



MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Ending 2024 in Good Financial Shape

We are in the process of closing out our books for the year 2024. We had a good year financially and operationally. As of this writing, we are still waiting for some final numbers before we finalize the year-end numbers. We expect to come in above \$2.5 million in year-end total margin which will be above budget. Some of the credit for this comes from the stable weather we had during the year and that sales were slightly higher. If not for a transmission outage affecting about ¼ of our system for some duration on 12/11, the overall average outage time would have been the lowest in the last 10-year period. Other than that one event, outages and their associated costs were low. We are hopeful that this will continue for this year. Anyway, we were fortunate to end the year in good financial and operational condition.

Annual Meeting

Please join us on Saturday, April 5th at the Prairie's Edge Casino and Resort for your Annual Owners' Meeting. We will be serving breakfast at 8:30 a.m. and get the meeting underway by 10 a.m. We will have director elections in Districts 2, 4 and 6. The business meeting and drawings for the Basin Tour and door prizes should be done by noon. The Annual Meeting is a great place where you can come visit with your board and employees about your business. It is a good place to get more information as to how your business is doing. We look forward to seeing you there!

(Manager's Message continued on page 2)

Notice of Annual Member Meeting Minnesota Valley Cooperative Light and Power Association

Notice is hereby given that the Annual Meeting of the members of Minnesota Valley Cooperative Light and Power Association will be held at **Prairie's Edge Casino** in Granite Falls, MN on **Saturday, April 5th, 2025**.

Registration and a breakfast buffet open at 8:30 a.m. at which time the following business will be transacted:

- 1) *To hear, examine and approve the reports of the officers, directors and committees.*
- 2) *To elect three directors for said Cooperative for the ensuing term.*
- 3) *For the transaction of other business as may lawfully be brought before the membership of the Cooperative and as may be deemed to be in the best interest of the Cooperative.*

Mark Peterson, Secretary
Dated: January 30th, 2025

APRIL

2025 ANNUAL MEETING // SATURDAY, APRIL 5TH, 2025

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Our **2025 Annual Meeting** will take place at Prairie's Edge Casino in Granite Falls. **Breakfast** will be served at 8:30 a.m. with the **business meeting** starting at 10:00 a.m.



Minnesota Valley Retires Capital Credits using FIFO Method

We will be retiring 2012 and 40% of the 2013 capital credits for a total of \$1,775,972. Checks will be mailed out about a week before the Annual Meeting.

Minnesota Valley continues to retire capital today the same way we have since day one, on a strict First-In-First-Out method. The FIFO method was prescribed in our original bylaws. The membership took the decision as to how capital is retired out of the bylaws and put it in the hands of the Board 29 years ago. This was during the early 90s. They were heady times in the electric utility industry fueled by the notion of deregulation and the fortunes it could bring. At that time, everyone in the electric utility industry was trying to figure out what deregulation would mean to the end user and to their organization. For cooperatives, the question was if we could adapt and survive in a way that would be of value to our members. Minnesota Valley was no different. Even though we were opposed to deregulation, we had to be prepared should it come to be. Being able to be flexible in the way we retire capital credits was considered at the time one of the tools we might need to try to keep members should they be able to choose electric utility suppliers.

During the early 90s, energy giant Enron was one of the biggest drivers of deregulation. Enron was big on paper in gas, electricity and water. Wall Street loved them and they were held up as visionaries as to how energy companies should operate. Enron wanted it all and they had

the political power lined up to help them get it done through deregulation legislation. They and several other big players in the utility industry, as well as the State of California, pushing hard. California went ahead and deregulated. Rates went high as big power companies played the state for huge profits. Enron, by far, was the biggest player in California gaming the new system for huge profits. Today, California is re-regulated and Enron is broke and gone. Enron would go down as one of the biggest business scandals of all time at that point with their "mark to market" accounting. They brought one of the largest and most respected accounting firms, Arthur Andersen, down with them. Anyway, deregulation is done for now. The member-owners of Minnesota Valley gave the authority of how to retire capital credits to your board in 1996. They have not wavered from retiring capital credits using the First-In-First-Out, FIFO, method as the previous bylaws had prescribed. This means we continue to use the current members' cash to maintain and improve the plant. Then we retire the oldest capital within a reasonable amount of time. We realize the meaning of "reasonable" is highly subjective. With that in mind, we think 13 years out in capital credits retired in our kind of capital-intensive business is very reasonable. Minnesota Valley is well above average on how much patronage capital we have paid out as a percentage of total patronage capital. We have retired almost 50%. The national average for electric cooperatives is 29%.

2025 Youth Tour to Washington, D.C.

Minnesota Valley is again sponsoring a youth trip in 2025. The Electric Cooperative Youth Tour to Washington, D.C. is scheduled for **June 16th-21st, 2025**. The students will join other young people from across rural America given the opportunity to see American government in action, tour our nation's capital, visit historic places of interest and meet many new friends.

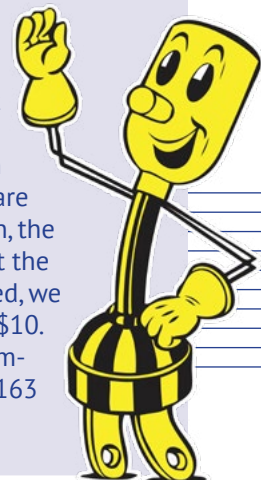
The program is open to all high school sophomores and juniors in Minnesota Valley's service area, whether or not their parents are members of the cooperative. To qualify, you will need to submit an essay and application form, which are available by calling Minnesota Valley.

All applications/essays must be completed and in our office by March 7th, 2025. If you place first in the competition, you will be awarded an all-expense-paid trip to our nation's capital along with other students from Minnesota cooperatives.

If you are a high school sophomore or junior living in Minnesota Valley's service territory and would like to go on this all-expense-paid trip, call 320.269.2163 or 800.247.5051 and we will email you the complete application or go online at www.mnvalleyrec.com and download the application.

Find Your Location Number

If you find your location number in this newsletter, you will receive a bill credit that starts at \$10 (*Operation Round Up participants get an additional \$10 bonus*). If no number is claimed before the 25th of the month, the unclaimed amount **rolls over into the next month**. If both location numbers are claimed in a month, the recipients will split the credit. Once claimed, we will start again at \$10. If you find your number, call 320.269.2163 or 800.247.5051.



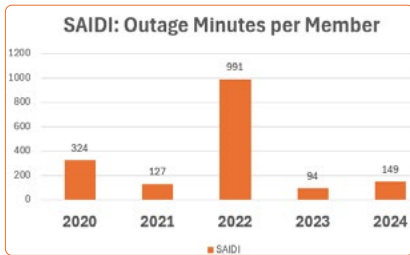
ENGINEERING & OPERATIONS // TODD BOLKEMA



Engineering & Operations Manager

Last year, our average member's service availability was 99.97%. This means that of the 525,600 minutes in a year our members were only out of power for 149 of those minutes. Consider how many things work correctly to make that happen. Basin Electric Power

Cooperative and Western Area Power Administration run their power plants, hundreds of miles of transmission lines move the power to us and then it runs through our system and transformers. Along the way there is an army of dedicated technicians and engineers keeping the electrical grid working reliably every day.



Our average outage minutes per member is comparable to most of the past years with the exception of 2022 when we had the large weather event. Our most impactful outage

was on 12/11/24 when we lost part of the 69kV transmission line. It contributed 113 minutes of the 149.

Despite the cold weather, we continue to make progress on our 2025 work plan projects. Those in the Madison area may have noticed that our contractor Karian/Peterson has installed several miles of the 69kV transmission line west from the substation on County Road 24. G one one four zero four This work will continue over the next months as conditions allow.

Our Echo Substation is fed by only one 69kV transmission line. To keep the lights on in that area while we replaced a pole required that we work it energized. It takes several bucket trucks holding the lines out while the pole is carefully replaced in the center. It is rare that we work hot 69kV but it is a necessary skill for linemen who work on our system.



Cogeneration and Small Power Production Compliance Notification

In compliance with MN Adopted Rules Relating to Cogeneration and Small Power Production Chapter 7835 along with State Statute 216B.164, Minnesota Valley Cooperative Light and Power Association is required to interconnect with cogenerators and Small Power Producers which satisfy the conditions of a Qualifying Facility. The Cooperative will provide information relating to rates and interconnection requirements to all interested members free of charge upon request. An application of interconnection is required for a Qualifying Facility to interconnect and operate in parallel with the Cooperative's distribution system and is subject to

approval by the Cooperative. Any disputes between the Cooperative and its members over interconnections, sales and purchases are subject to resolution by mediation of an independent third party. The third party mediator must be listed on the roster of neutrals for civil matters established by the state court administrator under Rule 114.12 of Minnesota's General Rules of Practice for the District Courts.

Members interested in obtaining further information should contact *Scott Kubesh, Member Services Manager, Minnesota Valley Cooperative Light and Power Association, at 320-269-2163/800-247-5051.*

Congratulations to **Randy Williamson** who found his location number and received **\$30** (plus **\$10** for being an Operation Round Up participant)! If you find your number, claim by the **25th of February** to be eligible for:



Comparative Report

	Jan-Dec 2024	Jan-Dec 2023	Jan-Dec 2004
Kwh Purchased	229,888,870	230,327,873	156,256,674
Kwh Sold	218,110,119	217,714,040	145,358,654
Cost Of Purchased Power	\$11,940,875	\$11,617,579	\$4,183,999
Patronage Capital Margins	\$2,206,692	\$2,688,450	\$1,587,259
Reserve For Taxes	\$305,079	\$258,414	\$175,200
Cost Per Kwh Purchased (mills)	52.05	51.78	26.77
	December '24	December '23	December '04
Total Plant	\$107,569,557	\$101,270,617	\$37,730,788
Number of Active Services	5,321	5,307	5,217
Avg. Residential Bill	\$295.60	\$256.72	\$149.01
Avg. Residential Kwh Consumption	2,914	2,362	2,566
Avg. Kwh Usage All Consumers	4,185	3,654	2,898
Peak Kw Demand (Peak Load)	43,380	36,623	32,158





Energy Assistance Program (EAP)

What is the Energy Assistance Program (EAP)?

The Energy Assistance Program helps people with lower incomes pay their heating/energy bills during the fall, winter and spring months. EAP agencies around the state take applications for the program and determine how much help each household can get to pay their heating bills.

Who can get help from the Energy Assistance Program?

EAP is available to many households with lower incomes, including homeowners and renters. Renters can get help unless they are subsidized with both heat and electric included in their rent. Your household's income has to be below 50% of the state median limit to get help.

How do I find out who my Energy Assistance Program agency is?

In Chippewa, Lac qui Parle, Swift and Yellow Medicine Counties: *Prairie Five Community Action* 800.292.5437

In Lincoln, Lyon, Redwood and Renville Counties: *United Community Action Partnership* 800.992.1710

How much will the Energy Assistance Program pay?

It depends on how many people live in your household, their income, the type of fuel you use and how much fuel you use. Those families with the lowest incomes and the highest cost for energy will get the most help paying their bills. You will get between \$200 to \$2,000 of help. The average grant is \$500. Households whose energy services have been disconnected (or are in danger of being disconnected) may be eligible

for additional help to get reconnected or prevent disconnection. D one two eight zero three Even if you received a grant earlier, you may be able to get more help. Some homeowners may also be eligible for furnace repair/replacements if they meet eligibility requirements. Ask your local Energy Assistance agency or visit www.minnesotaenergyresources.com for more information.

What is the Cold Weather Rule?

The Cold Weather Rule protects all Minnesotans from having their heat turned off during the winter (from October 15th to April 15th) even if they have not paid all of their bills. There is information about the Cold Weather rule on the EAP application. If you fall behind paying your heating bills, you will get a letter in the mail from your energy company called a *Notice of Proposed Disconnection* telling you that your heat may be turned off soon. To make sure your heat is not turned off, call your utility company and set up a budgeted payment plan. That way, you can plan to pay about the same amount each month of the year, instead of having very large bills during the winter.

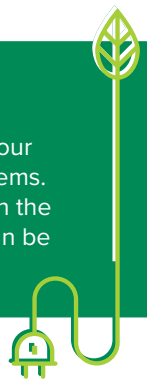
What will happen if my heat gets shut off?

If your heat gets shut off, it will cost more money (a reconnection fee) to have it turned back on. Your energy company may also require an additional deposit before they will turn on the heat. That is why it is important to fill out the Cold Weather Rule form or arrange a payment plan with your energy company. Then your heat cannot be turned off during the winter as long as you make the required payments.

Energy Efficiency Tip of the Month

Taking steps to help your home heating system run more efficiently can reduce energy use and lower your winter bills. Check to see if any air vents around your home are blocked by furniture, curtains or other items. Obstructed vents force your heating system to work harder than necessary and can increase pressure in the ductwork, causing cracks and leaks to form. If necessary, consider purchasing a vent extender, which can be placed over a vent to redirect air flow from underneath furniture or other obstructions.

Source: energy.gov



Office Hours

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

24-Hour Telephone Answering

320.269.2163
800.247.5051

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