



MANAGER'S MESSAGE • PAT CARRUTH



General Manager

We've Seen This Movie Before

The spot market for electricity went wild in Texas this summer and may give a glimpse of things to come. Power prices jumped from less than 1.5 cents per kwh to as much as \$9 per kwh in July. When the wind stopped blowing for the wind factories in that region and there was simply not enough gas or coal fired facilities to backfill, the demand for power and the price went up. As ongoing movement toward more wind energy factories and the retirement of more reliable baseload coal-fired power plants continues, it would be wise for us to keep the Texas power grid event this summer in mind. At some point, the demand will go up to the point that price will not matter. There simply will not be enough power and there will be blackouts.

If we as a country ignore the occasional blackouts and continue our present course toward only wind and solar without enough gas and coal, there will be rolling blackouts and eventually some long-term grid collapse. We have seen this movie before back in the mid 90's. At that time, the electric utility industry was being deregulated under the guise of bringing us all cheaper electricity prices. This movement was pushed by many different interests including business, power marketers and their respective political cronies.

California, of course, wanted deregulation in the 90's but also wanted all fossil fuels banned from the state. They broke all three of their big investor owned utilities driving most fossil fuel power production out of the state. They sided with a company called Enron and other power jockeys who told California not to worry, they would provide. Enron's

(Manager's Message continued on page 2)

Celebrating the Cooperative Difference

Every October, cooperatives from across the nation participate in **National Cooperative Month**. This annual celebration reminds the public about the purpose of cooperatives and recognizes the significance of the "cooperative difference."

The cooperative difference is found at the very core of how we structure and carry out our business. Minnesota Valley REC was first formed in 1937, when a group of neighbors came together to bring electricity to their rural community. The cooperative now maintains over 3,000 miles of power lines and serves more than 5,000 members throughout Chippewa, Lac qui Parle, Lincoln, Lyon, Renville, Yellow Medicine, Redwood and Swift Counties.

Although Minnesota Valley has grown in size, the cooperative remains committed to its original purpose of providing safe, reliable and affordable power for its members. Our focus has always been, and continues to be, on making decisions that best support our local communities. We are a locally governed entity committed to serving the people who live and work in our region.

National Cooperative Month is also a good time to reflect on what sets the cooperative business model apart from other types of businesses. As a cooperative, Minnesota Valley bases our business on seven cooperative principles: *voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; and concern for community.*

We are a private, independent electric utility owned by the same members we serve. We are firmly invested in our local community and provide a valuable service for our consumers. This October, please join us in taking some time to celebrate the many benefits of being part of a cooperative!

Your Electric Cooperative needs Your Help

Your electric cooperative works hard to provide safe, reliable and convenient electrical power for you and your family. We also provide programs to help you use energy efficiently.

To help us plan for the future and determine what programs will benefit you most, we need your help.

This fall, we will be conducting a survey of our members. If you receive a survey, please help us by taking a few minutes to complete it. Your answers are very important, so respond as best as possible and return it promptly. A postage-paid return envelope is included for your convenience. The survey will also be available to complete online.



nickname became "The Crooked E" and they earned it. Enron and other unscrupulous parties in the spot market, along with willing utility buyers, proved to be a recipe for disaster. Soon there was no power at any price coming into the state of California. Rolling blackout ensued for a big part of the summer of 1998. We were not immune to the experiment going on in California as prices in the Midwest during the summer of 1998 hit \$10 a kwh on the spot market. Midwest power plants were sending power meant for here, westward for the higher prices. Having our own coal generating plants, we kept the lights on and the rates reasonable.

For cooperative members, there is one big difference between 1998 and today. Back then cooperatives, including Minnesota Valley, owned outright the coal, the power plant, the transmission, the distribution and the meter on your yard pole. The chances of you being subject to any long-term blackouts because of power generation or transmission events were slim. There were fewer generation and transmission entities in our power pools back then and they were vetted by the proven online availability of their generating assets. Today, most cooperatives, including Minnesota Valley, are part of much larger power pools than in the 90's. Increasingly, all power pools are filling up with more inexperienced and unvetted merchant power producers selling wind and solar energy at taxpayer and ratepayer lowered

prices. These renewable contracts are supposed to be backed up by coal or gas for reliability. Most in the electric utility industry will go after the short-term gain. They will continue to gobble up the cheaper heavily subsidized energy contracts. Big companies will continue to avoid taxes and put up more wind and solar factories until the tax credits stop. It is simple business. The requirement of baseload coal or gas for backup in these renewable contracts will eventually get watered down. That will cause, in the meantime, little investment in the baseload coal and gas fired plants that have proven to be reliable and affordable over the long haul. The result will be no backup when the wind doesn't blow.

The continued march toward the so-called renewable energy future will bring reality to the power grids in our country in the very near future. The day is coming when there will be more frequent blackouts. In our part of the country, it will be when it is 30 below zero or 100 above. Those blackouts will be followed by more blackouts, the only discernable difference will be the longer duration. Not until we recommit ourselves to reliable baseload coal and gas fired plant, will these blackout events subside in frequency or severity. You can't build enough wind and solar factories in the entire country, even if you had the transmission line, to keep the lights on when the sun doesn't shine and the wind doesn't blow. Yes, we have seen this movie before and we know how it ends.

ENGINEERING & OPERATIONS • BOB KRATZ



Manager of Operations

Now is the time of year when the weather can change your plans on a moment's notice. Minnesota Valley crews have been busy getting as much done as possible before the weather changes. In late August and into

September, the underground plow was putting in cable while dodging the rain drops. The crews were busy with service upgrades as can be seen in the picture to the right with Trevor Diggins working on the connections for the transformer and Andy Johnson doing the conversion for the bigger meter loop.

Pole change outs on our system will continue throughout the coming months along with underground services, but the underground services will come to a halt once freeze up is upon us. K two twenty two zero three A Our contractor, Karian-Peterson, completed a three mile stretch of three phase overhead line rebuild north of the Minneota Substa-



tion. This was part of our four year work plan that will help the capacity of that line with the heavier structures.

I'm sure there are a lot of crops to come out yet due to the late planting. Just a reminder to be safe around utility poles and overhead wires.

Veterans Day is November 11th and once again, thank you to all the Veterans for what you have done and continue to do.

Minnesota Valley will be closed Monday, November 11th in honor of Veteran's Day.



Comparative Report

	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 1999
Kwh Purchased	144,043,134	147,287,876	91,050,835
Kwh Sold	135,526,597	138,974,888	84,851,421
Cost Of Purchased Power	\$6,865,499	\$7,117,312	\$2,817,219
Patronage Capital Margins	\$887,247	\$1,236,369	\$283,821
Reserve For Taxes	\$170,664	\$183,333	\$228,000
Cost Per Kwh Purchased (mills)	47.66	48.32	30.94
	August '19	August '18	August '99
Total Plant	\$74,610,504	\$73,300,613	\$32,412,243
Number of Active Services	5,301	5,297	5,190
Average Residential Bill	\$199.58	\$206.93	\$115.44
Average Residential Kwh Consumption	1,559	1,642	1,510
Average Kwh Usage All Consumers	2,690	2,879	2,013
Peak Kw Demand (Peak Load)	28,271	31,102	22,690

Find Your Location Number and Receive a Bill Credit!

We hide two account numbers in every issue of our newsletter. If you find your number, you receive a \$10 bill credit (*Operation Round Up participants get a \$10 bonus*). If neither 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, it will start again at \$10. If you find your number, call 320.269.2163 or 800.247.5051.



Congratulations to Bill Croatt of Madison who identified his location and received a \$10 credit off his energy bill!

CLAIM BEFORE OCTOBER 25TH FOR: \$10

216B.097 COLD WEATHER RULE; COOPERATIVE OR MUNICIPAL UTILITY

Subdivision 1. Application; notice to residential customer.

(a) A municipal utility or a cooperative electric association must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

- (1) The household income of the customer is at or below 50 percent of the state median household income. A municipal utility or cooperative electric association utility may (i) verify income on forms it provides or (ii) obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.
- (2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household.
- (3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 each year, notify all residential customers of the provisions of this section.

Subd. 2. Notice to residential customer facing disconnection.

Before disconnecting service to a residential customer during the period between October 15 and April 15, a municipal utility or cooperative electric association must provide the following information to a customer:

- (1) a notice of proposed disconnection;
- (2) a statement explaining the customer's rights and responsibilities;
- (3) a list of local energy assistance providers;
- (4) forms on which to declare inability to pay; and
- (5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 3. Restrictions if disconnection necessary.

(a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with subdivision 1, the disconnection must not occur:

- (1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;
- (2) on a weekend, holiday, or the day before a holiday;
- (3) when utility offices are closed; or
- (4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved.

Subd. 4. Application to service limiters. For the purposes of this section, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

History: 1991 c 235 art 2 s 1; 2001 c 212 art 4 s 2; 1Sp2003 c 11 art 3 s 2; 2007 c 57 art 2 s 14,15



MEMBER SERVICES • BOB WALSH



Member Services Manager

And The Survey Says

You probably noticed on the front page of this newsletter that we are urging you to complete an End Use Survey if you are randomly selected to receive one. The surveys will be mailed out in October and can be returned by mail or online if you would like. Minnesota Valley will conduct surveys of our members occasionally to meet the requirements of the Rural Utilities Service (RUS). Basin Electric is also bound by certain requirements to conduct member surveys. The last time Basin sent out a similar survey was in 2013.

A small sampling of our residential members will be selected for the survey from a list of our entire residential membership. Any non-residential consumers will not receive the survey. The 2013 End Use Survey basically contained the same questions as this 2019 survey will have. The survey will ask you to provide us with information about your residence, type of heating and cooling systems and major appliances.

In 2013, the surveys were mailed out to 946 of our members, with 365 of those being returned. That was nearly a 40% return rate. We hope to have as good of a return percentage or better. We would appreciate your participation if you were to receive a survey. The information will help your electric cooperative and its power suppliers meet your energy needs in the future.

At the end of the survey, there will be a space for your comments and suggestions. As a nonprofit, member-owned cooperative, we are committed to customer service and we welcome your comments, questions, criticism or suggestions. If you would like us to respond, please include your name. Otherwise the survey is anonymous and we have no way of knowing who to contact.

Colder Weather is Coming

It is getting to be that time of year again. The temperatures are dropping and fall is in the air. With the coming of colder weather, there are a few things that we should be looking at to prepare. Minnesota Valley offers the Furnace Inspection Program to help you rest assured that your heat system is ready for the winter months. For \$60, we will inspect your heating system for proper operation. Please contact the Member Services Department to get on the schedule.



Last month, we urged you to check your electric heat meter to make sure it is powered up. If your electric heat meter is not turned on, you will not get the credit you have coming for being on an electric heat rate. One twenty eight zero two Your heat meter will most likely receive its power from your electrical service and make sure the breaker supplying power to the heat meter is turned on.

Have a Great Fall!

Meet Your Employees



Name Eric Wollschlager

Hometown Montevideo, MN

When did you start at Minnesota Valley? I started in June 1998 as a 1,000 hour apprentice lineman, then was hired as a full time lineman in June 1999. I became System Coordinator in July 2017.

What do you like best about working here? The people are great to work with.

What do you like to do in your free time? I like to ride motorcycle.

What did you want to be when you grew up? I always thought I wanted to be a pilot because of my interest in aircraft.

Office Hours

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

24-Hour Telephone Answering

320.269.2163
800.247.5051

Minnesota Valley Co-op News

Published monthly by:
Minnesota Valley Cooperative
Light and Power Association

Website

www.mnvalleyrec.com

Address

501 South 1st Street
P.O. Box 248
Montevideo, MN 56265

