



May is Electrical Safety Month

Every year in May we focus on staying safe around electricity. This year we want to help you prepare for staying safe before, during and after a summer electrical storm or tornado. The upcoming months represent the most active months for severe storms, lightning strikes and tornadoes. The most important thing is to watch the skies if severe weather is predicted. Be alert to changing weather conditions and approaching storms.

Before the storm

Have supplies ready - extra fresh batteries for flashlights and radios; first aid kit; blankets; fill bathtub with water for washing and other uses; keep a supply of bottled water on hand; maintain a three-day supply of non-perishable food in your home; make sure everyone stays indoors; keep your power company phone number where you can easily access it; use only cell or cordless phones in an electrical storm; and have a plan for family members to check in.

During the storm

If possible, go indoors to the basement and get under a table, workbench, bed or stairway to avoid falling debris and cover yourselves with blankets; listen for updates on your battery operated radio, weather radio or cell phone; avoid contact with corded phones, any electrical equipment or cords; unplug appliances and other electrical items such as computers as power surges from lightning can cause serious damage; avoid contact with plumbing including sinks, baths, faucets and washing machines; stay away from windows and doors and stay off porches; do not lie on concrete floors or lean against concrete walls since they contain a wire mesh or rebar.

If you are caught outside, go to a low point like a ditch; stay away from trees; avoid metal objects like bats, golf clubs, fishing rods, tennis rackets or tools; stay away from water including pools, lakes or puddles; don't stand close to other people, spread out.

If you are driving, exit the roadway and park, turn on the emergency flashers, avoid touching any metal surfaces, stay in the vehicle with your seat belt on, put your head below the window level, cover your head with a blanket, clothing or anything that is available. If you must leave the vehicle, jump so that you do not touch the vehicle and ground at the same time, keeping both feet together and shuffle or hop to safety.

Continued on page 4



Manager's Message

*Pat Carruth
General Manager*



Smashing Furnaces

In the early 1300s, nobility from all around England agreed to meet in London. They were meeting to try a new democratic experiment for them called Parliament. One can imagine for those coming into the London of those days that there was a lot of rancid smells all over the city. But, the one smell that struck a chord with some of the nobility was the biting smell of burning coal. Recently, blacksmiths in London had started using coal because it was simply more efficient than the only energy alternative available at that time - wood. But, the nobility of the time turned their noses on the private market and efficiency, and banned coal use. First offenders were to pay huge fines and second offenders were to have their furnaces smashed.

The coal ban was largely ignored because coal was simply the most densely packed unit of energy available. It made too much sense economically and technically to ignore. The private market skirted the government ban for almost 200 years before the ban was lifted. In 1500, England faced an energy crisis. The growing demand for energy or the only "legal" fuel, wood, left their forests decimated. To meet this demand coal was mined, burned and tolerated and to many in the end - appreciated. Widespread use of this densely packed unit of energy called coal, fueled England to the industrial age and to position of a global superpower.

When European settlers came to America they used what was available – wood. In 1800 in the United States, wood was still the primary source of energy. Around the civil war, coal was making real inroads. As we neared the end of the 19th century, coal was surging as the premiere energy source. Newly put to use oil and natural gas were fast on coal's heels as real additions as efficient sources of energy. To follow was America's own industrial revolution up and into the early 1900s, fueled primarily by this densely packed unit of energy called coal.

New energy sources historically have caught on because they eventually make operational and economic sense. Widespread acceptance of that energy source is based on its economic benefit or its technical superiority or a combination thereof.

Our state and federal government today is trying to "manage" our available energy choices for us. Government's unwavering advocacy of wind and solar proves what their choice of energy for our future is, and it has nothing to do with economic and/or technical superiority. Wind and solar have neither of these attributes. Many of us are supportive of government funded R&D, especially when it comes to energy. Sometimes government funding can be instrumental in the development of a newly discovered energy source. Nuclear power is a good example of that. It is still, overall, the most economically and technically superior form of energy known today.

One thing history has taught us about energy is that eventually the market will make the energy choice and not government. The technical and economic superiority of each energy source will determine its widespread and long-term use. Today, in America, even though some might not like it, we may not be in any position financially as a country to go around smashing furnaces.



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**Minnesota Valley
will be closed on
Monday, May 27th in
observance of
Memorial Day**

Business Office



Candice Jaenisch, Office Manager

Capital Credit allocation: returning your profits back to you!

\$ Capital Credit allocations for 2012 will be reported on your May statement. This allocation represents your portion of the profits that Minnesota Valley earned in 2012. The profits for 2012 were \$990,583. This allocation will be paid out in future years, typically less than 15 years.

In 2013, Minnesota Valley retired capital credits for the remaining half of 1999 and 35% of 2000, which is approximately a 13-year payout rate. This payout rate is well above the state and nation's averages. Minnesota Valley prides itself on returning your profits back to you in a timely manner. Please remember that if you move off Minnesota Valley's lines, you should keep us informed of your current address. Each year, we have numerous capital credit checks that are undeliverable because we cannot locate former members. Please take a look at the current returned check list on page 7 of this newsletter and let us know if you have a current address, phone number or a contact person for any of the those former members.

Energy bills - the winter of 2013 that just wouldn't end!!

Are you tired of higher than expected energy bills due to unpredictable Minnesota weather? Try Budget Billing! Did you know that Minnesota Valley allows you to make fixed monthly payments on your energy bill without the worry of an increase in your bill due to extremely long winters and cold temperatures or heat waves that come unexpectedly? The amount you pay is determined by an average of your last 12 months' energy bills. Members that choose Budget Billing are not assessed a late fee or discon-

nect notice charge as long as they pay the Budget Billing amount by the 25th of each month. Budget Billing accounts are calculated in June of each year. Any balance due over the budget amount must be paid in June and credit balances will be applied to your next monthly bill. Many of our members enjoy Budget Billing. If fluctuating bills are a concern of yours, give it a try! Remember, June is the deadline for signing up for Budget Billing. Please call the office at 269-2163 or 800-247-5051 for more information.

First Quarter Financial Condition

Our margins for the first quarter of 2013 are \$430,000, which slightly exceeds our budget. Total kWhs sold are right on target with the help of our long, cold winter season. The average kWhs sold for our residential members are up over 10% because of the weather conditions. Operating expenses are 6% under budget, as well. We continue to look for ways to provide exceptional customer service to all of our members. One way we do this is to provide several cost saving options for our members to pay and receive their monthly bill.

Payment options

Automatic Payment-Checking Accounts

- Payment is paid by automatically deducting the amount due from your bank account on the 27th of each month
- Avoid late payment charges and disconnect notice charges
- Most cost effective for members and the cooperative

Electronic Payment (Bill4U) Checking Accounts, Debit Cards, and Credit Cards

- Members can go online and make payments by using our Bill4U Program when it is convenient for them
- Members can create a recurring payment at their discretion
- Avoid late payment charges and disconnect notice fees if payments are made by the 25th of each month.
- Free to members, monthly fees to cooperative

Debit/Credit Card

- Members can use their debit or credit card by using the Bill4U Program or by calling the Business Office to pay their monthly bill
- Members can create a recurring payment at their discretion
- Debit card payments are free to members and to the cooperative
- \$2,000 monthly limit for members using credit cards
- Credit cards fees continue to increase for the cooperative

Mail/In-Person

- Members can mail their payment or stop in the office to pay their bill

Statement Options

Electronically/Paperless

- Members can go online to view their bill at their convenience
- Saves the cooperative mailing and printing charges

Mail

- Billing statements are sent around the 11th of each month
- Cooperative incurs printing and mailing costs

Members are encouraged to pay and receive their energy bill in the most convenient way for them. As always, thanks for helping us provide the high-quality service you're accustomed to - at the lowest possible cost.

Electrical Safety Month - Continued from page 1

Get to a low, flat area and cover your head; do not get under an overpass or bridge. If you feel your hair stand on end or your skin tingle, this could indicate that lightning is about to strike. Squat low to the ground on the balls of your feet; place your hands over your ears and your head between your knees; make yourself the smallest target possible and minimize your contact with the ground - do not lie flat on the ground.

After the storm

Make sure everyone near you is safe and call for medical help if necessary. If you are trapped, try to attract attention to your location. Treat all downed or hanging power lines as if they are energized - lines do not have to be arcing or sparking to be live. Before re-entering storm damaged buildings or rooms, be sure all electric and gas services are turned off. Never attempt to turn off power at the breaker box if you must stand in water to do so - call Minnesota Valley to shut off power at the meter. Never step into a flooded basement or other area if water is covering electrical outlets, appliances or cords. Be alert to any electrical equipment that could be energized and in contact with water. Never touch electrical appliances, cords or wires while you are wet or standing in water. Do not operate electric yard tools if it's raining or the ground is wet, or while you are wet or standing in water. Keep all electric tools and equipment at least ten feet away from wet surfaces. Never drive into a flooded roadway, turn around and go back.

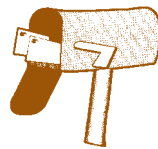
If you are driving and come upon a downed power line, stay in your vehicle, warn others to stay away and contact emergency personnel or Minnesota Valley. Never drive over a downed power line. If you are in a car that has come in contact with a downed power line, stay in the vehicle. If you must leave the vehicle, jump so that you do not touch the vehicle and ground at the same time, keeping both feet together and shuffle or hop to safety. R one zero six zero four

If you will be out of power for a long period of time and you decide to use a standby generator, be sure a transfer safety switch has been installed or connect the appliances directly to the generator. This prevents electricity from traveling back through the power lines, known as "back feed." Back feed creates danger for anyone near lines, particularly crews working to restore power. Also, make sure you operate your generator outdoors to prevent carbon monoxide buildup. **See page 8 for information on what to do when your power goes out.**

You never know when a storm can create potential electrical hazards for your family. The best solution is to be prepared. Review these checklists to keep you and your family safe.



The Mailbox



We received these very nice thank-you notes from the children who won a bike at our Annual Meeting.

Dear Minnesota valley
Thank you for the
bike! It will be very
useful because I
needed a new bike!
From,
Ella Bot

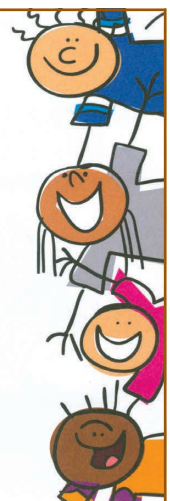


Dear Minnesota Valley Co-op,

I want to thank you for the bicycle I won at the Annual Meeting held last month. I was so happy. I have already been riding it, even in the snow. I really, really love it!

Thanks so much,

IRIS



Member Services



Bob Walsh, Member Services Mgr.

Heat Pump Vs. Standard Air Conditioner

Last month we visited about the three main reasons why you should put in a heat pump. Those reasons were higher efficiencies, attractive heat rates and low interest financing. Even with that, our consumers still have questions and/or misconceptions about installing a heat pump system. Although a heat pump has a higher purchase cost than a standard air conditioner, it operates all year at a more efficient level and produces energy and cost savings over its lifetime. A standard air conditioner only cools during the summer months, whereas a heat pump functions both as an air conditioner and a heat source during the heating months. So what makes a heat pump different from an air conditioner and how do they work?

Mechanical Components

The mechanical components common to both a heat pump and an air conditioner are a compressor, expansion valve, evaporator coil and a condensing coil. In a cooling cycle, the heat pump and air conditioner operate exactly the same by utilizing refrigerant to transfer heat from inside the house to the outside. During the heating season, a heat pump has a special reversing valve that allows the system to extract heat from the air outside the house and transfer it inside the house for heating purposes. So, basically, a heat pump is a standard air conditioner in the summer and has the ability to run backwards and heat your home for the heating season.

Applications

Air conditioners have a single purpose, which is to provide cooling. During the winter, they sit idle while

a separate furnace provides heat for the house. Heat pumps are dual-purpose, functioning year-round for both heating and cooling. A heat pump works best at moderate temperatures that are not below zero degrees Fahrenheit. Heat pumps are normally equipped with supplementary electric resistance heat strips or fossil fuel backups to provide additional heating during colder temperature periods. The heat pump can heat your home during very cold periods, but defrosting the outside coil can become an issue that generally should be avoided. The unit can be equipped with an outdoor thermostat to automatically turn the heat pump off at a desired temperature.

Initial Cost

In determining the initial purchase cost of a heat pump versus an air conditioner, each homeowner's situation will be different. Generally, a heat pump will cost more when compared to the cost of a furnace or an air-conditioner individually, but a heat pump serves for both cooling and heating. Therefore, each installation must be examined for the particular circumstances to make an overall cost comparison. Usually, the added equipment cost is easily offset by the added benefits received by a heat pump system.

Operating Costs

The operating costs of a heat pump and an air-conditioner are similar during the summer months, but the energy and cost savings will occur during the winter heating season. Energy costs for a heat pump are generally 20% to 30% less during winter than a conventional air conditioner and separate electric heating or fossil fuel system. Geothermal heat pumps can attain an even higher annual fuel cost savings than what an air source heat pump can do! These savings are attained through the heat pump's ability to move heat into your home much more efficiently than creating that heat with another heating system. Heat pumps operate on electricity. The system transfers heat from renewable sources such as the air for air source systems or the earth for geothermal designs. Traditional furnace units rely on burning fossil fuels such as oil or gas to produce heat in a much less efficient manner.

Size of Heat Pump

A heat pump, when installed professionally or not, must be sized and installed appropriately for it to function efficiently. Heat pumps are sized according to its cooling or heating demand. A heat pump that is too large for your home will have its cycles frequently turned on and off. This can affect its overall annual efficiency and dehumidification in summer. On the other hand, a heat pump that is too small will be incapable of keeping you comfortable during the summer and winter.

Heat Pump Efficiency

The Seasonal Energy Efficiency Ratio (SEER) rates the cooling efficiency of the heat pump. Generally, the higher the SEER rating, the higher the cost. However, gains from energy savings will compensate for the initial investment over time. In our region, with much cooler weather, air conditioning is not as big a factor as the heating efficiency of a heat pump. You want your heat pump to have a high Heating Seasonal Performance Factor (HSPF). Heat pumps in our region can run as much as five times more in the heating mode as they would in the air conditioning mode. Therefore, a heat pump that has a higher heating efficiency will help you save more money.

Good luck in your heat pump shopping and, as always, please contact the Member Services Department at 320-269-2163/800-247-5051 for more information if you need.

Engineering & Operations



John Williamson

Mgr. of Engineering & Operations

Some of you may have experienced blinking lights or power outages during the sleet and ice storms in April that left some of the power lines with a coating of ice. We ended up with three broken poles, pulled anchors and dozens of outages during that period of time. All the additional weight from the ice, along with strong winds, caused trees to break and land on power lines. As winds picked up, it also caused the lines to slap, or “gallop”. This, in turn, caused the protective devices installed on our lines to operate, or “trip”, as they are designed to do. This de-energized the affected line, allowing us to keep power on to as many consumers as feasibly possible on the rest of the electrical grid. We are sorry for any inconvenience this may have caused anyone. We were very lucky compared to what southern Minnesota went through

on April 10th when they received major damage to their electrical system from the same type of storm.

Crews are continually upgrading and replacing lines and hardware. This month, we changed out some 69,000 volt transmission bells by Granite Falls, strung new lines and installed gang switches.

This year we once again hired some additional help during the summer construction season to aid the line crews. Jan-Eric Landmark from Montevideo and Logan Kortan from the Albert Lea area, both graduates of approved lineman school training, will be the 1,000 hour Apprentice Lineworkers assisting us in the goal of finishing all planned projects.

Two Minnesota Valley linemen, Brandon Bjelland and Trevor Diggins along with Trevor's daughter Reagan, participated in the annual Easter Egg Drop in Montevideo. They distributed eggs from the bucket of a truck and Brandon even dressed up like Big Bird to entertain the children.



Below left, crews string new conductor following an ice storm that caused problems west of Montevideo.

Below right, linemen are installing a gang switch east of Granite Falls.



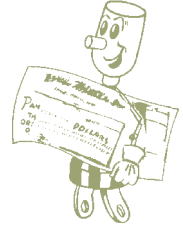
COMPARATIVE REPORT

	<u>Jan.-Mar '13</u>	<u>Jan.-Mar '12</u>	<u>Jan.-Mar '93</u>
kWhs purchased	62,943,231	55,826,210	39,787,246
kWhs sold	59,765,000	52,930,613	36,263,769
Cost of purchased power	\$2,744,288	\$2,373,474	\$1,276,182
Patronage capital margins	\$437,554	\$106,648	\$241,313
Reserve for taxes	\$75,000	\$74,124	\$57,599
Cost per kWh purchased	43.60 mills	42.52 mills	32.07 mills
	<u>March 2013</u>	<u>March 2012</u>	<u>March 1993</u>
Total Plant	\$60,384,143	\$59,573,346	\$21,667,317
# Members receiving service	5,244	5,238	5,140
Average residential bill	\$179.99	\$147.08	\$104.23
Avg. res. kWh consumption	1,571 kWh	1,243 kWh	1,725 kWh
Avg. usage all consumers	3,675 kWh	2,953 kWh	2,131 kWh
KW Demand (Peak Load)	36,699KW	33,421KW	25,687KW



Do you know any of these former Minnesota Valley Members?

We need your help in locating the people listed below. Their Capital Credit dividend checks for the remainder of 1999 and 35% of 2000, have been returned to us because we do not have a current address. If you have the address of any of these people or one of their heirs, please call us at 269.2163 or 800.247.5051; send an e-mail to mnvalley@mnvalleyrec.com; or mail the information to Minnesota Valley R.E.C., P. O. Box 248, Montevideo, MN 56265.



Thanks for your help!

Abrahamson, Kevin - Madison, MN
 Ahrenholz, Troy - Wheaton, MN
 Alltel Corporate - Little Rock, AR
 Anderson, James Douglas, Round Lake, MN
 Arroyo, JoAnn L. - Clarkfield, MN
 Beam, David - Bemidji, MN
 Benck, Chad - St. Cloud, MN
 Berglund, JoAnne M. - Milbank, SD
 Besser, John - DeGraff, MN
 Christensen, Dean - Hanley Falls, MN
 Dreyer, Johannes - Worthington, MN
 Erickson, Jeff L. - Montevideo, MN
 Felton, Bryan - Sacred Heart, MN
 Floyd, David/Julie - Lancaster, MN
 Forkrud, Norman - Alexandria, MN
 Gates, Lisa - Clarkfield, MN
 Gloege, Ned O. - Madison, MN
 Gr. Falls Venture, Inc. - Eagan, MN
 Hjelm, Morris - Madison, MN
 Holt, James D. - Apache Junction, AZ
 Huber, Bryan - Hutchinson, MN
 Hultgren, Carolyn - Willmar, MN
 Hunt, Timothy - Lyman, ME
 Hunters Blind, Sam Simonson - Mpls.
 Hurt, Jennifer/Jeff - Renville, MN
 Innovex - Plymouth, MN
 Ireland, Verlin - St. George, UT
 Jacobson, Brent - Ortonville, MN

Jensen, Brian - Minneota, MN
 Jestice, Joseph - Evansville, MN
 Johnson, Paul A. - Dawson, MN
 Just, Gene W. - Sioux Falls, SD
 Kiefer, Sally A. - Clara City, MN
 Kockelman, Phyllis - Clarkfield, MN
 Kroening, David/Terri - New Ulm, MN
 Kuehn, Michael A. - Taunton, MN
 Leenerts, Tracy - Granite Falls, MN
 Longhenry, Jon Mark - Clarkfield, MN
 Lubrant, Mark - Granite Falls, MN
 Ludford, Linda - Henry, SD
 Marcella, Thomas, Sr. - Vesta, MN
 Marr, David/Sandy - Palm Coast, FL
 Martenson, Margaret/James
 Martenson Credits - Maynard, MN
 Matthews, Terry V. - Sleepy Eye, MN
 Meyers, Bill - Nisswa, MN
 Miller, Edward - Sioux Falls, SD
 Moe, J Matthew/Sue - % Randy
 Lavoie - Montevideo, MN
 Mondak, Christime - Wood Lake, MN
 Monsivais, Felipe - Clara City, MN
 Monson, Susan - Maynard, MN
 Mueller, Jeff - Dawson, MN
 Negen, Brenda - Rachos DeTaos, NM
 Nustad, Steve - Owatonna, MN
 Olson, Michael W. - Marietta, MN
 Olson, Terry L. - Milan, MN

Peterson, Marc - Forest Lake, MN
 Prather, John - Papillion, NE
 Progressive Dairies of MN - Steven
 Johnson - Chaska, MN
 Prouty, Luke D. - Sioux Falls, SD
 Richards, Robert - Montevideo, MN
 Rozowski, Eric J. - Courtland, NY
 Schmidt, Gary/Peggy - Boone, IA
 Schrader, John L. - Tracy, MN
 Schwartz, Walter H., % Mark C.
 Schwartz - Cold Spring, MN
 Sheppard, Douglas - Granite Falls, MN
 Sipma, Vern, %Guadalupe Delatorre -
 Clara City, MN
 Speaks, David - Maynard, MN
 Swanson, Rick Warren - Dawson, MN
 Swensen, Jerome - Fergus Falls, MN
 Tarter, Patrick A. - Kingman, AZ
 Thompson, David - Dawson, MN
 Thompson, Jim/Michelle - Willmar, MN
 Thompson, Patricia L./LeeAnn Stone -
 Milan, MN
 VanKeulen, Perry - Overland Park, KS
 VanKeulen, Ronald - Ghent, MN
 Wagner, Greg - Granite Falls, MN
 Wandersee, Joyce D. - Clara City, MN
 Webber, Brian I. - Montevideo, MN
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Spot Your Number!

Congratulations to McCammom Farms of Canby, L1-27-03, for identifying their hidden location number in last month's issue of the newsletter. As of this writing, the other member has not identified their hidden number, but has until the end of April to do so. There are two more hidden numbers in this newsletter, each worth a \$20 credit on your energy account if you are participating in Operation Round Up or \$10 if you are not a participant. If you find your number in the newsletter, call the office at 320-269-2163 or 800-247-5051 by May 31, 2013.

Operation Round Up offers financial assistance to a variety of needs in our area communities. Members of Minnesota Valley R.E.C. can contribute to this fund by allowing the cooperative to round up their electric bills

to the nearest dollar each month. The extra change is put into the Operation Round Up fund which is handled by a committee of cooperative members who distribute the money according to applications and under guidelines of the program's bylaws.

It's easy to start contributing - simply call the office and tell the Billing Dept. that you want to be added to the Operation Round Up list.



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Minnesota Valley Co-op News
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Postmaster: Send address corrections to:
Minnesota Valley Cooperative
Light and Power Association
501 South 1st Street
P.O. Box 248
Montevideo, MN 56265
Kathryn Christenson, Editor

“What to do if your power goes out!”

We all look forward to summer weather - but summer storms can bring high winds and lightning, and that can mean problems with your power lines. If your power goes out, please follow the guidelines below. Minnesota Valley crews will work to get your power back on as quickly as possible.



1. Check your fuses or circuit breakers.
2. Check with your neighbors to see if their lights are out.
3. Call Minnesota Valley at 269.2163 or 1.800.247.5051.
4. Be able to provide the **LOCATION NUMBER** for the account without power when reporting an outage. This number is printed on your monthly energy bill. Please report anything that may be helpful to our crews such as lines or poles down, sparks on poles, trees or branches on lines, etc. **STAY AWAY** from downed power lines!
5. If you are experiencing low voltage (a brownout) unplug anything with a motor including TV, DVD/VCR, refrigerator, freezer, microwave, computer and any other electronic equipment.
6. During a major power outage, turn on your battery operated radio for news concerning the outage and weather. We will usually broadcast messages on KDMA-AM/KMGM-FM in Montevideo, KLQP-FM in Madison, KMHL-AM/KKCK-FM in Marshall and KQIC-FM/KWLM-AM/KDJS-FM in Willmar.

Extreme weather conditions and prolonged outages are difficult for all of us and our working together will make it a much more tolerable time. We appreciate your patience and cooperation both with us and the CRC answering service.

Stay away from downed power lines!