished of the acceptance of Committee assignments and participation in activities consistent with the objectives of the Council.

The nominating committee shall receive all applications for continuing membership by September 1 of each year and make their review and recommendation to the Chairman by January 1 of each year.

C. Honorary Membership

The following individuals, or their designated representative, are considered as continuing honorary members of the Management Development Council. The Council encourages their active participation in all Council projects and activities.

Director of Management Services - NRECA
Borrowers' Operations Office - CFC
Director-Electric Borrowers' Management Division - REA

D. Interim Membership

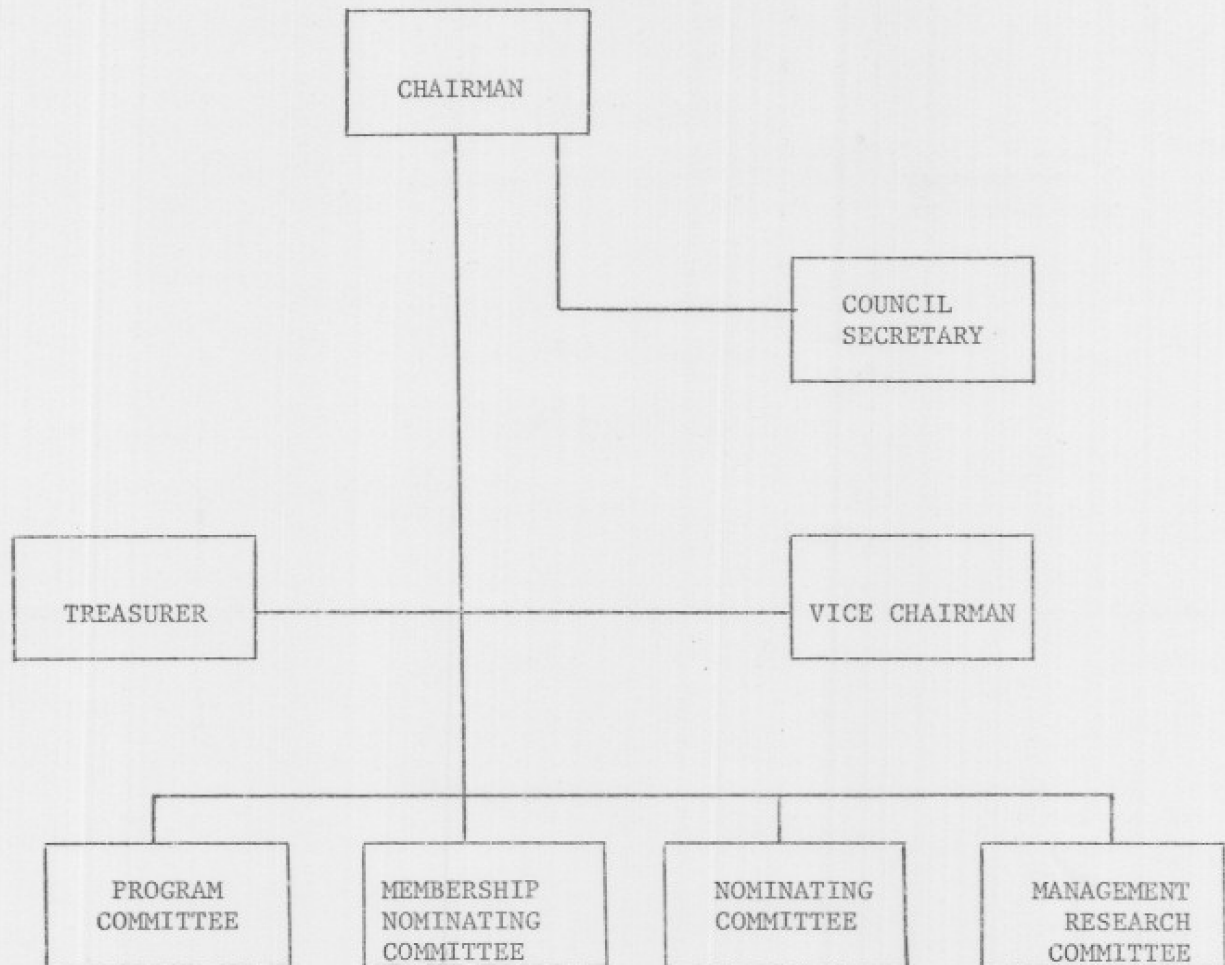
Organizations named in the first paragraph of Item A, Initial Membership, are eligible to become interim members for a period not to exceed two years by

D. Interim Membership (Continued)

notifying the Council of their desire to become a member, paying their dues and participating in Council meetings. At the end of two years such members must seek membership certification in order to retain membership in the Council.

Note: Council dues are \$300 annually, payable prior to the REMDC annual meeting. Payment of dues permits a member system to have two persons in attendance at the REMDC meeting and the Advanced Management Conference at no additional fees.

RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL



Note: A Coordinating Committee composed of the Chairmen of the standing committees and one member at large also functions to coordinate REMDC and Advanced Management Conference programs.

FUNCTIONS

CHAIRMAN

To act as general coordinator of the activities of the Development Council and preside at all business meetings. To issue notice of all regular meetings of the membership or special meetings of the cabinet. (The cabinet to be composed of the chairman, vice chairman, treasurer, and all committee chairmen.) To represent the Development Council in relation to other organizations. Term of office to be three (3) years.

VICE CHAIRMAN

To assume all duties of the Chairman in the absence of or inability of that officer. Term of office to be three (3) years.

TREASURER

To collect all monies due the Development Council including regular membership dues and special assessments. To pay all bills submitted in proper form. To prepare an annual financial statement and forward to the Secretary for inclusion in the annual conference summary. Term of office to be three (3) years.

SECRETARY

To be appointed annually by the Chairman. To keep a record of all proceedings, prepare, publish, and distribute annual conference summary. (May be assisted by Management Services Department of NRECA.)

COMMITTEES

All committees except the Advanced Management Conference Program Planning Committee, to be composed of a chairman and three (3) members. The chairman to be nominated by the Nominating Committee. All committee chairmen and committee members to serve staggered terms of three (3) years each.

PROGRAM COMMITTEE

To determine program content and format for the annual conference and secure appropriate participation from the membership. To provide for subject continuity in programming when desirable. The committee chairman shall preside at all program sessions and serve as ex-officio member of the Advanced Management Conference Planning Committee. To select the time and place for the annual council meeting in coordination with the Advanced Management Conference Planning Committee.

MEMBERSHIP NOMINATING COMMITTEE

Under the criteria established for admission to membership, select organizations each year who are actively engaged in management in the rural electrification field who will be nominated for membership in the Development Council. Evaluate compliance of member systems with criteria.

NOMINATING COMMITTEE

To nominate all officers and committee chairmen, as necessary for submission to the annual conference for election. All nominations shall be submitted in writing, certified by the chairman of the committee, and deposited with the conference secretary.

MANAGEMENT RESEARCH COMMITTEE

To identify research areas and initiate recommendations for projects to be carried out by the council. To work with NRECA in identifying management areas in the rural electric program which need additional research and/or development and training programs and determine how council can assist in meeting needs in cooperation and coordination with NRECA, making use of the Advanced Management Conference where possible.

OFFICERS AND COMMITTEES FOR 1978 DEVELOPMENT COUNCIL

Chairman.....	Charles Overman	Term expires in 1978
Vice Chairman.....	L. P. (Bill) Beverage	Term expires in 1979
Treasurer.....	Allen Ritchie	Term expires in 1980
Secretary.....	Barbara Deverick	

Standing Committees

Program

Chairman...	Robert Weathers	Term expires in 1978
	Derl Hinson	Term expires in 1978
	Tom Townsend	Term expires in 1979
	Elmer Stocker	Term expires in 1980

Nominating

Chairman...	Randy Bruton	Term expires in 1978
	Mark McNeil	Term expires in 1978
	Richard Seger	Term expires in 1979
	Jack Hicks	Term expires in 1980

Membership

Chairman...	Virgil Herriott	Term expires in 1980
	Lawrence Moderow	Term expires in 1978
	Marvin Athey	Term expires in 1979
	Wayne Kump	Term expires in 1980

Management Research

Chairman...	James Kiley	Term expires in 1978
	Robert Roberts	Term expires in 1979
	Cecil Viverette	Term expires in 1979
	Everette Bristol	Term expires in 1980

Advanced Management Conference

Planning *

Chairman...	Cecil Viverette	Term expires in 1978
	Virgil Herriott	Term expires in 1978
	James Golden	Term expires in 1978
	Bob Kabat	Term expires in 1978
	Jack Wood	Term expires in 1978
	Bob Weathers, Ex-Officio	Term expires in 1978

- A. All committee members and officers elected for a 3-year term except as noted.
- B. Chairman of each standing committee except Advanced Management Conference Program Planning Committee, named by Nominating Committee and serve for three years when elected.

*Advanced Management Conference Program Planning Committee appointed by the Council chairman.

RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL
1978 ANNUAL CONFERENCE REGISTRATION

Adams Electric Cooperative, Inc.
P.O. Box 130
Gettysburg, Pennsylvania 17325
Charles Overman, General Manager
Wayne Kump

Blue Ridge Electric Memb. Corp.
P.O. Box 112
Lenoir, North Carolina 28645
C.E. Viverette, Executive V. Pres.
Barbara Deverick, Mgr. Org. Planning,
Adm. Assistant

Carroll Electric Cooperative Corporation
P.O. Box 368
Berryville, Arkansas 72616
Robert Weathers, Manager
Randy Bruton, Office Manager

Cass County Electric Co-op, Inc.
P.O. Box 8
Kindred, North Dakota 58051
Willard Grager, Manager
Lawrence Moderow, Executive Asst.

Central Kansas Electric Co-op, Inc.
1025 Patton Road
Great Bend, Kansas 67530
Jack Goodman, Manager

Cotton Electric Co-op
P.O. Box 38
Walters, Oklahoma 73572
William Miller, General Mgr.
Don Crabbe, Staff Assistant

Kay Electric Co-op
P.O. Box 607
Blackwell Oklahoma 74631
Clyde Hukills, Mgr.

KEM Electric Cooperative, Inc.
P.O. Box 904
Linton, North Dakota
George W. Cornog, General Mgr.
John Allensworth, Asst. Gen. Mgr.

Linn County REC
Marion, Iowa 52302
Jack Hicks, Manager
Phyllis Barber, Staff Assistant

Lumbee River Elec. Memb. Corp.
P.O. Box 830
Red Springs, N. C. 28377
Derl Hinson Mgr.
Ronnie Hunt, Mgr., Office Services

Morgan County Rural EMC
P.O. Box 716
Martinsville, Indiana 47951
Richard Seger, Manager
Jon R. Elkins, Operating Manager

Ozarks Electric Cooperative
Box 848
Fayetteville, Arkansas 72701
Tom Townsend, Administrative Assistant

Pioneer Rural Electric Coop., Inc.
P.O. Box 604
Piqua, Ohio 45356
Robert L. Roberts, Manager
Wallace Hall, Memb. & Public Relations

Shenandoah Valley Electric Cooperative
P.O. Box 8
Dayton, Virginia 22821
Allen R. Ritchie, Staff Assistant

Sioux Valley Empire Elec. Assn., Inc.
P.O. Box 216
Colman, South Dakota 57017
Virgil Herriott, General Manager
James M. Kiley, Assistant Manager
Lloyd Hollister, Director of Accting Serv.

West Plains Electric Cooperative, Inc.
1260 West Villard
Dickinson, North Dakota 58601
Emil Wiege, Manager
Olaf Sandvick, Assistant to the Manager

White River Valley Electric Coop., Inc.
P.O. Box 969
Branson, Missouri 65616
Clifford Robertson, Staff Assistant

Whitley County REMC
P.O. Box 171
Columbia City, Indiana 46725
Carl Sederlund, Administrative Director

Wright-Hennepin Coop. Elec. Association
Maple Lake, Minnesota 55358
Marvin Athey, General Manager
Roger Geckler, District Manager

GUEST REGISTRATION - 1978

Yampa Valley Electric Association, Inc.
P.O. Box 1218
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Ev Bristol, Chief Engineer/Staff Asst.

Jack Wood, Manager
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Gib Snow, Consultant
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2000 Florida Avenue, N.W.
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Pat Peyser, Consultant
National Rural Electric Coop. Assn.
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Washington, D. C. 20009

Dr. Chris Mader
Wharton School of Business
University of Pennsylvania

Dr. John Raezer
The Mader Group

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Wayne Kemp

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Raymond Dovelock, Agr. Org. Specialist
Ada Assistant

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Kathy Sinton, Office Manager

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Lawrence Kistner, Executive Asst.

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Don Crable, Staff Assistant

Kay Electric Co-op
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Blackwell, Oklahoma 74801
Clyde Mullis, Mgr.

KRM Electric Cooperative, Inc.
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John Alenewyrt, Asst. Gen. Mgr.

Line County REC
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Madison, North Dakota
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Thelma Parker, Staff Assistant

Madison River Elec. Coop.
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Earl Hanson Mgr.
Lorraine Hunt, Mgr. Helpline Services

THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL 1978 MEMBERS

(continued)

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Adams Electric Cooperative, Inc.
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1978 Rural Electric Management Development Council Members (continued)

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James Campbell, Manager
Jackson Purchase Elec. Co-op Corp.
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Paducah, Kentucky 40301

21st ANNUAL CONFERENCE
 of
 THE RURAL ELECTRIC
 MANAGEMENT DEVELOPMENT COUNCIL
 Crown Center Hotel, Kansas City, MO
 May 22 and 26, 1978

Monday, May 22

- | | |
|-------|--|
| 8:30 | Registration |
| 9:00 | Opening Remarks - Charles Overman, Chairman |
| 9:15 | Presentation - Marvin Athey, Manager
Wright-Hennepin Electric
"Organization Study & Resulting Structure
Utilizing a District Office"
"Corporate Planning & Operating Guide"
"Employee Communications" |
| 10:00 | Break |
| 10:15 | Presentation - Richard P. Seger, Manager
Morgan County REMC
"In House Foreman & Supervisor Trainings" |
| 11:30 | Presentation - Jack Hicks, Manager
Linn County REC
"Forecasting Tools and Techniques" |
| 12:00 | Presentation - Barbara Deverick, Manager, Organizational
Planning and Cecil Viverette, Executive Vice President,
Blue Ridge EMC
"Individual Business Ethics" |
| 12:15 | Lunch (on your own) |
| 1:30 | Presentation - Willard Grager, Manager
Cass County Electric Cooperative, Inc.
"Update of Load Management Program" |
| 2:00 | Presentation - Derl J. Hinson, Manager
Lumbee River EMC
"Energy Conservation" |

2:30 Presentation - James Golden, Manager
 Ev Bristol, Chief Engineer/Staff Assistant
 Yampa Valley Electric Association
 "Managements Response to Today's Challenges"

3:00 Break

3:15 Discussion of New Programs - Jack Wood
 Manager of Training & Consulting, NRECA
 "Total Curriculum"
 "Director Development"
 "Transactional Analysis"

Monday, May 22

Tuesday, Wednesday, Thursday, May 23, 24 & 25

ADVANCED MANAGEMENT CONFERENCE

Friday, May 26

9:00 Evaluation of Advanced Management Conference
 Charles Overman - Chairman
 Robert Kabat - NRECA
 Jack Wood - NRECA

10:30 Break

10:45 Business Session - Charles Overman, Chairman

Adjourn before noon

MY PRESENTATION WILL COVER THREE DIFFERENT AREAS.

1. ORGANIZATIONAL STRUCTURE UTILIZING A DISTRICT OFFICE.
2. EMPLOYEE DIRECTION MANUAL STRUCTURE
3. EMPLOYEE COMMUNICATION

THIS MAY SOUND LIKE A LOT OF MATERIAL TO COVER IN A SHORT PRESENTATION, BUT I DO NOT INTEND TO GO INTO DETAIL IN THIS PRESENTATION BECAUSE THESE AREAS HAVE BEEN PRESENTED NUMEROUS TIMES BY MEMBERS OF THIS GROUP. I THEREFORE INTEND TO ONLY COVER THOSE AREAS THAT WE MAY BE DOING DIFFERENTLY AT WRIGHT-HENNEPIN ELECTRIC, AND HAVE FOUND SUCCESSFUL.

I BELIEVE YOU WILL FIND OUR APPROACHES VERY SIMPLE. I HAVE COME TO THE CONCLUSION THAT THE MORE SIMPLIFIED THE APPROACH THE BETTER RESULTS.

I AM PRESENTING OUR EXPERIENCES WITH A DISTRICT OPERATION NOT BECAUSE I FEEL WE ARE EXPERTS IN THIS AREA, NOR BECAUSE WE FEEL THIS IS THE MOST EFFECTIVE STRUCTURE. I PRESENT OUR EXPERIENCES BECAUSE WE HAVE RECENTLY GONE THROUGH A THOROUGH ORGANIZATIONAL STUDY AND HAVE EXPANDED AN EXISTING DISTRICT OFFICE INTO A FULL SERVICE DISTRICT OPERATION. THIS INCLUDED ADDING A DISTRICT MANAGER AND SETTING A TIME SCHEDULE FOR OTHER CHANGES.

WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION LIES JUST WEST OF MINNEAPOLIS. THE EASTERN EDGE OF OUR SERVICE AREA IS SUBURBAN IN NATURE. AS WE MOVE WEST THROUGH OUR SERVICE AREA WE LEAVE THE SUBURBAN AREA, MOVE INTO A SEMI-SUBURBAN AREA, TO A RURAL AREA AND INTO A RECREATIONAL AREA. THEREFORE, WE HAVE A WIDE VARIETY OF CONSUMERS, WITH COMMERCIAL AND INDUSTRIAL CONSUMERS JUST BEGINNING TO HAVE A MAJOR AFFECT ON OUR OPERATION.

OUR SERVICE AREA IS SOMEWHAT RECTANGULAR IN NATURE, COVERING ABOUT 55 MILES FROM THE EAST TO THE WEST AND 35 MILES FROM THE NORTH TO THE SOUTH.

OUR HEADQUARTERS LIE IN THE WESTERN PART OF OUR SERVICE AREA AND OUR DISTRICT OFFICE IS IN THE EASTERN PART.

THE DISTRICT OFFICE WAS BUILT IN 1967. AT THAT TIME OUTSIDE CREW MEMBERS AND A CASHIER WERE MOVED TO THE DISTRICT AND A DISTRICT SUPERVISOR WAS NAMED. THIS SUPERVISOR REPORTED TO A DEPARTMENT MANAGER AT THE MAIN OFFICE WHO WAS IN CHARGE OF ENGINEERING, MAINTENANCE, AND CONSTRUCTION.

THIS ORGANIZATIONAL STRUCTURE EVIDENTLY CREATED PROBLEMS AND THERE WAS DISSATISFACTION WITH THE DISTRICT OFFICE CONCEPT.

IN FACT, WHEN I CAME TO WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION IN 1975, THE RETIRING MANAGER FELT THAT BOTH THE EXISTING HEADQUARTERS AND THE DISTRICT OFFICE SHOULD BE SOLD AND A CENTRALIZED HEADQUARTERS SHOULD BE BUILT. THIS IDEA WAS NOT ALL BAD. EVEN THOUGH WE HAVE GONE TO FULL SERVICE DISTRICT

OPERATION, THE CENTRALIZED OFFICE IDEA HAD A NUMBER OF ADVANTAGES. HOWEVER, THIS CONCEPT HAD BEEN PRESENTED TO THE BOARD OF DIRECTORS ON DIFFERENT OCCASIONS, AND THE BOARD WAS NOT INCLINED TO PROCEED IN THAT DIRECTION.

SINCE EXPANSION OF FACILITIES WAS NEEDED IN THE NEAR FUTURE, I FELT A THOROUGH ORGANIZATIONAL STUDY WAS NEEDED.

DICK RITSCHER, SENIOR MANAGEMENT CONSULTANT FOR NRECA WAS CALLED UPON TO PROVIDE ASSISTANCE. MR. RITSCHER RECOMMENDED THE ESTABLISHMENT OF TWO DISTRICT OFFICES AND THE BUILDING OF A CORPORATE HEADQUARTERS IN A CENTRALIZED LOCATION. HE FELT THAT THE PRESENT HEADQUARTERS COULD BE CHANGED TO A DISTRICT OFFICE.

MR. RITSCHER'S STUDY WAS ANALYZED OVER A FOUR MONTH PERIOD. AFTER CONSIDERING ALL ASPECTS, WE DECIDED TO RETAIN OUR EXISTING HEADQUARTER AND DISTRICT FACILITIES, BUT EXPAND OUR DISTRICT OPERATION. WE ALSO DECIDED TO KEEP MR. RITSCHER'S PLAN FOR FUTURE DIRECTION. THE NEW ORGANIZATIONAL STRUCTURE WAS CHOSEN BECAUSE OF THE FOLLOWING REASONS:

1. EXISTING GENERAL PLANT FACILITIES
2. GOOD TREATMENT BY COMMUNITY OF WHERE HEADQUARTERS IS LOCATED
3. LOCATION OF EMPLOYEES
4. DESIRE TO KEEP COOPERATIVE CLOSE TO MEMBERS

WE DO FEEL THE DISTRICT OFFICE CONCEPT DOES HAVE SOME DISADVANTAGES. SOME DISADVANTAGES ARE:

1. MORE EQUIPMENT NEEDED
2. LARGER INVENTORIES
3. DOUBLING OF RECORDS AND NUMEROUS SIMILAR OPERATIONAL DIFFICULTIES.

WHEN WE FILLED THE DISTRICT MANAGER POSITION WE KNEW THE BASIC OBJECTIVE OF THE POSITION WAS TO CO-ORDINATE THE DISTRICT OPERATION TO ASSURE GOOD PRODUCTIVITY AND TO ASSURE THAT THE PROVISION OF SERVICES TO THE MEMBERS IN THE DISTRICT WAS DONE EFFECTIVELY.

WE ESTABLISHED THE RELATIONSHIP OF THE DISTRICT MANAGER WITH THE OTHER DEPARTMENT MANAGERS AS BEING ONE OF CO-ORDINATING THE VARIOUS PROGRAMS AND PROJECTS DEVELOPED BY THE VARIOUS DEPARTMENTS.

WITH THIS RELATIONSHIP WE FELT THERE MUST ALSO BE SOME AUTHORITY OF VARIOUS DEPARTMENT MANAGERS OVER THE DISTRICT OPERATION IN SPECIFIC AREAS OF RESPONSIBILITY. WE REFER TO THIS AUTHORITY AS FUNCTIONAL AUTHORITY.

THE PROPER PLACEMENT OF FUNCTIONAL AUTHORITY IS PROBABLY ONE OF THE MOST DIFFICULT ASPECTS OF RUNNING A DISTRICT OFFICE OPERATION. WE HAD SOME PROBLEMS WITH THIS AREA AT WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION AND I HAD SEEN SIMILAR PROBLEMS AT A FORMER REC WHERE I HAD WORKED.

AT WRIGHT-HENNEPIN ELECTRIC WE STARTED OUT BY GRANTING FUNCTIONAL AUTHORITY OF THE DEPARTMENT MANAGERS AT OUR

HEADQUARTERS OVER THE SAME OPERATIONAL AREAS AT THE DISTRICT OFFICE. FOR EXAMPLE, THE OPERATIONS MANAGER HAD A FUNCTIONAL AUTHORITY OVER THE DESIGN ENGINEER AND OPERATIONS SUPERVISOR. THIS GAVE US DIFFICULTIES FOR FOUR REASONS:

1. THERE WAS NOT A SIMILAR UNDERSTANDING BY ALL PARTIES INVOLVED AS FAR AS WHAT WAS FUNCTIONAL AUTHORITY.
2. THERE WAS AN OVERZEALOUSNESS ON THE PART OF SOME OF OUR DEPARTMENT MANAGERS AS FAR AS THE AMOUNT OF AUTHORITY TAKEN.
3. OUR DISTRICT MANAGER TENDED TO BE BYPASSED ON TOO MANY ISSUES IN WHICH HE NEEDED TO BE INVOLVED.
4. SOME OF OUR DISTRICT EMPLOYEES WEREN'T CERTAIN WHO WAS THEIR SUPERVISOR.

WE APPROACHED THE DIFFICULTIES IN THIS AREA BY FIRST DOING SOME RESEARCH ON FUNCTIONAL AUTHORITY AND FOUND THE FOLLOWING.

1. "FUNCTIONAL AUTHORITY SHOULD BE CAREFULLY RESTRICTED"
2. "WHENEVER MANAGERS LOSE THEIR AUTHORITY TO PLAN, ORGANIZE, STAFF, DIRECT, AND CONTROL THE ACTIVITIES WITHIN THEIR DEPARTMENT THEY CAN NO LONGER MANAGE"
3. "FUNCTIONAL AUTHORITY IS USUALLY LIMITED TO THE AREA OF HOW AND SOMETIMES WHEN AND SELDOM APPLIES TO WHERE, WHAT, AND WHO"
4. "FUNCTIONAL AUTHORITY SHOULD BE USED SPARINGLY AND ONLY WHERE A REAL NECESSITY EXISTS"
5. "FUNCTIONAL AUTHORITY SHOULD BE CONCENTRATED AT THE NEAREST POSSIBLE POINT IN THE ORGANIZATIONAL STRUCTURE TO PRESERVE AS MUCH AS POSSIBLE THE UNITY OF COMMAND"

FROM OUR STUDY, ANALYSIS, AND EXPERIENCE WE HAVE ELIMINATED THE FUNCTIONAL AUTHORITY AS WE HAD SET IT UP AND

HAVE ESTABLISHED A COOPERATING RELATIONSHIP BETWEEN OUR DISTRICT MANAGER AND OTHER DEPARTMENT MANAGERS. THIS SIMPLY MEANS THAT THE DEPARTMENT MANAGERS ARE TO WORK DIFFERENCES OUT BETWEEN THEMSELVES IN A COOPERATING MANNER. IF THEY CAN'T THEY CAN REFER THE QUESTION TO THE GENERAL MANAGER FOR A DECISION. WE HAVE FOUND THAT THIS SELDOM HAPPENS.

SINCE WE HAVE CLARIFIED THE AUTHORITY RELATIONSHIP AREA, WE ARE BEGINNING TO FEEL THE POSITIVE EFFECTS OF OUR NEW ORGANIZATIONAL STRUCTURE.

I FEEL IT IS VERY IMPORTANT THAT A TOTAL COMMITMENT IS MADE ONCE AN ORGANIZATIONAL STRUCTURE IS ADOPTED. THIS IS ESPECIALLY TRUE WITH A DISTRICT OPERATION. I DON'T FEEL IT IS WISE TO PROCEED IN THIS DIRECTION JUST BECAUSE IT LOOKS GOOD ON PAPER. ONCE DECIDED YOU MUST BE COMMITTED TO MAKE IT WORK.

THERE MUST BE A COMPLETE DELEGATION OF AUTHORITY BY THE GENERAL MANAGER TO DISTRICT MANAGER. TOO OFTEN MANAGERS ARE AFRAID THAT THEY LOSE CONTROL IF THEY DELEGATE AUTHORITY TO A DISTRICT MANAGER, THIS MAY BE TRUE IN SOME CASES, BUT IF THERE ARE WELL DEVELOPED CORPORATE OBJECTIVES, POLICIES, AND PROCEDURES THIS POSSIBILITY IS MINIMIZED.

OPEN COMMUNICATION CHANNELS ARE A NECESSITY FOR A SMOOTH DISTRICT OFFICE OPERATION. AT WRIGHT-HENNEPIN ELECTRIC WE HAVE STAFF MEETINGS EVERY OTHER WEEK, AND I MEET WITH THE

DEPARTMENT MANAGERS INDIVIDUALLY EVERY OTHER WEEK. THIS KEEPS MYSELF AND ALL DEPARTMENT MANAGERS IN CLOSE COMMUNICATION WITH THE DISTRICT MANAGER. I PERSONALLY VISIT THE DISTRICT OFFICE ON A REGULAR BASIS. I RECEIVE A WEEKLY WORK PLAN AND A MONTHLY REPORT FROM THE DISTRICT MANAGER. WE HAVE CHANGED OUR TELEPHONE SYSTEM TO INCLUDE TIE LINES BETWEEN THE TWO OFFICES. WE ALSO HAVE REGULAR EMPLOYEE MEETINGS, A GOOD EMPLOYEE NEWSLETTER, AND OTHER VARIOUS METHODS OF INSURING OPEN COMMUNICATIONS.

IN THIS PART OF MY PRESENTATION I AM GOING TO REVIEW THE SECTIONS OF AN EMPLOYEE DIRECTION MANUAL THAT WAS DISTRIBUTED TO OUR EMPLOYEES IN APRIL. THIS MANUAL IS THE RESULT OF OUR WORK OVER THE PAST TWO YEARS. MANY OF THE IDEAS IN THIS MANUAL STEM FROM THIS COUNCIL. THE PROCESS WE HAVE GONE THROUGH IN SETTING UP THIS MANUAL HAS ENHANCED THE OPERATION OF WRIGHT-HENNEPIN ELECTRIC. ACTUALLY THE MANUAL WAS NOT THE END RESULT THAT WE WERE STRIVING FOR, BUT IT SEEMED TO BE A GOOD WAY TO COMBINE THE RESULTS AND ENHANCE THEIR USEFULNESS.

COVERED IN THIS MANUAL IS THE RESULTS OF THE FOLLOWING:

1. ORGANIZATIONAL STUDY
2. DEVELOPMENT OF POSITION DESCRIPTIONS
3. IMPLEMENTATION OF A POSITION REVIEW PROCESS
4. DEVELOPMENT OF CORPORATE OBJECTIVES AND GOALS
5. RESTRUCTURING OF BOARD POLICIES IN OPERATING GUIDES
6. DEVELOPMENT OF MANAGEMENT OPERATING GUIDES
7. DEVELOPMENT OF DEPARTMENT OPERATING GUIDES
8. IMPROVED EMPLOYEE COMMUNICATIONS

LET ME BRIEFLY DISCUSS THE SECTIONS OF THIS MANUAL.

1. ORGANIZATIONAL STRUCTURE

INCLUDED IN THIS SECTION IS THE CURRENT STRUCTURE AND THE PROJECTED STRUCTURE. I HAVE ALREADY DISCUSSED OUR WORK IN THIS AREA. I WILL GIVE A COPY OF OUR CURRENT AND PROJECTED ORGANIZATION STRUCTURE TO OUR SECRETARY FOR INCLUSION IN THE WRITTEN REPORT OF THIS COUNCIL.

2. POSITION DESCRIPTION

EACH EMPLOYEES POSITION DESCRIPTION IS IN THE MANUAL. I WILL DISCUSS OUR USE OF POSITION DESCRIPTION LATER IN MY PRESENTATION.

3. POSITION REVIEWS

EMPLOYEE CAN MAINTAIN COPY OF POSITION REVIEWS. WILL DISCUSS OUR PROCEDURE LATER IN MY PRESENTATION.

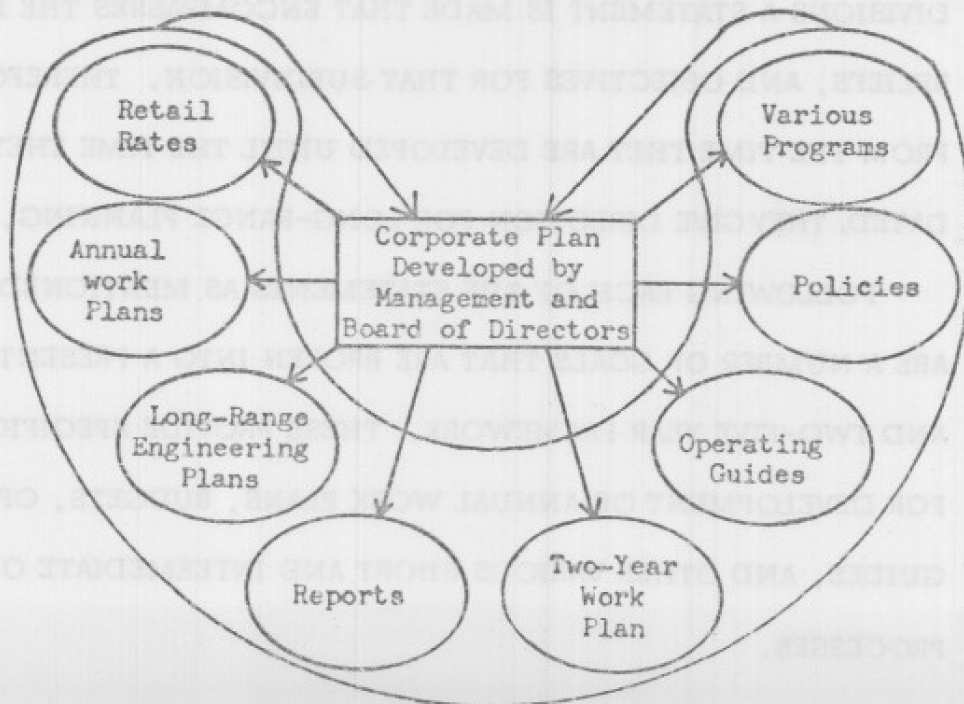
4. CORPORATE PLAN, BOARD AND MANAGEMENT OPERATING GUIDES

EACH YEAR SINCE I HAVE ATTENDED THIS COUNCILS MEETING, I HAVE LISTENED TO PRESENTATIONS ON HOW REC'S SET THEIR OBJECTIVES AND GOALS, AND HOW THEY STRUCTURE BOARD AND MANAGEMENT POLICIES, PROCEDURES, ETC. ANY SUCCESS THAT WRIGHT-HENNEPIN HAS HAD IN THIS AREA IS BECAUSE I HAVE PERFECTED PLAGIARISM AS A MANAGEMENT TECHNIQUE.

ONE OF THE DIFFICULTIES WE FOUND IN THIS AREA WAS ESTABLISHING A CONSENSUS OF UNDERSTANDING WHEN WE DISCUSSED SUCH TERMINOLOGY AS OBJECTIVES, GOALS, POLICIES AND PROCEDURES, ETC.

AFTER A GOOD DEAL OF THOUGHT, DISCUSSION, AND ANALYSIS BY OUR STAFF, WE DEVELOPED THE FOLLOWING. SOME OF YOU MAY FEEL IT DOES NOT PRESCRIBE TO THE TERMINOLOGY PROPERLY, OR THAT IT MAY BE OVERSIMPLIFIED, BUT IT IS WORKING VERY SUCCESSFULLY AT WRIGHT-HENNEPIN ELECTRIC AND THAT IS WHAT IS IMPORTANT.

WHEN I AM DISCUSSING CORPORATE PLANNING AT WRIGHT-HENNEPIN ELECTRIC, I AM NOT REFERRING TO LONG RANGE ENGINEERING PLANS, TWO YEAR WORK PLANS, FINANCIAL FORECASTS, ANNUAL WORK PLANS, ETC., WHICH ARE CERTAINLY IMPORTANT PARTS OF THE PLANNING PROCESS. OUR CORPORATE PLAN IS A TOOL WHICH PROVIDES THE INITIAL DIRECTION FOR ALL ACTIONS. IT IS A BASIS FROM WHICH ALL ACTIONS CAN GENERATE. BELOW IS A FLOW CHART THAT SHOWS THE PLACE OF THE CORPORATE PLAN IN WRIGHT-HENNEPIN ELECTRIC'S OPERATION.



TEN AREAS ARE COVERED INVOLVING ALL ASPECTS OF WRIGHT-HENNEPIN ELECTRIC'S OPERATION. THESE TEN AREAS WERE TAKEN FROM THE MANAGEMENT EVALUATION GUIDE.

1. FINANCIAL CONDITION
2. MEMBER RELATIONS
3. MEMBER AND COMMUNITY SERVICES
4. PRODUCTIVITY
5. PERSONNEL PRACTICES AND DEVELOPMENT
6. MANAGEMENT LEADERSHIP
7. GOVERNMENT RELATIONS
8. POWER SUPPLY
9. ELECTRIC SERVICE
10. ELECTRIC POWER MARKETING

THE TEN AREAS ARE THEN SUBDIVIDED. FOR EACH OF THE SUBDIVISIONS A STATEMENT IS MADE THAT ENCOMPASSES THE IDEALS, BELIEFS, AND OBJECTIVES FOR THAT SUBDIVISION. THEREFORE, FROM THE TIME THEY ARE DEVELOPED UNTIL THE TIME THEY ARE UPDATED, THEY GIVE DIRECTION FOR LONG-RANGE PLANNING.

FOLLOWING EACH OF THE STATEMENTS AS MENTIONED ABOVE, ARE A NUMBER OF GOALS THAT ARE BROKEN INTO A PRESENT (1 YEAR) AND TWO-FIVE YEAR FRAMEWORK. THESE PROVIDE SPECIFIC DIRECTION FOR DEVELOPMENT OF ANNUAL WORK PLANS, BUDGETS, OPERATING GUIDES, AND OTHER VARIOUS SHORT AND INTERMEDIATE OPERATING PROCESSES.

KEY PERFORMANCE INDICATORS AND STANDARDS ARE THEN DEVELOPED FOR EACH OF THE AREAS TO PROVIDE A MEANS OF MEASUREMENT AND CONTROL.

WE ACCEPTED THE UNDERSTANDING OF A POLICY BEING A "GUIDE TO UNDERSTANDING AND THINKING" AND A PROCEDURE BEING A "GUIDE TO ACTION". SINCE IT WAS QUITE EVIDENT THAT OUR EXISTING POLICIES WERE NOT JUST POLICIES, BUT WERE A COMBINATION OF POLICIES AND PROCEDURES, EVEN SPRINKLED WITH A FEW RULES, WE THEREFORE FELT WE SHOULD MAKE A CHANGE. WHAT CONCERNED US ABOUT MAKING A SIGNIFICANT CHANGE WAS THAT OUR PRESENT STRUCTURE WAS WELL-ESTABLISHED, UNDERSTOOD, AND DOING THE JOB. AFTER THOROUGH STUDY, WE DECIDED TO CHANGE OUR POLICIES INTO BOARD OPERATING GUIDES AND CONTINUE TO DEVELOP THEM AS WE HAD IN THE PAST. IT DID NOT CONCERN US THAT OUR OPERATING GUIDES WOULD BE A COMBINATION OF POLICY, STATEMENTS, OR PROCEDURE STATEMENTS AS LONG AS THEY WERE UNDERSTANDABLE TO OUR EMPLOYEES. WE FELT THE TERM OPERATING GUIDE COVERED BOTH POLICY AND PROCEDURE STATEMENTS.

WE DECIDED TO USE THE SAME THINKING IN RELATION TO MANAGEMENT OPERATING GUIDES.

THEREFORE, THIS SECTION OF OUR MANUAL INCLUDES THE TEN SECTIONS OF OUR CORPORATE PLAN WITH BOARD AND MANAGEMENT OPERATING GUIDES PLACED UNDER THE APPROPRIATE SECTION.

5. DEPARTMENT OPERATING GUIDES

SECTION FOR SPECIAL DIRECTIONS NEEDED FOR EACH DEPARTMENT.

6. ELECTRIC ENERGY RATES

SELF-EXPLANATORY

AT WRIGHT-HENNEPIN ELECTRIC WE CONSIDER EMPLOYEE COMMUNICATION A TOP PRIORITY IN ASSURING A PRODUCTIVE WORK FORCE. WE FEEL THAT IT IS CONDUCTIVE TO ESTABLISHING GOOD MORALE. WE ARE AWARE OF THE FACT THAT GOOD MORALE DOES NOT NECESSARILY MEAN GOOD PRODUCTIVITY, BUT IT ENHANCES THE POSSIBILITY.

WE UTILIZE MANY WAYS TO COMMUNICATE WITH OUR EMPLOYEES. I AM CERTAIN MANY OF THESE TECHNIQUES ARE UTILIZED IN YOUR COOPERATIVE.

1. EMPLOYEE NEWSLETTER - THIS IS USED AS NEEDED. IT MAY BE USED 6 TIMES ONE MONTH AND 1 TIME THE NEXT MONTH. WE STICK TO BUSINESS IN OUR NEWSLETTER, SO WHEN IT IS PUBLISHED THE EMPLOYEES FEEL IT IS IMPORTANT.

2. DISTRIBUTION OF STAFF MEETING MINUTES - THESE ARE EDITED ONLY TO THE EXTENT THAT IT COULD PROVE DAMAGING TO EMPLOYEES OR MISGUIDE THEM.

3. TOTAL EMPLOYEE MEETINGS, QUARTERLY - THESE ARE 1/2 DAY MEETINGS THAT WE USUALLY HOLD ON THE SAME DAY AS OUR JOB, TRAINING, AND SAFETY MEETINGS. THE MEETING USUALLY FALLS INTO THREE PARTS, NOT NECESSARILY IN THE FOLLOWING ORDER. (1) DISCUSSION OF CHANGES IN OPERATING GUIDES AND OTHER OPERATING

CHANGES. (2) OPEN DISCUSSION BY THE EMPLOYEES GIVING THEM
A CHANCE TO ASK QUESTIONS AND MAKE SUGGESTIONS ABOUT THE
COOPERATIVES OPERATION. (3) COVERING SOME AREA GEARED TOWARDS
DEVELOPMENT OR TRAINING - FILM OR SOME OTHER SHORT PRESENTATION.

4. CORDIAL DISCUSSIONS WITH EMPLOYEES - I REQUEST THAT
MANAGEMENT PERSONNEL MAKE THEMSELVES AVAILABLE AT COFFEE
PERIODS, LUNCH PERIODS, ETC. TO THE VARIOUS GROUPS OF EMPLOYEES.
PERSONALLY, I HAVE A CHECKLIST FOR EACH MONTH TO MAKE SURE I
DO THIS. THIS SERVES TO BREAKDOWN THE BARRIERS BETWEEN EMPLOYEES
AND MANAGEMENT TO ALLOW FOR A FREE FLOW OF COMMUNICATIONS
AND ALSO ALLOWS FOR GREATER TRUST.

5. MANAGEMENT STAFF SPENDING TIME IN EMPLOYEE POSITIONS -
I HAVE WORKED AS A GROUNDMAN ON LINEWORK, BOTH OVERHEAD
AND UNDERGROUND, WORKED ON THE TREE TRIMMING CREW, AND SPENT
TIME AT ALMOST EVERY POSITION IN OUR COOPERATIVE. I PLAN TO
CONTINUE TO DO THIS AS MY SCHEDULE ALLOWS. I HAVE EVEN WORKED
AS A GROUNDMAN DURING OUTAGES. THIS HAS PROVED TO BE AN
INVALUABLE MEANS OF COMMUNICATIONS. YOU ALSO GAIN TREMENDOUS
RESPECT AND TRUST FROM EMPLOYEES WHEN YOU PROVE TO THEM THAT
YOU HAVE A SINCERE INTEREST IN WHAT THEY ARE DOING. I ALSO
ENCOURAGE THE REST OF MY MANAGEMENT STAFF TO DO THE SAME.

6. ROUNDTABLE DISCUSSIONS WITH MANAGER - EACH MONTH I
DRAW THREE EMPLOYEES NAMES OUT OF A HAT AND SCHEDULE THEM

FOR DISCUSSION. WE HAVE NO AGENDA AND I MAINLY TRY TO LISTEN TO THEIR COMMENTS THAT CAN COVER ANY SUBJECT THEY WISH. THE PURPOSE IS NOT TO TAKE SPECIFIC ACTIONS BASED ON THEIR COMMENTS, BUT TO ALLOW MYSELF AS MANAGER TO SENSE THE PULSE OF EMPLOYEE ATTITUDES.

7. USE OF EMPLOYEE COMMITTEES - IN PAST MEETINGS OF THIS COUNCIL WE HAVE HAD PAPERS PRESENTED ON THE USE OF TASK FORCE COMMITTEES. WE HAVE UTILIZED THIS CONCEPT ON SMALL AND LARGE SCALE PROJECTS AND HAVE FOUND IT TO BE NOT ONLY VALUABLE AS FAR AS BETTER RESULTS IN THE WORK TO BE DONE, BUT ALSO AS A MEANS TO EMPLOYEE COMMUNICATIONS. ONE EXAMPLE OF COMMITTEE USE IS EVERYTIME WE PURCHASE A LARGE PIECE OF EQUIPMENT, WE SET UP AN AD HOC COMMITTEE CONSISTING OF OUR MECHANIC, PERSONNEL THAT UTILIZE THE EQUIPMENT, PLUS MANAGEMENT PERSONNEL.

8. POSITION REVIEWS - ANNUAL POSITION REVIEWS ARE HELD FOR EACH EMPLOYEE. WE USE THE PROCEDURE RECOMMENDED BY BATTEN, BATTEN, HUDSON, AND SWAB, A MANAGEMENT CONSULTING FIRM OUT OF DES MOINES, IOWA.

THE POSITION DESCRIPTION PROVIDES THE BASIS FOR THE REVIEW PROCESS. IT IS THEREFORE IMPORTANT THAT POSITION DESCRIPTIONS ARE COMPLETE AND PROVIDE ENOUGH DETAIL THAT ALLOWS FOR A GOOD REVIEW.

AFTER THE REVIEW HAS BEEN PROPERLY SCHEDULED WITH THE EMPLOYEE AND AFTER A BRIEF WARMUP PERIOD SO THE EMPLOYEE UNDERSTANDS THE PURPOSE OF THE REVIEW, THE FOLLOWING PROCEDURE IS FOLLOWED:

(A) EACH ITEM OF THE POSITION DESCRIPTION IS REVIEWED WITH EMPLOYEE. THE SUPERVISOR EXPRESSES BOTH SATISFACTION OR DISSATISFACTION OF THE EMPLOYEES PERFORMANCE IN THAT AREA.

(B) IF THERE IS DISSATISFACTION OR A WEAKNESS IN THE EMPLOYEES PERFORMANCE, A PLAN OF ACTION MUST BE DEVELOPED BETWEEN THE EMPLOYEE AND THE SUPERVISOR THAT SPECIFIES CORRECTIVE ACTION.

(C) A PLAN OF ACTION CAN ALSO BE ESTABLISHED FOR AREAS THAT ARE BEING HANDLED PROPERLY, IF EMPLOYEE AND SUPERVISOR FEELS FURTHER IMPROVEMENT CAN BE MADE.

(D) AFTER ALL ITEMS OF THE POSITION DESCRIPTION HAVE BEEN REVIEWED, THE PLAN OF ACTION FROM THE PRECEDING REVIEW IS ANALYZED TO DETERMINE IF IT HAS BEEN MET. MOST LIKELY THIS HAS BEEN DONE PERIODICALLY SINCE THE LAST REVIEW.

(E) ANOTHER TOOL WE USE IN OUR REVIEW PROCESS IS AN INCIDENT FILE. THIS FILE SIMPLY CONSISTS OF A LISTING OF SPECIAL INCIDENTS THAT OCCURRED THROUGHOUT THE

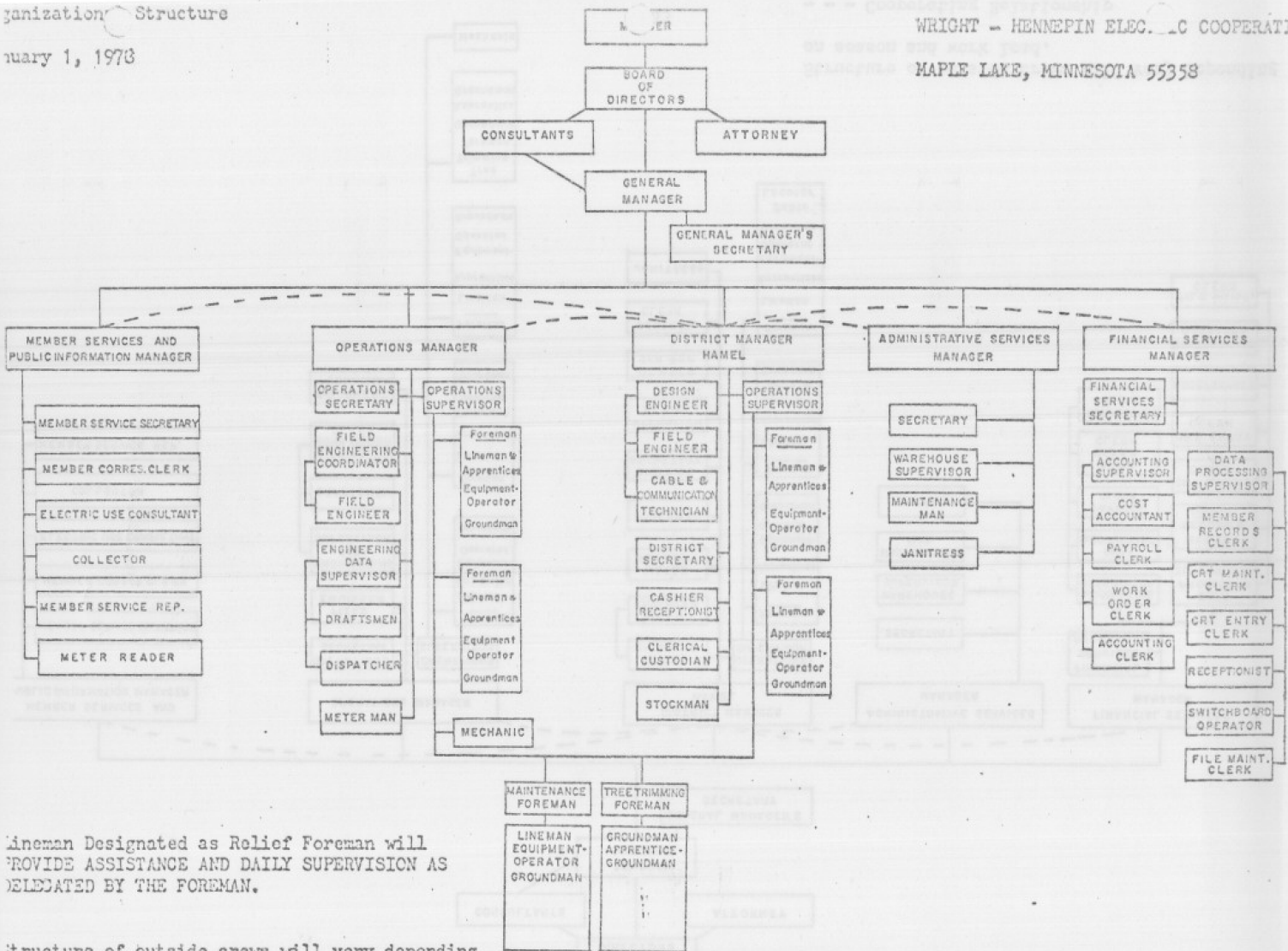
YEAR, WHETHER THEY WERE POSITIVE OR NEGATIVE. OF COURSE, FOLLOW-UP ACTION IS ALWAYS REQUIRED IMMEDIATELY AFTER ANY SPECIAL INCIDENT, A REVIEW OF THIS FILE IS OF VALUE DURING THE REVIEW PROCESS.

AFTER GOING THROUGH THE JOB DESCRIPTION, PREVIOUS PLAN OF ACTION, AND THE INCIDENT FILE, AND HAVE ESTABLISHED A PLAN OF ACTION WITH SPECIFIC DIRECTION, THE EMPLOYEE HAS A PRETTY GOOD IDEA OF WHAT IS EXPECTED.

I HAVE COVERED A WIDE VARIETY OF SUBJECTS. I HOPE THAT I HAVE GIVEN YOU SOME IDEAS THAT YOU CAN DEVELOP TO BE OF BENEFIT TO YOUR COOPERATIVE. IF YOU HAVE SOME IDEAS, OPINIONS, OR SUGGESTIONS THAT RELATE TO THESE AREAS, I AM CERTAIN IT WOULD BE OF BENEFIT TO DISCUSS THEM WITH THE GROUP. I WILL ALSO BE MORE THAN HAPPY TO ANSWER ANY QUESTIONS THAT YOU MAY WISH TO ASK.

Organization Structure
 January 1, 1978

WRIGHT - HENNEPIN ELECTRIC COOPERATIVE
 MAPLE LAKE, MINNESOTA 55358



Lineman Designated as Relief Foreman will provide assistance and daily supervision as delegated by the Foreman.

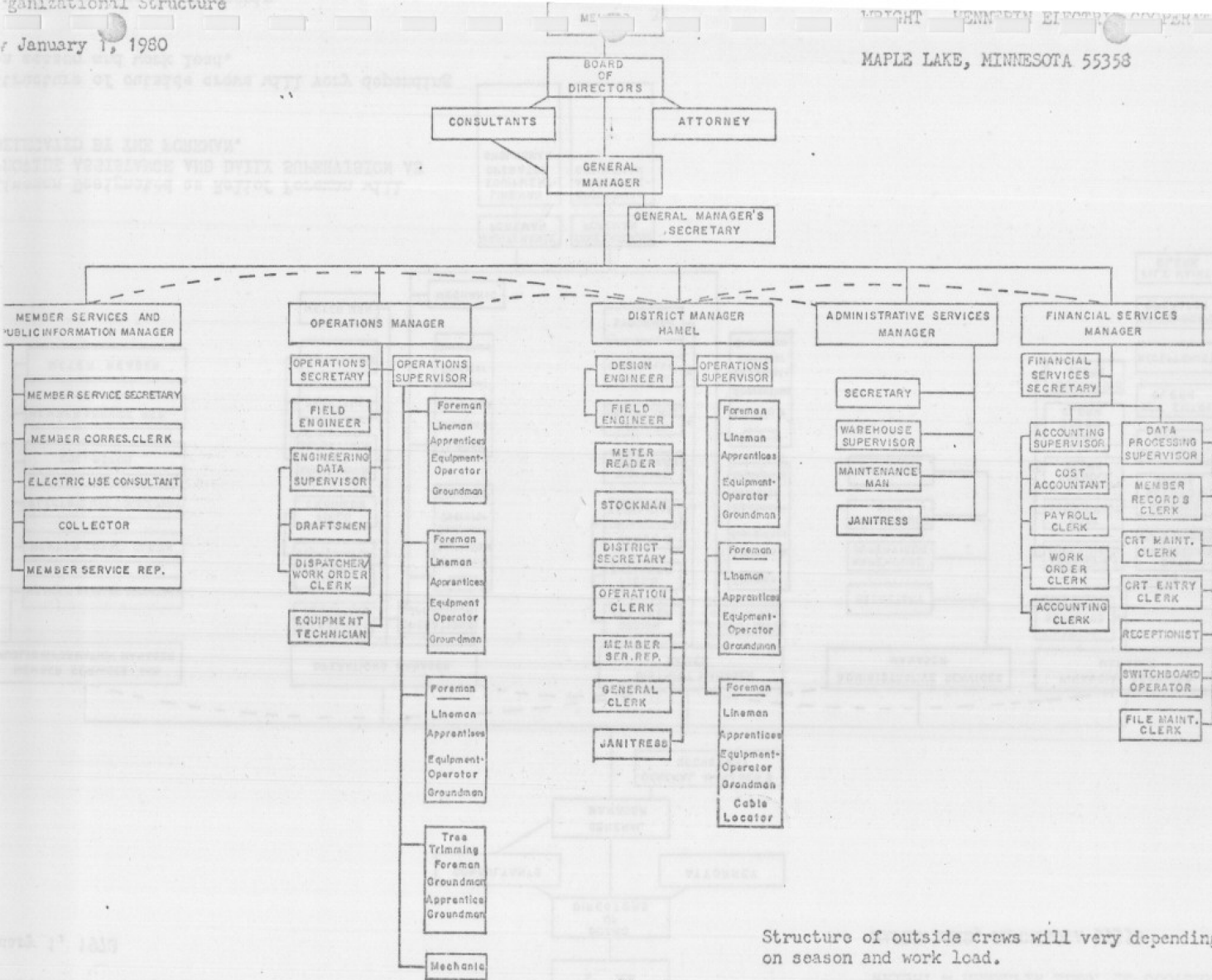
Structure of outside crews will vary depending on season and work load.

- Cooperating Relationship.

Organizational Structure

January 1, 1980

WRIGHT MEMPHIS ELECTRIC COOPERATIVE
MAPLE LAKE, MINNESOTA 55358



Structure of outside crews will very depending on season and work load.

-- -- Cooperating Relationship

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FINANCIAL CONDITION

A. Planning and Control

Be prepared to meet the present and future financial requirements of Wright-Hennepin Electric and continue with a sound system of fiscal management.

Present:

1. Utilize a complete and short and long range financial planning program which includes -
 - A. Annual budgeting of revenue, expense and capital expenditures.
 - B. Quarterly budget comparisons.
 - C. Weekly and annual cash flow reporting.
 - D. Annual updating of long range financial plan (10 years).
2. Have financial reporting procedures that are comprehensive and timely.
3. Maintain a financial records system which provides for accurate data projections.
4. Design the duties of Cooperative personnel to provide for maximum "internal control".

Two-Five Years:

1. Develop standards for the key indicators of "Financial Condition" such as T.I.E.R., D.S.C., Working Capital and General Fund Levels.

B. Financing

Support programs which will provide or promote reliable, adequate and reasonable sources of borrowed capital for Rural Electric Cooperatives.

Present:

1. Participate in the REA and CFC Long Term Lending Program.
2. Work with NRECA to maintain a guaranteed loan program.
3. Have a line of credit with CFC and use it when economically advisable.
4. Develop a rate of return from retail rates that will allow for 40% owners equity, rotation of margins, growth of system and continuity of service.

Financial Condition
Page 2

Two-Five Years:

1. Become aware of and investigate alternate sources of borrowed capital.

C. Member Equity

Plan and provide for the fair and systematic retirement of patronage capital.

Present:

1. Establish a 40% equity ratio.
2. Rotate patronage capital on a 15 year basis.

Date Revised: August, 1977

Date Approved: August 29, 1977

INVESTMENTS

It shall be the intent of Wright-Hennepin Cooperative Electric Association to utilize its current operating funds and long term investments to the best advantage of the Cooperative and its members.

These funds shall be invested to obtain, as conditions permit, the highest rate of return, and to provide for the safety and security of these investments, they shall be deposited in banking institutions which provide FDIC protection, the Rural Electrification Administration, National Rural Utilities Cooperative Finance Corporation, Government Securities or other associated organizations which are from time to time presented to and approved by the Board of Directors.

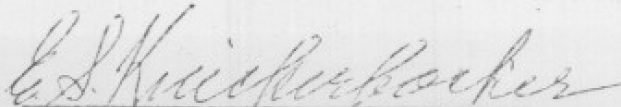
A minimum level of reserve funds shall be maintained at an amount equal to four percent of total utility plant with a maximum not to exceed a level that would prevent advance of funds on our long term loan.

A minimum level of advance payments of REA loans (cushion of credit) shall also be maintained equivalent to one half of annual debt service requirements.

Longer term investments should provide for various decrees of maturity from one through six years with the provision that any longer term investment would require approval by the Board of Directors. Investments should therefore provide for ease of liquidation in times of need, thereby minimizing loss of interest due to the retirement of an investment prior to maturity. Short term investments should be made regularly, as current operating funds permit, in the various forms of investments indicated in this policy, and shall include a provision to invest in CFC commercial paper thereby providing an interest return on investments of short duration.

This policy becomes effective April 22, 1977.

I, E. S. Knickerbocker, Secretary of the Wright-Hennepin Cooperative Electric Association, do hereby certify that the above is a true and correct copy of the policy as it appears in the minutes of the meeting of the board of directors of the Cooperative, held on the 22 day of April, 1977 at which meeting a quorum was present.


E. S. Knickerbocker, Secretary

MEMBER RELATIONS

A. Member Information

Provide information to the members, both orally and in writing which is responsive to their concerns, timely and/or educational, and relate that data in a manner which is easily understandable.

Present

1. Publicize the concept that electricity should be used efficiently and wisely.
2. Instruct our members continually on the basic principles of a Cooperative organization, and more directly how Wright-Hennepin Electric benefits those it serves.
3. Promote a complete understanding of our Cooperative policies, programs and general operation.
4. Provide information on contemporary electric utility subjects, such as pollution control equipment, increasing costs, utility regulation, generating capacity, power supply, etc.
5. Develop a procedure which will assure that all member inquiries and complaints receive proper attention.
6. Evaluate the effectiveness of our member communications program.
7. Analyze the practicality and need to contact:
 - A. All new members on the system
 - B. New members in the growth area of our East District
 - C. Large users on a regular schedule
8. Study the feasibility of installing a no-toll watts telephone system for our members convenience.

Two-Five Years

1. Investigate retaining a professional agency for consultation and assistance with our media communications.

B. Member Participation

Offer all members the means to be involved in and informed of our Association's operation.

MEMBER RELATIONS

Page 2

Present

1. Organize an annual meeting which will encourage a greater attendance of our members.
2. Provide the membership information opportunities to communicate constructive input and learn more about Wright-Hennepin.

Two-Five Years

1. Develop specific programs whereby all members may become more involved in the operation of the Cooperative. (Advisory Group, Jr. Board, etc.)

C. Analysis of Attitudes and Needs

Be continually aware of member attitudes and needs.

Present

1. Produce a study outlining the anticipated effects on our Member Relations, should a system-wide monthly meter reading program be initiated.
2. Establish methods of determining the members attitude towards Wright-Hennepin.

Date Revised: March, 1977

Date Approved: March 29, 1977

MEMBER INFORMATION PROTECTION

It is the general policy of Wright-Hennepin Cooperative Electric Association that employees and other persons having authorized access to the Cooperative's records pertaining to members, shall keep such information confidential.

The following specific rules shall be observed:

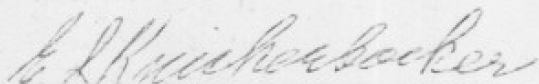
1. Employees, directors, auditors and other authorized persons having access to the records of members including billing information, names, and addresses, and correspondence shall not disseminate such information to others unless authorized by the Board of Directors.
2. The Board of Directors does hereby permit employees to give information to welfare agencies on individual consumer accounts when such accounts are under consideration; and to furnish upon request, name and location information to persons identified as being representatives of law enforcement, fire protection, public safety, mail and freight delivery, and electrical wiring services.

RESPONSIBILITY:

The General Manager shall inform employees and others on this policy and see that it is observed.

This policy becomes effective January 27, 1976.

I, E.S. Knickerbocker, Secretary of the Wright-Hennepin Cooperative Electric Association, do hereby certify that the above is a true and correct copy of the policy as it appears in the minutes of the meeting of the Board of Directors of the Cooperative, held on the 27 day of January, 1976, at which meeting a quorum was present.


E.S. Knickerbocker, Secretary

HANDLING OF MEMBER INQUIRIES

It is recognized that many member inquiries are received about a variety of operations of Wright-Hennepin Electric. As all employees receive inquiries, we do not have one individual or department responding to the members.

It is imperative that all member inquiries are handled timely and thoroughly. It is also important that sufficient records be maintained so trends can be established on types of inquiries.

To assist board members and employees in handling members inquiries, the following procedure has been developed.

1. The nature of many inquiries permits you to answer them through your knowledge of the Association's operation. It is best if inquiries can be handled this way. Because these types of inquiries are so numerous, it is not normally necessary to record them. The exception would be when you are in a position that receives many inquiries and you have been requested to record all inquiries.
2. When an inquiry occurs that can not be immediately resolved, a memo stating as much information as is possible regarding the inquiry shall be prepared and forwarded to the Member Service and Public Information Department. Maintain a record of the inquiry. If you are not notified within a reasonable time that the inquiry was answered, check with the Member Service and Public Information Department. All employees are responsible to see that inquiries they report are answered. Board Members should forward all inquiries to the General Manager.
3. The Member Service and Public Information Department, or an appropriate department should respond to the inquiry in an effective and timely manner. The department shall also inform the reporting employee by memo, carbon of letter, or some other written manner on how the inquiry was handled.

Date effective: 12/8/77


Marvin Athey, General Manager

MEMBER AND COMMUNITY SERVICE

A. Community Involvement

Assure that Wright-Hennepin is suitably represented in service organizations and clubs throughout the project area.

Present

1. Analyze Wright-Hennepin's present involvement in our community and the need for further commitment.
2. Project a positive attitude towards our employees active participation in a reasonable amount of community activity.

B. General Services

Provide services to our members that will allow them to receive and use electric energy in the most efficient manner.

Present

1. Offer both general and technical information to our members, including data on-
 - A. Service entrance size
 - B. Electric heat and other electric uses
 - C. Conventional or pole type metering
 - D. Energy conservation and consumption
 - E. Rates
 - F. Policy
 - G. Standby generation

Two-Five Years

1. Help in obtaining financing for members who wish to make energy saving changes in their home, farm or business.
2. Determine how the variety of services we offer compares to those offered by other utilities in the area.

C. Youth Programs and Activities

Sponsor programs involving area youth that provide information on the Cooperative philosophy, Wright-Hennepin Electric and the utility industry in general.

Date Revised: April, 1977

Date Approved: April 22, 1977

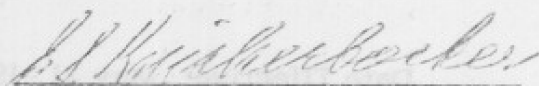
EQUIPMENT USE AND MATERIAL PURCHASES

In the event that requests are received by the Cooperative for assistance other than regular working procedures, which involve the use of Cooperative equipment or materials, they will be subject to the following conditions:

1. All purchases of Cooperative materials will be on a limited basis and at the discretion of the Purchasing Manager, depending on current inventory levels. Charges will be made on a cost plus 10% basis.
2. Requests for assistance involving the use of Cooperative equipment must be authorized by the Department Manager and General Manager.
3. All authorized work will be performed by the employees of the Cooperative.
4. Scheduling of work requested, other than emergencies, will be made by the Operations Supervisor and will not be in direct conflict with regular working needs.
5. Charges for Cooperative equipment will be in accordance with a schedule approved by the General Manager, to be reviewed semi-annually.

This policy becomes effective May 31, 1977 and supersedes Section 70, Bulletin 73, dated March 27, 1973.

I, E. S. Knickerbocker, Secretary of the Wright-Hennepin Cooperative Electric Association, do hereby certify that the above is a true and correct copy of the policy as it appears in the minutes of the meeting of the board of directors of the Cooperative, held on the 31st day of May, 1977 at which meeting a quorum was present.



E. S. Knickerbocker, Secretary

SPECIAL CHARGES

A number of Wright-Hennepin Electric policies state that under certain circumstances charges should be made to a member or some other applicable party. This would include such items as line relocation, damage to our plant, emergency assistance to other distribution systems, etc.

Charges will be updated twice a year by the Financial Services Department and approved by the General Manager. The following charges will be in force until December 31, 1977.

I. ROLLING STOCK

The following charges would be based on actual labor hours (of the driver) from time out until time in:

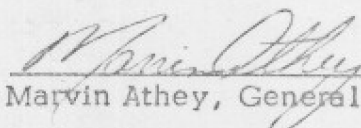
<u>UNIT</u>	<u>CHARGE PER HOUR</u>
Digger Truck	\$10.00
Bucket Truck	8.50
Low Boy	7.50
Flat Bed Hoist (6x6)	7.50
Cable Locating Truck	10.00
Line Truck	5.00

II. OFF ROAD VEHICLES

The following charges would be based on working time with a two hour minimum:

<u>UNIT</u>	<u>CHARGE PER HOUR</u>
Large Trencher	\$10.00
Small Trencher	7.50
VK Plow	15.00
Tractor Backhoe	15.00

Date Effective: May 31, 1977


Marvin Athey, General Manager

JOINT USE OF FACILITIES

Wright-Hennepin Cooperative Electric Association shall enter into joint use agreements with independent telephone and cable television companies within its distribution area, as per the following:

1. A signed agreement must accompany all joint use contracts.
2. Joint use construction shall conform to the established practices of the National Safety Code.
3. Any facilities by foreign utilities which are not covered by a signed agreement will be removed from the Cooperative's distribution lines.
4. Each foreign attachment will be assessed a charge on a per pole, per year basis mutually agreed upon and defined in the signed agreement.
5. In the event that a company makes an attachment without a signed agreement, a penalty of \$5.00 will be imposed for each such attachment.
6. An annual inventory of all pole attachments will be made by the Cooperative and the foreign utility to maintain accurate billing records.
7. A charge of 18¢ per foot of trench length will be assessed to foreign utilities for joint use in underground situations.
8. In cases where special bonding is required to Wright-Hennepin Electric's ground system, material and labor shall be provided by the telephone utility for their connections and shall be done in a manner approved by the Cooperative.

This policy becomes effective May 31, 1977 and supersedes Section 70, Bulletin 74, dated March 27, 1973.

I, E. S. Knickerbocker, Secretary of Wright-Hennepin Cooperative Electric Association, do hereby certify that the above is a true and correct copy of the policy as it appears in the minutes of the meeting of the Board of Directors of the Cooperative, held on the 31st day of May, 1977 at which meeting a quorum was present.

E. S. Knickerbocker

CONSUMER'S EQUIPMENT ON COOPERATIVE POLES

No consumer's equipment or service wires may be attached to any pole other than the yard pole. Such equipment and/or devices of the consumer will be restricted to electrical service assemblies as approved by the cooperative.

No radio, television or electric fence aerial crossings will be allowed on any pole owned by the cooperative.

I, E. S. Knickerbocker, Secretary of the Wright Hennepin Co-operative Electric Association, do hereby certify that the above is a true and correct copy of the policy as it appears in the minutes of the meeting of the Board of Directors of the Co-operative, held on the 27 day of March, 1973 at which meeting a quorum was present.


E. S. Knickerbocker, Secretary

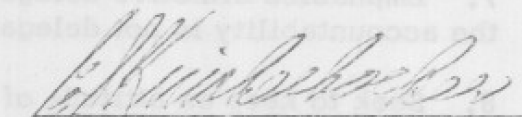
Date Approved:

March 27, 1973

EMERGENCY ASSISTANCE

The Co-operative will offer assistance to other Rural Electric Co-operatives, utilities, and municipalities in the event of any emergency. The trucks, men and/or equipment to the extent necessary to place their facilities in an operating condition. The firm assisted, will be billed at our prevailing price for mileage, materials, and labor with overhead furnished.

I, E. S. Knickerbocker, Secretary of the Wright Hennepin Co-operative Electric Association, do hereby certify that the above is a true and correct copy of the policy as it appears in the minutes of the meeting of the Board of Directors of the Co-operative, held on the 27 day of March, 1973 at which meeting a quorum was present.


E. S. Knickerbocker, Secretary

Date Approved:

March 27, 1973

PRODUCTIVITY

A. Employee Resources

Make a continuing effort to have a well organized and motivated work force.

Present

1. Review our organization structure at regularly scheduled intervals, to assure maximum efficiency of operation.
2. Design an organization that provides for a supervisor-subordinate ratio which is analyzed as consistent with realizing greater productivity.
3. Provide our employees a complete understanding of their role, responsibilities and value at Wright-Hennepin Electric.
4. Familiarize our employees with the basic duties and responsibilities of related positions, to maximize personnel flexibility.
5. Analyze each employee's capabilities and, unless disruptive, base job assignments accordingly.
6. Have a performance appraisal system that can measure employee performance, and then work to build upon employee strengths and improve employee weaknesses.
7. Emphasize effective delegation, with proper control techniques, provided the accountability is not delegated.
8. Seek to keep an attitude of employee content by dealing with employees in a fair and consistent manner.
9. Maintain an acceptable rate of employee turnover.
10. Provide good work conditions and a fair compensation program.
11. Investigate programs for recognizing employees who make a special contribution to the Cooperative.

Two-Five Years

1. Develop standards for each position or groups of positions (such as various line crews), to provide guidelines for measuring productivity.
2. Analyze the workability of alternate types of work weeks.

PRODUCTIVITY

Page 2

B. General Plant and Inventory Resources

Have a general plant and inventory which will enable Wright-Hennepin to operate efficiently and provide its members with quality electric service.

Present

1. Keep our general plant facilities properly maintained.
2. Prepare a survey of our facilities, to determine the actual expansion potential which remains available from present general plant.
3. Have inventory levels that provide for the most economic benefit to the Cooperative.
4. Use all facilities in a manner which maximizes the economic benefit to our Cooperative.

Two-Five Years

1. Make a feasibility study on the general plant requirements needed in 5, 10, and 15 years, and outline the type and location of facilities which would best serve the economic interests and production ability of Wright-Hennepin Electric.
2. Study the benefits to be gained from joint utilization of general plant facilities.
3. Study the feasibility of leasing or renting transportation and work equipment.

C. Financial Resources

Secure and utilize funds consistent with realizing maximum benefits.

Present

1. Obtain expansion capital at the most economical rates available.
2. Manage cash flow to maximize return.
3. Develop a procedure whereby accounting has a reasonable amount of notice on large expenditures.
4. Make sure all materials and supplies purchased maximize the value received for the payment made.

Two-Five Years

1. Make an "in-depth" study to determine acceptable risks vs. losses and cost of insurance coverage.
2. Study the concept of "group purchasing" through our G and T or with neighboring distribution systems, to gain unit savings from volume buying.

Date Revised: May, 1977

Date Approved: May 31, 1977

PURCHASE OF LARGE EQUIPMENT

Large equipment consists of all trucks, cars, trenchers, and similar types of equipment used in construction, operation, and maintenance of the system plant. It will also consist of other general plant items where it is felt input is needed.

1. The Department Manager, for the department that needs the equipment, shall notify the Administrative Services Manager of when the equipment is needed. This should be consistent with the approved work plan and budget.

2. The Department Manager and Administrative Services Manager should then set up an Ad Hoc Committee to determine the specifications for the equipment desired. This committee shall include the Associations Mechanic, the Appropriate Supervisor, one or two individuals responsible for the operation of the equipment, plus the Department Head and Administrative Services Manager.

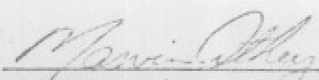
This committee shall also recommend firms from which quotes should be obtained. The committee may wish to have firms demonstrate their equipment in order that a better insight into the various brands can be obtained.

3. The Administrative Services Manager shall submit specifications to General Manager for tentative approval.

4. The Administrative Services Manager shall then obtain at least three written quotes from recommended firms.

5. The Ad Hoc Committee should then review the quotes. The committee should decide on a recommendation. The Administrative Services Manager shall summarize in writing recommendation of committee to General Manager. The Department Head should also submit written statement either endorsing the recommendation of committee or submit alternate recommendation and reasons.

6. The General Manager will then make decision and instruct Administrative Services Manager to proceed with purchase.


Marvin Athey, General Manager

WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION

POSITION AND DEVELOPMENT REVIEW

NAME: Jerome E. Specht

POSITION: Member Services and Public Relations Manager

SENIORITY DATE: July 1, 1967

DUE DATE: June 1, 1978

CONDUCTED BY: Marvin Athey

DATE: _____

I. Position Review -

Using the Job Description as a guide, what are the employee's major strengths and weaknesses in carrying out his responsibilities and objectives?

- A1. Strength - Through input into the corporate plan and Jerry's setting objectives for his annual work plan, Jerry has set forth his departmental objectives. It becomes very difficult to look very far into the future when things are changing so fast.
2. Strength - The Member Services work plan was complete.
(See plan of action)
3. Strength - The Member Services budget was complete.
(See plan of action)
- 4a. Inapplicable this past year.
- 4b. Strength and Weakness - I am certain Jerry is doing a good job in the actual interview. I do not feel he takes enough time to make the written plan of action a fully useful tool.
- 4c. Inapplicable this past year.
- 4d. Strength - I feel you have dealt with your people properly during the past year. You have been firmer in dealing with weak performance, you have provided direction and you have maintained a positive morale.
5. Strength - This has been much improved during the past year. You are becoming more involved with the activities of your employees and have become a better supervisor.
(See plan of action)
6. Strength - Coordinates effectively with other departments.
7. Strength - Handles purchase requisitions properly.

Position Review, Continued

8. Strength - Keeps self fully informed and educated in areas that deserve his attention as Member Service Manager.
9. Strength - As best as I can analyze Jerry has been constantly evaluating effectiveness of department programs. Work on EES is a good example.
10. Strength - Reports are timely and complete.
11. Strength - Is cooperative in all aspects of his position and keeps General Manager well informed on Departments activities.
- B1. Inapplicable
2. Strength - There has been good cooperation between Member Services and Operations Department on types of new loads and effect on demand.
3. Strength - New products that provide for heat storage are being analyzed by Jerry and his department personnel.
4. Strength - Presentations have been made to various groups regarding efficient energy usage.
- C1. Inapplicable.
2. Strength and Weakness - Jerry has made numerous format changes in the Hotline that have improved its quality. Jerry does not research or spend enough time carefully preparing articles that go into the Hotline. This is especially true when it relates to changes in the Cooperatives rates, operating guides, etc.
3. Strength - All meetings of the cooperative were planned to emphasize good results.
4. Strength and weakness - All programs aimed at involving youth were handled effectively with exception of the Washington Youth Tour.

Position Review, Continued

5. Strength - Good improvement was made in the number of presentations made to various groups.
 6. Strength - Donation requests were properly handled.
 7. Strength - Jerry's work in this area during the past year was outstanding. Considering the facts that the transmission line controversy existed and also we faced a 50% increase in wholesale power on Jan 1, 1978 which came on top of a 30% increase in 1977, the job was exceptional.
 8. Strength - Jerry has developed and directed a weatherization program. He has implemented meetings and other contacts with local electricians. He is in the process of setting up a member advisory group.
 - D. Strength - Meter reading program has been handled effectively.
 - E. Weakness - Jerry has not seen to it that the department personnel involved in collections conducted themselves in the proper manner or followed the cooperatives operating guides and other directives.
 - F. Strength - Jerry has provided the opportunities to department personnel to become better trained to handle their position and more fully developed for future tasks.
 - G. Strength - Jerry has been a responsible member of the management staff. He tries to visualize things as the member would, thus providing flexibility to ideas that may tend to become too rigid.
- _____
- _____
- _____
- _____

Position Review, Continued

COMMENTS RELATIVE FROM PLAN OF ACTION OF LAST REVIEW -

Accomplished - Jerry's input into the corporate plan and management
evaluation guide was acceptable. Method of reporting
department activities to General Manager is greatly
improved through both the monthly report and oral
conversations. Good improvement has been made in the
area of load analysis as it relates to peaking. Jerry has
shown better leadership, knowledge, and has taken a
more positive position in this area. Although the establishment
of developing a new operating guide on billing and collecting
was not met on time - there were reasons for the delay such
as PSC Problems. The new guide has been put into operation
and Jerry provided good direction in its development. Youth
Tour was handled as per work plan. Jerry has developed methods
of communicating with electricians such as newsletter and
meetings - These are good and should be continued. Jerry
has put in his department's annual work plan a method of
developing a member advisory group. These items show that
Jerry is being more creative and innovative in his position.

Not Accomplished - I don't feel that the objective in getting well-developed
news releases was met. (See plan of action).

Inapplicable - The following items in the last plan of action became
inapplicable because of various reasons: Development
presentations for Manager and Board, and incorporating
logo into Hotline heading.

COMMENTS FROM INCIDENT FILE -

All comments from incident file that needed further clarification have
been taken into consideration in the new plan of action.

department activities to General Manager is greatly

improved through both the monthly report and oral

conversations. Good improvement has been made in the

area of food analysis as it relates to packing. Jerry has

shown better leadership, knowledge, and has taken a

more positive position in this area. Although the establishment

of developing a new operating guide on billing and collecting

was not met on time - there were reasons for the delay such

as 180 problems. The new guide has been put into operation

and Jerry provided good direction in its development. Youth

has been handled as per work plan. Jerry has developed methods

of communicating with electricians such as newletter and

meetings - these are good and should be continued. Jerry

has put in the department's annual work plan a number of

developing a member advisory group. These items show that

Jerry is being more creative and innovative in his position.

Not accomplished - I don't feel that the objective in getting well-developed

news releases was met. (See plan of action)

panhandle - The following items in the last plan of action became

irresponsible because of various reasons. Development

presentations for Manager and staff, and incorporating

into the monthly meeting.

II. Plan of Action -

State specific actions that will assure growth, development, and improved performance for the employee:

- A2. For the 1979 work plan I would like to have all departments use the same format. I will discuss this with Al Elsenpeter and would ask that you cooperate with him.
- A3. Same plan of action as A2 only related to budget .
- A4b. Make sure the plan of action in your employee's position reviews are complete and well-worded so they provide specific direction to employees and also provide a means for you to evaluate if the plan of action is being met. You do a good job in discussing what you want your employees to do, so make it more valuable in a complete written plan of action.
- A5. Because of the inability of Mike Spielman to carry out the full responsibility of the collectors position, you will have to assume more responsibility in that area. You should analyze our accounts receivables and direct Mike in actions to be taken regarding collection, disconnection, and communication of actions taken.
- B2. Research changes being made to make sure you have a complete understanding. Think about how the article can be designed to catch and hold the member's attention. Think about what types of pictures, graphs, or sketches can be used to enhance your articles. This simply means allocating more time to this aspect of your position. Remember the more you know about all aspects of the Cooperatives operation, the better able you are to run a

Plan of action, continued:

successful Member Service and Public Information Department.

Also, remember that the Hotline goes out to all members each month. Even if 1/10 of the membership reads the Hotline, that is over 1500 members a month. It is therefore imperative that emphasis is given to this area.

C1. You must develop a Washington Youth Tour contest that involves more youth. Your key indicator is to expose 350 youth to the program. I think that is minimal. Start earlier in the year to plan the program. See that coverage is in the Hotline prior to the contest. Here is a possible news article for our area papers.

E. Comments from plan of action A5 are applicable.

III. Job Description Revisions -

State any significant changes in responsibilities and authorities since the last review.

IV. This development guide has been reviewed and discussed with me.

_____	_____
Date	Employee
_____	_____
Date	Supervisor
_____	_____
Date	Department Manager
_____	_____
Date	Administrative Services Manager

Position Description

Member Services & Public Information Manager

I. OBJECTIVES AND RESPONSIBILITIES

Member Services and
The position of Public Information Manager was created to help achieve the purpose for which the Association was organized. That being to

"furnish electric energy on an area coverage basis to its consumers at the lowest possible cost consistent with sound management and business practices."

Also by providing for specific operational duties and responsibilities to be delegated to a competent, well-trained person whose knowledge of and ability in this position will contribute to the attainment of the basic purpose of the Association.

The specific objectives and responsibilities of this position include:

A. Managing the Association's Member Services Department by:

1. Developing long-range departmental objectives that will compliment the overall objectives of the Association.
2. Developing an annual work plan to accomplish objectives of Department.
3. Budgeting for capital expenditures and expenses for Member Services Department.
4. Maintaining an organization structure within department to best accomplish objectives of department. This shall be accomplished by proper:
 - a. Staffing-With approval of General Manager, selects personnel to fill vacancies or new positions within department.
 - b. Appraising-Periodically appraises performance of personnel assigned to department.
 - c. Determining wage rates-Recommends to General Manager wage and salary adjustments for department personnel.

- d. Maintaining Morale-Develops and stimulates good morale within department by recognition of accomplishments, coaching, counseling and advancement according to merit, interest, and ability.
 - 5. Supervising department personnel and assisting in the determination of priority schedules for activities of personnel.
 - 6. Coordinating Member Services programs with other departments.
 - 7. Approving all purchase requisitions from within Member Services Department.
 - 8. Educating self through membership in related organizations, and attending meetings, classes, seminars, etc, in related areas.
 - 9. Evaluating progress and effectiveness of Member Services Program.
 - 10. Preparing weekly work plans and monthly reports to be submitted to General Manager.
 - 11. Keeping General Manager informed of all Member Services functions requiring General Manager's final approval and performing such other duties and responsibilities as assigned.
- B. Developing programs that encourage electrical energy usage that is beneficial to the Association's load factor, and developing programs that educate members and related groups on good use of electric energy by:
- 1. Directing a wise and prudent use of electricity.
 - 2. Consulting with Operations department for planning programs which will create a favorable demand on existing and future facilities.
 - 3. Keeping himself and department members informed of new electrical products and changes which will be significant to the department.

4. Developing presentations for members and related groups regarding the good use of electric energy.
- C. Developing programs that promote good consumer and public relations by -
 1. Directing an institutional advertising program.
 2. Editing the Association's monthly newsletter-Hot Line.
 3. Directing the programs for members annual, district and special meetings.
 4. Directing the programs for the Youth Tour to Washington, MAC Youth Conference, and other Youth Programs.
 5. Developing presentations for members and related groups regarding Wright-Hennepin Electric.
 6. Analyzing requests for donations and sponsorships. Authorizing payment of budgeted items and bringing special requests to attention of General Manager.
 7. Directing the handling of consumer complaints.
 8. Developing or assisting with any other programs or projects that will be beneficial to the Association and its members.
- D. Directing the Cooperative's meter reading program.
- E. Directing the collection of delinquent accounts and the disconnecting of consumers for non-payment according to company policy.
- F. Establishing training procedures for department personnel and recommending other avenues of education that will aid department personnel in fulfilling their position description in a quality manner.

G. Providing guidance in the policy decisions and management phase of the Association in serving as a member of the General Manager's Staff Committee.

II. RELATIONSHIPS:

A. Reports to- General Manager

B. Directs or Supervises-

- Member Services Representative
- Member Services Secretary
- Collector
- Electric Use Consultant

C. Coordinates or Cooperates with-

- Other Department Managers
- Membership
- Manufacturer Representatives
- Local Appliance Dealers and Electricians
- News Media Personnel
- Other Utilities
- Public

Accepted by _____

Employee _____

Approved by _____

Supervisor _____

Reviewed by _____

Date _____

III. AUTHORITIES AND ACCOUNTABILITY

Member Services and

The Public Information Manager shall have full authority to carry out the duties and responsibilities of this position in conformity with established policies and procedures.

He should remember that he is accountable to management of the Cooperative for the efficient performance of these responsibilities and that, although some of the responsibilities may be delegated or assigned to another person, the accountability cannot be.

He is encouraged to use initiative and judgement in making decisions, remembering that the Cooperative's best interest can be affected by his actions. He should feel free to make suggestions for the improvement of operations and efficiency.

He shall secure approval of the General Manager in making decisions when policies are not clear or adequate, or require interpretation.

Accepted by _____
Employee Date

Approved by _____
Supervisor Date

Reviewed by _____
Date



MORGAN COUNTY RURAL ELECTRIC MEMBERSHIP CORPORATION

AREA CODE 317
342-3344

"Owned by those we serve"

MARTINSVILLE, INDIANA 46151

M E M O

TO:
FROM: Jon Elkins, Operations Manager

DATE: 1/4/78

With the increasing amount of information needed to be a good, well-informed supervisor, we are planning two-hour meetings each month in an attempt to get the information to you. Enclosed is a copy of the Supervisory Meeting procedure.

Please note that Item II covers the Schedule and Format of the meetings. The first group will meet on January 11, 1978; the second group will meet on January 18; and the third group will meet on January 25. All meetings will be held from 8:00 to 10:00 a.m. Starting in February, the meetings will be held on the first, second, and third Wednesdays of each month.

I feel that we in management have sometimes been lax in informing you of things in the past, and I hope this will enable us to get the information to you with a chance for questions and suggestions. I would like to eliminate the old saying "I don't know; I just work for the Company." As these meetings progress, we hope you will bring up topics of interest to be discussed.

Although I personally feel that you are all first-class supervisors and foremen, I believe these meetings will give you all an extra boost in becoming even better. I hope each of you will put forth a 100% effort to make this a success. Management, I can assure you, will do the same and everybody will benefit greatly from this program.

Jon Elkins

JEE:mjw
enc.

Member Hoosier Energy, Inc.

MORGAN COUNTY REMC

SUPERVISORY MEETINGS



I. Objectives

To inform supervisory employees of the Morgan County REMC of their authorities and responsibilities within the organization. To encourage their suggestions and recommendations for improvements to the REMC's operations. To attempt coordination between the REMC's objectives and the supervisor's personal objectives. To create better understanding of existing policies and rules and regulations affecting the REMC and the employee. To develop a method of communication within the organization which will improve the working environment.

II. Schedule and Format of Meetings

A. Schedule: 8:00 - 10:00 A.M.

<u>1st Wed.</u> <u>Ea. Mo.</u>	<u>2nd Wed.</u> <u>Ea. Mo.</u>	<u>3rd Wed.</u> <u>Ea. Mo.</u>
✓ Jim Baker	Don Campbell	Gerald Harshey
✓ Clifford Britton	- Tom Carter	Charles Hicks
✓ Glen Cheek	- Dean Edwards	Carl Terrell
✓ Hubert Oliphant	Bob Laudick	
✓ Joe Ramey	- Jerry Massey	
✓ Fred Wampler	- Dan Payton	

B. Format

1. Rolls and coffee will be available.
2. Initial meetings will be conducted by the General Manager or Department Managers.
3. Topics will originally come from the following subjects; however, future topics may be chosen by the group according to their interests and needs.

II. Subjects

A. Morgan County REMC's Organizational Structure

1. Member-Consumers

- a. Own REMC
- b. Elect Directors
- c. Use REMC's Service

2. Directors

- a. Planning - Policies and Objectives
- b. Legal Entity - Bylaws and Articles of Incorporation
- c. Trusteeship - Member Information
- d. Resources - Rates, Selecting Competent General Manager, Budgets and Work Plan
- e. Controlling - Measuring Performance, Determining Policy and Goal Changes

3. Manager

- a. Planning - Submits to the Board plans in the following areas:

- (1) Power Supply
- (2) Electric Power Marketing
- (3) Electric Service
- (4) Finance
- (5) Productivity
- (6) Member and Community Services
- (7) Employee Training and Development
- (8) Management and Leadership
- (9) Member Relations
- (10) Public and Government Relations

(SAFETY)

b. Organization

- (1) Number and type employees needed to accomplish plans
- (2) Facilities needed

c. Directing

- (1) Staffing with number of department managers and supervisors necessary to accomplish plans
- (2) Delegate authorities and responsibilities

d. Coordinating

- (1) Establish procedures
- (2) Conduct staff and employee meetings
- (3) Inform Board of Directors
- (4) Work with regulatory agencies, consultants, associations, and other external companies or persons having an effect on our operations

e. Controlling

- (1) Receiving plans and reports from department managers
- (2) Measuring performance and changing plans and goals as required

4. Department Managers

- a. Develop departmental objectives, plans and budgets, and interpret policies.
- b. Organize resources to accomplish plans and objectives.
- c. Direct operations through his supervisors' job descriptions and organization in such a manner as to accomplish objectives and meeting with supervisors to create understanding. Delegate authorities and responsibilities.
- d. Coordinate the functions and activities of the department both internally and externally.
- e. Control through the measurement of performance and make changes as necessary for improvement.

5. Supervisors - Superintendents, Foremen, and Crew Leaders
 - a. Plans the utilization of resources for job or project assignments.
 - b. Organizes available crew and equipment for best utilization in accomplishment of assignments. Recommends to the Department Manager manpower and equipment requirements and policy and procedural changes.
 - c. Directs the work of his crew in a productive and safe manner. Has authority and responsibility for discipline as required to prevent injury or death to employees or public, to prevent property damage, or to obtain reasonable productivity. To train and inform employees of his crew of proper safety and proper work habits and methods.
 - d. Coordinates work assignments with other employees, crews, departments, other companies, members and general public.
 - e. Measures the performance of his crew by evaluation of productivity, review of procedures, and employee performance appraisal. Recommends changes in methods and procedures and employee training and development for those employees under his supervision.

6. Employee Training and Development

- a. Employee Selection
- b. Employee Orientation
- c. Apprenticeship Program
- d. Safety Program
- e. Tailgate Conferences
- f. Performance Appraisal
- g. Employee Benefits

B. REMC Policies

1. Members
2. Directors
3. Employees

C. Laws, Rules and Regulation

1. REMC Act
2. Federal Wage and Hour Law
3. Public Service Commission
4. REA (Rural Electrification Administration)
5. OSHA (Occupational Safety & Health Administration)
6. EPA (Environmental Protection Agency)
7. NLRB (National Labor Relations Board)
8. EEO (Equal Employment Opportunity)
9. NESC (National Electric Safety Code)

MEMBERS

PROVIDE CAPITAL - ELECT DIRECTORS - USE SERVICE

DIRECTORS

DETERMINE OBJECTIVES & POLICIES

PROVIDE FOR CORPORATE LEGALITY

INFORM MEMBERSHIP

ESTABLISH RATES - EMPLOY MANAGER

APPROVE WORK PLANS & BUDGETS

MEASURE PERFORMANCE

MANAGER

PLAN

ORGANIZE

STAFF

DIRECT

COORDINATE

CONTROL

DEPT. MGRS.

PLAN - ORGANIZE - STAFF
DIRECT - COORDINATE - CONTROL

SUPERVISORS - FOREMEN - CREW LEADERS

PLAN - ORGANIZE - DIRECT - COORDINATE -
CONTROL

EMPLOYEES

PERFORM THE CLERICAL AND OPERATIONAL
FUNCTIONS OF THE REMC

MEMBERS

PROVIDE CAPITAL - ELECT DIRECTORS - USE SERVICE

SE

DIRECTORS

DETERMINE OBJECTIVES & POLICIES
PROVIDE FOR CORPORATE LEGALITY
INFORM MEMBERSHIP
ESTABLISH RATES - EMPLOY MANAGER
APPROVE WORK PLANS & BUDGETS
MEASURE PERFORMANCE

TOTAL ORGANIZATION

MANAGER

PLAN
ORGANIZE
STAFF
DIRECT
COORDINATE
CONTROL

TOTAL ORGANIZATION

DEPT. MGRS.

PLAN - ORGANIZE - STAFF
DIRECT - COORDINATE - CONTROL

DEPARTMENT

SUPERVISORS - FOREMEN - CREW LEADERS

PLAN - ORGANIZE - DIRECT - COORDINATE - CONTROL

CREW

EMPLOYEES

PERFORM THE CLERICAL AND OPERATIONAL FUNCTIONS OF THE REMC

JOB

MEMBERS

PROVIDE CAPITAL - ELECT DIRECTORS - USE SERVICE

DIRECTORS

DETERMINE OBJECTIVES & POLICIES
PROVIDE FOR CORPORATE LEGALITY
INFORM MEMBERSHIP
ESTABLISH RATES - EMPLOY MANAGER
APPROVE WORK PLANS & BUDGETS
MEASURE PERFORMANCE

MANAGER

PLAN
ORGANIZE
STAFF
DIRECT
COORDINATE
CONTROL

DEPT. MGRS.

PLAN - ORGANIZE - STAFF
DIRECT - COORDINATE - CONTROL

SUPERVISORS - FOREMEN - CREW LEADERS

PLAN - ORGANIZE - DIRECT - COORDINATE - CONTROL

EMPLOYEES

PERFORM THE CLERICAL AND OPERATIONAL
FUNCTIONS OF THE REMC

LAWS
REGULATIONS
PSCI
REA
OSHA
EPA
NLRB
EEO
NESC
ETC.

MEMBERS
PROVIDE CAPITAL - ELECT DIRECTORS - USE SERVICE

DIRECTORS
DETERMINE OBJECTIVES & POLICIES
PROVIDE FOR CORPORATE LEGALITY
INFORM MEMBERSHIP
ESTABLISH RATES - EMPLOY MANAGER
APPROVE WORK PLANS & BUDGETS
MEASURE PERFORMANCE

MANAGER
PLAN
ORGANIZE
STAFF
DIRECT
COORDINATE
CONTROL

DEPT. MGRS.

PLAN - ORGANIZE - STAFF
DIRECT - COORDINATE - CONTROL

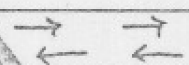
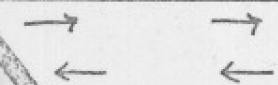
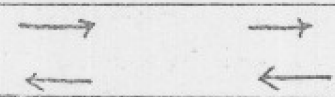
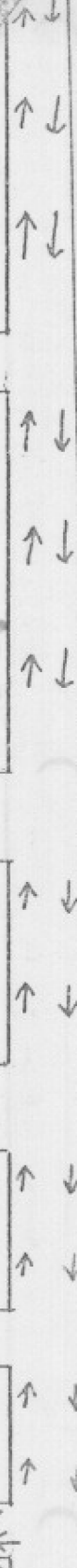
SUPERVISORS - FOREMEN - CREW LEADERS

PLAN - ORGANIZE - DIRECT - COORDINATE -
CONTROL

EMPLOYEES

PERFORM THE CLERICAL AND OPERATIONAL
FUNCTIONS OF THE REMC

COMMUNICATIONS



Laws
REGULATIONS
PRACTICE
POLICY
STANDARDS
PROCEDURES
EFFECTIVE
EVALUATION
Etc.

THE RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

FORECASTING TOOLS AND TECHNIQUES

Crown Center Hotel
Kansas City, Missouri
May 22, 1978

Presented by:
Jack K. Hicks, Manager
Linn County REC
Marion, Iowa

TODAY I WOULD LIKE TO DISCUSS WITH YOU SOME OF MY EXPERIENCES IN FORECASTING AT THE DISTRIBUTION LEVEL, SOME OF THE EQUIPMENT AVAILABLE, AND PRACTICAL APPROACHES TO MEET TODAY'S NEEDS. IN THE PAST I NEVER FELT COMFORTABLE WITH THE RESULTS PRESENTED --- SAY IN AN EARLY POWER REQUIREMENT STUDY, NOR DID I HAVE ANYMORE THAN A "SEAT OF THE PANTS" APPROACH TO THE EARLY FINANCIAL FORECASTS.

WHAT I HOPE TO DO IN THIS SHORT PRESENTATION IS CONVEY SOME OF MY LEARNING EXPERIENCES OR METHODS FROM THE VERY RUDIMENTARY TO THE VERY SOPHISTICATED TECHNIQUES. AGAIN I WANT TO POINT OUT THAT I CANNOT DERIVE THESE EQUATIONS MATHEMATICALLY, PROGRAM THE SIMPLE PROGRAMMABLE CALCULATOR, OR HARDLY DETERMINE WHICH PROGRAM TO USE. BUT I NOW FEEL COMFORTABLE WITH THE RESULTS I DERIVE --- WITH THE BETTER UNDERSTANDING I NOW HAVE OF FORECASTING, WHEN I SEE OTHER FORECASTS I AM FIRST INTERESTED IN THE METHOD USED AND ACCEPT THE CREDIBILITY OF THE FORECAST BASED ON THIS PREMISE.

MANAGEMENT, MORE THAN EVER, NEEDS TO HAVE A FEEL FOR FORECASTING THAT IS TRULY INTERACTIVE, COMPREHENSIVE, AND ABOVE ALL, PRACTICAL.

NOW LET ME POINT OUT BY THE USE OF SLIDES, MY LEARNING EXPERIENCES IN FORECASTING.

With a back up of slides, Mr. Hicks compared the old method of obtaining the Nth root using formulas and math tables to the new, quick method of obtaining these same results with the hand held, inexpensive calculator.

He explained the value Linn County REC and the other 13 distribution cooperatives in the Central Iowa Power Cooperative (CIPCO), generating system have received through the use of the Westinghouse Magnetic Tape Metering Equipment that had been integrated with a Hewlett Packard Mini computer.

The original use of the computer was to read the magnetic sub-station tapes, however, this equipment could be used for additional processing. Hicks participated in two different seminars at the University of Iowa on Statistics and learned a few basic techniques that could be used on the CIPCO computer to develop load curves and a method of determining the index of fit and periods that should be used in making projections. He also learned that this information could be checked for accuracy by comparing it to results he could obtain from the Hewlett Packard HP 65 programable calculator using the equivalent curve method.

Hicks compared the old three page power requirement study to the one recently prepared that contained 250 pages that now involves environmental and economic information as well as detailed graphs and documents. He pointed out that a bulk of the study was based on the information derived from the use of the curve fitting techniques produced on the computer.

The computer is also used for the financial forecast. Interacting forecasting based on ratios for many of the items on the operating report are utilized, however, consumer accounts and sales are based on the comparison of cost per consumer.

Hicks stressed the need to use graphs. By their use you can see where humps occur that should not be included in a projection. He also stressed the importance of recording the values you are plotting and having them readily available when you determine what period in time you will use for your forecasting.

Books mentioned by Hicks that he had used or were suggested for use at the University of Iowa courses were:

Conversational Statistics by Henry V. Roberts

Interactive Forecasting by Spyros Makridakis of Fontainebleau, France and Steven C. Wheelwright, Harvard University.

Sibyl Runner Program, which is a program package that can be used by someone who would not necessarily have a technical background in statistics.

The IDA Program and the Gompertz Curve application on the Hewlett Packard HP-65 programmable calculator.

BUSINESS ETHICS IN MANAGEMENT OF AN ELECTRIC COOPERATIVE

Cecil Viverette, Executive Vice President
Barbara Deverick, Manager of Organizational
Planning, Blue Ridge EMC

Business ethics has been a constant subject in the news media in recent months, with questionable actions, to say the least, on the part of management with regard to bribes, kick-backs, and undue influence.

Rural electrics are not immune from this sort of happening. We have had a policy relating to gifts and favors and the handling of such by personnel at our cooperative for a number of years. In light of recent publicity, lawsuits and the general public attitude relating to actions of business people entrusted with corporate assets, we felt a need to review our policy. We felt that because we are a member-owned organization we have an even greater responsibility to our members and the public in general to assure that our actions are such that we do not hold the trust of the members and the public lightly. We therefore revised our business ethics policy with input from members of the management and supervisory teams as well as discussion with the Board of Directors. The policy statement which we share with you has been developed as a management policy of the cooperative and approved by the Board of Directors. It was sent to the home address of each employee of the cooperative together with a cover letter from the Executive Vice President stating the reasons for such a policy and that it is applicable to every person employed by the cooperative.

Discussions have been held with all employees to assure they understand the policy and how it applies to them, personally.

The response from directors, employees and members to this policy has been very positive and we have had no difficulty in implementation. We also have in effect the necessary audits and inspections, done on a systematic basis, to assure that the policy is being complied with.

The Board of Directors and general manager of the cooperative must provide leadership in developing the atmosphere in the organization which indicates the integrity of the organization. The policy on business ethics is just one of the tools for helping to develop and nurture this atmosphere.



INDIVIDUAL BUSINESS ETHICS

At

Blue Ridge Electric Membership Corporation

Recent publicity about the activities of some corporations gives the impression that unethical business practices are a way of everyday life. This is simply not true for most companies and is certainly not for Blue Ridge Electric Membership Corporation and its members.

That is why we have developed this booklet for you. It is a guide to help you understand the ethical standards that we expect of our members. It is also a guide to help you understand the ethical standards that we expect of our employees. It is a guide to help you understand the ethical standards that we expect of our suppliers. It is a guide to help you understand the ethical standards that we expect of our customers. It is a guide to help you understand the ethical standards that we expect of our community.

Our continuing desire for excellence in service will cause each of us to work hard for lower costs, for greater productivity, and for improved service to our members. That is the nature of our business. We want to be a more efficient and successful water utility. But we want to do this the right way. We want to do this the way that is best for our members. We want to do this the way that is best for our community. We want to do this the way that is best for our country.

These goals and objectives are the foundation for the following policy statement. They represent the commitment of the corporation's management - having been endorsed by the corporation's Board of Directors and management staff.

We hope you will see yourself in the items outlined and not just as your. Even if all the goals don't apply to the job you are doing, you may later be transferred to another job where it would be necessary to understand the ethical standards in which we operate.

These guidelines are not intended to be all-inclusive, because we are not capable of anticipating all situations which could possibly arise. But we are then intended to cover our major business responsibilities to members, to employees, to suppliers, and to society - but they do serve, we hope, to define the minimum standards for acceptable behavior in business activities.

In working consistently with these standards, the management of the corporation is obliged to maintain complete and an accurate record of all business transactions and other programs. This first level goal shall apply to the activities of the business units of the corporation. We want our employees to be honest and ethical in all of their activities. It is a basic responsibility of every member of management to be sure that he or she and the people supervising and coordinating and otherwise engaged in all lines of business are held to the highest standards. The integrity of the corporation and the integrity and self-respect of our employees.

Blue Ridge Electric Membership Corporation



1216 BLOWING ROCK BOULEVARD, N. E.

LENOIR, NORTH CAROLINA 28645

CALLER SERVICE 112

TO ALL EMPLOYEES:

Recent publicity about the activities of some corporations gives the impression that unethical business practices are a way of corporate life. This is simply not true for most companies and is certainly not true for Blue Ridge Electric Membership Corporation and its operations.

Most of us have always taken for granted the strict observance of simple ground rules for our individual conduct in business matters. Some ethical questions, however, are not always clear-cut to all people - so we think it is worthwhile to have written guidelines, especially for new or prospective employees, and to issue revisions from time to time as necessary.

Our continuing desire for excellence will cause each of us to work hard for lower costs, for greater productivity, and for improved service to our members. That is the nature of all businesses, and usually leads to a more efficient and successful enterprise. But no matter how great the pressure, no matter what form the pressure may take, it should never be interpreted as justification to cut ethical and legal corners. Results are important, but not so important that we can or will tolerate unethical business practices.

Please read and think about the guidelines in the following policy statement. They represent the conviction of the cooperative's management - having been endorsed by the cooperative's Board of Directors and management staff.

We hope you will ask questions if the items covered are not clear to you. Even if all the points don't apply to the job you now hold, you may later be transferred to another job where it would be necessary to understand the ethical climate in which we operate.

These guidelines are not intended to be all-inclusive, because we are not capable of anticipating all situations which could possibly arise. Nor are they intended to cover our larger corporate responsibilities to members, to employees, to suppliers, and to society - but they do serve, we hope, to define the minimum standards for acceptable behavior in business activities.

To ensure conformity with these standards, the management of the cooperative is obliged to maintain controls and an atmosphere which minimizes temptation and which prevents that first fatal small step which can lead to the collapse of the business morals of an organization. We must not rely solely upon our accounting and auditing staff to ensure compliance with these guidelines. It is a prime responsibility of every member of management to be sure that he or she and the people supervised understand and observe these guidelines at all times to protect our most valuable assets: the integrity of the cooperative, and the integrity and self-respect of our employees.

A handwritten signature in dark ink, appearing to read "Cecil E. Viverette". The signature is fluid and cursive, with a large initial "C" and "V".

Cecil E. Viverette, Executive Vice President

CEV:de

OBJECTIVES

To assure fair and impartial treatment of all persons and firms with whom Blue Ridge Electric Membership Corporation maintains business relationships.

To enhance the reputation of the Cooperative for fair dealing and assure compliance with federal statutes where government contractual agreements are involved.

SCOPE

This policy applies to all system personnel as pertinent to their individual job responsibilities; and especially to those employees whose position responsibilities require contacts with persons and firms with which the cooperative maintains business relationships, either in the purchasing of goods and services or the supplying of goods and services.

CONFLICTS OF INTEREST

Conflicts of interest must be scrupulously avoided. A conflict can arise in dealings with anyone with whom business transactions are carried out; such as members, suppliers and other people in organizations with whom contracts and agreements are negotiated. This includes:

- "Working on the side" for a supplier for personal gain;
- Engaging in a part-time activity for profit in any field in which the cooperative is engaged;
- Representing other commercial interests besides the cooperative while travelling on cooperative business or during usual business hours;
- Borrowing from, or lending money to, individuals representing organizations with whom business dealings are conducted (excluding routine and normal consumer financing with banks and other financial institutions with whom the cooperative has accounts);
- Owning a small portion of a supplier's business unless the ownership is in the form of stock listed on a recognized stock exchange or in the form of a mutual fund or legitimate stock club;
- Doing cooperative business with an organization in which a close relative has significant ownership or an executive position, unless such transactions are cleared in advance by the Executive Vice President.

There are other forms of conflict, some described in the following sections, all avoidable if reasonable judgment and thought are exercised.

ACCEPTING GIFTS AND PRIZES

Accepting gifts and prizes can be wrong when present or potential business relationships are involved. Employees

should discourage such gifts and definitely may not accept for personal use any of more than nominal value (about \$10.00). More expensive gifts must be returned immediately. Certain business courtesies, such as payment for a modest lunch or dinner in connection with a business meeting, will not normally be considered a gift within the context of this policy. Employees should endeavor to keep such courtesies on a reciprocal basis to the extent practicable, in order to demonstrate that no gift is sought or granted.

Advertising novelties would not be inappropriate to give or receive provided the item is of no appreciable value and is widely distributed to others under similar business relationships with the donor.

Employees may accept and keep prizes awarded at conventions of trade associations, if the cooperative is a dues paying member of the association—but the personal income tax implication of the prize should be considered.

MAKING GIFTS

Making gifts involves, in reverse, the same general rules for accepting gifts.

BRIBES, KICK BACKS AND OTHER ILLEGAL PAYMENTS

Bribes, kick-backs, and other illegal payments to or from any individual with whom we do business—in any form, for any purpose—are absolutely prohibited.

It should be understood that certain types of corporate rebates from suppliers (but not to or from an individual employee) are perfectly legitimate if made to provide funds for advertising and promotion efforts or to correct commercial inequity—and if done within government trade regulations.

BUSINESS RELATED ENTERTAINMENT (Not Social Entertainment)

Entertainment, principally in the form of business luncheons or dinners, of or by members or suppliers is required by the nature of some jobs. Such entertainment is healthy and not at all unethical unless over-done. We need to know our members, dealers and suppliers well, and quite often a non-business environment can offer the most effective means of meeting their needs.

The acceptance of entertainment is within cooperative policy if it is clearly related to your job, if it is not overly lavish, and if the cooperative would normally reimburse you for your costs if you were giving rather than receiving the entertainment. Obviously prohibited is the use of facilities of suppliers for personal holiday purposes, such as vacation homes, boats, trips, etc.

The providing of entertainment at cooperative expense is

within cooperative policy if it is clearly related to your job, if it is not overly lavish, and if it cannot place the recipient in a potential embarrassing position with his employer or with the public. (Special care should be taken not to embarrass government employees and officials. Entertainment of them should generally be limited to simple meals, accepting without argument if they offer to pay their share. Extraordinary services such as the use of cooperative facilities or equipment should never be offered. An exception, of course, is the provision of office space and equipment to government agencies with personnel assigned to the cooperative's premises for inspection or auditing purposes.)

POLITICAL CONTRIBUTIONS

Political contributions using corporate funds or other assets cannot be made directly or indirectly, whatever the amount of the contribution, whatever form the contribution takes. The following types of activity are prohibited:

- Direct contribution of corporate funds to a political candidate or office holder, or to any organization supporting a candidate for a political cause;
- Contribution of political funds in direct channels (Members, suppliers, agents, law firms, advertising agencies);
- Use of company facilities or equipment (vehicles, stationery and supplies, postage stamps, printing facilities, clerical help, etc.) to support a political candidate or cause;
- Reimbursement of individual political contributions by means of salary increases, or expense statements, etc.

This policy is in no way intended to discourage individual employees from seeking political office, from supporting the candidacy of others, provided the time demands of such activities are compatible with carrying out cooperative responsibilities and, if work is missed, the missed work is made up within a reasonable period of time. Similarly, the policy is not intended to discourage employees from making political contributions from their own funds, or from supporting

political activities and referendums—nor is the policy designed to prohibit the legal use of corporate funds for the support of trade and business associations which seek to present the business side of questions to the public and to the people who make our laws and regulate our commerce.

✓ EXPENSE ACCOUNT VOUCHERS

Expense account vouchers can be used only for the reimbursement of legitimate business expenses. They cannot be used as hidden, non-reported compensation increases to avoid the normal salary authorization procedures to "make up" for extraordinary services, or to evade taxes.

✓ USE OF COOPERATIVE PROPERTY FOR PERSONAL REASONS

The use of cooperative property for personal reasons is acceptable only if it does not add to the cooperative's cost and does not hinder the conduct of business. If the personal use of cooperative facilities does add to costs, arrangements should be made to reimburse the cooperative.

OBSERVANCE OF GOVERNMENT TRADE LAWS

Observance of Government Federal Trade Laws, in spirit and in letter, is a prime cooperative policy. We will not directly or indirectly knowingly engage in price fixing, agreements to limit production or services, unjustified and undocumented preferential prices, trade reciprocity, or other activities contrary to the anti-trust laws—nor will we stand behind any employee who knowingly engages in such activities, regardless of his or her position.

ACCURACY OF ACCOUNTING ENTRIES AND CLASSIFICATIONS

The accuracy and completeness of accounting entries and classifications is strictly maintained. Entries must be made in such a manner that their nature is clearly discernible to management and to our outside auditors.

Blue Ridge Electric Membership Corporation
May, 1978

UPDATE ON LOAD MANAGEMENT

UPDATE ON LOAD MANAGEMENT

As the Management Consultation meeting in Denver last year, I gave a brief report on the planned Load Management Program at Cass County Electric Cooperative. After a partial year of operation, it may be well to look at the success or failure of such a program.

by

Willard Grager, General Manager

Cass County Electric Cooperative, Inc.

Kindred, North Dakota

May 22, 1978

UPDATE ON LOAD MANAGEMENT

At the Management Consultation meeting in Denver last year, I gave a brief report on the planned Load Management Program at Cass County Electric Cooperative. After a partial year of operation, it may be well to look at the success or failure of such a program.

Why Load Management?

The board of directors and management of Cass County Electric are aware of their broad responsibility in operating a successful, well-managed cooperative system. To do this, organization structure and charts are a very necessary tool. Position descriptions and detailed assignments of these responsibilities are very important, of course, and of greatest need for smooth operations.

Employee policies and programs for a well-integrated and successful operation of a system are most important, as our Management Consultation programs have always reflected in these twenty years of the organization.

The most important goal and objective of any cooperative is an adequate power supply to meet the members' needs at costs which are consistent with good business practices. All of these objectives are certainly worthy of our every effort to achieve or maintain. Yet, let me state that if we achieve all of the objectives I have mentioned and the many others in the realm of good management but fail to meet the last -- adequate power supply -- we have, in my opinion, miserably failed.

As we look at Cass County Electric's operation, our attainment of the first objectives mentioned are moderate or modest, but we have collectively met the problems which confronted us.

We have members on the board of directors with a great deal of tenure. Yet, we have no director past the age of seventy years, and each director is still active in his business and in matters of the Cooperative. They seemingly have little or no competition from members for their seat on the board.

However, because of the required retirement at age 70, one of our directors will be retiring in three weeks. Presently, we have five members from that district who have filed petitions for the vacancy. To me this indicates a strong member interest in the Cooperative's activities by the membership.

Our last negotiations with the IBEW and employees involved took less than thirty minutes, and we find ourselves with a labor contract at less total cost but with better benefits to the employees than many other systems which surround us. As of this year, nine employees, both line and staff, will have reached a tenure of thirty years.

We at Cass County Electric feel confident that we have reasonably met the requirements of the first objectives mentioned, knowing that our efforts can be increased with improved results.

Concern Over Energy

We were, and still are, concerned about the availability of energy not only for our members but throughout the nation. Our democracy as we have learned to enjoy and to love will never be overtaken by a foreign power. Our ingenuity and love of country will prevent any nation from such a successful endeavor.

There is, however, much evidence becoming known which would indicate that if our democracy fails, it will fail from within. The matter of greed, dishonesty and the malicious misuse of power, which we have seen and still see demonstrated throughout our land, has at times nearly brought this country to its knees.

We are now concerned over energy. The United States, the most unique and successful nation in production of world goods, is being confronted with the abrupt awareness of the fact that the lack of energy shall be our downfall.

World Oil & Coal Reserves

As we look at the world's energy supply, EXHIBIT 1, we find that we have 21.6 times as much coal energy in the United States as there is known oil in the OPEC nations. If we include those countries not in the OPEC association including United States, the quantity of coal reserves in the United States is equal to 15 times the worldwide reserves of oil.

In North Dakota, we have coal reserves enough to meet the present day energy requirements of our state for 35,000 years. Yes, that is right, thirty-five thousand years. Cass County Electric's future planning has not gone beyond that point in time and possibly never will.

Load Control

Now, to get to our Load Management Program. We are a member of Minnkota Power Cooperative with eleven other cooperatives. Minnkota and each of the twelve cooperatives are winter peaking systems. Last year Minnkota peaked at 370 megawatts. Cass County Electric's billing peak demand was 49.723 megawatts. Minnkota, with the support of a majority of the members, established the policy of having a high demand rate and a reasonable energy rate sufficient to maintain a sound basis for Minnkota.

The peak billing demand is that demand created by each cooperative at the time simultaneous with Minnkota's peak. Thus, it is to the Cooperative's advantage, power cost-wise, to control loads only at the time that Minnkota may be peaking.

To afford that possibility, Minnkota will have completed installing by this fall the Landis & Gyr (a foreign manufacturer) ripple control system, which via carrier current will send out a signal to control those loads on the basis that each cooperative system might desire. This last winter, the signal was sent out nine times, and generally lasted from 5:00 p. m. to 9:00 p. m. on those days when temperatures were extremely low or a corresponding wind velocity created the same chill factor as an extreme low temperature, -- a total of less than forty hours.

To afford such opportunity at Cass, it was necessary to install a control receiver at each installation where load could be controlled, at a cost of about \$90 per control point. Cass zeroed in on those places where the controllable loads were of substantial size. By getting started late last fall, the Cooperative had installed only 164 such receivers by the time of peak loading and was controlling a total of 4.7 megawatts of load. The West Acres Shopping Center's off peak heating of 2 megawatts had been in operation for several years and is not included in that total.

The Cooperative established a special off peak rate which gave a 3/4 cent discount on all energy used by the electrical device being controlled.

Where commercial establishments had installed a dual heating system, a separate service was installed and all energy used for heating was sold at the low runoff rate of two cents with no demand. This rate, less the 3/4 cent discount, gives them a net rate of 1.25 cents per kwh.

Power Cost

Now, as we look at our power cost with Minnkota demand and six mill energy, we find that our cost of power with a twenty percent annual load factor (which electric heat creates) would be 3.5 cents per kwh. However, if we can arrange to buy this power off peak without a demand, our cost would be only six mills. It does not take a learned economist to discover that one cannot stay in business very long when you buy a product at 3.5 cents and sell it for two cents. Yet, I'm assured that each of you will agree with me that if we sell a member his normal usage of power at the regular rate, we can afford to sell him the six mill power for 1.25 cents and stay in business, plus the fact that the member is achieving a lower cost of his energy.

As we look at the peaking for the 1977-78 winter, we must consider added loads. During the year 1977, we added a total of fifteen percent additional transformer capacity over what was in service the previous year. However, we find our demand this past winter season increased only 2.1 percent as compared to 15.1 percent the previous winter following a construction year of lesser load growth (KVA capacity installed).

The experience we had this past winter indicates that our policy should be changed somewhat. We have come to recognize that the length of time a load may be without power over peak periods has a greater value to the Cooperative.

We have amended the policy, therefore, to give credit for this factor. Our discount presently provides:

Loads with a maximum limit of eight hours or less -
discount 3/4 cent per kwh.

Such loads would be under-floor heat, water heaters, stored heat, etc.

Loads with unlimited hours off at any one time -
discount one cent per kwh.

Such loads would include an alternate fuel supply such as oil, gas, or even wood as a substitute fuel for heating during peak periods.

Any controlled load is separately sub-metered and the appropriate discount given.

Rate Schedule - General Service

EXHIBIT 2, attached to this paper, is our present retail rate for farm or rural residence. (Rate Schedule 1) It now has a low step run-off rate of two cents. With the increase of the discount to one cent, we are asking the board for approval to drop the last step of two cents. This will result in a low step run-off rate of 2.2 cents. The one cent discount will give the member a net rate of 1.2 cents on all energy used by equipment which has an unlimited time of tolerance.

Effect of Dual Heat on Members' Bills

You may be interested to know what net effect this program had on the members who are participating. EXHIBIT 3 shows the consumption and related cost experienced by three of our members.

Financing Policy

We have found that the cost of retrofitting a system has varied from \$400 in a new home to \$2500 in a home where two new systems were installed and an old existing chimney was replaced.

To assist Cooperative members in financing this conversion, the board of directors has approved a policy whereby the Cooperative will loan the member the cost of retrofitting or dualizing his system up to a maximum of \$1000. The loan contract also provides that the member need not pay any of the principal or interest but rather give the Cooperative an assignment of all his discounts until the total sum is paid.

This may seem like a rather ridiculous policy, -- really what we are doing is putting our money where our mouth is. We say to the member this is the way to go; you can save money. In effect, we are assuring him there is no gamble. Of the 200 members who have completed the dual installation to date, less than 50 have borrowed any money.

Each installation has a minimum of 20 KWs of heating. One year on peak demand would cost us an added \$1080 in power cost. How better can the Cooperative serve itself and its members than to loan an amount of \$1000 and save \$1080 in power cost and still get the \$1000 back?

Member Involvement

In addition to the ripple control, the Cooperative used a radio announcement on those peaking days. In essence it just stated that due to temperature or wind chill, the Cooperative would be experiencing a peak. Would the members please cooperate and refrain from using unnecessary energy from a period of 5:00 p. m. to 9:00 p. m.

Through news stories and our newsletter, we advised members that we would in no way wish to alter or inconvenience their way of living, but if they could refrain from using their clothes washer, dryer, or dishwasher, it would be a saving to the Cooperative. They could also help themselves by buying a time-controlled switch so that the car heater, for instance, would not be on over the peak period. As a matter of fact, we advised them that they may save ten to fifteen kilowatthours per day if they controlled motor heaters so they did not come on until three hours or so before the vehicle was used. We had overwhelming response from our members. Many of them even write and tell us what they are doing to reduce the peak, and they seem happy to be of help.

Comparative Cost

EXHIBIT 4 shows the comparative cost of our power this year with that of a year ago, also the difference in wholesale power cost. You will note when reviewing this that a major portion of our power cost is demand charges.

Dual Furnace

EXHIBIT 5 is the result of our discussion with an electronic firm over the need of a dual oil or gas and electric furnace. This has been accomplished and you can even incorporate an air conditioner or air purifier if desired.

We also have some oil hot water systems that have installed the electric auxiliary and use oil only on peak periods. In some instances we have reduced the use of oil from 1500 gallons to less than 50 gallons. In the case of the West Acres Shopping Center, they used 2300 gallons of fuel oil this past winter compared to 160,000 to 165,000 gallons before installing the electric boilers.

All of the energy Minnkota supplies is generated either by water or by lignite coal, except that portion over peak which they buy from the Pool. Some of that may be oil or nuclear generated.

Minnkota is in the process of installing a gas turbine for peaking purposes. We do not know for certain what the fuel cost alone will be, but we know that it will exceed three cents per kwh.

Conditions of Service, Off-Peak Rate

Our Condition of Service policy, EXHIBIT 6, in connection with our rates provides that we will not extend electric service to any farm, dwelling or commercial establishment which will encompass electric heating unless an alternate method of heating is provided. We just experienced a meeting with an architect who was designing a building of nearly 400,000 square feet. He had not yet learned of our policy change. He stated at the outset that we should understand that an electric / oil combination heating system was being designed so that the owner could take advantage of our off peak rate.

Our engineer tells us that at the average efficiency of the home furnace, at 45 percent efficiency of the oil furnace, we can replace a gallon of oil with 16 kwhs. At 50 percent efficiency, it would require 20 kwhs. This makes the equivalent cost of electricity 20 to 26 cents compared to 47 to 50 cents a gallon for oil.

We also feel that for every gallon of fuel oil we are saving, we will reduce the deficit burden on our nation's economy, reduce the affluency of the OPEC nations, and reduce the strain on our members' and citizens' pocketbooks.

In Summary

We recognize that the facts relative to Cass County Electric are not necessarily the same throughout the nation. Yes, we even believe they are not the same throughout North Dakota, or the neighboring states of Montana, South Dakota or Minnesota. We do believe, however, that in whatever region, state or area a cooperative is located, each of us has some expertise to do something about this energy situation. Now, then, let me say that I believe it should not be something that is optional in our program but should be mandatory.

Conservation will certainly help, but utilization of the energies we have available is the only solution to the problem, which is fast leading our nation and citizens to bankruptcy and utter frustration. We encourage each of you, if you have not already begun, to take action to help in this situation, regardless of how radical the solution may seem.

WORLD OIL AND COAL RESERVES

Proven Reserves

Petroleum*

Saudi Arabia	152 Billion Barrels	•	895 Quads
Rest of OPEC	298 Billion Barrels	•	1,750 Quads
Total OPEC	450 Billion Barrels	•	2,645 Quads
All Other Non-Communist	105 Billion Barrels	•	617 Quads
Total Free World	555 Billion Barrels	•	3,262 Quads
Communist	103 Billion Barrels	•	606 Quads
TOTAL WORLD	658 Billion Barrels	=	3,868 Quads

*Oil & Gas Journal Estimate

Coal Reserves*

USSR	6,093,000 Million Tons	•	121,700 Quads
U.S.	2,873,000 Million Tons	•	57,400 Quads
China	1,115,000 Million Tons	=	22,300 Quads
All Others	880,000 Million Tons	=	17,600 Quads
TOTAL WORLD	10,961,000 Million Tons	=	219,000 Quads

*World Energy Conference "Survey of Energy Resources 1968"

Ratio of US Coal to OPEC Oil = $\frac{57,400 \text{ Quads}}{2,645 \text{ Quads}} = 21.6 \text{ times}$

Note: the total annual energy use in the US is approximately 75 quads
(1 quad = 1,000,000,000,000 BTU).

CASS COUNTY ELECTRIC COOPERATIVE, INC.
Kindred, North Dakota

EXHIBIT 2

5/14/77

RATE SCHEDULE 1

Single Phase - General Service

Availability

Available to all consumers, not qualifying for residential classification, for all uses subject to the established rules and conditions of the Cooperative covering this service.

Type of Service

Single phase, 60 cycles, at available secondary voltage.

Monthly Rate

First	70 kwh	@ 10¢ per kwh
Next	230 kwh	@ 4.8¢ per kwh
Next	1500 kwh	@ 2.2¢ per kwh
Over	1800 kwh	@ 2.0¢ per kwh

Minimum Monthly Charge

The minimum shall be the higher of the following charges:

1. The minimum monthly charge shall be \$7.00 where up to and including a 10 kva of transformer capacity is required. Where greater transformer capacity is required, the minimum monthly charge shall be increased 75¢ for each additional kva or fraction thereof.
2. The minimum monthly charge specified in the contract.

Rider: For township halls in rural areas for all uses, subject to the rules and regulations of the Cooperative covering this service, the annual minimum shall be \$36.00 in lieu of the regular minimum.

Terms of Payment

The above rates are net. All bills are due and payable within ten days of receipt.

Purchased Power Adjustment Charges

The rate shall be increased by 0.1 mill per kilowatthour for each 0.1 mill or major fraction thereof by which the Cooperative's total average purchased power cost per kilowatthour sold for the preceding three months exceeds 13 mills per kilowatthour.

Surcharges

Any surcharges invoked by local government bodies upon services supplied our electric consumers shall be included in the monthly bill computed under this rate schedule.

Effect of Dual Heat on Members' Bills

A/c #891-7 (Rufus)

Total Consumption	138,330 kwh	Cost	\$2,912.04
Less Off Peak	93,380 kwh	@.0075	<u>700.35</u>
			\$2,211.69
Average Cost Per kwh Net		1.59¢ per kwh	

A/c 928-113 (Kern)

Total Consumption	32,750 kwh	Cost	\$ 749.34
Less Off Peak	28,260 kwh	@.0075	<u>211.95</u>
			\$ 537.39
Average Cost Per kwh Net		1.64¢ per kwh	

A/c #931-6 (Knudson)

Total Consumption	38,140 kwh	Cost	\$ 858.10
Less Off Peak	32,000 kwh	@.0075	<u>240.00</u>
			\$ 618.10
Average Cost Per kwh Net		1.62¢ per kwh	

OF POWER COST -- PRICE COMPONENTS
and
THEIR EFFECT ON TOTAL COST

Month	Demand Per KWH	Energy Per KWH	Substation Charge Per KWH	Cost Per KWH
January 1977	3.78 mills	5.5 mills	.31 mills	9.59 mills
February	4.71	5.5	.28	10.49
March	6.61	5.5	.39	12.50
April	7.45	5.5	.44	13.39
May	9.39	5.5	.51	15.4
June	9.18	5.5	.59	15.27
July	8.2	5.5	.51	14.21
August	8.7	5.5	.57	14.77
September	8.8	5.5	.63	14.93
October	8.1	5.5	.55	14.15
November	7.0	5.5	.52	13.02
December	4.4	5.5	.27	10.17
January 1978	4.4	6.0	.33	10.73
February	4.5	6.0	.27	10.77
March	5.9	6.0	.48	12.38

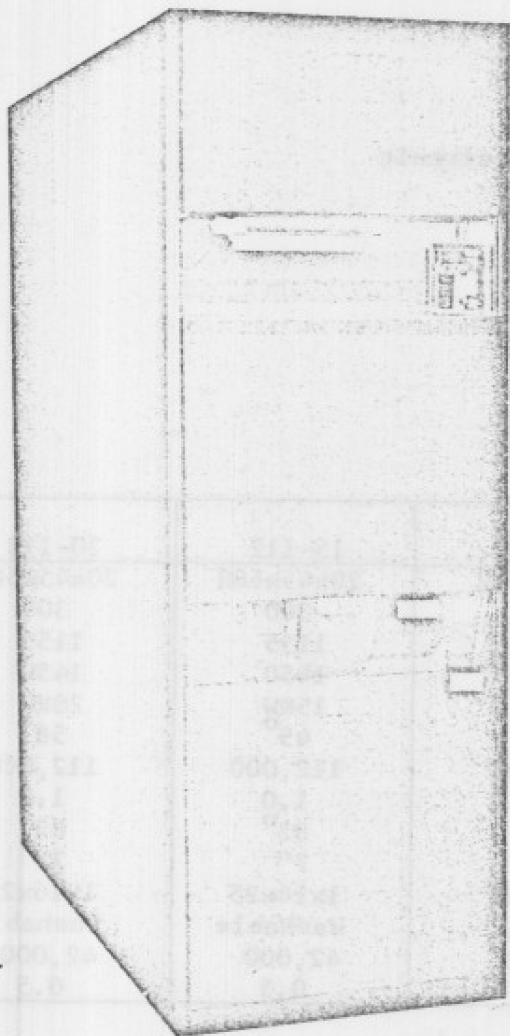
WHOLESALE POWER RATE

	<u>1977</u>	<u>1978</u>
Demand - First 41,784 KW @	\$2.10	\$2.25
Excess @	4.00	4.50
Energy Per KWH	5.5 mills	6 mills
Substation Charge per Month	\$400.00	\$416.67
(100% ratchet on all demand charges)		

ELECTROILTM Residential Furnace

Now you can heat with electricity at the lowest possible rates. See your power company for the special reduced KWH rate when using this ELECTROIL furnace.

This unique combination ELECTRIC and OIL product provides you and the power company the option you may need to keep winter heating costs down.



Designed as a package system for easy INSTALLATION, maximum PERFORMANCE, and secure INTERFACE to Power Company remote control.

PREWIRED and ready to SET IN PLACE electric and standard oil furnace in one heavy-duty cabinet.

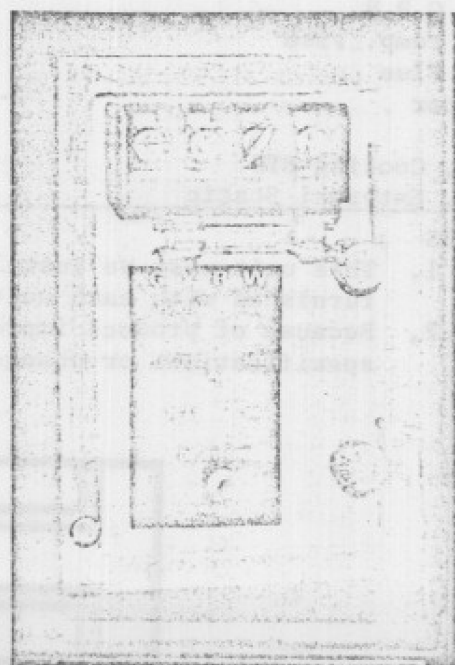
Can be operated with small stand-by (1000 watt) generator during POWER LINE OUTAGE.

Standard, No Extra Cost

- Positive controlled heater elements
- Each element circuit individually fused
- Fan relay, equipped for standard A/C
- Prewired for standard 4 wire thermostat
- Troubleshooting lights
- Prewired pigtail cord for Power Stack Damper
- Four speed direct drive blower
- Flue draft damper
- Full size, top entry, intake cabinet

ACCESSORIES

- 5010 - Heating room thermostat
- 5013 - Fan switch or A/C sub-base for 5010
- 5014 - Clock, Energy Saving room thermostat
- 5015 - Fan switch or A/C sub-base for 5014
- 5016 - Manual summer/winter blower switch kit
- 5017 - Safety overheat cut-out
- 5018 - Humidifier with 5019
- 5019 - Humidifier control relay, via thermostat
- 5020 - Humidifier with humidistat
- 5021 - Electronic Air Filter
- 5022 - Power Stack Damper, 6" (furnace prewired)
- 5023 - Power Stack Damper, 7" (furnace prewired)



SPECIAL COMMAND/CONTROL PANEL

SPECIFICATIONS

General -

- Control power - 120VAC, 60HZ, 12 amp. max.
- Warm air outlet - 18" x 18" or 18" x 20" top
- Return air inlet - 16½" x 13" top
- Central electronic Command/Control panel
 - 24v. system with fuse
 - Sealed, field replaceable module
 - OIL OVERRIDE switch
 - Special cord for OFF PEAK control
 - 3 monitor lights - Power, Heat On, Electric Mode.

Electric - Primary

- 240VAC, 1 ph., 60HZ
- 15KW or 20KW
- Safety thermo cut-out in relay circuit
- Safety thermo cut-out in each element circuit
- Fuseable safety link in each opposite element circuit
- Two stage turn-on
- Stack temperature controls FAN OFF

Oil - Secondary

- Standard No. 2 fuel oil
- Ceramic coated heat exchanger, 16 ga.
- Molded one piece "Pyrolite" combustion chamber
- Electronic burner safety control
- Standard stack limit and fan switch
- 84,000 or 112,000 output BTU

Model Number	15-84	20-84	15-112	20-112
Size	20x43x58H	20x43x58H	20x45x58H	20x45x58H
Weight	285	285	300	300
Normal Heating Air @ 0.2 (CFM)	920	1060	1155	1155
Normal Cooling Air @ 0.4 (CFM)	1270	1270	1450	1450
Electric	15KW	20KW	15KW	20KW
Electric temp. rise	53°	61°	45°	58°
Oil Output (BTU)	84,000	84,000	112,000	112,000
Oil G.P.H.	0.75	0.75	1.0	1.0
Oil temp. rise	75°	64°	82°	82°
Oil Flue	6"	6"	7"	7"
Filter	1x16x25 Disp.	1x16x25 Disp.	1x16x25 Washable	1x16x25 Washable
Max. Cooling BTU	37,000	37,000	42,000	42,000
Max. External Static	0.5	0.5	0.5	0.5

NOTES

1. This unit must be installed and operated in accordance with the printed instructions furnished with each unit and local installation and building codes.
2. Because of product improvement, the company reserves the right to change the above specifications or change construction and design details without notice.



ELECTRO INDUSTRIES, INC.

2150 W. RIVER STREET
MONTICELLO, MN 55362
(612) 295-2500

5/11/78

CONDITIONS OF SERVICE

The following rules and regulations apply to the rate schedules where reference has been made thereto. Where conditions of service involve sections of Cooperative policy, the policy number is noted.

CURRENT LIMITING MOTOR STARTERS

Single Phase: Motors no larger than 10 hp will be permitted to operate with across-the-line starting. Motors over 10 hp and not exceeding 15 hp will be required to have reduced voltage starting limiting the starting current to 11 amperes per hp.

Three Phase: Motors no larger than 30 hp will be permitted to operate with across-the-line starting. Motors over 30 hp shall not be installed until the Cooperative can investigate the conditions to ascertain the equipment requirements to maintain voltage fluctuation within tolerable limits.

ELECTRIC HEATING APPLICATIONS

Residential-Commercial-Mobile Homes-etc.: It is the objective of the Cooperative to obtain the lowest cost energy possible for its membership. Since our power supplier's wholesale rate places penalty pricing on electric energy having only winter-time uses and a subsequent low annual load factor, it is good business and in the best interest of the membership to control the purchase of premium-priced power whenever possible.

Besides, it is the objective of this condition of service to provide better utilization of generation, transmission and distribution facilities so that the maximum amount of power is available and system capacities are most efficiently utilized. The achievement thereof will afford the Cooperative the best position to provide the lowest cost power to its member-consumer.

In that pursuit, the Cooperative will follow the practice of not extending new service or increasing the service capacity of existing service to accommodate electric space heating, where the installed rating exceeds two kilowatts, unless said electric heating can be interrupted by the Cooperative during the peak use periods, and the member agrees to provide for the operation of an alternate heating system during the interruption period. (For specifications and requirements, see Rate No. 7)

RATE SCHEDULE 7

Off-Peak Rate

Availability

Available to all members for classified electric load control during pre-scheduled or conditional peak related use of electric energy.

Type of Service

Single phase or three phase at available secondary voltage.

Loads Eligible for Control

1. Electric Water Heater and Accessory Equipment

A. Short Term Control - Four hours maximum off-period.
Accessory equipment examples:

- (1) Electric clothes dryer
- (2) Automatic dishwasher

2. Electric Heat

A. Long Term Control - Unlimited time length of off-period.
Dual energy heating system (fossil-fuel and electric combination).

B. Medium Term Control - Eight hour maximum off-period with owner responsible for thermal effects during control period (other than combination fossil-fuel/electric system). Typical examples:

- (1) Electric resistance
- (2) Concrete slab heating
- (3) Wood burning
- (4) Non-priority area heating
- (5) Supplemental - solar

Special Conditions

- 1. A ripple receiver control will be required in each new service connect. Major emphasis of this requirement is to control all future electric water heater installations.
- 2. All off-peak electric energy will be sub-metered with the exception of water heating where the member may select a credit option of \$3.00 per month.

Installation of Equipment

1. Cooperative - The Cooperative will furnish the member participating in an Electric Load Management Program with the automatic control device and a meter for sub-metering application.
2. Member

Option 1 - The member will furnish and have installed at their expense, all contactors and/or additional switching mechanisms necessary to permit peak load control of the equipment.

An example of equipment furnished by the member:

- a. Meter socket
- b. Magnetic or mercury contactors
- c. Sub-panel for off-peak wiring
- d. All electrical wiring associated with load management efforts

Option 2 - Commercial classified accounts with billing demands over 50 KW may install a separate meter service for the controllable off-peak load but said service must be adjacent to the regular metered service. Under this arrangement, the demand of the controlled loads will not be recorded on the regular demand meter service.

Rate

Except for "Option 2", all members qualifying for this rate schedule shall be billed and will pay for all energy under the applicable rate schedule, but will at the conclusion of each heating season (May 15), be credited with one of the following discounts:

1. Long-term controlled electric heating and other qualified controllable loads - one cent rebate on sub-metered kilowatt hours.
2. Short-term controlled electric heating and other qualified controllable loads - 3/4 cent rebate on sub-metered kilowatt hours.
3. The electric heating and other qualified controllable loads, under Option 2 in sub-section "Installation of Equipment", shall be billed at the low step rate of the single phase general service rate less the long-term or short term discount, whichever applies.

RADIO CONTROL OF APPLIANCES

MOTOROLA LOAD
MANAGEMENT
SWITCH

THIS IS AN F.M. RADIO RECEIVER, BUT IT
WILL NOT PLAY YOUR FAVORITE SONG.

MOTOROLA LOAD
MANAGEMENT
COMPUTER
CONSOLE

THIS IS NOT MISSION CONTROL AT CAPE
KENNEDY, BUT IT SENDS TONES TO THE F.M. RADIO
RECEIVER TO SHAVE PEAKS.

SLIDE OF LREMC
OFFICE BUILDING

LUMBEE RIVER ELECTRIC MEMBERSHIP
CORPORATION IS ...

ART OF 28 RURAL
ELECTRICS IN N.C.

...ONE OF 28 RURAL ELECTRIC COOPERATIVES IN
NORTH CAROLINA AND ...

ART OF RURAL
ELECTRICS
NATIONWIDE

...ONE OF MORE THAN 900 NATIONWIDE.

ART OF ELECTRI-
CITY BEING
SUPPLIED TO
LREMC BY CP&L
AND SEPA

THIS COOPERATIVE, LIKE MOST OTHER RURAL
ELECTRICS, DOES NOT GENERATE ITS OWN
ELECTRICITY. IT BUYS ELECTRICAL POWER FROM
CAROLINA POWER AND LIGHT COMPANY AND A SMALL
PORTION FROM THE SOUTHEASTERN POWER ADMINISTRA-
TION IN GEORGIA, ...

ART OF LREMC
SERVICE AREA

...AND THIS ELECTRICITY IS DISTRIBUTED TO MORE
THAN 16,000 MEMBER-CONSUMERS IN RURAL
CUMBERLAND, HOKE, ROBESON AND SCOTLAND COUNTIES...

SLIDE OF POWER
LINES AND
SERVICES

...THROUGH APPROXIMATELY 3,000 MILES OF
TRANSMISSION AND DISTRIBUTION LINE.

HAPPY CONSUMERS
USING
ELECTRICITY

ONCE UPON A TIME, THE JOB OF AN ELECTRIC
COOPERATIVE MANAGER WAS RELATIVE SIMPLE. OUR
PRIMARY CONCERN WAS FURNISHING DEPENDABLE
ELECTRIC SERVICE TO OUR CONSUMER MEMBERS - AS
MUCH AS THEY WANTED TO USE WHENEVER THEY
WANTED TO USE IT. ELECTRICITY WAS A LOW-COST
AND SEEMINGLY ENDLESS ENERGY SOURCE. THE
MORE POWER OUR CONSUMERS WANTED, THE HAPPIER
WE WERE.

ART OF ROCKET
TAKING OFF

THE COST OF SUPPLY ELECTRICITY TO A
GROWING MEMBERSHIP HAS SKYROCKETED.

ART OF WHOLESALE
POWER COSTS RISING
SINCE 1973-74

WHOLESALE ELECTRICITY HAS INCREASED
MORE THAN 300 PERCENT SINCE 1974. ...

SLIDE OF TRIPLEX
ON REELS

...THIS TRIPLEX SERVICE WIRE HAS INCREASED
113 PERCENT DURING THE SAME TIME, ...

SLIDE OF POWER
POLES IN STOCK
YARD

...THESE POWER POLES WERE \$22.31 EACH IN
1973 AS COMPARED TO \$39.52 TODAY, ...

SLIDE OF RAFT SWAMP
SUBSTATION

...AND THIS SUBSTATION, WHICH WENT INTO OPERATION IN THE RAFT SWAMP AREA THIS YEAR, COST MORE THAN \$133,000. A SIMILAR SUBSTATION BUILT AND ENERGIZED IN THE EARLY 70'S COST APPROXIMATELY \$80,000.

ART OF COMPARISON
FIGURES

AS YOU CAN SEE, THE WHOLESALE COST OF ELECTRICITY HAS SEEN THE FASTEST INCREASE, ...

ART OF ENERGY-
PRODUCING
MATERIALS
GOING UP

...AND REASONS FOR THIS INCREASE IN COST CAN BE FOUND IN AN EVER-INCREASING DEMAND FOR ELECTRICITY, INFLATION, AND A SHORTAGE OF THE FOSSIL FUELS NEEDED TO GENERATE ELECTRICITY.

ART OF
COMPARISON
FIGURES

INCREASING DEMAND FOR ELECTRICITY CAN BE ILLUSTRATED BY LUMBEE RIVER EMC'S SERVICE AREA WHERE DEMAND HAS EXCEEDED THE GROWTH IN MEMBERSHIP. BETWEEN 1972 AND TODAY, THE COOPERATIVE'S MEMBERSHIP GREW BY MORE THAN 25 PERCENT WHILE DEMAND FOR ELECTRICITY INCREASED ALMOST 62 PERCENT.

ART OF ARAB
HOLDING OIL
BARRELS AS
PISTOLS ON
GLOBE

THE SHORTAGE OF DOMESTIC ENERGY-PRODUCING FOSSIL FUELS BECAME APPARENT IN THE FALL OF 1973 WITH THE ARAB OIL EMBARGO. AT THAT TIME, MORE THAN ONE-THIRD OF ALL OIL USED IN THE UNITED STATES WAS IMPORTED FROM THE PERSIAN GULF STATES, AND THIS OIL INCREASED FROM \$3 TO OVER \$9 A BARREL.

ART OF AUTOMO-
BILES LINED UP
AT GAS STATIONS

INITIALLY, EVERYONE BEGAN TO FEEL THE EFFECT
OF THIS CRISIS THROUGH HIGHER COSTS FOR GASOLINE
AND OTHER OIL-DERIVED PRODUCTS, AND LONG LINES
FORMED AT GAS PUMPS FOR RATIONED FUELS TO
POWER AUTOMOBILES. ...

ART OF OFFSHORE
OIL RIG

...BUT AS DOMESTIC OIL RESERVES WERE TAPPED,

SLIDE OF AUTOMO-
BILES ON HIGHWAY

...THESE FUELS BECAME ABUNDANTLY AVAILABLE AND
MORE EXPENSIVE ...

ART OF PEOPLE
USING ELECTRICITY
AND INCREASED
GENERATION OF
ELECTRICITY

...AS DID THE COST OF ELECTRICITY.

SLIDE OF LOAD
MANAGEMENT LOGO
ON LOAD MANAGEMENT
CONTROL PANEL

IN AN EFFORT TO REDUCE DEMAND FOR ELECTRICITY
AND TO HELP CONSERVE ENERGY, LUMBEE RIVER EMC HAS
OFFERED ITS MEMBER-CONSUMERS A LOAD MANAGEMENT
PROGRAM.

4 ALTERNATIVES

AS I SEE IT, THERE ARE BASICALLY FOUR
POSSIBLE METHODS FOR CONTROLLING PEAKS:
VOLUNTARY CONSERVATION OF ENERGY BY CONSUMERS,
PEAKING GENERATORS, PEAK LOAD PRICING OR TIME-
OF-DAY METERING, AND OUR CHOICE, WHICH IS RADIO
CONTROLLED SWITCHING DEVICES TO TURN OFF SELECTED
APPLIANCES DURING PEAK PERIODS.

SLIDE OF WATER
HEATER

LOAD MANAGEMENT INVOLVES THE CONTROLLED USE
OF ELECTRIC WATER HEATERS...

SLIDE OF CENTRAL
AIR CONDITIONER

...AND CENTRAL AIR CONDITIONERS AND HEAT PUMPS...

SLIDE OF PEOPLE
ENJOYING SUN AND
FUN IN SUMMER

...DURING THE PEAK ELECTRICAL DEMAND RATCHET-
SETTING SUMMER MONTHS OF JUNE, JULY, AUGUST
AND SEPTEMBER.

BUCKEYE
HEADQUARTERS

THE MOTOROLA SYSTEM, WHICH WE INSTALLED,
HAS BEEN USED EFFECTIVELY ON RESIDENTIAL WATER
HEATERS FOR MORE THAN TWO YEARS ON BUCKEYE
POWER'S SYSTEM IN OHIO. THEY NOW HAVE MORE THAN
30,000 WATER HEATERS ON RADIO CONTROL.

COBB EMC
DISPLAY

COBB EMC IN MARIETTA, GEORGIA EFFECTED A
CONSIDERABLE SAVING ON THEIR 1976 AND 1977
PURCHASED POWER COSTS BY USING THE MOTOROLA
RADIO CONTROLLED SWITCHING DEVICES ON CENTRAL
AIR CONDITIONERS TO CYCLE THEM OFF FOR SHORT
INTERVALS OF TIME DURING Oeak DEMAND PERIODS.

SLIDE OF
GOVERNOR'S
CITATION

OUR'S IS THE FIRST PEAK-SHAVING PROGRAM
OF ITS KIND IN NORTH CAROLINA, AND THE
COOPERATIVE WAS PRESENTED THE GOVERNOR'S
CITATION FOR BEING A PIONEER IN ENERGY CONSERVA-
TION.

ART OF RATIO OF
CONTROLLED WATER
HEATERS TO CENTRAL
AIR CONDITIONERS
AND HEAT PUMPS

AND LOAD MANAGEMENT PROVED ITS WORTH DURING THE
SUMMER OF 1977--THE SYSTEM'S FIRST SUMMER IN
OPERATION--WITH 3,000 ELECTRIC WATER HEATERS
AND 1,000 CENTRAL AIR CONDITIONERS AND HEAT
PUMPS CONTROLLED.

SLIDE OF MOTOROLA
LOAD MANAGEMENT
RADIO CONTROL
DEVICE

LOAD MANAGEMENT RADIO CONTROL DEVICES...

SLIDE OF CONTROL
DEVICE BEING IN-
STALLED ON WATER
HEATER

...WERE INSTALLED ON THESE APPLIANCES AT NO COST
TO THE VOLUNTEER BY QUALIFIED ELECTRICAL
CONTRACTORS.

ART OF REACHING
GOAL OF 8,000
CONTROLLED
APPLIANCES BY
SUMMER OF 1978

THESE CONTROL DEVICES ARE STILL BEING
INSTALLED THROUGHOUT THE FOUR-COUNTY SERVICE
AREA, AND IT IS HOPED THAT 4,000 ADDITIONAL
APPLIANCES WILL BE CONTROLLED DURING THE
SUMMER OF 1978.

ART OF WATER
HEATER & CENTRAL
AIR CONDITIONER
LISTENING TO AN
EXPLANATION OF
HOW LOAD MANAGEMENT
WORKS

WHEN LOAD MANAGEMENT OPERATES, WATER
HEATERS, AIR CONDITIONERS AND HEAT PUMPS ARE
TURNED ON TO RESPOND.

SLIDE OF LARGE
SUBSTATION

...FOUR OF THE COOPERATIVE'S MAJOR SUBSTATIONS
ARE METERING THE DEMAND FOR ELECTRICITY TWENTY-
FOUR HOURS A DAY.

SLIDE OF SUB-STATION MONITORING EQUIPMENT

...AND THIS DEMAND IS REGISTERED THROUGH TELEPHONE LINES ON THE SUBSTATION MONITOR WHICH IS LOCATED IN THE COOPERATIVE'S HEADQUARTERS IN RED SPRINGS.

SLIDE SHOWING MEGAWATT SETPOINT

EACH SUBSTATION BEING MONITORED HAS A MEGAWATT SET POINT, AND WHEN DEMAND FOR ELECTRICITY EXCEEDS THIS POINT, THE MONITOR ACTIVATES...

SLIDE OF PROGRAMMED LOAD MANAGEMENT CONTROL PANELS

...THE LOAD MANAGEMENT CONTROL PANEL WHICH SENDS OUT A SERIES OF FM RADIO TONES THROUGH TELEPHONE LINES CONNECTED TO...

SLIDE OF LREMC'S RADIO TOWER

...THE COOPERATIVE'S 300-FOOT TOWER. TWO ANTENNAS ATOP THE TOWER TRANSMIT THESE TONES TO...

SLIDE OF WATER HEATER WITH CONTROL DEVICE INSTALLED

...CONTROL DEVICES ON ELECTRIC WATER HEATERS,

SLIDE OF CENTRAL AIR CONDITIONER WITH CONTROL DEVICE INSTALLED

...CENTRAL AIR CONDITIONERS AND HEAT PUMPS,

ART OF WATER HEATER BEING CUT OFF

WATER HEATER HEATING ELEMENTS ARE CYCLED OFF FOR THE DURATION OF THE ONE TO THREE HOUR PEAK DEMAND PERIOD...

ART OF CENTRAL AIR CONDITIONERS BEING CUT OFF AND ON DURING PEAK DEMAND PERIOD

...AND CENTRAL AIR CONDITIONER AND HEAT PUMP COMPRESSORS ARE OFF AT SEVEN MINUTE INTERVALS EACH HALF HOUR DURING THE PEAK WHILE THE FAN CONTINUES TO CIRCULATE AIR IN THE HOME.

SLIDE OF NEW DEMAND BELOW OUR SET POINT ON SUBSTATION MONITOR

AND WHEN DEMAND FOR ELECTRICITY FALLS BELOW THE CONTROL POINT ON THE SUBSTATION MONITOR, THE CONTROLLED APPLIANCES RESUME NORMAL OPERATION.

ART OF \$300,000 SAVED ON 1978'S WHOLESALE POWER BILL

ORIGINAL PLANS CALLED FOR 6,000 ELECTRIC WATER HEATERS AND 2,000 CENTRAL AIR CONDITIONERS AND HEAT PUMPS TO BE CONTROLLED AT A TEN PERCENT REDUCTION IN DEMAND FOR ELECTRICITY AND A SAVINGS OF OVER \$300,000 IN WHOLESALE POWER COSTS FOR THE YEAR.

ART OF 5081 KILOWATTS BEING MOVED FROM 1977 PEAK

...BUT WITH ONLY HALF THAT NUMBER OF SWITCHES INSTALLED, 5081 KILOWATTS OF DEMAND WERE MOVED FROM THE 1977 PEAK.

GRAPH OF REDUCTION IN DEMAND ON JULY 20, 1977

ON JULY 20, 1977, THE TEMPERATURE STOOD AT 105° F., AFTER HOVERING AROUND 100° F. THROUGH THE CONTROL OF THE 4000 APPLIANCES, DEMAND FOR ELECTRICITY WAS REDUCED BY 10%. THIS RESULTED IN A SAVING OF \$25,000 ON THE JULY WHOLESALE POWER BILL AND AN ANNUAL SAVINGS OF \$300,000 WHICH WAS THE PROJECTION FOR 8000 APPLIANCES UNDER CONTROL.

ART OF DOCUMENT ENTITLED "RATCHET CLAUSE"

THIS \$300,000 ANNUAL SAVINGS IS THE RESULT OF A RATCHET PROVISION IN THE COOPERATIVE'S WHOLESALE POWER CONTRACT WITH CP&L.

ART OF RATCHET EFFECT ON ANNUAL WHOLESALE POWER COST

THE RATCHET STIPULATES THAT LREMC MUST PAY EACH MONTH FOR UP TO 95 PERCENT OF THE HIGHEST OR PEAK DEMAND FOR ELECTRICITY RECORDED DURING THE MONTH OF JUNE, JULY, AUGUST, OR SEPTEMBER.

ART OF "PENALTY PAYMENTS" EXCEEDING \$164,000

DURING LOW-USE SPRING AND FALL MONTHS, THE COOPERATIVE HAS PAID FOR A LOT OF UNUSED DEMAND, AND THESE PAYMENTS ARE SOMETIMES REFERRED TO AS FACILITY CHARGES OR PENALTIES. THESE CHARGES EXCEEDED \$164,000 IN 1975 AND 1976.

ART OF ANNUAL DEMAND FOR ELECTRICITY GETTING CLOSER TO SUMMER PEAK DEMAND

LOAD MANAGEMENT NOT ONLY REDUCED TEN PERCENT OF THIS YEAR'S PEAK, IT WILL ALSO NARROW THE GAP BETWEEN THE PEAK AND OFF-PEAK MONTHS AND SIGNIFICANTLY IMPROVE THE COOPERATIVE'S LOAD FACTOR.

SLIDE OF LREMC POWER BILL SHOWING CREDIT

THE IMMEDIATE BENEFIT TO THE VOLUNTEER IS A \$1.25 CREDIT ON MONTHLY ELECTRIC BILLS FOR EACH LOAD MANAGEMENT RADIO CONTROL DEVICE INSTALLED IN THE HOME.

ART OF BALANCED SCALES, MEMBER USING ELECTRICITY ON ONE SIDE AND LREMC ON THE OTHER

AND THE LONG-TERM BENEFIT WILL BE A MORE STABILIZED COST FOR THE ELECTRICITY USED IN THE HOMES OF LREMC MEMBER-CONSUMERS.

GRAPH
PROJECTION
OF DEMAND
AT LREMC
THROUGH
1984

HOW DOES LOAD MANAGEMENT REALLY CONSERVE ENERGY,
YOU ASK? THIS CHART IS A PROJECTION OF LREMC'S
DEMAND THROUGH 1984, WITH AND WITHOUT PEAK
PEAK DEMAND CONTROL. LREMC IS A VERY SMALL
PART OF THE POWER SUPPLY, BUT, JUST THINK OF
THE RESERVES WHICH COULD BE CREATED BY A
STATEWIDE---REGIONWIDE---AND, YES, A NATIONWIDE
PROGRAM OF THIS KIND.

SLIDE OF
CHILD
AT T.V.

AND REMEMBER, IN ADDITION TO CONSERVING
ENERGY AND REDUCING POWER COSTS, WE WILL
PERHAPS HELP IN SOME SMALL WAY TO ASSURE
A SOURCE OF AVAILABLE ENERGY FOR FUTURE
GENERATIONS!

21st ANNUAL CONFERENCE
OF
THE RURAL ELECTRIC
MANAGEMENT DEVELOPMENT COUNCIL

Crown Center Hotel, Kansas City, Missouri

Monday, May 22, 1978

"MANAGEMENT'S RESPONSE TO TODAY'S CHALLENGES"
"HUMAN RESOURCE DEVELOPMENT"

Everett C. Bristol
Chief Engineer/Staff Assistant
Yampa Valley Electric Association, Inc.
Steamboat Springs, Colorado

A pressing concern expressed by rural electric leaders, as well as industry in general, is "where will our skilled and competent manpower come from to meet the needs of the future?"

It is generally agreed that the most important assets of a business are its people. It follows then that the necessary number of qualified people must be provided on a continuing basis to assure the success of the enterprise.

The manpower requirements must be projected in terms of job functions, working relationships, number of people and their qualifications and capabilities to match the long range needs of the organization. Programs must be planned for the training and development to assure required job skills and managerial competence.

Perhaps you are way out ahead of me and are already engaged in programs similar to, or better, than what I'm going to describe. If so, a little repetition never hurt and it's interesting to see what others are doing and thus have something to compare with to see how well you're doing.

Let me explore first some general views of training and development, and then I'll discuss some of the programs we are undertaking at Yampa Valley.

First, it is important to adopt some general philosophy or viewpoint about the nature of human resource development. How does this relate to your allocation of money and budget for the utilization of other resources--material, machinery and

equipment, buildings, etc.?

Many people agree that our greatest waste of resources is in the human potential that goes untapped and unused. Therefore, the greatest potential for improvement in productivity and efficiency resides in the personnel within our organizations.

People are the most important assets of our rural electric enterprises, yet we tend to neglect them. We give much greater attention to our equipment and our plant facilities than to our people. We spend disproportionate amounts maintaining these physical plant items than we do our personnel. We must be equally certain that we keep our employees in good operating condition and tuned up to do their jobs well.

This is even more true with the increase in the compulsory retirement age to 70 years. When you consider that an employee represents an investment by the Cooperative of \$1 Million over his working life, it is important that effective performance be maintained by adequate training and development programs.

Second, we hear so much about change--how fast things are changing, not only in technology, but in nearly all aspects of our rural electric business, and we need to keep up:

--We used to aggressively promote greater use of electric energy and now we're trying to persuade people to conserve, use less.

--Where once we dreamed of 1¢ retail electricity for rural America, we're now paying 2¢ for wholesale power with the G-T's forecasting 4 to 5¢ by the mid 80's.

--Remember the days when the most regulation we had to endure was REA, and now we have an unending stream of alphabetical government agencies telling us what we have to do or what we can't do.

--Once our members were so eager for electricity they would grant us blanket easements for power lines; now they want \$200 a pole for a distribution line across their sagebrush, pasture land.

--Members who paid little heed to the operations of our cooperatives over the years, now storm the annual meeting in protest of rates, service or the environment.

--And there are those "out there" who are waiting to zap you with a multi million dollar liability suit if you don't "do right".

--What about the consequences of errors in equipment application or in operations? Higher fault currents can mean catastrophic failures; metering mistakes on large consumers can mean thousands of dollars per month; a power interruption with 8000 hot dog skiers on the mountain translates into a king size PR headache.

And some people say "Mister you ain't seen nothing yet!"

If we are to deal with any degree of success with these kinds of problems, we must train and develop our people well. We must plan and act positively, rather than leaving the outcome to chance, hoping that somehow they will learn how to, and be motivated to, cope successfully and do a better job.

There are so many theories how people learn and grow: What are the best methods of instruction? Do older employees learn as readily as the younger ones? Can you teach an old dog new tricks? How do you motivate people to learn? Should you train them on the job or send them away to workshops? How do you get the best returns on the dollars you spend on training and development?

I can't begin to answer all those questions, but I will share a few observations I've made over the years:

1. New Employees - Don't leave the new employee to flounder and find everything out himself. Give him a solid start and make him productive as soon as possible. Too often, if left on his own, he'll learn a lot of bad habits and the wrong ways of doing things because, "we've always done it that way around here".
2. Communication Skills - All employees need these skills, in addition to their field of technology and expertise. The ability to express yourself, understand what's being said and to relate to your fellow workers is mighty important. Studies show that the majority of people who are fired or change jobs is because they can't get along with people, not that they couldn't perform their duties.
3. Supervisory Skills - This is the area which I think is most neglected, and yet has the greatest potential for real dividends. Too often we promote our best workman, most skilled craftsman, to a supervisory position. This is probably the first mistake. And, then the second

mistake may well be, to assume that he will automatically be a good supervisor since he was top workman.

Work planning, delegation of responsibility, coaching, counseling and motivation of employees and the measurement of results are skills that can and must be learned to be a good supervisor.

4. Something For Everyone - Everyone can improve his knowledge and skills and should have the opportunity to do so. Mutual benefits will accrue to the employee and the Cooperative.

During the course of the year I think each employee should recognize, and be able to identify, his participation in at least one definite training activity. It will have a desirable, positive impact on his morale and his performance. I remember well a comment in an Employee Survey we did several years ago-- "Why do only a few people get most of the training opportunities?"

5. The Inquiring Attitude - Too many of our employees accept things as they are, instead of asking, "Are these results satisfactory? Is there a better way? Why do we do it this way? How could our methods be improved?"

Being a basketball fan, one of my favorite stories is about Hank Luisetti, who many of you have probably never heard of. Well, he invented the one-handed jumpshot. How many do you see now that still use the two-handed set shot?

Hank's coach (supervisor) was willing to let him try the new method

and it revolutionized the game of basketball. He was a good supervisor!

Next, I'll share with you some of the things we're doing at Yampa Valley. They may not be the best, but I think they're paying off for us:

First--Association Objective No. 8 - "To maintain a well trained, competent staff of employees, to establish policies and arrange working conditions that will stimulate their growth and development."

Second--Board of Directors Policy No. 8-2 - Objectives

A. To provide each employee with advice, counsel, aid and training necessary to assist him to qualify for positions of greater responsibility.

B. To provide a continuous opportunity for training and development to impart the knowledge and skills to employees that will give improved performance now and in the future.

Third--Operating Procedure No. 109 (Attached)

Fourth--"1977 In Retrospect", VIII Employee Relations - pages 10 & 11 (Attached)

Fifth--1978 - Employee Training & Development Program (Attached)

SUMMARY

There are obviously many concepts of what constitutes an adequate training and development program and how it can best be implemented. Each rural electric system has to tailor the program to its organization and its own needs and find those activities that are most cost effective in the particular situation.

YAMPA VALLEY ELECTRIC ASSOCIATION, INC.

OPERATING PROCEDURE NO. 109

SUBJECT: Training and Development of Employees

PURPOSE: To provide guidelines for the continuing development of Association personnel for improved job performance and greater job responsibilities.

REFERENCE: Association Objective No. 8 and Board Policies No. 4-4 & 8-2

1. A primary responsibility of each supervisor is the growth and development of his personnel. He shall give specific attention (a) to coaching and counseling in regard to job performance on a continuing basis and (b) opportunities for new job experiences leading to greater responsibility.
2. The annual work program and budget of each department shall contain provision for job training and education courses. These annual plans shall give due consideration to:
 - (a) Association needs and specific problem areas.
 - (b) The needs of each individual employee to improve skills, acquire knowledge and achieve a higher level of performance.
 - (c) A balanced program on a continuing basis for all departments.
 - (d) The ratio of benefits to the Association vs. costs of the training activities.
 - (e) Scheduling to avoid busy periods of the month and year.
3. Employees shall be encouraged to participate in outside training programs and self-improvement courses as well as those sponsored by the Association.

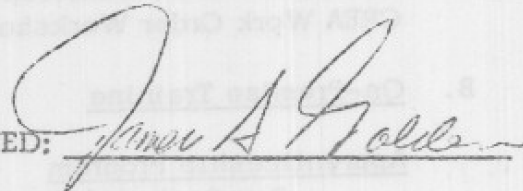
The Association shall pay all expenses in connection with development programs sponsored by the Association.

The Association shall pay the tuition and fees of courses and training programs not sponsored by the Association, provided:

- (a) The training course is related to employee development of a nature to improve job performance in relation to the responsibilities of the position.
- (b) The course is authorized by the employee's immediate supervisor and the General Manager.

- (c) The employee is a permanent, full-time employee.
 - (d) The course is successfully completed. (Otherwise, the employee shall reimburse the Association for tuition and fees paid on his behalf.)
4. On-premise training programs shall be utilized by all departments where possible, because more employees can be involved at generally lower costs, and the programs can be directed toward specific needs of the Association.
 5. Maximum benefits should be gained from off-premise training activities by requiring the employees who participate to: (a) Submit a written summary of the workshop or conference with at least one suggestion for improvement of the Association's operations and (b) give a report or lead a discussion on the subject matter with the appropriate employees.
 6. Planned visitations to other rural electric systems, power projects and similar organizations to observe how they function, to exchange ideas and to discuss common operating problems are valid training activities with a favorable benefit to cost ratio.
 7. Each supervisor shall provide for the Association's central personnel files, a notice of the completion of each training and educational activity, such as hot line school, meter school, NRECA and CREA workshops, etc., that becomes a valuable part of the employee's record, as well as being helpful in planning future programs.

Adopted: August 1, 1966
Date Last Revised: May 7, 1976

APPROVED: 

VIII - EMPLOYEE RELATIONS

1. Training and Development

A. During 1977, 23 employees took part in off-premise workshops and conferences to improve their skills and performance:

<u>Activity</u>	<u>Number Attending</u>
NRECA Managers Conference	1
CREA Member Services Meeting	1
CREA Operations Group Meeting	2
CREA Accountants Group Meeting	5
CREA Administrative Services Group	1
Management Development Council	2
Mesa College Hot Line School	6
CREA Supervisory Workshop	3
NRECA Right of Way Seminar	1
Electric Code Forum	2
CSU - Meterman School	2
Rocky Mtn. Utility Radio Conference	1
NRECA Load Management Conference	1
NRECA Management Institute	1
Energy Conservation Workshop	2
Nat'l J. T. & S. Conference	1
CREA Work Order Workshop	1

B. On-Premise Training

Apprenticeship Program

Ray Beck and Tom Connor completed the lineman's course; Jim Collins continued the apprentice lineman program and Charlie Parker was enrolled in the meterman's course.

Communications Workshop

24 employees participated in the NRECA Workshop, "Handling Consumer Inquiries" conducted by D. J. Vernine Associates, in Steamboat, April 12/13.

Computer Services

Bob Barnard and Duane Spence of Colorado-Ute conducted several training sessions for Craig and Steamboat office personnel.

C. Extension/Home Study Courses

Dave Williams completed the EIT course through Colorado University.

Ben Dunning and Ron Spencer enrolled in ICS study programs arranged for meter readers.

D. Visitation Program

Eight employees participated in training visits to Colorado-Ute, Grand Valley, Poudre Valley and Union REA.

2. Employee Information Program

--Six employee meetings were held during the year to follow up on the 1976 Employee Survey.

--Monthly newsletters were provided each employee, along with the NRECA Rural Electrification Magazine.

--Monthly calendars of meetings and activities, sick leave, vacation, overtime, etc. were posted.

3. Safety

--All employees took the Red Cross Standard First Aid Course.

--Employees participated in Supervisory Safety Course, National Utility J. T. & S. Conference and the Green Shield Safety Seminar.

--Regular monthly safety meetings were held in each District, plus extra meetings conducted by CREA J. T. & S. Instructors.

--Safety Demonstration Board was built and programs were provided for various organizations and schools.

4. Other Employee Programs & Activities

--Thirteen YVEA employees were members of the Rural Electric Credit Union.

--Nine employees participated in the Deferred Compensation Program.

--Thirteen employees took part in the second Annual Golf Tourney, September 18.

--Retirement party was held July 29 on the occasion of Chuck Brobeck's retirement after 25 years with YVEA, and he was presented a gift of \$250 by the Association.

5. Wages and Benefits

Wage and Salary Plan Adjustments:

<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
10.0%	7.79%	13.99%	7.67% ⁺	6.0%	7.0%

1978 - EMPLOYEE TRAINING & DEVELOPMENT PROGRAM

Introduction

A primary responsibility of every supervisor is to see that his employees are qualified to do their job and have the opportunity to keep up with new methods and technology and to improve their skills and knowledge.

This proposed outline of 1978 training activities and schedule's is intended to assist supervisors in carrying out their responsibility and is not to be regarded, necessarily, as mandatory nor restrictive.

Coordinated planning among the departments will result in more cost-effective allocation of the Association's training and development funds.

GOALS FOR 1978

1. Provide at least one recognizable training opportunity for each employee during the year.
2. Schedule " On Premise" training activities for minimum conflict with the heavy construction season and other essential operations.
3. Require a summary report from each participant in "Off Premise" training activities, with at least one recommendation for a new method or procedure leading to improved operating practices and results.

ACTIVITIES FOR 1978

1. "ON PREMISE"

A. Apprenticeship Program

- Completion of the lineman's program by Collins and the meterman's program by Parker.
- Although not a certified program, engage the meter readers in approved ICS Study Course.

B. Engineering and Operations

Conduct training sessions covering the following subjects:

- February 9 - NESC, especially the 1977 changes.
- February 16 - System design and layout
- March 9 - Operating Procedures
- March 23 - System Protection
- April 6 - Operations and Maintenance

C. District Crew Training

--Schedule training sessions in conjunction with the regular monthly safety meetings utilizing films and discussion periods. Subjects to include metering, transformers, switching and other job procedures, fusing, voltage regulation, staking sheets, mapping and consumer relations.

--Schedule Colorado-Ute personnel for instruction in coordination of switching procedures at the Craig, Mt. Harris and Steamboat Delivery Points. April and November

D. Office Personnel

--Schedule Colorado-Ute personnel to provide periodic training on computer programs and service. Quarterly

--Participate in the Computer Services "Users Group"; this will include engineering as well as office personnel.

2. "OFF PREMISE"

A. Circulate information about ICS and USDA Graduate School Courses, as well as those available through CNCC that qualify for reimbursement.

B. Visitations to other Rural Electric Systems

Plan and schedule exchange trips with other rural electric systems, including Colorado-Ute, to observe and discuss work procedures and products and equipment used in the general areas of computer applications, billing practices, secretarial work, warehousing, staking, maintenance, etc. Schedule in May and November.

C. Rural Electric Workshops & Conferences

CREA Consumer and Community Relations Quarterly

CREA Operations Group Annual Meeting - Fort Collins April 11-13

CREA Accountants Annual Meeting - Baca Grande July 19-21

CREA Administrative Services Group July/December

Mesa College Hot Line School - Grand Junction

May 1-5

May 8-12

BUDGETS

R. E. Management Development Council May 22-26

IAEI Code School - Denver March

CSU Meterman School - Fort Collins February 27-March 2

Rocky Mtn. Utility Radio Association - Denver May

Other workshops, conferences, technical demonstrations and other training opportunities are available from time to time. These should be evaluated in relation to YVEA's needs and benefits compared to cost. If participation appears warranted, approval for additional budget should be requested from the General Manager.

3-6
 15-17
 24-26
 14-14
 3-6
 15-17
 24-26



State of Colorado

Jim Golden

RICHARD D. LAMM, GOVERNOR

Commissioners

EDWIN R. LUNDBORG, Chairman
EDYTHE S. MILLER
SANDERS G. ARNOLD



Executive Secretary

HARRY A. GALLIGAN, JR.

DEPARTMENT OF REGULATORY AGENCIES

The Public Utilities Commission

500 STATE SERVICES BUILDING 1525 SHERMAN STREET
DENVER, COLORADO 80203

ADMINISTRATION (303) 892-3154
TRANSPORTATION 892-3171
FIXED UTILITIES 892-3181
COUNSEL 892-3188

May 9, 1978

Yampa Valley Electric Association, Inc.
32 Tenth Street
P.O. Box 1218
Steamboat Springs, Colorado 80477

Gentlemen:

The Commission has, for the last year or two, required each jurisdictional utility to furnish to the Commission, answers to a "pass-on questionnaire". The answers to the questionnaire were to be furnished to the Commission at the time the utility filed for either rate relief or requested a pass-on of costs. The "pass-on questionnaire" has also been referred to as "Appendix A" and contained fifty questions.

We are now enclosing a revised "Appendix A Questionnaire" that contains only twenty-four questions. The revised "Appendix A Questionnaire" will supercede the old "pass-on questionnaire".

Your utility is requested to complete answers to the enclosed questionnaire before June 15, 1978. Said answers should be submitted with an original and two copies to the Chief of Fixed Utilities. The answers should be based on a December 31, 1977, test year.

If your utility has furnished the Commission answers to the old "pass-on questionnaire" based on a December 31, 1977, test year, you do not have to furnish answers to the enclosed questionnaire until March 31, 1979. At that time your utility shall file simultaneously with its annual report to this Commission the answers to the enclosed questionnaire based on a December 31, 1978, test year.

The enclosed "Appendix A" questionnaire will be an annual requirement of your utility. It should be completed each year using a December 31 test year and filed with your annual report.

If you have any questions regarding this matter, please feel free to contact the Fixed Utilities staff of this Commission.

Very truly yours,

Harry A. Galligan, Jr.
Executive Secretary

UTILITY REGULATION

James Golden, General Manager
Yampa Valley Electric Association

Recounted YVEA's history of trying to involve members in area member meetings. Few members or none came in 1974. Stated, "If people don't want to come. . .nothing you can do will stop them."

On April 21, 1977 held first energy management forum to discuss availability of energy, rates, etc. Invited building trades people, architects, business and financial leaders. Had good attendance. Held second meeting early in 1978. Used three booklets: (1) Designing to Save - Weatherization Specifications; (2) List of all Weatherization Suppliers; and (3) Financing to Save (includes FmHa Financing Program).

Had good press coverage, some newspapers gave editorials on meetings and subject. Consumers now aware that YVEA is interested in meeting energy needs. Will probably hold a third forum in 1979. YVEA has board policy on energy conservation.

State of Colorado conducting studies and hearings on generic rates. Will probably order time-of-day metering rate and possibly lifeline rates. Every utility in the state is a respondent in this study. Electric co-ops banded together and spent \$95,000 in hearings. Public Utilities Commission just recently stated that all electric cooperatives should proceed to offer budget billing following a plan similar to the one used by the Public Service Company.

Public Utilities Commission now requires a questionnaire to be completed on management to accompany each request for a rate increase. The questionnaire is required to be filled out each year with regard to co-op management practices, etc. Examples of the questions were given.

Jim concluded by stating that change is so rapid that all the things mentioned relating to the Public Utilities Commission happened in Colorado this month. Management's greatest challenge is to recognize change and be prepared to deal with it in a positive manner before it actually occurs.

MAY, 1978

ELECTRIC, GAS, STEAM AND WATER UTILITY APPENDIX A

The information requested in this questionnaire by the Colorado Public Utilities Commission shall be provided under oath by each electric, gas, steam and water utility and an affidavit so stating shall accompany the response. The original and two copies shall be filed with the Chief of Fixed Utilities of the Commission. It is required that the response be filed each year simultaneously with the Commission required annual report.

This questionnaire is comprised of three sections. Unless otherwise directed, each electric, gas, steam or water utility shall respond to the questions in each section.

Questions 3 and 4 shall be updated to be consistent with any test year being used in a rate case filing or a pass-on request that is not based on a calendar year end test year.

The following definitions shall apply to all sections unless otherwise specified.

Reference to "utility" shall mean the company, subsidiary or division, whichever is applicable.

Reference to "test year" shall mean the most recent calendar year ending December 31st, and shall be consistent with the calendar year used by the utility in filing the Commission required annual report.

1. Set forth the utilities total payroll expense, divided between regular time and overtime, and total number of employees for each month of the test year. Separately set forth the number of part-time employees and their related payroll expense for the same months using the same criteria discussed above.

Separately set forth for the same months the number of employees and the related payroll expense of those persons whose salaries are allocated to the utility, showing total amounts of said expense, the amounts allocated to the utility, and explain the basis for said allocations.

2. Set forth on an annual basis the names of all executives and supervisors employed by the utility and show the amount of each persons' total compensation, compensation in salary and compensation in benefits, accrued or received, for said year. Further, provide a description of the increases in compensation received by each said person during the test year.

Separately set forth the same information for any executives or supervisors whose salaries are allocated to the utility and explain the basis for same.

3. Set forth, in schedule form, the advertising expense incurred by the utility for each month of the test year, the media utilized and the amounts spent in each medium, and the amounts of said advertising expense incurred in the following categories: (a) Sales promotion (for the purpose of inducing customers to retain, or noncustomers to select, the utility's service, excluding the sales of merchandise); (b) political (for the purpose of influencing public opinion with respect to the election or appointment of public officials, or the adoption, repeal, revocation or amendment of referenda, legislation or ordinances, or influencing the decisions of public officials); (c) institutional or good will (for the purpose of informing any person or persons of the utility's activities or status in the community it serves); (d) rate justification; (e) conservation of energy; (f) environmental; (g) customer information; (h) load factor; (i) franchise; (j) safety; (k) energy supply; and, (l) other (describe). If any advertising is undertaken by an association on behalf of its members or someone other than the utility, the amount of the expense charged to the utility shall be included above and designated as such.

Set forth which of the above categories and amounts have been included as above the line expenses for the test year.

4. Set forth, in schedule form, the amounts of the utility's donations, club dues or fees, association dues or fees, organization dues or fees, benevolent group dues or fees, fraternal group dues or fees, trade association dues or fees, and other contributions for each month of the test year. Specify which items and amounts have been made on behalf of the utility and which have been made on behalf of the utility's employees, and identify the latter.

Set forth which of the above categories and amounts have been included as above the line expenses for the test year.

5. Set forth, in detail, programs or procedures utilized by the utility during the test year with regard to: (a) reduction of number of employees through attrition or other means, (b) reduction of overtime expense, (c) reduction of travel expense, and (d) reduction of any other expenses.

In addition, set forth the financial impact of the above mentioned programs and procedures.

6. Set forth specifically those steps taken by the utility during the test year to increase productivity. This includes, but is not limited to, technological productivity, labor productivity and any other innovative programs designed to reduce expenses.

Set forth the financial impact of the above mentioned steps.

7. Specify aircraft owned, leased or rented by the utility, and the date and price of purchase, rent or lease. Set forth, in schedule form the following information for the test year: Number of pilots for each aircraft, dates used, flight numbers, origin and destination points, and number of passengers on each flight. Separately set forth a list of all passengers on said aircraft for the same period and indicate whether the passenger was an employee or a guest.

Also, set forth, in schedule form, for the test year the total cost of any employees flying first-class on commercial planes and the comparable coach fares.

8. State whether the utility has benefited in the past from depletion allowances under the Federal Income Tax Law. Also, specify the financial impact of the Tax Reduction Act of 1975, HR2166, Title 5, Sec. 501, 26 U.S.C. 613 (a), will have upon the utility and when the benefits of such impact shall be received.

9. Set forth in schedule form, the amounts of the utility's lobbying expenses for each month of the test year. The schedule should list the salaries paid, the time spent lobbying and the names of each individual who lobbies for the firm.

10. Specify for the test year the utility's accounting treatment for tax purposes of investment tax credit. (normalization or flow-through) Also, list in schedule form the amount of investment tax credit accrued to date by the utility and the amount of investment tax credit that has been fed back to income.

11. Specify for the test year the utility's accounting treatment for tax purposes of liberalized or accelerated depreciation. (normalization or flow-through) Also, list in schedule form the amount of accumulated deferred income tax reserve accrued to date as a result of normalization of liberalized or accelerated depreciation. Specify the amount of past liberalized or accelerated depreciation that has "crossed over" the straight-line depreciation rate and the resulting accumulated deferred income tax that has been paid back to the Internal Revenue Service.

12. Set forth specifically those steps taken by the utility during the test year to assure that the purchasing of materials, trucks, etc. and the letting of contracts have been in the best interests of the consumer.

13. Set forth for the test period the utility's average rate base (or year end if authorized) as adjusted and its components, including the computation of working capital; an income statement with all determinable adjustments; a statement showing capitalization and capitalization ratios; imbedded and composite cost of debt; imbedded and composite cost of preferred stock; return on equity and composite cost of equity; and the resulting rate of return on rate base. Said amounts are to be consistent with prior Commission decisions applicable to each utility, or, if no prior decisions are applicable, with the principles generally applied to other comparable utilities regulated by this Commission.

14. Set forth specifically the frequency of the utility's negotiations and result of the utility's negotiations regarding the price of gas purchased from intrastate suppliers.

15. Set forth specifically what actions were taken by the utility through intervention in Federal Energy Regulatory Commission proceedings involving their interstate suppliers; whether each intervention was in support of, or in opposition to, the proposed increases by suppliers, the expenses incurred by the utility with regard to each intervention in a FERC proceeding, and the outcome of each of the FERC proceedings.

Set forth the FERC proceedings involving the utility's interstate suppliers where intervention was not exercised by the utility and state the reasons for the lack of such intervention.

II.

With regard to this section, the term "utility" includes the utility, its subsidiary or division, and its company; and "supplier" includes supplier, its subsidiary or division, and its parent company.

16. State whether the utility has any financial interest (e.g., stock, bonds, notes, contracts, etc.), in the utility's suppliers, including amounts, and describe same.

17. Set forth the names of any executives employed by the utility who have any financial interest (e.g., stocks, bonds, notes, contracts, or otherwise provides service, etc) in the utility's suppliers, including amounts, or who serve in any executive or supervisory capacity (including members of Board of Directors), whether full-time or part-time, in supplier's companies and describe same.

18. Set forth the names of any individuals who serve in an executive or supervisory capacity (including members of the Board of Directors) in both the utility's company and any of its suppliers.

19. State whether any exchange agreements presently exist between supplier and the utility, including any exchange agreements concerning gas and/or electricity situated other than in Colorado, and describe same.

20. Set forth whether the utility is a subsidiary, division or parent company of any of its suppliers, and describe the relationship.

21. State whether the utility's present suppliers have been the recipients of any "pass-ons" from the utility, and describe same.

III.

22. With regard to the adjusted income statement provided in response to question number 13 in section I., set forth the following ratios for the test year and the last 3 calendar years.

Total operating expenses per unit of sales.¹

Total operating expenses less income and property taxes and purchased commodity² costs per unit of sales.

Total operating expenses less income and property taxes per unit of sales.

Net utility plant per unit of sales.

Administrative and general expenses per unit of sales.

Administrative and general expenses per customer.

Units of sales per employee (including and excluding officers).

Number of customers per employee.

Materials and supplies inventory turnover.³

23. Set forth the utility's capitalization, capitalization ratios and costs for two calendar years preceding the test year using the method prescribed by the Commission in its most recent rate case decision for the particular utility.

24. Set forth any information that you believe will be helpful to the Commission.

1. KWH, MCF, main stations, or thousand gallons as appropriate for electric, gas, telephone or water utilities.
2. Purchased power, purchased gas or purchased water as appropriate for electric, gas and water companies.
3. Dollar amount used divided by average balance for the year.

NEW MANAGEMENT PROGRAMS

Jack Wood, Manager of Training
and Consulting, NRECA

Discussed transition in society, must learn what the new generation is all about. Stated that the present NRECA Curriculum in management and training and development programs does not meet REC system needs.

Emphasis has been put on (1) member relations, (2) power supply/technical services, and (3) financial management; however, there are other areas which should have attention. NRECA is looking at training versus consulting and decided that training needed the most attention first. NRECA is doing a survey of systems to determine needs and how well NRECA is meeting needs. The survey will include directors, managers, and first line supervisors. A management advisory committee has been mandated. One hundred and fifty systems will be random sampled on the survey to evaluate program. Survey will be sent to 3,400 persons. Data will be analyzed with outside assistance and information will be used in redesigning and updating training programs.

In the consulting program, NRECA will do needs analysis in 1979. In two years a national member survey will be done to give them three data bases to help them to be more responsive to member systems in the future.

One of the special concerns is directors of the cooperative. There is now a large turnover. Thirty-five to forty percent are new directors (less than 3 to 5 years in position). Projections show 1982 - 1985 systems will have better than 50% turnover in directors. New directors are a new breed. This information is tying into the program for director manpower development, including selection, training and development of directors in a short time span.

One approach to training is through communications skills, transactional analysis. Dr. Eric Berne's book "Games People Play" and Harris' book "I'm OK, You're OK", are tools. We need to deal with it (communications) in self-awareness. Jongward and James book emphasizes communications in utilization of human resources. We must take a managerial approach to transactional analysis.

You will experience as a part of this meeting a brand new program, "Top Management Experience in Rural Electric Cooperative Management" with the Mader group. This council has assisted in the development of the concepts and information for this program.

Your evaluation will be sought in determining how this program should be presented through NRECA.

NRECA looks to this group for innovative thinking in rural electric co-op management.

MINUTES OF THE 1978 RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL ANNUAL MEETING

OPENING
SESSION

The 1978 Rural Electric Management Development Council Annual Meeting was held at the Crown Center Hotel, Kansas City, Missouri, May 22 through May 26. Charles Overman, Chairman of the Council, opened the meeting at 9:00 A.M. and welcomed the members to Kansas City. All persons present were introduced. The Chairman pointed out that the first meeting of rural electric leaders had been held in Kansas City in 1958 on May 22 and 23 for the purpose of determining whether a council for management development in the rural electrification program should be organized. He reviewed some of the early minutes of the council, noting that the group of leaders had met again in October of 1958 to discuss needs and plan further. Members of the council who had been present at these early meetings shared information about them with the group. The group has met annually since 1958 to share management information and discuss management challenges.

APPOINTS
SECRETARY

The chairman appointed Barbara Deverick secretary for the council and extended thanks and appreciation of the council to her and Blue Ridge Electric for their past work in providing the report of council proceedings. He concluded his remarks by advising that the business session for the council would be held on Friday, with reports from all committees at that time.

PROGRAM
PRESENTATION

Charles Overman then recognized Bob Weathers, Program Chairman for the council to review the program for the meeting. Bob reported that the program committee had met in Atlanta two months previous to the meeting to finalize the program and rearrange the schedule to provide time for the Advanced Management Conference which was jointly sponsored by the council and NRECA. He stated, as the preliminary program mailed to each member system indicated, the first day of the meeting would be presentation of reports and information by council members on management programs and projects undertaken by these member systems. Following this, the next three days would be devoted to the Advanced Management Conference which would be an exercise in strategic decision making for rural electric cooperatives carried out by Dr. Chris Mader of the Wharton School of Business and associates. He stated that the council would be asked to evaluate the strategic decision making program following its conclusion. The program chairman then introduced the first program participant and concluded his remarks. (See program outline on pages 14 and 15.)

At the conclusion of the program presentations on May 22, Chairman Overman asked for comments and suggestions concerning the program presented that day. Cecil Viverette stated that he had heard some presentations made by people who haven't made presentations at council meetings in previous years. He stated that he was very much impressed; that he felt this indicates managers are applying ingenuity and innovative ideas to management. He stated that he would like to hear comments from some of these individuals about how their involvement with the council has helped. Marvin Athey stated that he had been a "taker" at council meetings during the past five years. He stated that the council had been the greatest help of any group he has been involved with.

Viverette asked the question, "Are there other managers who are searching for management information and ideas, and if so, how can we reach them?" Marvin stated that he felt council members needed to work to get more advanced managers into the group. Viverette stated the management evaluation guide is a good tool for doing this. Dick Seger stated that he had been coming to the council meetings and taking ideas and that it whetted his appetite to do research and adopt practical ideas and information in management and that he used the management evaluation guide frequently, especially in policy development, in discussing results with board and management staff. Dick felt that one good way of getting more managers interested in the council is by inviting prospective members to the meetings. Charles Overman stated that very few of the REC's in his area could qualify for membership in the council. He raised the question as to getting these managers involved because this is the way he had gained much from the concepts presented in the council group. Viverette stated that was his first thought - there are 28 co-ops in North Carolina and only three are involved in the council - maybe some of the presentations made here could spur some of our North Carolina managers to greater management action. Derl Hinson stated that he had missed the last two or three council sessions and that he realized so much what the group has meant to him; the management principles and concepts learned here aided him in a near "sell-out" at his co-op a year or so ago. Jack Wood stated that he had sought information and guidance from council and its members and that NRECA is complimented to be a part of this group. The group concluded that information was needed to share with prospective members on "Who and What is the Rural Electric Management Development Council".

ATTEND-
ANCE

The annual business session of the council was held on May 26. Chairman Overman presided. He reported that there were 40 people in attendance at the council meeting, representing 20 electric cooperatives, NRECA, and consultants. It was mentioned that Charles Weaver of REA had sent his regrets that due to meeting conflicts, he was unable to be present.

Upon motion and second, the minutes and proceedings of the 1977 council meeting were adopted.

PROGRAM
FORMAT

MANAGE-
MENT
SIMULA-
TION

Chairman Overman then stated that the item of business before the group was the discussion of the program format and contents for the week. Dick Segar stated that the strategic decision making simulation presented by the Mader Group in the advanced management conference has been very stimulating and that he felt the council should urge NRECA to refine the program and offer the program to managers and staffs of rural electric systems across the country. Overman stated that there were plans to offer the program in Pennsylvania in August or September. Jack Woods of NRECA stated that he would convey the feelings of the council that the Mader group, including Dr. Chris Mader and John Raezer, must be the presentors of the program and that additional background information would be added about the cooperative for the participants. He stated that Dr. Mader and his personnel had gained some excellent background in REC's working with the council group. Jack stated that the pilot program indicated that there was a need for more indicators on what member relations complaints are. He said that things managers are called upon to make decisions about in

the simulation should be operations and objectives oriented so focus of decisions will be on the major results directors and managers are seeking. Jim Kiley stated that when NRECA set up for this program, because of the logistics involved, they may want to present it three times at the same location over a three-week period. Jack Hicks stated that it was one of the best learning experiences he had participated in; that the "hands on" concept is good. He stated further that it was the best seminar he had ever attended, however, he could not see this program for directors. He also felt that enrollment should be held to about 50 people for most effective results. Bob Weathers asked if the council could put its seal of approval on the simulation program. Dick Seger stated that he felt the REMDC should endorse the program in writing and encourage support with the proviso that the quality of the program be maintained and that the use of the Mader group is essential. Bob Weathers MOVED the following resolution, seconded by Dick Segers and adopted by the council members.

RESOLUTION

ACTION
ON
ADVANCED
MANAGE-
MENT
CONFER-
ENCE

BE IT HEREBY RESOLVED by the members of the Rural Electric Management Development Council that NRECA be commended for its efforts in putting together the Advanced Management Conference Program making use of the Mader Group which provided The Top Management Experience - Strategic Decision Making for Rural Electric Cooperatives, and that special commendation go to Jack Wood for his efforts in providing such a superior learning experience, and

BE IT FURTHER RESOLVED that NRECA be urged to make this program available to managers and staffs of rural electric systems across the country, utilizing the services of the Mader group which will assure the maintenance of the high quality of the program which is essential to its success, and

FURTHER, that NRECA be authorized to make use of this resolution and the comments of the persons in attendance at this meeting in the promotion of the Conference Program put on by the Mader group.

PROGRAM
IDEAS

Jack Wood thanked the council for its endorsement and support of the program and stated that NRECA has a great willingness to work with the council and, as quickly as possible, would like to get ideas from the council for the next advanced management conference. He said that Chris Mader and John Raezer had suggested forecasting or something along this line might be a direction to pursue. Cecil Viverette stated that a number of organizations, including Federal Reserve Banks and Universities, have done some great work in this area. Ev Bristol said that Chris Mader stated that 3/4 of a manager's time is spent in implementing and asked can we think of something which will help a manager in this area. Dick Seger stated that the council's Management Research Committee and NRECA had come up with a good program this year for the Advanced Management Conference and that he felt sure that this same group could come up with the best program and that he felt that the council should co-sponsor the conference with NRECA again in 1979. A motion was made by Virgil Herriott that the council co-sponsor the Advanced Management Conference with NRECA in 1979. The motion was seconded and adopted by the council.

Further discussion on program ideas for the advanced management conference and REMDC program brought out many ideas. Jim Kiley stated that he would like to see emphasis of program be in the break-through areas of management. Barbara Deverick suggested that something on how to build synergy in an organization would be good. Clyde Hukills stated that perhaps there should be emphasis on one or more breakthrough areas in management. Bill Miller stated that perhaps the question should be asked, "What if REA ceased to exist?" and suggested that perhaps ½ day should be spent on discussing directions co-ops should take with a look at federations, new horizons, etc. with emphasis on how to start setting strategies now. Cecil Viverette stated some work on how to move from where we are now to where we must be in the future in relationships with power suppliers, etc. would be desirable. Gib Snow stated that perhaps the group could deal with forecasting and power supply in a model.

SCHEDULE
OK'D

Charles Overman asked for comments on the way the meeting was structured with the REMDC members making presentations on Monday, the Advanced Management Conference Tuesday through Thursday, and the REMDC business meeting and evaluation on Friday. The group felt that the meeting schedule was fine. The Chairman thanked the group for their comments.

TREAS-
URER'S
REPORT

Chairman Overman then requested the treasurer, Allen Ritchie, to present the treasurer's report. Allen reported a net income for the year of \$3,630.72 with a total of 24 paid members as of May 12, 1978 and a cash balance of \$18,040.24. A copy of the treasurer's report is attached to these minutes. Allen reported that the council has an obligation to NRECA of \$9,000 for co-sponsoring the advanced management conference and that three systems had paid dues since May 12, these being Cornhusker Public Power District, East Central Electric Association and Oklahoma Electric Cooperative, making a total of 27 paid members as of May 26. Bob Weathers moved that the treasurer's report be approved. The motion was seconded and adopted.

MEMBER-
SHIP
COMMITTEE
REPORT

Chairman recognized Virgil Herriott for the report of the Membership Committee. Virgil reported that this past year had been the first year of the council's new course for the formalization of its membership on a professional management basis. He stated that at the council meeting in 1977, ten systems had volunteered to participate in the membership certification program under the criteria adopted by the council at the 1977 meeting. Virgil reported that all ten systems had accomplished the task of self-review and evaluation and achieved the objectives set forth in the membership certification criteria. He said that the committee felt that some evidence to show the general manager and system had achieved this membership certification should be presented and the committee had therefore prepared printed certificates, suitable for framing to present to each of the ten systems. He asked the manager of each system to come forward and receive the certificate for his system when he recognized the system for its achievement. Virgil stated that all the ten applications were on display for the members of the council to review. He then recognized the systems achieving certification as follows:

1. Blue Ridge EMC, North Carolina - Cecil Viverette, Manager
2. Cass County Electric Co-op, Inc., North Dakota - Willard Grager, Manager
3. Four County, North Carolina - L. P. Beverage, Manager
4. Morgan County Rural EMC, Indiana - Richard Seger, Manager
5. Pioneer Rural Electric Co-op, Inc., Ohio - Robert L. Roberts, Manager
6. Sioux Valley Empire Electric Assn., South Dakota - Virgil Herriott, Manager
7. Whitley County REMC, Indiana - Elmer Stocker, Manager
8. Wright-Hennepin Co-op, Inc., Minnesota - Marvin Athey, Manager
9. Yampa Valley Electric Assoc., Inc., Colorado - James Golden, Manager
10. Adams Electric Cooperative, Inc., Pennsylvania - Charles Overman, Manager

The council chairman congratulated the systems which had achieved certification. He then asked if the committee had any recommendations concerning membership. Membership Chairman Herriott stated that the committee felt some provision should be made for an electric cooperative who wanted to attend an REMDC meeting and that the procedures should be changed to permit a system to attend, that perhaps a system could be invited to participate and be a dues paying member for two years before or less before having to become a certified member.

Cecil Viverette MOVED that the council instruct the secretary to revise the statement concerning new participants to state that they could join the council and be participating dues paying members for a period of not more than two years before seeking certification in the council. The motion was seconded and adopted. Marvin Athey stated that involvement in the council will give managers and their systems impetus to improve their management. It was stated that a brochure should be prepared for the council to tell managers what the council is and this should include testimonies from members on what the council has meant to them. Virgil Herriott stated that the certification for a system was put in the name of the manager so that each time there was a change in manager, the new manager would be given opportunity to participate and the system to be re-certified under the council program. Systems volunteering to submit information for certification before the 1979 REMDC meeting were:

1. Carroll Electric Cooperative Corp., Arkansas - Robert Weathers, Manager
2. Linn County REC - Jack Hicks, Manager (Iowa)
3. Cotten Electric Co-op, Oklahoma - William Miller, Manager
4. Kay Electric Co-op, Oklahoma - Clyde Hukills, Manager
5. Shenandoah Valley Electric Co-op, Virginia - Mark McNeil, Manager

Chairman Overman stated that an opportunity would be offered to other systems not in attendance through a letter from the Chairman of the Membership Committee. He thanked Virgil and the members of the committee for their fine work.

Jim Kiley, Chairman of the Management Research Committee was recognized by the chairman for the committee report. Jim reported that the committee had met July 27, 28, 1977 in Chicago and had spent time refining membership application used by membership committee and discussed items to be explored by the group which the committee would spearhead. He stated that there was a follow-up meeting in August at which time the committee met with Jack Wood and others from NRECA and decided to work with the Mader group. He stated that representatives of the committee were invited to participate in a program of a similar kind which the Mader group was putting on in New York to see the nature of the program and whether or not it would be adaptable for REC management personnel. He stated that Bob Roberts, Jack Wood, Gib Snow, Charles Overman, and he had participated in the program and were very impressed and requested that the program be developed for the rural electric systems. He stated that

the committee had not pursued any other areas of research. He requested that the council clarify the role of the research committee in at least two areas (1) What areas should be addressed by the research committee, (2) the role of the committee.

MAKE RESEARCH A STANDING COMMITTEE Bob Weathers stated that he felt that the role of the committee should be related to the role of the council in working with NRECA in program development and planning, particularly in the advanced management area and this should certainly be true if the council is going to participate in sponsoring the advanced management conference and that it should have some input into the development of the program. Cecil Viverette stated that he felt that the research committee should work with NRECA on planning. He then MOVED that the research committee become a standing committee of the council with a statement of functions and that the statement of functions include that the committee work with NRECA on planning. The motion was seconded and adopted. Jim Kiley thanked the committee for its work as he retired as chairman. Chairman Overman thanked Jim for his fine work as chairman of the research committee.

COORDINATING COMMITTEE It was pointed out that a coordinating committee was needed to work with NRECA on program planning for the advanced management conference and integrating it into the REMDC Council meeting. It was stated that the Management Research Committee should not be the committee to take this responsibility since it had other functions, but would work with NRECA on design and contents of the Advanced Management Program. A MOTION was made, seconded and adopted that the Coordinating Committee be composed of the four standing committee chairmen and one member at large to be named by the president with the Management Research Committee Chairman serving as chairman of the Coordinating Committee, and the officers of the council as ex-officio members of the committee.

Chairman Overman asked Randy Bruton, Chairman of the Nominating Committee to present the report of the Nominating Committee. Randy reported that the committee had met and made the following nominations to fill vacancies created by term expirations or resignations:

NOMINATIONS AND ELECTION Council Chairman, Derl Hinson, for term expiring in 1981.
Program Committee: Elmer Stocker, Chairman (term expires in 1980)
Roger Geckler, for term expiring in 1981.
Barbara Deverick, for term expiring in 1981.
Nominating Committee: Richard Seger, Chairman (term expires in 1979)
James Kiley, for term expiring in 1981.
Clyde Hukills, for term expiring in 1981.
Membership Committee: James Golden, for term expiring in 1981.
Management Research Committee: Everette Bristol, chairman (term expires in 1980)
Charles Overman, for term expiring in 1981.

The chairman called for nominations from the floor. There were none. Bob Roberts moved that the nominations be closed and that the slate of candidates be elected by acclamation; the MOTION was seconded and adopted. The chairman declared the slate to be duly elected officers and committee members for the coming year.

1979
MEETING
SITE
AND
TIME

The chairman then asked if there was other business. The matter of where the group wished to hold the 1979 meeting was discussed. The group indicated a preference for Hilton Head, S. C.; however, it was pointed out that for the council meeting and the Advanced Management Conference, a place was needed which had easy access for travel by public air transportation. It was stated that the location at Crown Center was good and the facilities excellent. It was mentioned that a second consideration could be Minneapolis. The consensus, however, was that the group should go East with the meeting being scheduled for the 3rd or 4th week in May. It was felt that the 3rd week in May would be better. It was agreed that the final selection of the location and time would be left to the officers and the coordinating committee.

The group commended Charles Overman for his leadership and his excellent work as chairman. Chairman thanked the group for its fine support and recognized the new chairman, Derl Hinson. There being no further business to come before the council, the chairman declared the meeting adjourned.

Barbara Deverick

Barbara Deverick, Secretary

THE RURAL ELECTRIC MANAGEMENT
DEVELOPMENT COUNCIL

Schedule A

1977 Dues Paid After May 4, 1977

Adams EC	\$100.00
Total	\$100.00

Schedule B

1978 Dues Paid as of May 12, 1978

Pioneer REC	4-12-78	\$ 300.00
Blue Ridge EMC	4-12-78	300.00
West Plains EC	4-14-78	300.00
Morgan County (Ind.)	4-14-78	300.00
Wright - Hennepin EC	4-14-78	300.00
Chugach EA	4-14-78	300.00
Cass County EC	4-12-78	300.00
Mecklenburg EC	4-14-78	300.00
Cotton EC	4-19-78	300.00
Yampa Valley EA	4-19-78	300.00
Carroll ECC	4-19-78	300.00
Linn County REC	4-19-78	300.00
Lumbee River EMC	4-19-78	300.00
White River Valley EC	4-19-78	300.00
Adams EC	4-19-78	300.00
Whitley County REMC	4-26-78	300.00
Kay EC	4-26-78	300.00
Sioux Valley Empire EA	4-26-78	300.00
Ozarks ECC	4-26-78	300.00
Jackson Purchase ECC	5-3-78	300.00
Shenandoah Valley EC	5-3-78	300.00
KEM EC	5-3-78	300.00
Four County EMC	5-11-78	300.00
Central Kansas EC	5-11-78	300.00
Total		\$7,200.00 *

*Dues paid by Cornhusker PPD, Oklahoma Electric Co-op, and East Central Electric Association following May 12.

THE RURAL ELECTRIC MANAGEMENT
DEVELOPMENT COUNCIL

Schedule C

Members Whose 1978 Dues Have Not Been Paid As Of May 12, 1978

United REMC - Letter Withdrawing
Cumberland EMC
Douglas County EMC
East Central EA
First Electric Cooperative
Haywood EMC
Oaklahoma EC
Tri - County EC
Wake EMC

RESEARCH COMMITTEE

Budget

Balance as of May 4, 1978	\$4,735.77
Appropriations 5-4-77 to 5-12-78	<u>0.00</u>
BUDGET	\$4,735.77

Expenditures

Committee Meeting, Chicago, August 1978	\$1,097.43
Warton Registration Fee - 2 Members	<u>990.00</u>
EXPENDITURES	<u>\$2,087.43</u>
BUDGET BALANCE AS OF 5-12-78.....	\$2,648.34

THE RURAL ELECTRIC MANAGEMENT
DEVELOPMENT COUNCIL

BALANCE SHEET

May 12, 1978

ASSETS

	<u>May 12, 1978</u>	<u>May 4, 1978</u>
Current:		
Cash in Bank - Checking	\$ 7,756.29	\$ 2,370.21
Investments (Note 1)	<u>10,283.95</u>	<u>12,039.31</u>
TOTAL	\$18,040.24	\$14,409.52

LIABILITIES AND MEMBERS' EQUITY

Members' Equity:

Retained Earnings	\$14,409.52	\$12,492.84
Net Gain (Loss)	<u>3,630.72</u>	<u>1,916.68</u>
TOTAL	\$18,040.24	\$14,409.52

Note 1 - Investments

First Virginia Bank - Planters, Dayton Branch
Time Deposit, Open Account 5 1/2 Compound 90 Day \$10,283.95

THE RURAL ELECTRIC MANAGEMENT
DEVELOPMENT COUNCIL

OPERATING STATEMENT

12 Months Ending May 12, 1978

Income:

1977 Dues (Schedule A).....	\$ 100.00
1978 Dues (Schedule B).....	7,200.00
Interest from Investments.....	<u>611.11</u>
TOTAL.....	\$7,911.11

Expenses:

1977 Meeting:

Professional Fees and Expenses

NRECA - Kabat.....	\$1,242.83
Sheraton Airport Inn (Meeting Rooms).....	540.01
Audio-Visual Rental.....	17.50
Preparation Expenses - Yampa Valley.....	<u>107.54</u>
Subtotal.....	\$1,907.88
1977 REMDC Proceedings - Blue Ridge EMC.....	\$ 285.08

Research Committee:

Chicago Committee Meeting.....	\$1,097.43
Warton Registration Fee - 2 Members.....	<u>990.00</u>
Subtotal.....	\$2,087.43
TOTAL EXPENSES.....	\$4,280.39

NET INCOME..... \$3,630.72

THE RURAL ELECTRIC MANAGEMENT DEVELOPMENT COUNCIL

ATTENDANCE RECORD

Cooperative	Years							
	'71	'72	'73	'74	'75	'76	'77	'78
Adams Electric Coop	0	X	X	X	X	X	X*	X
Blue Ridge EMC	X	X	X	X	X	X	X	X
Carroll Electric Cooperative Corporation			X	X	X	X	X	X
Cass County Electric Coop	X	X	X	X	X	0	X	X
Central Kansas	X	0	X	0	0	0	X	X
Chugach Electric Assn., Inc.				0	0	0	0	0
Cornhusker PPD	X	X	0	0	0	0		0
Cotton Electric Cooperative				X	0	X	0	X
Cumberland EMC	0	0	0	X	0	0	0	-
Douglas County EMC	X	0	X	X	0	0	0	-
East Central Electric Association			X	X	0	0	-	0
First Elec. Coop						X	-	-
Four County EMC	0	0	X	X	X	0	X	0
Haywood EMC						0	0	-
Jackson Purchase REC	0	X	0	X	0	0	-	0
Kay Electric Coop	0	X	X	X	X	X	0	X
KEM Electric Coop	X	0	X	X	0	0	X	X
Linn County REC					X	X	X	X
Lumbee River EMC					0	0	0	X
Mecklenburg Electric Coop	0	0	X	X	0	0	X	0
Morgan County REC ------(Colorado)-----	X	X	X	X	X	X	X	X
Morgan County REMC (Indiana)	0	0	X	X	0	X	X	X
Oklahoma Elec. Coop					X	0	0	0
Ozarks Electric Coop	X	X	X	X	X	X	X	X
Pioneer REC						X	X	X
San Isabel Electric Services	X	X	X	X	X	X	X	X
Shenandoah Valley Electric Coop	0	0	X	X	X	X	X	X
Sioux Valley Empire Electric Assn.	X	X	X	X	X	X	X	X
Tri-County Electric Cooperative, Inc.			X	0	0		-	-
United REMC					X	0	0	Withdrew
Wake EMC								-
West Plains Electric Coop	X	X	X	X	X	X	X	X
White River Valley Electric Coop	X	X	X	X	X	X	X	X
Whitley County REMC					X	0	X	X
Wright-Mennepin Elec.						X	X	X
Yampa Valley Electric Assn.	X	X	X	X	X	X	X	X

Code: X - Paid - Attended
 0 - Paid - Did Not Attend

OFFICERS AND COMMITTEES FOR 1979 DEVELOPMENT COUNCIL

Chairman . . . . .	.Derl Hinson	Term expires in 1981
Vice Chairman . . . . .	.L. P. "Bill" Beverage	Term expires in 1979
Treasurer . . . . .	.Allen Ritchie	Term expires in 1980
Secretary		Appointed annually by chairman

Standing Committees

Program

Chairman . . . . .	.Elmer Stocker	Term expires in 1980
	Roger Geckler	Term expires in 1981
	Tom Townsend	Term expires in 1979
	Barbara Deverick	Term expires in 1981

Nominating

Chairman . . . . .	.Richard Seger	Term expires in 1979
	James Kiley	Term expires in 1981
	Clyde Hukills	Term expires in 1981
	Jack Hicks	Term expires in 1980

Membership

Chairman . . . . .	.Virgil Herriott	Term expires in 1980
	James Golden	Term expires in 1981
	Marvin Athey	Term expires in 1979
	Wayne Kump	Term expires in 1980

Management Research

Chairman . . . . .	.Everette Bristol	Term expires in 1980
	Robert Roberts	Term expires in 1979
	Cecil Viverette	Term expires in 1979
	Charles Overman	Term expires in 1981

Advanced Management Conference
Planning and Coordination (1)

Chairman . . . . .	.Everette Bristol	
	Virgil Herriott	
	Richard Seger	
	Elmer Stocker	
	Jack Wood	
	Derl Hinson, Ex-Officio	

- A. All committee members and officers elected for a 3-year term except as noted.
 - B. Chairman of each standing committee except Advanced Management Conference Program Planning Committee, named by the Nominating Committee and serve for three years when elected.
- (1) Advanced Management Conference Program Planning and Coordination Committee appointed by the Council chairman. Council Chairman serves as ex-officio member of the committee.