

Member Handbook

A resource for members of McLean Electric Cooperative



Your Cooperative

You are a member of McLean Electric Cooperative



You share in the ownership and governance of the cooperative.

You are an owner

Cooperatives are owned by the people they serve, called members. We exist to provide electric service to our members, at cost. When revenue exceeds costs, margins are allocated to the members as capital credits.

You have a voice

Members come together annually to elect members to serve as their representatives on the Board of Directors.

Your Touchstone Energy® Cooperative

McLean Electric Cooperative is a Touchstone Energy® Cooperative. This means your cooperative is backed by an alliance of more than 670 cooperatives serving more than 30 million people across the nation. You benefit from the combined ideas and resources of cooperatives locally and nationally. In this alliance, all members gain strength.

Your cooperative answers only to you – delivering reliable power at a price that's affordable to all members, while being good stewards of the environment and good citizens in our communities. At your Touchstone Energy® Cooperative, we are looking out for you.

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Touchstone Energy® Core Values

Integrity

It's about being honest and following through; living up to the Touchstone Energy® promise.

Accountability

It's being responsible for delivering superior service. It's simply doing what you say you'll do on a daily basis.

Innovation

Finding solutions for problems, maybe by taking a different perspective. It may, but does not always, mean new technologies.

Commitment to Community

Understanding the needs of our community and adding to its development. It's about doing what is good for our neighbors and our cooperative.



How a Cooperative Works

You have the power

Cooperatives are different. Unlike most utilities who are controlled by investors, cooperatives are led by members. Anyone who receives electricity from the cooperative is a member.



Members

Members elect the Board of Directors at the annual meeting. Members communicate with staff and their board representative.



Board of Directors

Directors are members who have been elected to serve as leaders. The Board establishes the strategic direction of the cooperative.



CEO

The Chief Executive Officer is responsible for ensuring the strategic initiatives and goals of the cooperative are met, as determined by the Board.

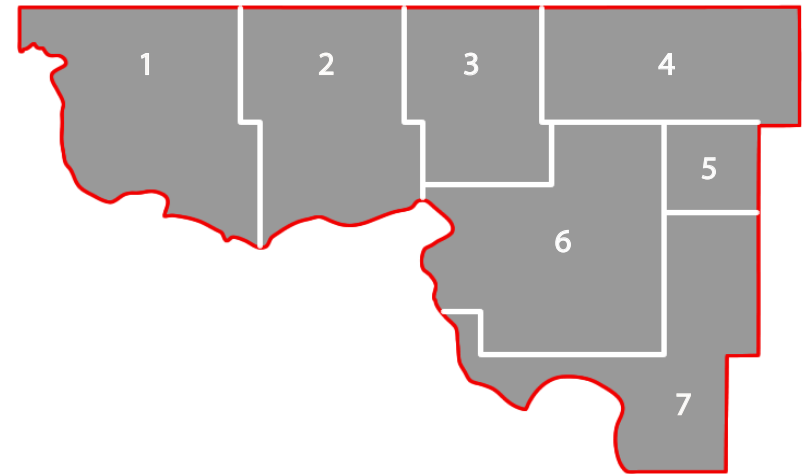


Staff

The staff is responsible to carry out the day-to-day functions of the cooperative, including operations and administration.

Board of Directors

The cooperative has seven directors. All seven directors are elected by geographic district (see map below). Each director represents their district. The directors are elected at the annual meeting and serve a term of three years.



Bylaws

The cooperative operates under the Articles of Incorporation and Bylaws. Copies of these documents can be downloaded at www.McLeanElectric.coop or supplied upon request.

If you have concerns, please write or call the cooperative. If your concerns are about service, rather than rates, please call the Member Services Department at 701-463-6711.

We're here for you

| | | | |
|---|--|--|---|
| Mailing Address: PO Box 399 Garrison, ND 58540 | By Phone: 701-463-2291 800-263-4922 | Online: www.McLeanElectric.coop mclean@mcleanelectric.com | In Person: 4031 Hwy. 37 Bypass NW Garrison, ND 58540 |
|---|--|--|---|

Office Hours: Weekdays from 8:00 AM – 5:00 PM, excluding holidays

Your Electric Service

Your service quality

Through ongoing maintenance, proactive vegetation control, and use of the latest technology, your cooperative is able to avoid numerous interruptions.



Still, interruptions of your electric service can occur due to severe weather, trees & other vegetation, animals, accidents, equipment failure, or maintenance to lines and equipment.

When they happen, the system is designed to prevent full-blown outages. When an object, such as a tree branch, comes into contact with the power line, the system will shut down and restart immediately giving the item time to clear itself. What you see is a blink, and while blinks can be frustrating, they are a sign that an outage was prevented.

Full-blown power outages don't occur very frequently, but rest assured that when they do, your cooperative is fast to respond. Staff is on-call 24 hours a day, 365 days a year, just in case you need us.

Restoring your power during a major outage

During a major outage, the main goal is to restore power safely to the greatest number of members in the shortest time possible. The steps your cooperative will take to restore power are:

Step 1: Transmission Towers & Lines. Tens of thousands of people could be served by one high-voltage transmission line, so if there is damage here it gets attention first.

Step 2: Distribution Substations. If the problem can be corrected at the substation level, power may be restored to a large number of people.

Step 3: Distribution Lines. Once repaired, all members served by the same line could see the lights come on, as long as there is no problem farther down the system. Work is completed on the lines that affect the most members first.

Step 4: Service Lines. Sometimes damage occurs between your house and the transformer on the nearby pole. This can explain how you have no power when neighbors do.

Special Note: Individual households may receive special attention if loss of electricity affects life support systems or poses an immediate danger. Call your cooperative before an emergency arises.

What to do if the lights go out

Check your meter

Your first step should be to check your meter. If you can see a red or amber light on your meter, then the cooperative is supplying power. Check your breakers or contact an electrician.

Contact the cooperative

If you don't see the red or amber light on the meter, call 701-463-2291, or 800-263-4922, to report the outage. Don't assume that others have already called in. You may be the only one without power or there could be damage that affects only your service.

Check on neighbors & friends

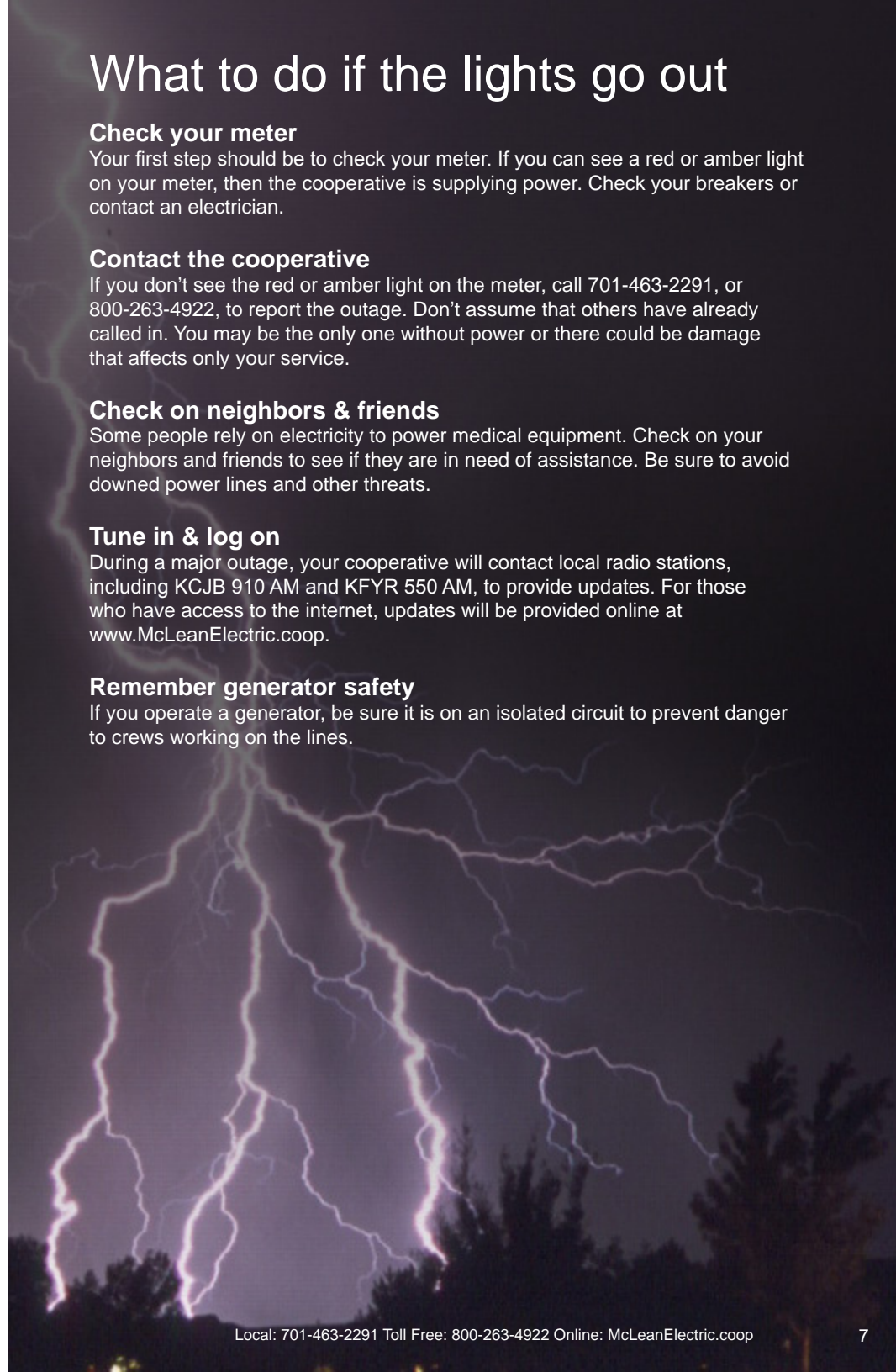
Some people rely on electricity to power medical equipment. Check on your neighbors and friends to see if they are in need of assistance. Be sure to avoid downed power lines and other threats.

Tune in & log on

During a major outage, your cooperative will contact local radio stations, including KCJB 910 AM and KFJR 550 AM, to provide updates. For those who have access to the internet, updates will be provided online at www.McLeanElectric.coop.

Remember generator safety

If you operate a generator, be sure it is on an isolated circuit to prevent danger to crews working on the lines.



Your Electric Service

Help ensure the reliability of your electric service

You can help maintain the safety and reliability of your electric service by following these tips:

Be the eyes in the field. If you notice something that raises your concern, let us know immediately.

Avoid planting near electric facilities. Stay away from electric lines, transformers, and meters when planting trees and bushes. As they grow, they can interfere with your service and make restoring power more difficult.

Watch those trees. When a tree is dangerously close to a power line, it can cause blinks, outages, and may even present a danger to your safety. Call the cooperative, and we will take the proper action.

Avoid burning in ditches. A pole that is exposed to the heat of a fire can be weakened, even if the damage is not noticeable.

Poles are not billboards. Signs and left-over nails, can cause delays when restoring your power during an outage and may compromise the safety of the line crews working to get your power back on.

Don't shoot. Don't fire guns towards power lines, transformers, or other electrical facilities. This can cause an outage, and may be a danger to the safety of people nearby.

Your Safety

The human body is composed of 70% water, making it a great conductor of electricity, that could result in injury, or even death. Follow these safety rules when dealing with electricity:

Just stay away

The easiest way to avoid an injury is to stay away. Don't go near power lines, don't play on transformers, and never enter a substation.

Always assume it's live

Assume all power lines are energized, stay away, and call the cooperative.

Look up, look out, live

Before raising any conductive object in the air, be sure there are no power lines near you.

Call "811" before you dig

When planning a project, call North Dakota One Call at least 48 hours in advance to have all underground facilities located. It's free, and it's the law.

Jump clear to live

If your vehicle comes into contact with a downed power line, stay inside. If you must exit, jump clear without touching the vehicle and the ground at the same time. Shuffle your feet as you leave the immediate area.

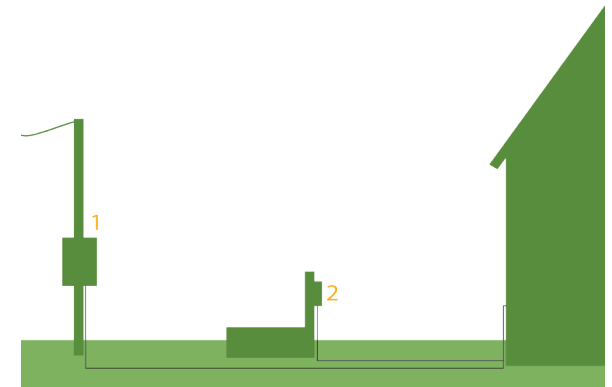
Demonstrations

McLean Electric Cooperative is available for demonstrations at area schools, health fairs, and other events to teach about electrical safety, where electricity comes from, and how to save energy in your homes. If you are interested in having a representative from the cooperative speak with your group or organization, contact the cooperative.

The point of interconnection

The cooperative owns and operates the electric system up to the point of interconnection. At this point and beyond, any service is the responsibility of the member.

For single phase service fed by overhead (1) or underground line, (2) the point of interconnection is usually the meter socket. For three phase service, please contact the cooperative.



Your Electric Bill

Your monthly bill

The monthly billing statement contains a great deal of information about your account:

- Usage detail** Current and historical electric use information.
- Special notes** Notification of special events or other announcements.
- Location & Meter** Service information and figures used to calculate your bill.
- Current charges** Itemization of charges incurred during the current billing cycle.
- Billing summary** Prior payment information and calculation of total amount due.
- Remittance stub** Return this portion with your payment.

How your bill is calculated

McLean Electric Cooperative only charges for the electricity you use. Bills are calculated at the end of the month and are due the 20th of the following month. To clarify, use this example of a billing cycle:

A member uses electricity during the month of January. McLean Electric Cooperative will collect the meter reading on or around January 30th and begin the process of calculating bills. The bill will be mailed to the member by February 5th and due on the 20th of February.

The exact charges on your bill are determined by the type of service you receive and the amount of electricity you use. Common charges include:

- Monthly Base Charge** The charge covers the expenses associated with having electric service available at your account, regard less of how much electricity you used.
- KWH Charge** The cost, as calculated by your rate, for the energy you used.
- Demand Charges** Charges used in three-phase, commercial applications.
- Miscellaneous Charges** Charges for additional services, such as security lighting as well as any loans that may have been secured though the cooperative for energy efficient equipment purchases.
- KVA Charges** Services that require a transformer larger than the standard 50 KVA size are charged \$0.75 per KVA per month. This is due to the larger transformers costing considerably more so the burden to pay for the larger transformer lies with the member that is requesting the larger service.

McLean Electric Cooperative, Inc.
4031 Hwy. 37 Bypass NW
PO Box 399
Garrison, ND 58540-0399

701-463-6700 Toll Free 1-800-263-4922
Email: mclean@mcleanelectric.com
Website: www.mcleanelectric.coop

| Account Number | Page 1 of 1 |
|---------------------------|-------------|
| Statement Date | Due Date |
| Billing Summary | |
| Balance From Last Billing | |
| Payment Received 03/20/12 | |
| Balance Forward | |
| Current Charges | |
| Account Balance | |
| Amount Due | |

Location

Meter number

Usage detail
main meter

Usage detail
heat meter

| Serv Loc: | Serv Desc: | Rate: RESIDENTIAL, FARMS, HOMES, ETC | | | | | | |
|---|------------|--------------------------------------|----|------|----------|----------|-------|------------|
| Meter | Type | From | To | Days | Prev Rdg | Pres Rdg | Usage | Multiplier |
| 1932 | | | | | | | | |
| 1412 | | | | | | | | |
| 941 | | | | | | | | |
| 471 | | | | | | | | |
| 0 | | | | | | | | |
| <p>Monthly Usage</p> | | | | | | | | |
| Period | Daily kWh | Daily Cost | | | | | | |
| This Year | | | | | | | | |
| Last Year | | | | | | | | |
| Details of Electric Charges Monthly Base Charge KWH Charges Total This Service | | | | | | | | |

Current charges

McLean Electric Cooperative, Inc.
4031 Hwy. 37 Bypass NW
PO Box 399
Garrison, ND 58540-0399

| | |
|----------------|--------------|
| Account Number | Account Name |
| Statement Date | Due Date |
| Amount Due | |

Remittance stub

McLean Electric Cooperative, Inc.
PO Box 399
Garrison, ND 58540-0399

Your vacation and your electric bill

When you take off for vacation, your electric bill will decrease only if you prepare ahead of time. Many of the big users of electricity run whether people are in the house or not. Before you leave, make sure you:

- Set the thermostat on your water heater to a cooler setting.
- Turn your heating or cooling system off, or adjust the thermostat lower during the heating season or warmer during the air conditioning season.
- Use a timer on one light, but turn all others off before you leave.
- Unplug electric appliances that consume power when not in use or in "standby" mode. The small amounts used in computers, televisions with remote controls, VCRs, digital clocks, and microwaves will add up over time.
- If you'll be gone for an extended period of time, consider emptying and shutting off refrigerators and freezers.

Your Electric Bill

Choose the way you pay

| | |
|----------------------|---|
| Online | Access your account online at www.McLeanElectric.coop and click on "Access My Account". |
| Automatically | You can sign up to have your monthly bill directly withdrawn from your bank account or charged to a credit or debit card. |
| By phone | Call during office hours to make a payment by credit card. |
| By mail | Mail your payment to PO Box 399, Garrison, ND 58540. Allow enough time for the payment to reach our office; the cooperative is not responsible for postal delays. |
| In person | Bring your payment to the cooperative's office at 4031 Hwy. 37 Bypass NW, Garrison ND. Payments can be made in person or in the 24-hour drop box. McLean Electric Cooperative is not responsible for cash left in the drop box. |

What happens if you can't make a payment

We will make every effort to help you stay on track by going above and beyond the actions required to stay in compliance with our policies.

| | |
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| Late penalty | If your payment has not been received on or before the due date, a late penalty will be assessed. |
| Disconnect notice | A disconnect notice will be mailed. If you receive a disconnect notice but have already paid your bill, it is still a good idea to contact the cooperative. Sometimes the notice and payment may have crossed in the mail, other times the cooperative may not have received the payment. |
| Phone notification | The cooperative may attempt to contact you via phone about a past due balance to help you avoid further charges on your account. |
| Disconnection of electric service | If the attempts to contact you and make reasonable arrangements are not successful, your electric service may be disconnected. |
| Re-connection of electric service | Your power will be reconnected when payment for the entire amount of the past due, kWh up-to-date, reconnect fee and deposit has been received or when other reasonable arrangements have been made. Re-connection will result in a trip charge, which may be greater if requested after business hours. |

For a complete list of your rights and responsibilities to avoid disconnection, please contact the cooperative.

What you can do if your bill seems high

Know what you are using

Everything from your home's construction to your family's lifestyle can affect your monthly bill. When you know the combination of factors that determine your monthly bill, you can make the most effective changes.

Adjust your daily habits

You can realize potential savings by making simple adjustments to your daily lifestyle – all without spending a dime. For example, instead of setting your heat at 78 degrees, set it at 72 and dress in layers to stay warmer.

Make small improvements to your home

Small projects can add up to big savings. For example, caulking windows will help keep warm air in during the winter, switching from incandescent light bulbs to compact fluorescent bulbs provides the same amount of light using less energy, and installing a programmable thermostat controls your home's temperature and energy used on heating and cooling.

Replace outdated or inefficient equipment and appliances

Upgrading the items that use the most energy – water heaters, heating and cooling equipment, and large appliances – can make a significant impact. As a member of McLean Electric Cooperative, you may qualify for a rebate to help with the up-front costs.

Remember, you're not alone

McLean Electric Cooperative is here to help. Our staff can help you identify ways to reduce your energy consumption. You can also log on to www.McLeanElectric.coop to find a wide variety of resources. To start, check out the "Top Ten Ways to Save Energy" on the next page.

Even out the ups and downs

People use more electricity in some months, less in others. When you sign up for budget billing, you pay the same amount each month based on your average bill. This way, you won't be hit with a big bill one month and smaller bill the next.



Your Home

Top ten ways to save energy

10. Use power strips on electronics. As technology advances, it takes more power to operate electronics. Take a large, flat screen TV for example; when it's turned off it still uses the same amount of electricity as a 75 watt light bulb. Plug your electronics into a power strip, and make sure they're completely off with the flip of a switch.



9. Lower the temperature of your water heater. In most homes, the hot water temperature could be reduced without a drastic change in comfort.

8. Install CFLs. Compact fluorescent light bulbs use up to 75% less energy than standard incandescent bulbs and they last up to 10 times longer.

7. Get a programmable thermostat. You can set it so the temperature adjusts when you are away from home or sleeping to decrease the amount of energy used to heat and cool your home.

6. Install a premium efficiency electric water heater. The cooperative offers instant rebates on the most energy efficient electric water heaters just for members.

5. Adjust your lifestyle. You can make simple changes in your daily life, such as turning off lights when you leave a room, hanging your clothes to dry or closing blinds on a sunny day, to reduce your energy consumption.

4. Replace an aging central air conditioner with an air source heat pump. Reduce your summer energy use by installing an energy efficient air source heat pump. The cooperative will help you offset the up-front costs with rebates. An air source heat pump helps with energy efficient heating, so you'll save on your winter costs too.

3. Look for the Energy Star®. This little star identifies the most energy efficient products available for appliances, lighting, and electronics.

2. Teach your family. Increase your energy saving efforts by getting the whole family on board. In addition to saving immediately, you are helping the next generation of energy consumers become good stewards today.

1. Install a ground source heat pump. Get the most energy efficient heating and cooling system available today. A ground source heat pump will reduce your energy costs year round. The cooperative offers rebates to help with the up-front costs, and home owners recoup their investment quickly.

Rebates mean big energy savings!

McLean Electric Cooperative offers rebates on the most energy efficient technologies to help you with the up-front costs of reducing your energy consumption. Contact the cooperative today to receive more information on rebate and incentive programs, all designed to help you start saving energy.

Ground source heat pumps

According to Energy Star®, because they use the earth's natural heat, they are the most energy efficient heating and cooling systems on the market. Though a ground source heat pump is more expensive than traditional heating and cooling systems, you will recover the investment quickly through energy savings. For example, home owners who replaced a propane furnace with a ground source heat pump saved over \$1,500 per year, a total savings of over \$30,000 over the life of the heat pump, over double their initial investment.

Air source heat pumps

Air source heat pumps are less expensive than a ground source heat pump and use similar technology to help you reduce your monthly energy consumption. They make a great replacement for aging central air conditioners and provide supplemental heat to help with your winter heating bills as well.

Water heater incentives

Water heating can account for a substantial portion of your electric bill. Premium efficiency electric water heaters help your family to reduce energy consumption, without requiring a significant change in your water use habits. The cooperative has premium efficiency water heaters available for purchase, along with a rebate program. Contact the Member Service department for more information.

Compact fluorescent lighting

Did you know compact fluorescent lights (CFLs) use about 75 percent less energy than standard incandescent bulbs and last up to ten times longer? According to Energy Star®, if every American replaced just one light bulb with an Energy Star® qualified CFL, we would:

- Save enough energy to light more than 3 million homes per year.
- Save more than \$600 million in annual energy costs.
- Prevent greenhouse gas emissions equivalent to the emissions of more than 800,000 cars.

Your Home

Homeowner Resources

Your cooperative

Want to learn more about reducing your energy consumption? Have questions about heat pumps? Interested in helping our environment? We can help! As a member-owned organization, that's what we're here for.

North Dakota Living

As a member of McLean Electric Cooperative, you will receive North Dakota Living on a monthly basis. North Dakota Living is the voice of Touchstone Energy Cooperatives in our state. Through North Dakota Living, our cooperatives sustain positive relationships with their members, publishing local co-op information just for them. The local pages are packed with information and resources for managing your home's energy, stories about your neighbors, news on what is happening at your cooperative and your role as a cooperative member.

Online resources

We've compiled a great deal of information for you, available 24 hours a day 7 days a week online at www.McLeanElectric.coop. You can pay your bill, apply for a scholarship, complete an online energy audit, and find answers to common member questions. You can also check out these web sites:

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| North Dakota Association of Rural Cooperatives | www.ndarec.com |
| Basin Electric Power Cooperative | www.basinelectric.com |
| National Rural Electric Cooperative Association | www.nreca.org |
| Electric Safety Foundation International | www.esfi.org |
| Energy Star® | www.EnergyStar.gov |
| Safe Electricity | www.SafeElectricity.org |
| Touchstone Energy | www.TouchstoneEnergy.com |
| Use Electric Wisely | www.UseElectricWisely.com |
| Together We Save | www.togetherwesave.com |
| North Dakota One Call | www.ndonecall.com |



Expert Energy Services

Electric heat

There are many different types of electric heat that can be used on our service. These include baseboards, cove heat, wall units, unit heaters, boilers, electric furnaces, along with air and ground source heat pumps. Additional equipment is necessary. Contact the Member Services department for more information.

ERC loans

Energy Resource Conservation (ERC) loans are available to McLean Electric members. Funds are available to finance the installation of better windows, doors, insulation and other energy saving purposes. Loans can be up to \$5,000 for seven years at 5% interest. Applications for any amount over \$3,000 require board approval.

Off-peak program

Electric water heating is energy-efficient, flame-less, and clean. Add our "off-peak" water heating option and our members can save 25% or more on their water heating costs! McLean Electric members participating in the "off-peak" program could potentially be controlled for up to six hours, but the average length of control at this time has been about 45 minutes. Best of all, there is no equipment to buy.

Automated meter reading

McLean Electric Cooperative has an Automated Meter Reading (AMR) system for all electric accounts. With AMR, we can monitor your daily usage, instead of just monthly totals, giving you greater understanding and control of your electric usage. To receive a copy of your AMR report, please contact the member services department.

Energy audits

During an energy audit, a representative from the cooperative will come to your location, identify the sources of your electric use, and make recommendations of the most effective ways for you to reduce your overall consumption. Call the cooperative to schedule your assessment today.

Touchstone Energy Home Energy Saver

This Internet-based tool calculates residential energy use. This comprehensive analysis is designed to help you identify the best ways to save energy specific to your home and your lifestyle. The Home Energy Saver helps you find the resources to make the savings happen. To access the Touchstone Energy Home Energy Saver, log on to www.McLeanElectric.coop.

Distributed generation

Thinking of installing a small-scale alternative energy production system? We have the resources to get you started, including information and power purchase agreements. Contact the cooperative to learn more.

Your Community

Strong Cooperative, Strong Community

Your cooperative is committed to the success and development of your local community.

Economic development

When local businesses succeed, the local economy reaps the benefits. Your cooperative partners with businesses in many ways; from assisting with low-interest USDA Rural Economic Development loans to joining with local and statewide economic development agencies to bring real benefits home.

Dollars for Scholars

McLean Electric Cooperative, along with Basin Electric Cooperative's charitable giving fund, will provide a \$250 scholarship to each of the seven schools in McLean County.

Scholarships

As a member of the cooperative, your high school senior is eligible for one of three college scholarships. Check with your school's guidance office to apply.

Youth Tour

Do you want to be a part of the Youth Tour? Washington, D.C. has it all – museums, monuments, and memorials. The only thing missing is YOU! Join the fun of the Electric Cooperative Youth Tour in Washington, D.C. Over 1,500 high school juniors and seniors from all across the country will be there.

Operation Round Up®

When your small change can make a BIG difference

For less than \$1 a month, you can make a difference in someone's life. It may seem like small change, and it is, but when you multiply that by the hundreds of McLean Electric Cooperative members participating in Operation Round Up®, it makes a big difference.

What is Operation Round Up®?

It's a charitable program unique to electric cooperatives that is designed to provide financial assistance to local organizations and community projects such as food drives, volunteer fire departments and rural ambulance services. Co-op members can voluntarily participate by "rounding up" electric bills each month to the nearest dollar. The concept behind the program extends the principle on which electric co-ops are built over 50 years ago – neighbor helping neighbor to benefit the communities in which we live and work.

How does Operation Round Up® work?

This program is designed to "round up" your electric bill to the nearest dollar and use the additional change to fund the Operation Round Up® program for charitable giving purposes. Although your change is a small amount, when

combined with other participating co-op members, the potential impact could make a substantial difference in our communities. Contributions will be tax deductible.

How much can I expect to contribute each year?

At most, members contribute up to \$12 a year. The average amount rounded up per participant is around \$6 per year. Again, all contributions are tax deductible.

Who administers the funds?

A seven-member Trust Board, comprised of McLean Electric Cooperative members, has been appointed by the McLean Electric Board to evaluate and distribute grants within the following giving categories:

- Community service
- Education and youth
- Community economic assistance
- Environment
- Emergency energy assistance
- Disaster relief

Trust Board members volunteer their time and, except for optional mileage reimbursement, receive no pay or compensation for serving on the board.



In case of a power outage
call 701-463-2291 or 1-800-263-4922

