

MINNESOTA VALLEY Co-OP NEWS

Volume 78 • No. 5 • May 2016



MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Margins up First Quarter as Sales are Down

The mild winter held our general use and electric heat energy sales use down for the first quarter of 2016. Overall, energy sales are down this year compared to last year by over 7%. Nonetheless, the total margin first quarter still remained much stronger than we had budgeted for. Our total margin through March was just over \$700,000 and we had planned on being at about \$450,000. Some of the reasons for still having a good bottom line include the obvious—such as we sold less so we bought less demand and energy. Wholesale power cost is still the biggest part of our overall annual budget. One of the less obvious reasons is that we refinanced a good portion of our higher cost debt. We are benefiting from the lower interest costs from some of the debt we refinanced at lower rates. These are just a couple of examples of factors that drive our bottom line. All of the employees at Minnesota Valley are working to keep down costs in their areas of responsibility which also makes a big difference. We try to make good decisions with your financial resources so that your electric power is not only reliable, but also affordable.

Capital Credit Allocation Information

Your capital credit allocation from the business year 2015 is listed on this power bill. This number represents your individual share of our \$2,179,160 margin this past year. If the cooperative continues to be successful, and there is no reason to believe otherwise, it will eventually be returned to you in cash. Next year we will be retiring from the balance of business year 2003 and some of 2004, which puts us presently at about a 14-year rotation.

Air Conditioning Season

Summer is right around the corner and with it comes the air conditioning season. If you do run into some problems with your current air conditioner, consider an air source heat pump as your replacement. Not only will it air condition, it will efficiently provide heat in the winter and you can run it on our reduced electric heat rate. Talk to the people in the Member Services Department for all the details including special rebates for this air conditioning season.

Have a great summer!

Minnesota Valley will be closed on Monday, May 30th in observance of **Memorial Day**.

We wish you all a safe and happy holiday!



May is National Electrical Safety Month

Minnesota Valley, along with all electric cooperatives, takes the safety of our employees, our members and our communities very seriously. Please join us in celebrating this month and always remember to stay safe around electricity!

Co-ops are
committed
to safety
excellence.

#electricalsafetymonth





Office Manager

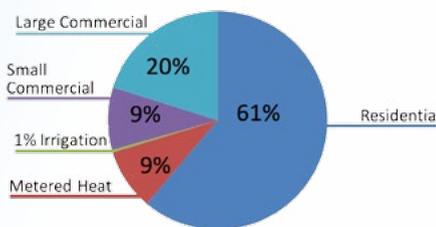
Whether Sales are Up or Down—Cooperative Members Win

The beauty of being part of a cooperative is that if sales are down, you, the members, get to keep your money because of lower energy bills and if sales are up, you get a portion of that money back through capital credits. Currently, our energy sales are down just over \$400,000 for the first quarter of 2016, which means this money has stayed with you, the members. D three zero two zero one At the same time, our margins are strong at just over \$700,000, which means if they hold true until the end of the year, these margins will be allocated based on your patronage. Your 2015 capital credit allocation is printed on your May bill.

Patronage by Class

Minnesota Valley currently has five major classes of members. These classes represent the type of customers we serve. As you can see, the majority of our sales continue to be residential members. Residential members include those members who have farms or a small business. The other area to note is metered heat. Fifty percent of our residential members have metered heat. Metered heat members continue to increase each year as it is a reliable, energy efficient way to heat our homes.

2015 Patronage by Class



It's That Time of Year Again—Budget Billing Sign Up

During the month of June, members can sign up for Budget Billing. Budget Billing 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 who choose Budget Billing are not assessed a late fee or disconnect notice charge as long as they pay the agreed amount. 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 Business Office at 320.269.2163 for more information.

Comparative Report

2

| | Jan-Mar 2016 | Jan-Mar 2015 | Jan-Mar 1996 |
|----------------------------------|--------------|--------------|--------------|
| Kwh Purchased | 57,859,371 | 62,476,215 | 42,122,361 |
| Kwh Sold | 55,304,239 | 59,584,463 | 38,792,829 |
| Cost Of Purchased Power | \$2,393,438 | \$2,784,512 | \$1,227,542 |
| Patronage Capital Margins | \$703,836 | \$623,021 | \$182,756 |
| Reserve For Taxes | \$68,750 | \$74,311 | \$108,030 |
| Cost Per Kwh Purchased (mills) | 41.37 | 44.57 | 28.89 |
| | March '16 | March '15 | March '96 |
| Total Plant | \$66,925,107 | \$64,171,415 | \$27,644,233 |
| # Of Members Receiving Service | 5,252 | 5,272 | 5,134 |
| Avg. Residential Bill | \$192.78 | \$211.12 | \$100.49 |
| Avg. Residential Kwh Consumption | 1,982 | 2,241 | 1,426 |
| Avg. Kwh Usage All Consumers | 3,042 | 3,361 | 2,319 |
| Peak Kw Demand (Peak Load) | 32,847 | 40,148 | 25,958 |

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 2002 and 75% of 2003 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 get in touch with us via one of the following methods:

Phone:

320.269.2163 or 800.247.5051

Email: mnvalley@mnvalleyrec.com

Mail:

Minnesota Valley R.E.C.
P.O. Box 248
Montevideo, MN 56265

Thanks for your help!

- » Anderson, Edward • Hudson, WI
- » Bahn, Lisa • Vesta, MN
- » Bergo, Angie & David Morales
Montevideo, MN
- » Courtney, Robert • Sioux Falls, SD
- » Enstad, Chad • Little Falls, MN
- » Felton, Bryan • Sacred Heart, MN
- » First Preston Foreclosure
Madison, TX
- » Govellan, Florencio
Granite Falls, MN
- » Guaranty Residential Lending, Inc.
Austin, TX
- » Hunters Blind % Sam Simonson
Minneapolis, MN
- » Kerr, Shirley D • Madison, MN
- » Lang, Tina • Taunton, MN
- » Northern PCS % Mark Aarberg
Waite Park, MN
- » Price, Greg • Maddock, ND
- » Robert Mills or Garrett Mills
Hackensack, NJ
- » Moore, Robin • Milan, MN
- » Panther Properties • Willmar, MN
- » Pederson, Laurie • Aberdeen, SD
- » Powell, Marilyn • Montevideo, MN
- » Speaks, David • Maynard, MN
- » Sultenfuss, Teresa • Clarkfield, MN
- » Tharaldson, Greg • Watson, MN
- » Zook, Michael • Montevideo, MN



ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

Crews are getting a lot of projects done with it being dry, but we sure could take a little less wind along with the warmer weather.

This past month, we installed some main underground powerline southeast of Montevideo in Sparta Township and another main northwest of Lac qui Parle Village in Lac qui Parle Township. We also transferred some overhead services to underground while doing service upgrades, along with getting rid of tree issues. None of these can be completed without the cooperation of the involved landowners/homeowners. We appreciate all your assistance and understanding during these projects.

We are starting up the pole treating crew at the end of May. You might see the crew out on the system digging and inspecting around poles. As always, if you have a project in the plans, it is never too soon to contact us.

Find Your Location & Get a \$10 or \$20 Bill Credit!

There are two hidden account numbers in this newsletter. If you find your number, you will receive a \$10 energy credit or \$20 if you are an *Operation Round Up* participant. Call the office to claim your credit.

Congratulations to Gordon Grannes of Shakopee who identified his location and received a \$20 credit on his energy bill!

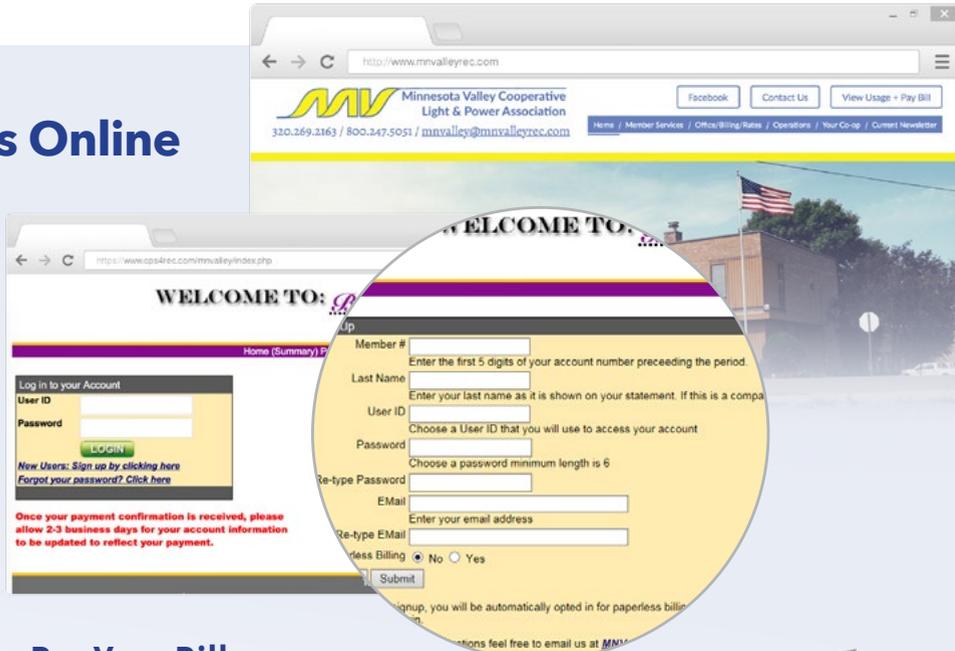
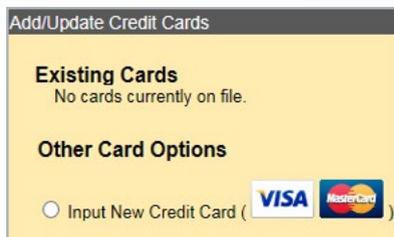
Setting Up Payments Online

Set Up Your Account

- 1) Visit www.mnvalleyrec.com
- 2) Click on *View Usage + Pay Bill* at the top of the page. You will be redirected to **Bill4U**.
- 3) Click on the *New Users* link.
- 4) Click *I AGREE* at the bottom of the terms and conditions.
- 5) Enter the first 5 digits of your member number (*the numbers before the decimal dot*).
- 6) Choose a memorable user name and a password. Write this information down for reference.
- 7) A valid email address is required to let you know when payments are processed.
- 8) After submitting, you will receive a link to open your account.

Add a Card:

If you are paying with a credit or debit card, visit *Manage Credit Cards* and input a new credit card.



Pay Your Bill:

To make a one-time payment visit *Make Payment*. To have your payments automatically withdrawn monthly visit *Setup Automatic Payments*.

For one-time payment:

Select your account. Then select the payment method you want to use. Once you've selected your card or added your check information, click *Submit*. You will receive an email confirmation.

For automatic monthly payments:

Select your account. Then select the payment method you want to use. Once you've selected your card or added your check information, click *Signup*.

You will receive a confirmation message letting you know that you've successfully setup automatic payments.

Automatic payments will come out of your account on the 27th of each month.



MEMBER SERVICES • BOB WALSH

Member Services Manager



Careers in the Electrical Industry

I've always believed that electric cooperatives are one of the best places in the world to work and now it would seem it's the best time ever to start a cooperative career. That's because electric cooperatives nationwide are seeing an unprecedented turnover in their workforce. In the next five years, electric cooperatives could be hiring replacements for 14,400 retiring employees. This comes at a time when the rural workforce is shrinking in many counties. So, where will the next generation of cooperative employees be found? We think they will be found right in our own communities!

The jobs available in the electrical industry are as far ranging as any other industry in the nation. No matter what your employment preference may be, there is probably a job out there for you. As spring graduations near, we will see thousands of people ready to enter the workforce or continue their education. Please consider a career in the electrical industry. It could turn out to be one of the best decisions you've ever made.

An electric cooperative career matches the desires of many members of the millennial generation who rank businesses that serve others high on their list of desirable places to work. After all, electric cooperatives exist only to provide a service to members. A cooperative career is about more than a paycheck. It comes with the benefit of working in the country and the satisfaction of knowing your efforts directly benefit your community.

Summer Double Rebate Days!

Don't forget to take advantage of Summer Double Rebate Days by installing a new air source heat pump or geothermal heat pump between April 1st and September 5th!

Heat Pump Promotion

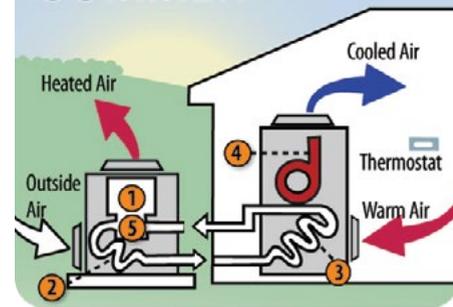
The main reasons for installing a heat pump are higher efficiencies, attractive heat rates and low-interest financing. Now through Labor Day, we will **DOUBLE** the rebates given for the installation of an air to air heat pump or a geothermal heat pump. That makes an already attractive heating system look that much better. These rebates will run from April 1st through September 5th, 2016. The system needs to be a new installation and placed in service between the dates stated above, certain size limitations apply. That will give you all summer to take advantage of all of the great benefits of a heat pump system along with the double rebate offer. Don't let this great offer slip away!

We are here to help you with some of the questions you may have. Sometimes shopping for something new can be a bit intimidating. P two zero two zero three A The Member Services Department is here to help you with any of the questions you may have. Please call us at 800.247.5051 or 320.269.2163 for more information.

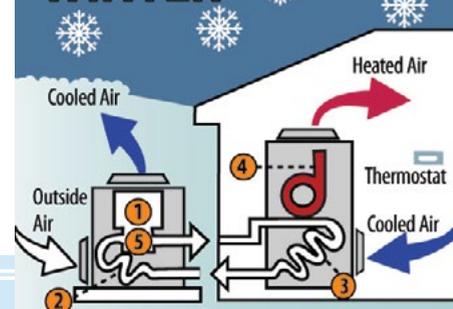
How Do Air-Source Heat Pumps Work?

By transferring heat between a house and outside air, these devices trim electricity use by as much as 30 percent to 40 percent in moderate climates.

SUMMER



WINTER



- 1 Compressor**
Increases refrigerant/freon pressure to accept the maximum heat from the air.
- 2 Condenser**
Coils move freon (and with it, hot or cold air) to or from outside air.
- 3 Evaporator**
Coils move freon (and with it, hot or cold air) to or from outside air.
- 4 Air Handler**
Fan blows air into a home's ducts.
- 5 Reversing Valve**
Switches the direction of the freon flow, changing the heat pump's output to hot or cold air (controlled by thermostat).

Source: NRECA

