

North West REC

1505 Albany Place SE • Orange City, IA 51041-9678

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New Year's Greeting

*As we step from the old year into the new, we extend
best wishes to our member-owners
and their families. Health, happiness and prosperity
head our list of wishes.
And with our wishes comes our pledge that stays the same
year in, year out – reliable service for you.*

**PATRONAGE RETIREMENT CREDITED
ON BILLS DATED 12-20-09**

We are pleased to inform you that the Board of Directors approved a retirement of deferred patronage dividends to the member-owners of North West REC. The total amount of the patronage retirement is \$768,000.

The patronage retirement in December should have shown up as a credit on the electric bill for those current members who were members of the Cooperative during the years that are being retired.

2009 Patronage Retirement Schedule

District	Year(s) Retired
Dist. 1 (Sioux Co.)	1997
Dist. 2 (O'Brien Co.)	1997
Dist. 3 (Plymouth Co.)	1997
Dist. 4 (Ida Co.)	1997

Please contact one of the offices if you have any questions.

**North West Rural
Electric Cooperative**

1505 Albany Place SE
Orange City, IA 51041-9678

Office Hours:

8:00 a.m. till 4:30 p.m.
Monday through Friday

Outside Depository Available
for After Hours Payments

Phone:

ORANGE CITY (712) 707-4935
(800) 383-0476
After Hours (800) 766-2099

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(800) 354-3341
After Hours (800) 766-2099

LE MARS (712) 546-4149
(888) 278-6094
After Hours (800) 766-2099

Lyle D. Korver
CEO & General Manager

Darwin Dirks
*Assistant Manager & Director of
Operations Services*

Verdell Buss
*Director of Finance &
Office Services*

Lorraine Egdorf
Editor



NEWS Lines

"Published monthly for the member-owners of North West Rural Electric Cooperative"

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**PLATINUM ETHANOL HONORED WITH
VENTURE AWARD**

The Iowa Area Development Group (IADG), on behalf of Iowa's rural electric cooperatives and member municipal electric systems, has honored eight distinguished Iowa companies with the Iowa Venture Award. The Iowa Venture Award ceremony began in 1988 and is among the most enduring and prestigious business recognition events in Iowa. Iowa Area Development Group has recognized and honored over 170 of Iowa's finest business leaders and companies with the prestigious Iowa Venture Award.



The 2009 "Outstanding Business of the Year" Venture Award was presented to Platinum Ethanol located in Arthur, Iowa. Platinum Ethanol is a privately held 110 million gallon ethanol plant in northwest Iowa. The plant employs 50 people and is an end market for more than 36 million bushels of locally grown corn. Platinum Ethanol began operation in September of 2008 and since then has continued to expand its facility with corn oil extract, a 1.2 million bushel grain bin, a one million plus bushel flat storage pad and other process enhancements. Platinum Ethanol was nominated by North West Rural Electric Cooperative.

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Platinum Ethanol, of Arthur, Iowa, received the 2009 "Outstanding Business of the Year" Venture Award in recognition of outstanding business achievement in Iowa. Iowa USDA Rural Development Director, Bill Menner, presented the award on behalf of the Iowa Area Development Group L.C., (IADG). Rand Fisher, IADG President, said "the company's new Iowa facility is testament to vision, innovation, and courage. Platinum Ethanol investors and this project are helping Iowa continue to lead the nation in alternative fuel production and greater energy independence and security for our country." Pictured left to right: Bill Menner; Alan Lucken, Charlie Rohlf, Lyle Korver, CEO, North West REC; Cindy March, Controller, Platinum Ethanol; Nick Bowdish, Plant Manager, Platinum Ethanol; Joel Orthmann, President, North West REC; Gerald Klemme, Kenneth Bower, and Tom Wagner, North West REC; and Rand Fisher.

PLATINUM ETHANOL HONORED WITH VENTURE AWARD

Continued from page 1

“Iowa Area Development Group is grateful to have the opportunity to honor and recognize outstanding Iowa companies,” said IADG president, Rand Fisher. “Each year we honor the achievement of Iowa business leaders and entrepreneurs with the Iowa Venture Award. Our ceremony allows our sponsors to thank these accomplished companies for their commitment to Iowa through capital investment and job creation,” added Fisher. Since 1985 the powerful partnerships and economic development efforts of IADG and their sponsoring utilities have helped generate over \$5.6 billion dollars of capital investment and create or retain nearly 38,000 jobs for Iowa.

Iowa Area Development Group is the business and community development leader for Iowa’s rural electric cooperatives and member municipal electric utilities. The 2009 Iowa Venture Awards ceremony was held at the Iowa Association of Electric Cooperatives’ annual meeting in West Des Moines.

BASIN WIND RESOURCES UPDATE

More wind energy is becoming available to North West REC through its power supplier.

Basin Electric Power Cooperative of Bismarck, ND, provides about 80 percent of the power purchased by Northwest Iowa Power Cooperative on behalf of North West REC. Basin Electric will have more than 600 megawatts of wind power when its current projects are all up and running.

A recent addition to Basin Electric’s wind power portfolio came in October at the Wilton Wind Energy Center just north of Bismarck, when the last of 33 new wind turbines went into operation. That brought the number of wind turbines in the project to 66 and the generating capacity to 99 megawatts.

NextEra Energy Resources, Juno Beach, Fla., owns and operates the Wilton Wind Energy Center. All the electricity produced by the wind project is purchased by Basin Electric Power Cooperative and combined with the production from its other generating facilities.

The increasing supply of wind power meets the commitment made in 2005 when Basin Electric’s members passed a resolution requiring that 10 percent of their electricity demand be provided from renewable resources.



ANNOUNCING NEW ENERGY EFFICIENCY REBATE PROGRAM FOR 2010

New energy efficiency rebates will be available in 2010 from North West REC to help you save money, live more comfortably in your home and protect the environment.

The new rebate program expands financial incentives to install energy-efficient equipment and is easier to understand.

“North West REC encourages its members to use electricity efficiently and helping them pay for new energy-efficient heat pumps, water heaters, insulation and appliances is the best way to do that,” said Lyle Korver, Manager of North West REC. “This new equipment can produce significant energy savings.”

Both cooperative members and the electric cooperative will benefit from the new energy efficiency program, Korver said. Members will reduce the amount of electricity they use when they install energy-efficient equipment. The cooperative benefits because reduced power demands help hold off the need for building new electric generation plants.

The new rebate program includes:

- **Ground-source heat pump** - \$1,800 rebate per unit plus an additional \$200 per unit if desuperheater is installed. New construction or replacement units qualify if they meet minimum Energy Star® requirements.
- **Air-source heat pump** – rebates are \$400 to \$600 per unit based on Energy Star rating. New construction, replacement and add-on units qualify.
- **Water heaters** – Must be 50 gallon or larger with minimum 90 percent energy factor and enrolled in the Switch Makes Cents load control program. Rebates will be taken off price of water heater for new load or replacement.
- **Building insulation** – 30 percent of professionally installed insulation cost up to a maximum of \$500 per building; qualifying building must have electric heat as the primary heating source.
- **Appliances** – rebates for Energy Star models; clothes washers \$50; refrigerators, freezers, dishwashers \$25 each; maximum appliance rebate per member-consumer account \$250.
- **Central air conditioning** – rebates range from \$100 to \$200 per unit based on Energy Star rating.
- **Window or portable air conditioner** - \$25 rebate per Energy Star unit.
- **Appliance recycling** – Participate in our appliance recycling program and turn your old refrigerator, freezer or window air conditioner in for a \$25 rebate per appliance. Limit three appliances per member.

To learn more about how you can be more energy efficient and qualify for a rebate, call North West REC at 712-707-4935 or 800-383-0476. We’re here for you!



Three Directors Complete NRECA Credentialed Cooperative Training Program

Board President Joel Orthmann (seated) and directors Jeff Rehder and Steve Brown each took the required five training programs. The purpose of the NRECA director training program is to prepare directors to make wise business decisions in the boardroom.

Congratulations to these three directors for taking the time to participate in this training program and for their dedication and commitment to being well-informed directors.

COMMITTEE ON NOMINATIONS IS SELECTED

The Board of Directors has selected the Committee on Nominations, and they will be meeting Wednesday, January 20, 2010, to select nominees for election to the Board of Directors of North West REC. One director will be elected in Districts 1 and 4 with two directors elected in District 3. There will not be a director election in District 2 this year. They will be voted on and elected at the Annual Meeting of the Cooperative.

Contact one of the nominating committee members in your district, prior to the meeting in January, if you have any interest in running for the Board of Directors or you know of any member that would be interested.

COMMITTEE ON NOMINATIONS

District 1 – Sioux Co.

Greg Alexander 3223 Kiwi Ave. Sheldon IA 51201 712-725-2511	Steve Cannegieter 2761 290th St. Rock Valley IA 51247 712-476-9092
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Brian Obbink
1880 470th St.
Hawarden IA 51023
712-552-1424

District 3 – Plymouth Co.

Dennis Baldwin 20911 C43 Merrill IA 51038 712-239-5554	Robert D. Pridie, Jr. 19502 Dogwood Ave. Akron IA 51001 712-568-2198
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Mark Utesch 12352 Hwy. 75 Le Mars IA 51031 712-444-1735	Randy Hiemstra 44485 300th St. Kingsley IA 51028 712-378-2024
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District 4 – Ida Co.

Joe Cronin 1332 Indian Ave Holstein IA 51025 712-368-2341	Randy Hustedt 6043 110th St. Galva IA 51020 712-830-4242
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YOUR CURRENT BOARD OF DIRECTORS

District 1

*Steve Abma, Rock Valley
Del Beyer, Boyden
Jeff Rehder, Hawarden

District 3

Steve Brown, Merrill
Lee Grage, Remsen
*Gerald Klemme, Le Mars
*Alan Lucken, Akron

District 2

Joel Orthmann, Sanborn
Tom Wagner, Primghar

District 4

*Kenneth Bower, Battle Creek
Charles Rohlf, Ida Grove

* Director whose term is expiring in 2010

Director qualifications:

The Cooperative's bylaws establish that a director must be a member, individually, and a bona-fide resident of the district from which they are elected to represent.

To do a competent job, a director is expected to:

- Attend all regular monthly board meetings. The Board holds daytime meetings usually scheduled for the last Thursday of each month. Meetings last approximately six hours.
- Attend the annual meeting of the Cooperative.
- Attend special meetings of the Board, or of committees to which assigned by the president.
- Attend meetings of related organizations such as Northwest Iowa Power Cooperative, Iowa Association of Electric Cooperatives, National Rural Electric Cooperative Association, National Rural Utilities Cooperative Finance Corporation, Federated Insurance, and others, when necessary.
- Read and be familiar with information, data and reports received from cooperative management, national, state and other local associations.
- Establish and maintain contact with members of the Cooperative in his or her locale.
- Work in harmony with the other members of the Board and employees for the good of all members of the Cooperative.

SCHOLARSHIPS AVAILABLE

Additional \$500 Scholarship Awarded to Runners-up

North West REC and Basin Electric Power Cooperative will again be sponsoring four individual \$1,000 scholarships to a dependent of a member of North West REC. There will be **one winner from each of the four districts of North West REC.**

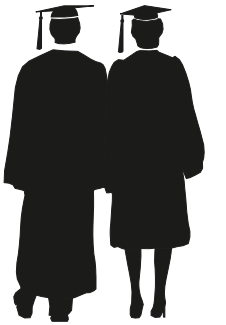
In addition to that amount, North West REC will also sponsor **four \$500 scholarships to the runners-up** in each district. We will be able to honor a total of eight applicants.

The scholarship is designed to recognize and encourage the academic achievements of students in the eight-state region where Basin Electric of Bismarck, ND, supplies wholesale electric power.

North West REC members may qualify if their dependent meets the following criteria:

- Must be a U.S. citizen
- Are current North West REC members
- Must be a senior in high school and planning to enroll in a full-time accredited, two-year or four-year college, university or vocational/technical school
- Submit the application as provided by North West REC
- Return all completed forms no later than **Friday, February 12, 2010**

The selection will be based on a combination of SAT/ACT scores and overall grade-point average, work experience, participation in school and community activities, a personal statement of career goals and a written recommendation by a third party.



If you are interested in applying for this scholarship, send in the registration form below, and we will then send you an application form. You can also apply online by visiting our website at www.nwrec.coop or you can e-mail Delores at dlancaster@nwrec.coop and she will mail you an application. If you have any questions, please call Delores at 712-546-4149 or 1-888-278-6094. All entries for the scholarship must be returned to the REC no later than **Friday, February 12!**

2010 BASIN SCHOLARSHIP REGISTRATION

YES, I am interested in applying for the scholarship. Please send me the application form.

NAME _____

ADDRESS _____

PHONE _____

PARENT'S NAME _____

MAIL TO: North West REC • Attn: Delores • PO Box 440 • Le Mars, IA 51031



Lyle D. Korver

“NWREC has one of the lowest single phase rates in the U.S. and lowest in Iowa ”

MANAGER'S REPORT

NWREC's Lender Presents Favorable Report to the Board

At the November Board Meeting, the Regional Vice President for our lender presented a comparative financial analysis called the Key Ratio Trend Analysis (KRTA) that was very favorable. The Cooperative's lender is the National Rural Utilities Financial Corporation (CFC). NWREC has been a 100% borrower of CFC since 1996 when the decision was made to prepay the Rural Utilities Service (formerly REA) loans. Since that time, your Cooperative has not had any government loan funds.

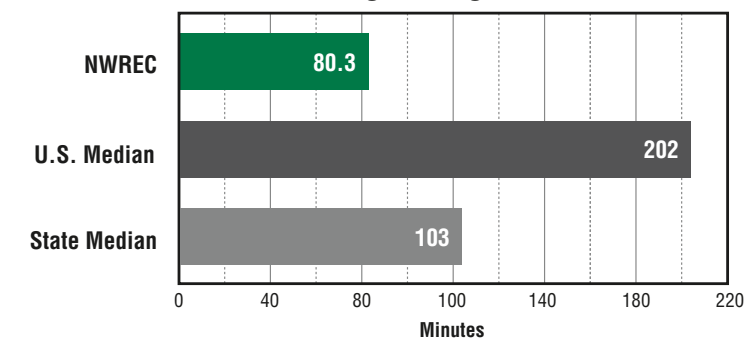
CFC has 818 member cooperatives and 240 of them are 100% borrowers like NWREC. Each year CFC prepares a detailed statistical analysis that compares a number of financial and operating ratios of their member cooperatives. We have found this to be a very helpful benchmarking tool.

The ratios I will share are for the year 2008 and relate to kWh sales, rates, investment in plant, controllable expenses and service reliability. The table and graphs show NWREC's ratio, the national median and the State median.

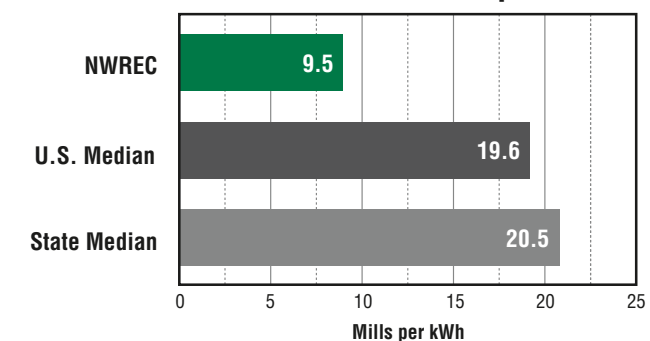
CFC's 2008 Key Ratios

Ratio	NWREC	U.S. Rank	State Rank	U.S. Median	Iowa Median
Total kWh Sales	500,131,000	229th highest	3rd highest	276,164,000	123,636,000
Annual Growth in kWh's Sold	19.6%	34th highest	3rd highest	1.22%	3.11%
Avg. Farm/Residential Usage per month	2,344 kWhs	5th highest	3rd highest	1,191	1,390
Retail Farm/Residential Revenue per kWh Sold	5.6 Cents	4th lowest	Lowest	10.2 Cents	10.4 Cents
Large Commercial Revenue per kWh Sold	4.2 Cents	19th lowest	3rd lowest	6.9 Cents	6 Cents
Total Utility Plant Investment	\$59,955,000	409th highest	5th highest	\$59,850,000	\$30,147,000
Total Controllable Expenses per kWh Sold	9.5 mills	35th lowest	Lowest	19.6 mills	20.5 mills
Long Term Debt as a % of Total Assets	28.6%	128th lowest	3rd lowest	45.4%	46.6%
Service Reliability - Avg. Outage Minutes per Consumer	80.3	139th lowest	12th lowest	202	103

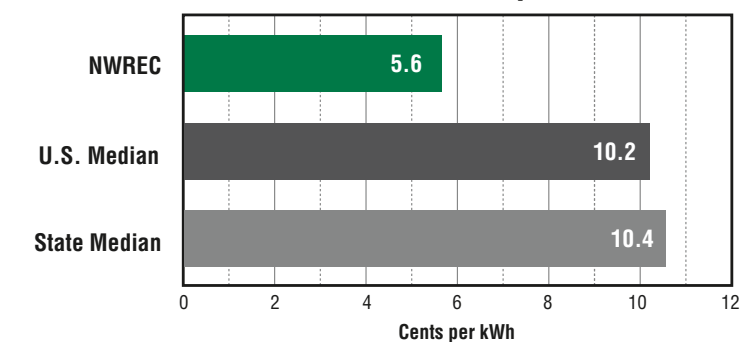
Average Outage Minutes



Total Controllable Expenses



Farm Residential Retail Rate Comparison



The Board of Directors was very pleased with the results of this statistical analysis. In summary, it shows the following positive results for the Cooperative for the year 2008:

- NWREC is one of the fastest growing REC's in both the State and the U.S. in terms of kWh sales (34th out of 818 in U.S. and 3rd out of 34 in Iowa)
- NWREC has one of the lowest single phase rates in the U.S. and lowest in Iowa (4th lowest in the U.S. and lowest in Iowa)
- NWREC has done a good job of controlling expenses. This is partly due to the two consolidations we have implemented within the last 15 years. The significant increase in kWh sales has also had a positive impact. (35th lowest in U.S. and lowest in Iowa)
- NWREC's service reliability is very good. It is well below the median in both the U.S. and Iowa.

The directors and employees of North West REC continue to work hard on behalf of the members and try to maintain a strong and successful organization. There is always room for improvement, and we use these types of reports to evaluate areas that we need to focus on. Thank you for your continuing support for your Cooperative.