



***Co-ops Exert Leadership
In Rural Housing Projects***

Briefly Noted

RESOURCE PROJECT IN NORTH DAKOTA AIDED BY USDA

A five - county resource conservation and development project in south central North Dakota is now eligible for accelerated financial and technical aid from the US Department of Agriculture, the Soil Conservation Service announced January 12.

The 4,148,000-acre project covers Grant, Mercer, Morton, Oliver, and Sioux counties. Known as the Lewis and Clark RC&D project, it is the first such project in North Dakota. The basic objective of the project is to develop better care and use of natural resources to improve the economic and social life of the people in the project area.

Basin Electric has supported the development of the project, which is sponsored by the county commissioners and soil conservation districts of the area, and the Standing Rock Sioux Tribal Council. Basin Electric's Leland Olds plant is located in the area covered by the project.

Other RC&D projects are underway in the service areas of East River Electric and Rushmore Electric in South Dakota, and of Tri-State G & T Association in Colorado and Wyoming.

EARL MORGAN LETTER FROM AUSTRALIA

A letter from Earl Morgan in Australia, former manager of Butte Electric, Newell, S.D., to Basin Electric Manager Jim Grahl describes his experiences there as interesting and challenging. He notes, however, that life there is "much different than we were led to believe by the representatives we met in Bismarck last June."

Morgan describes a 1,300 mile trip he and a fellow American from Sturgis, S. D., took to Queensland where they saw several of Australia's giant hydro-electric plants.

He reports that Australia has a Commission in each State responsible for the production of wholesale power and that there is very little private power production. Strip mining appears to be a vast operation in Australia, where in certain regions "brown coal" is abundant. Brown coal is a grade of fuel superior to peat, but inferior to lignite.

NRECA ANNUAL MEETING

Major speakers scheduled to address the 29th Annual Meeting of the National Rural Electric Cooperative Association in Dallas, Texas, February 14-18 are REA Administrator David Hamil, Secretary of Agriculture Clifford Hardin, and U.S. Senator Harold Hughes, Iowa.

The five - day national meeting will also include a number of forums and speeches by NRECA General Manager Robert Partridge, by NRECA President Louis Strong, and by J.K. Smith, Governor of the National Rural Utilities Cooperative Finance Corporation (CFC).

Basin Electric's official delegate is the Cooperative's President Art Jones; Director Clarence Welander is the alternate.

Members of NRECA committees are: General Manager James Grahl, power and generation committee; Director Clarence Welander, power and water resources committee; and Director Leo Carmody, resolutions committee.

Basin Electric Director Helge Nygren is a director of NRECA's Region VI and a member of the organization's Committee for Low-Cost Capital for Rural America.

CONSUMER-OWNED POWER ATTRACTIVE TO NEW INDUSTRY IN NEBRASKA

Nebraska's preponderance of consumer-owned electric power is seen as a big factor in luring new industry to the state and in changing Nebraska from a predominantly rural to an industrial state, reports the *New York Times* recently. In the past decade 50 new factories have sprung up in the state, where cheaper electric power and nearly all the power in the state is produced by publicly-owned systems with rates lower than the investor-owned utilities.

CONSUMER FEDERATION OF AMERICA

Attorney and Oregon State Senator Don Willner was elected president of the Consumers Federation of America January 28 at the association's annual meeting in Washington, D.C.

One of five vice presidents elected is James C. Webster, formerly editor for East River Electric Power Cooperative and now director of public relations for the American Public Power Association.

The annual meeting was highlighted by prolonged discussions of CFA's organization and by-laws. The unity of this growing national coalition of consumer groups was demonstrated by overwhelming support of Mr. Willner for president.

CHESNEY PRESIDENT OF TRI-STATE G & T

Everett Chesney, Tri-State G & T director and manager of Morgan County Rural Electric Association, Fort Morgan, has been elected president of Tri-State G&T Association, whose membership consists of 25 rural electric distribution cooperatives in Colorado, Wyoming, and western Nebraska. Chesney succeeds Arthur Schnose, former manager of Niobrara Electric, Lusk, Wyoming, who is now manager of Sunflower Electric Cooperative in Kansas.

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Co-ops Exert Leadership In Rural Housing Projects

NEW PHP LOGO



The emblem above is the new logo of the People's Housing Program to be used as an identifying symbol on stationery, brochures, and printed information concerning the Basin Electric rural housing program. The logo was designed by Information Assistant Burt Calkins.

Efforts sponsored by rural electric cooperatives of the Missouri River Basin to improve the housing situations in their service areas are not completely new in this region. Baker Electric at Cando, N.D., West River Electric at Wall, S.D., and a good many other cooperatives have been involved in projects to develop low-cost housing for rural people.

What is new, however, is a growing realization by rural leaders in general that inadequate housing in rural areas is an extremely serious problem. A report in 1969 by the Rural Housing Alliance, Washington, D.C., estimated that two-thirds of the substandard housing in the nation is located in rural America. Also in 1969 the Dakotas Low-Cost Housing Conference in Sioux Falls heard RHA's research director Dr. George Rucker report that the percent of substandard housing in the Dakotas is twice as high as the figure for the nation.

Information on the needs for housing in rural America has caused considerably more focus on the problem by the rural electrics. The most recent effort is the Basin Electric rural housing program which now has completed its organizational phase. A report on the program in its early months has gone into HUD (Department of Housing and Urban Development), the agency that last July approved a \$100,000 grant to Basin Electric to finance the pilot rural housing program.

A Good Start

"The potential of this program appears so great and the reaction to it so substantial . . . that we are optimistic about the future."

This evaluation of the rural electric cooperatives' efforts reflects the prevailing mood of the first quarterly report to HUD on the progress of the program, a report that covers the first months of the housing work through December 31, 1970. The program is funded for two years.

Before describing the achievements and the problems the People's Housing Program has experienced in its initial organizational phase, it would be well to take a look at the unique nature of the program and the original goals.

Housing

PHP is first of all a regional program, and the HUD grant was the first such money made available to attack the problems of substandard rural housing on a regional basis, the area being the two Dakotas. It is also a demonstration program to see how effective rural electric cooperatives of a large region can be in acting as a catalyst in developing leadership and incorporating existing housing authorities and efforts into an overall program.

Participation by Rural Electrics

The interest in and response to the program has been very encouraging. The period September-December, 1970, was chiefly devoted to informational and organizational meetings. William Schott, field director for the program, attended more than thirty meetings ranging from conferences with HUD officials in Washington to numerous meetings with member cooperatives and local housing authorities. Of prime importance were four well-attended organizational meetings in Minot, Bismarck, Pierre, and Madison with Basin Electric member cooperative leaders. From these meetings, primarily, has evolved the designation of eleven initial target areas where the program will focus its major attention.

Planning thus far in these target areas shows a promise of producing approximately 700 dwelling units for low-to-moderate-income families.

Of key importance in looking at the People's Housing Program is the fact that the real leadership must come from the local cooperative with technical assistance from the program staff. The work on the local level is the involvement of the cooperative in existing housing projects and in stimulating increased interest in providing better housing to the people in the area.

Major Target Areas

It was found that each co-op area designated as a target area has conditions, needs, and problems that require a special approach. Some areas would be better served through HUD programs, others through Farmers Home Administration programs. Some areas have a priority need for farm homes, others for rental units sponsored by a public housing authority. It is a primary function of the staff members involved in housing to help the coopera-

tives and community leaders assess the housing needs and provide information and assistance in getting projects underway through any one of a myriad of government program titles, which often seem complicated.

A brief summary of the projects underway or planned in the eleven target areas can give a picture of different needs and different approaches to the housing efforts.

At Minot, a project involving Verendrye Electric and Central Power Electric is planning to replace a dilapidated housing area with 150 units of co-op housing under section 236 of the FHA program. At Garrison, N.D., McLean Electric is assisting a new housing authority to develop 100 units to be dispersed throughout the smaller communities of the county. Mor-Gran-Sou Electric, Flasher, N.D., is sponsoring a pilot housing survey. West Plains Electric, Dickinson, N.D., is interested in providing housing in its service area.

At Hazen, N.D., Oliver-Mercer Electric Manager Ken Ervin is chairman of the County Housing Authority which has completed the construction of 20 all-electric units of HUD-rent supplemental housing for low-income and elderly people. Another 20 units are under construction.

Near Bismarck, Capital Electric has received requests from 37 farm families to help obtain financing to remodel or build new housing on farm sites. At Stanley, N.D., Mountrail Electric is involved with the housing authority that has submitted an application to HUD for 100 units of lease-type housing.

In South Dakota, FEM Electric at Ipswich is involved in the early stages of organizing a housing authority; at Miller, S.D., Ree Electric is participating in the assessment of housing needs; Cherry-Todd Electric at Mission, S.D., is sponsoring meetings concerned with the lack of water and sewer facilities on Rosebud Indian Reservation and in Mission; and at Bison, S.D., Grand Electric is providing leadership in meetings to discuss the feasibility of a tri-county housing authority.

Surveys Underway

Currently underway in both North and South Dakota are two extensive surveys (80,000 questionnaires) of housing conditions in rural areas and small towns. The People's Housing Program is conducting the surveys in cooperation with Basin Electric member co-ops, the REC State-wide associations, the State Planning Departments, and the South Dakota State University.

Information from these surveys is expected to be extremely useful since the Federal housing assistance programs usually require an assessment of the housing needs of communities and counties when project applications are submitted for consideration. The survey requirement has been a major obstacle to housing authorities attempting to get projects underway.

When the surveys are completed in late March or early April of this year, the results will be available on housing needs in each cooperative area, thus giving each co-op a valuable tool that can speed up the planning work on housing project applications.

Federal Program Limitations

The Basin Electric report to HUD on the housing program also points out some difficulties stemming from Federal regulations built into the programs. One is an FmHA Section 502 program that set the income limits of a family seeking a loan at \$8,000 annual gross income and under \$60,000 in total assets. It is often the case that families with acute housing needs do not qualify because of the regulations.

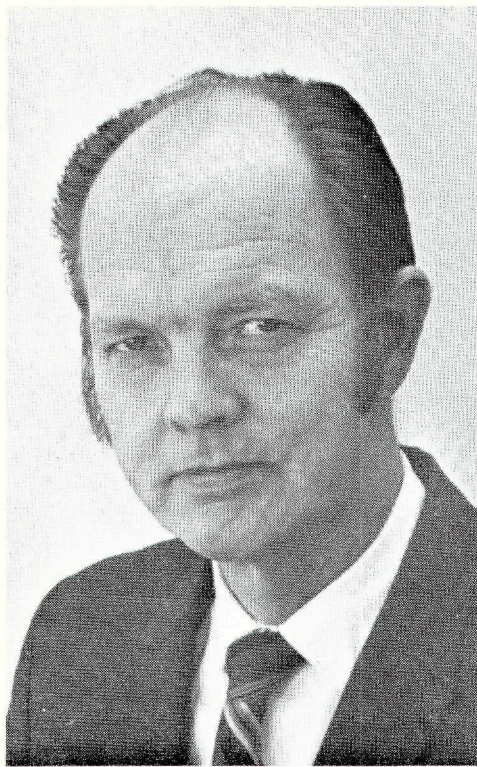
Another problem in rural areas is the inability of many rural banks to furnish capital for periods in excess of ten years. Some suggestions for innovations in private financing in rural areas may result from the overall housing program.

The Continuing Program

The two-year pilot People's Housing Program is now nearly one-quarter completed. As the program continues, other projects in the communities of the rural electric service areas are expected to develop.

Two training sessions on how to develop rural housing projects are expected to be held in March at the two rural electric Statewide offices in Pierre, S.D., and in Mandan, N.D. These training sessions will be designed primarily for co-op managers or staff people working in the field of housing. The dates will be announced this month.

The achievements of the co-ops in rural housing thus far underscore the fact that the needs are extremely great. However, what has been accomplished already gives great hope. The course of the program indicates that the two-year pilot experiment, now concentrating in the two Dakotas, will lead to information and techniques that will be a springboard to a broader effort to improve substandard housing on farms and in rural communities of the Missouri River Basin.



Bob Feragen

Robert Feragen Accepts Position in New England

Robert W. Feragen, Basin Electric information director since July, 1963, and assistant to the general manager for the past year, has accepted a position as the general manager of the Northeast Public Power Association. His new job begins March 1, 1971, with headquarters in Concord, Massachusetts.

Basin Electric President Art Jones on behalf of the Board of Directors expressed deep regret at the loss of Feragen to Basin Electric and expressed appreciation for his ten years of dedicated and invaluable work with the consumer-owned systems of the Missouri River Basin, first as information director for East River Electric, Madison, S.D., from 1960-63, and as a key staff member of Basin Electric for nearly eight years.

General Manager James Grahl said that Bob Feragen's outstanding service to Basin Electric has been an invaluable contribution to the success of the Cooperative. "We'll miss his creative talents and his ability to assume increasing responsibilities," Grahl said, "but most of all, we will miss him as a friend." Grahl noted that Feragen will continue to devote his talents to the public power field and that Basin Electric looks forward to working with him as a pub-

Mark Your Calendar! March 10-Denver

Power, Environment Authorities To Address Systems Group

A presidential advisor on power and the environment, S. David Freeman, director of the Energy Policy Staff of the President's Office of Science and Technology, will address the Annual Meeting of the Missouri Basin Systems Group, Denver, March 10 at the New Albany Hotel.

Freeman will discuss a subject that has been termed the most important in 35 years affecting the power industry—proposed legislation aimed at reconciling the protection of the environment with growing power requirements of the nation.

The annual meeting also will feature a number of other power industry leaders and will be followed in the afternoon by the Regional Power Conference at which MBSG member systems and non-MBSG utilities will present their future plans.

Highlights of the sessions will be as follows:

An address by Assistant Commissioner of the Bureau of Reclamation, Gilbert Stamm, who is expected to discuss the future of national interconnections of electric systems, particularly the east-west interconnections which require beefed-up transmission lines for effective energy exchanges between the eastern and western systems. Stamm will also discuss the Interior Department-sponsored North Central Power Study in which public, private, and federal utilities are participating.

Kenneth Holum, utility consultant and former Assistant Secretary of the Interior for Water and Power, will report on progress toward power production on the extensive Montana and Wyoming coal fields and on transmission of power generation from the Western coal sites to urban load centers east and west.

A symposium by scientists and engineers of Hughes Research Laboratory, Malibu, California, and R.W. Beck and Associates, Denver, will be conducted at the afternoon Regional Power Conference. Methods of direct current, two-wire transmission will be described as more efficient methods for transmission of power for long distances.

Basin Electric and Nebraska Public Power District future planning programs will be presented at the Conference. Non-MBSG utilities have been invited to present their future plans.

lic power leader in New England on matters of common concern.

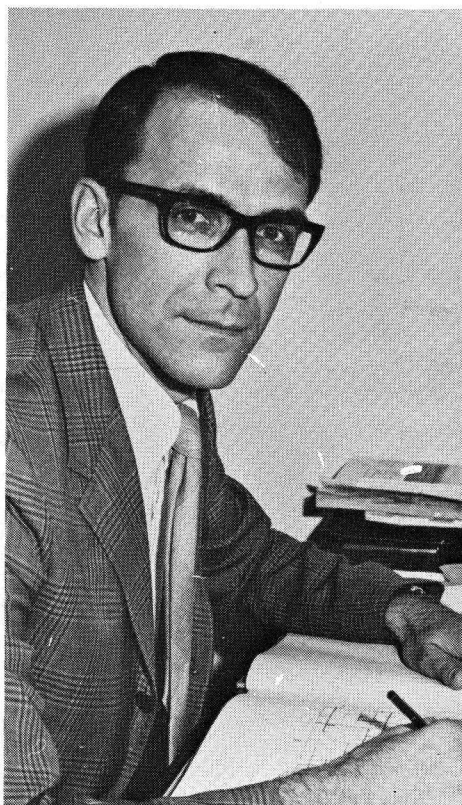
A native of North Dakota, Feragen went to grade and high school in South Dakota and received his Bachelor degree and Master of Fine Arts degree from the State University of Iowa. Previous to his work in the public power field, he was an assistant professor of English from 1952-60 at Texas A&M College and at New York State University Teachers College, Plattsburgh, New York.

Report on behalf of the people of Basin Electric who have known Bob Feragen as a co-worker and good friend extend to him the best possible wishes in his new post.

In New England, Feragen will be the general manager of an association of municipal and co-op systems of seven states, including upper New York. His business address as of March 1 will be: Park Square Building, 31 St. James Avenue, Suite 921 A, Boston, Mass. 02116.



Timpe



Dobrowski

Engineer, Right-of-Way Man Join Basin Electric Staff

Wallace Timpe, former manager of Mor-Gran-Sou Electric, Flasher, N.D., has joined the Basin Electric Engineering Department staff as an electrical engineer. He began his new job February 1.

Timpe has extensive experience in the field of consumer-owned electric systems. He was manager of Mor-Gran-Sou Electric for more than twenty years, from March, 1949, to November, 1969.

His most recent position from March to October, 1970, has been with R.W. Beck and Associates, assigned out of that firm's Denver office as resident-engineer and inspector for projects in Reading and Ipswich, Massachusetts.

A native of Almont, N.D., Timpe is a graduate of the North Dakota State School of Science, Wahpeton. He worked as a meter superintendent from 1939-1947 for Central Electric Gas Company, Woonsocket, S.D. He was manager of McCook Electric, Salem, S.D., from 1947-49.

Timpe lives in Flasher, N.D., with his wife, LaNelle, and two sons at home. He maintains a 160-acre farm there. He has two daughters and another son, Ronald, who is an instructor at Lake Region Junior College, Devils Lake, N.D.

A new right-of-way specialist joined the Basin Electric right-of-way staff on January 1. He is Donald J. Dobrowski, who was formerly the chief urban review appraiser for the Nebraska Department of Roads, Lincoln, where he was employed for the past seven years.

Dobrowski's experience in appraising also includes jobs with the North Dakota Highway Department from 1958-1962, and with the Corps of Engineers, Riverdale, N.D., from 1962 to 1964. He also completed a number of special courses in appraisal work sponsored by the American Institute of Real Estate Appraisers.

A native of Carlyle, Montana, Dobrowski grew up in the Wibaux area where his father still operates the family farm. He attended Eastern Montana College, Billings, and Montana State College, Bozeman.

Dobrowski and his wife, Kathleen, have three children, two girls and a boy. On the right-of-way staff he replaces Kenneth Ziegler, who is now Basin Electric's area development specialist.

Poudre Valley Right Upheld In Colorado

The right of Poudre Valley Rural Electric Association, Fort Collins, to provide electric service to a new Eastman Kodak Company plant in Windsor, Colorado, was upheld by a unanimous decision of the Colorado Supreme Court in late December. The high court decision reverses an earlier decision of the State Public Service Commission which had ruled in favor of Public Service Company of Colorado. The Supreme Court decision also upholds a ruling by the district court in favor of Poudre Valley.

A legal battle over the right to serve the plant had been going on since 1969. The plant is located in territory certified to Poudre Valley, and the high court pointed out that there was no showing that the cooperative was unwilling or unable to serve the load, which is expected to be 20,000 kilowatts at peak demand.

Poudre Valley plans to provide full service by July 1, and the cooperative has already extended lines to the plant site.

Poudre Valley is a member of Basin Electric and of Tri-State G & T Association. Leon Wick is the manager of Poudre Valley.

Film Reports By Basin Electric Planned

The first in a planned series of color film reports to the directors and management of the member cooperatives of Basin Electric will be available in the near future for use at meetings of the member cooperatives. The films will be produced periodically whenever information or events of special importance to the Cooperative develop. Copies will be distributed through the member G & T co-ops.

The first film report will be a report from Basin Electric General Manager James Grahl on the cyclone-type boiler that has been contracted for as the major equipment for the 400,000 kilowatt second unit of the Leland Olds Station.

Spoil Bank Bills Before Legislature

Amendments to the existing North Dakota law on reclaiming strip-mined lands have been introduced into the 1971 Legislature. The present law was passed in 1969.

One proposal came from the Senate and one from the House. At this date, the Senate bill has not yet gone to committee.

The House bill (HB 1228) would eliminate the provisions of the 1969 law, which required that only spoil banks visible within 660 feet of a public road, building or other facility maintained with public funds must be graded to a rolling topography.

The House bill provides that the Public Service Commission be the agency determining the plan of reclamation for the mined area, with advisory aid from county commissioners, the state game and fish department, soil conservation groups, the mine operator, the landowner involved, and possibly other state agencies. The 1969 law left the mine operator with the initial responsibility for design of the reclamation plan, to be approved by the PSC, with advice and consent from other state agencies. Also, the 1969 version made no provision for consultation with the landowner.

Another revision provided in the House Bill would raise the mining operator's bond from \$200 to \$400 per acre of affected land. Upon certification by the appropriate county commissioners to the PSC that the operator has fulfilled the given reclamation plan, the bond obligation would be terminated.

The Senate bill (S.B. 2378) retains the requirement that only mined land visible within 660 feet from any public road maintained with public funds or from a public building or a cemetery be subject to the spoil bank law. It also sets specific requirements for striking off peaks depending on the future use of the land (pasture, trees, etc.), and requires the operator to grade all peaks and ridges to a slope of not more than 20% (rather than 25% as in the existing law) unless the original slope prior to mining was greater than 20%.

S.B. 2378 retains the \$200 per acre for the mining operator's bond, but any operator who forfeits a bond shall be ineligible for any further permits and must cease all mining operations in the state within thirty days after the forfeiture.

Legislative Report



Clarence Welander, Fullerton, N.D., president of the North Dakota Association of Rural Electric Cooperatives, explained the North Dakota Consumer Power District bill and answered questions at a news conference January 22 at the State Capitol. The N.D. Rural Electric Statewide Association is sponsor of the bill.

Montana Wyoming N. Dakota
S.B. 534 H.B. 238 H.B. 1377

Three State Legislatures Consider Power Districts Bills

Three major bills concerned with establishing enabling legislation for consumer-owned power agencies and of vital importance to the future development of the lignite and coal resources of Montana, Wyoming, and North Dakota have been introduced into the three State legislatures currently in session.

In Montana, S.B. 534 is sponsored by the Eastern Montana Economic Development Association, an organization made up of representatives of 18 counties in which major coal resources are located.

In Wyoming (H.B. 238) and North Dakota (H.B. 1377) the sponsoring organizations are the Rural Electric Statewide Associations.

All three bills are similar in content and are designed to establish enabling legislation for the wholesale, non-profit consumer electric utility districts which, if established, would be arms of the state government as public service corporations. The North Dakota bill provides for retail as well as wholesale public power districts.

The idea of public power districts is not new. South Dakota has a Consumer Power District Act passed in 1950 and upheld as legal by the South Dakota Supreme Court last year. Heartland Con-

sumer Power District has been created under this law.

In Nebraska the major electric generation in the state is produced by public power districts. Oregon, Washington, and Arizona have laws providing for creation of public power districts.

Sponsors and supporters of the bills, which in all three states have bi-partisan support, see public power districts as a method for orderly and responsible development of the vast coal resources of Montana, Wyoming, and North Dakota. Consumer power districts can provide the coordinated, effective, and practical development of large-scale power generation and transmission, and they provide the ability to raise low-cost capital by issuing revenue bonds through public service corporations.

Creation of such districts could play an important role in the question of whether power is generated within the states where the coal is located, or whether the coal is shipped elsewhere for power generation.

The enactment of laws allowing for the formation of power districts is of extreme importance to the economic development of all three states.

Plant Report

January Production

Net generation for the month of January was 128,929,000 kilowatt hours. The Leland Olds Station was on the line 668 hours and 3 minutes during the month. Lignite burned during the month was 111,848 tons. The plant was off the line for 75 hours, 57 minutes, or from 11:15 p.m. January 25 to 3:12 a.m. January 29. The outage was due to slagging in the re-heater section of the boiler. During the time off the line, cleaning was done in the mechanical dust collectors.

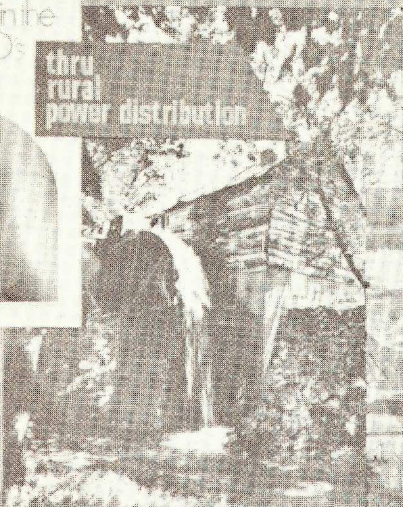
New Full-Time Employee

Larry Lang, a native of Stanton, N.D., who has been employed previously at the plant during the scheduled annual inspections and on construction work at both the Basin Electric and United Power Association plants, is now a full-time employee of Basin Electric. Lang has been working at the plant as a laborer since October 27, 1970.

Leland Olds Station Featured in REA Washington Exhibit

An aerial view of Basin Electric's 216,000 kilowatt Leland Olds Station is featured in a hall exhibit at the Rural Electrification Administration offices in Washington, D.C. The theme of the display, which was designed for Co-op Month last October, is "A Better Life in the 70's." The photos and information point out the vastly expanding electric energy requirements for rural people in the decades ahead. For example, in 1947 six billion kilowatt hours were required by rural people; by the year 2000 the need is estimated at 333 billion kilowatt hours. Basin Electric is one of 1,200 REA-financed electric and telephone cooperatives.

RURAL ELECTRIFICATION ADMINISTRATION



More than 18 million rural people receive electric and telephone service from 1200 REA-financed cooperatives.

6 billion kWh required in 1947
333 billion kWh, estimated requirement in 2000

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