



MANAGER'S MESSAGE • PAT CARRUTH



General Manager

In Good Financial Shape

Through August, Minnesota Valley has a total margin of \$1,236,369.

We had planned on being at approximately \$807,730 at this point. We are comfortably ahead of where we had planned on being at this time financially. Last year through August, we were at a total margin of \$124,441. Barring anything unforeseen, we should end the year well ahead of the budgeted total margin of \$1,683,033.

Operationally, with the lack of any weather delays so far this year, we are ahead of schedule. We are getting ready to give a draft Work Plan and Budget to the Board this month. The Board will take action on it at the November board meeting. The proposed budget for 2019 holds rates steady.

Cooperative Culture

For those of us involved with cooperatives, October is the month we typically pause and reflect on the cooperative movement in this country. There are over 47,000 cooperatives across this country. Cooperatives have been formed for farming, banking, housing, child care, electric and telephone service, food retailing and many other goods and services. These cooperatives are made up of over 120 million

people who are enjoying a better life because of their cooperatives. The cooperative movement continues to be strong as these cooperatives continue to provide value to their members.

We are fortunate at Minnesota Valley to have board members and employees with cooperative principles well engrained in our being. It is hard to imagine making decisions around here without putting the collective best interests of all of the member-owners out front. "How will it affect the member at the end of the line?" is a question still asked frequently around here when making decisions.

We continue to believe in the core principles and values of a cooperative including communication, fairness, democratic control and community involvement. No one knows what is best for a local community more than the people who live and work there. Local control and consumer ownership were the guiding principles that rural communities used over 85 years ago to form electric cooperatives—and they still hold true today.

One Member-One Vote

It's not just for cooperatives. Please remember to vote on Tuesday, November 6th! As you know, voting is a duty, an honor and most of all, a privilege.

October is Cooperative Month

Curious about what makes your cooperative different from other businesses? With October being National Cooperative Month, this is an excellent time to highlight the cooperative difference.

First of all, as a rural electric cooperative, Minnesota Valley Light and Power Association is a member-owned, locally-governed entity. In addition to purchasing power from the cooperative, you are a member-owner. You have the opportunity to vote for the co-op's board of directors through a democratic election process.



Minnesota Valley is divided into seven districts, with each district represented by a member on the cooperative's board of directors. These directors are accountable to and serve as representatives of the cooperative's membership. Directors are elected each year at the cooperative's Annual Meeting. Members are encouraged to attend and vote at the cooperative's Annual Meeting and District Caucus Meetings.

One of the greatest strengths of a cooperative is the ability to make decisions on a local level. There are nearly 50 electric distribution cooperatives in the state of Minnesota, all with a similar mission to deliver safe, reliable and affordable power. However, the areas served by each of our state's electric cooperatives differ from one another in a variety of ways.

Rural electric cooperatives are committed to serving the communities in which they are located. As your friends and neighbors, cooperative employees live and work in the local region served by the cooperative. L one eighteen zero four This direct connection to the area allows the cooperative to quickly adapt to changing consumer expectations and to anticipate future needs.

While focusing on members' needs, cooperatives also work for the sustainable development of their communities through policies and programs accepted by the members. A few of the ways Minnesota Valley invests in the local community include: free electrical safety demonstrations, annual scholarships for area students, participation in the annual Electric Cooperative Youth Tour to Washington, D.C. and the co-op's voluntary Operation Round Up program that supports organizations, service groups, projects and families in Minnesota Valley's service territory.

The cooperative business model is truly unique. Its mission-oriented, member-focused nature makes sure the needs of local people remain the top priority.



Minnesota Valley Cooperative will be closed Monday, November 12th in observance of Veterans Day.

ENGINEERING & OPERATIONS • BOB KRATZ



Manager of Operations

This past month has been busy getting things done for upgrading services so they are ready for harvest drying season. Some of the scheduling this time of year gets extended out longer than consumers prefer.

The crews have also completed changing out a lot of the rejected poles from line patrol and pole treating for the year. The ones that are left are in cropland and will be completed after harvest is done.

Crews are also drawing oil samples from all of our substation transformers. This is a preventive maintenance program that we do on an annual basis. Our crews draw a small sample of oil from the transformers. These samples are then sent to a lab for analysis for different gasses that may have formed. The presence of different gasses in the oil can indicate problems in the transformer.

As I've mentioned in previous columns, Minnesota Valley Tree Service crews are busy cutting trees in the northeastern part of the system, along with other selected problem spots. Please let crews cut as much as they can so a repeat visit is not required for several years into the future. Every time we experience a wind storm, there are always a few places that lose power because of tree branches laying on the lines or going through the line.

One of our crews is currently replacing the poles and wires along County Road 27 in Lac qui Parle Township. This three-mile section of line upgrade will help with load in that area. The pictures below show crews stringing new wires while the old poles and wires lean out of the way.

Please stay safe and have an enjoyable harvest season.



Comparative Report

	Jan-Aug 2018	Jan-Aug 2017	Jan-Aug 1998
Kwh Purchased	147,287,876	133,892,937	89,559,974
Kwh Sold	138,974,888	126,985,685	83,423,150
Cost Of Purchased Power	\$7,117,312	\$6,644,994	\$2,836,878
Patronage Capital Margins	\$1,236,369	\$159,202	\$(10,609)
Reserve For Taxes	\$183,333	\$183,333	\$236,000
Cost Per Kwh Purchased (mills)	48.32	49.63	34.93
	August '18	August '17	August '98
Total Plant	\$73,300,613	\$70,593,967	\$30,997,289
Number of Active Services	5,297	5,277	5,194
Average Residential Bill	\$206.93	\$179.28	\$117.08
Average Residential Kwh Consumption	1,642	1,481	1,527
Average Kwh Usage All Consumers	2,879	2,650	2,023
Peak Kw Demand (Peak Load)	31,102	28,411	25,042

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

There are two hidden account numbers in this newsletter. If one of them is yours, you will receive a \$10 energy credit or \$20 if you participate in Operation Round Up. Call the office at 320.269.2163 or 800.247.5051 if you find your number.

Congratulations to Donald Verkinderen who identified his location and received a \$20 credit to his energy bill for being an Operation Round Up participant!

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 Manager

Furnace Inspections

It is that time of the year again. We are experiencing those chilly mornings and some of us may have already turned our furnaces on for the heating season. With the heating season upon us, it is time to take a serious look at your heating system. Many of us just turn up the thermostat and expect the furnace to work—and that may be the case. The problem with that is many of our furnaces have not been properly serviced for quite some time. This lack of preventative maintenance could be costing you money. There are many things that could be robbing you of the full potential of every heating dollar.



In some instances, you may need to arrange for a technician if you have furnace operation issues. Contact the Minnesota Valley Cooperative Member Services Department since a complete furnace inspection usually requires a professional technician. Call and arrange for a qualified technician to schedule a furnace inspection. Annual tune-ups have an important value for furnaces, just as they do for cars. We would be happy to schedule your service work. Contact us at 320.269.2163 or 800.247.5051.

Your Heat Meter can Save you Money

In our last newsletter issue, we urged members to check their heat meters to make sure the power was on. If a heat meter does not have power, it will not register the kWhs

used by your electric heat source. Your heat is on a “submeter” that registers how much credit you will receive on your bill. Therefore, if your meter is turned off, it could be costing you money. Please verify that your heat meter is on and registering kWhs so you get the credit you have coming.

Financing is Available

Minnesota Valley offers low interest loans for energy conservation practices like weatherization, installation of windows, doors and insulation. Minnesota Valley also offers loans for the purchase and installation of electric heating and cooling products. The loan funds may be used for air to air heat pumps, ground source heat pumps, electric heating equipment and central air conditioners. More than ten percent Poor electrical wiring sometimes can be a contributing factor to fires in our homes. These loan funds are available to replace old wiring that you may not feel comfortable with.

Conditions of obtaining a loan are that you must be a member of Minnesota Valley REC, have a good credit rating with Minnesota Valley and submit a credit application to our office. All applications are completely confidential and can be processed within a matter of days. A very reasonable rate of 5% simple interest is charged.

A qualifying member is eligible for one or any combination of the loans described above up to an aggregated total of \$15,000. Whatever loan you are interested in, please contact the Member Services Department for more information on these excellent programs. They can be reached during normal business hours at 320.269.2163 or 800.247.5051.

Now Available: Westinghouse Water Heaters

Minnesota Valley has been selling and installing electric water heaters for many years. Recently, we decided to start carrying another line of lifetime warranty electric water heaters. We are now selling and installing **Westinghouse** tanks. Electric water heaters are an efficient and safe way to heat water and a lifetime warranty will always provide you with peace of mind. Make sure to call our Member Services Department with questions and for more information.



Westinghouse

The Westinghouse Water Heater combines high quality stainless steel construction and energy efficient operation, providing long draws of hot water without consuming large amounts of energy. Durable components, low standby heat losses, high recovery rates and a lifetime warranty make the Westinghouse a great choice for your water heating needs.

Office Hours

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

24-Hour Telephone Answering

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Minnesota Valley Co-op News

Published monthly by:
Minnesota Valley Cooperative
Light and Power Association

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www.mnvalleyrec.com

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