

MINNESOTA VALLEY Co-OP NEWS

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MANAGER'S MESSAGE • PAT CARRUTH



General Manager

2016 Work Plan and Budget

Work is well underway on our work plan and associated budget for next year. We know at this point that we are facing a pretty good increase in wholesale power rates from Basin Electric for 2016. Increases in costs, other than power supply, look to be pretty manageable for next year. However, we will not be able to absorb the almost 7% increase in wholesale power from Basin in our present retail rate structure. We will be doing a Cost of Service Study to assure that we are assigning costs equitably across our different rate classes. Anyway, we will have proposed rate adjustments for 2016 ready for the board to look at by the end of the year.

Harvest Underway

Please stress safety in all aspects of your harvest activities again this year. Be mindful of power lines when moving big pieces of equipment around. Contact

with power lines is our main safety concern. If you do happen to hit a pole or guy wires with farm equipment, please let us know so we can fix those problems right away. That is what we are here for.

Please Think About our Power Poles When Burning Ditches

Burning ditches has caused much damage to expensive power poles over the years. Please be careful. If you do accidentally burn poles, please let us know so that they can be replaced.

October is Cooperative Month

As we move into the October harvest, it reminds us of the role cooperatives play in our lives—particularly in rural America. Cooperatives operating today in the U.S. number over 20,000 in many different business and service sectors. Cooperatives have thrived in part because the concept

is so fundamental. People banding together to form an independent business entity to serve the needs of the collective membership. Cooperatives hold dear to solid core values, which are not present in most other business models. These values are geared for the members and by the members we serve. Every member is part owner of this company. As a member-owner, you have a say. The board members you elect are your neighbors and conduct your business in your best interest. We are self-regulated and our rates are set to cover operating costs and produce a margin. All of that margin is eventually retired and returned back to you in cash. The employees of your cooperative are right here working and living in your community. When the lights go out, they are right here to do what it takes to get them back on as quickly and safely as they can.

Coming Soon: Minnesota Valley Facebook Page

Social media started out as the latest trend and has bloomed into becoming a large part of how society communicates. People are not only connecting with friends and family on social media, but also businesses. We have received feedback from members and employees looking for a social media presence from Minnesota Valley. This feedback led us to start looking into how we could provide this to our membership.

After deciding to implement a social media strategy, we researched numerous different social media platforms and how other businesses were already utilizing them. We had the opportunity to meet with another electric cooperative to discuss how they operated their social media presence.

After doing our research, Facebook was the obvious choice to start our social media presence.

(continued on page 2)



Minnesota Valley's Facebook Page (continued from page 1)

Minnesota Valley is excited to announce that on September 16th, we will be launching an official Facebook page. As of June 2015, Facebook has more than 1.44 billion users. In 2014, 71% of adult internet users had a Facebook account. Facebook will provide a platform to quickly and directly connect with our members. We hope to use our Facebook page to build relationships and trust between our organization and the members we serve. This page will give consumers a voice and encourage two-way communication between the co-op and the people interested in Minnesota Valley. We will use social media to educate (share news), listen (seek feedback) and engage (create conversations).

The success of the page will rely on having an engaged membership. Your interaction with the page will help us understand how we can better serve our members.

You will be able to find our page by searching for *Minnesota Valley Cooperative Light and Power Association* in the search bar of Facebook. Please "like" our page to make sure you get our updates showing up on your timeline. Also, we urge people to share our page and posts to be able to reach as many people as possible. Your feedback will be appreciated. Please read over the *Page Policy* (located on the Facebook page) before making any comments. This page will only be updated during normal business hours. If you need assistance, please continue to call our office.

We look forward to this new venture and hope it will serve as a benefit to our members, employees and the communities we serve. Open communication with our members aligns with cooperative principles and Facebook will help foster increased communication. Be sure to call if you have any questions on the page or need assistance finding it.



Back to School Safety Tips

As summer comes to a close, it's time for kids to once again head back to school. With more children out on the roads waiting for buses and spending time home alone after school, it's important to refresh your family's electrical safety knowledge.

Here are some basic electric safety tips to share with your kids:

1. Don't play near or around power lines or poles while at school or when walking home.
2. Stay clear of transformers and other electrical equipment. If you see an unlocked transformer box, report it to Minnesota Valley immediately. This is as dangerous as an overhead line being down and should be treated the same way.
3. Do not place objects, such as pens or pencils, in electrical outlets. Electrical shock or burn injuries can be caused by tampering with a wall outlet.
4. When unplugging something, be sure to hold the plug by its base and firmly, but slowly, remove it from the outlet. H one fourteen zero three Avoid yanking it out by the cord.
5. Stay away from anything marked "Danger," "High Voltage" or "Keep Out." Substations are a particularly dangerous place for children. If a ball or other toy enters the fence surrounding a substation, call Minnesota Valley for help. Substations hold deadly amounts of electricity and should only be entered by professionals.
6. Include utility emergency numbers with other posted emergency phone numbers in your home. In the event of a safety hazard or emergency situation, instruct your children how to call for help.
7. When driving children to and from school, make sure to obey all traffic laws and use caution when driving in areas where utility crews are working. Pay extra attention before and after school for kids crossing the street and walking home from school.



DON'T FORGET!

Contact Minnesota Valley to schedule your fall furnace inspection. A Minnesota Valley technician will service your heating system no matter what type of fuel source it is for \$60 plus parts. Call the Member Services Department now at (320) 269-2163 or (800) 247-5051 to get on the list.



Moody's: Coal Has a Future

In a recent report, Moody's Investors Service argues coal, as an electricity generation source, isn't going away. While the study "Coal-Fired Power Plants Won't Soon Be Replaced by Alternative Sources" notes 27 percent of the electricity generated in the United States comes from coal-burning stations, down from 31 percent a decade ago, further declines over the next several years are expected to be minimal "unless carbon emissions regulations are accelerated."

Moody's expects 13 GW of coal capacity to retire this year. However, the average coal fleet capacity factor has risen to 61 percent, up from 55 percent five years ago. Moreover, power produced from coal-fired generation in 2014 was 44 percent greater than that from natural gas sources, and 105 percent higher than from nuclear reactors.

"As coal plants become more efficient, and especially as less-efficient plants are decommissioned, it doesn't make economic sense for most states to replace them with solar, wind or even nuclear and natural gas," Moody's said. Moving to those energy sources "would result in required revenue increases ranging from 11 percent to 65 percent, likely creating customer and regulatory pushback. These potential rate increases do not factor in additional stranded costs associated with retiring generation assets."

BUSINESS OFFICE • CANDICE JAENISCH



Office Manager

Reporting Outages

This last month, Minnesota Valley experienced an outage that affected several substations. This left a number of members without power and trying to call in their power outage. During a 1½ - 2 hour period, Minnesota Valley had well over 350 phone calls! We worked relentlessly trying to answer all of the phone calls but were not able to answer all of them. Some of you received a busy signal or got our answering machine during this time.

Going forward, if we have a major power outage, our phone message will give a brief description of the location of the outage and what substations are affected, if any. Be confident that our Business Office staff is working diligently to answer all calls and relay those messages to the Operations Department. Our website and Facebook page will also be updated during regular business hours so you can check for further updates.

Once your power is restored, it is not necessary for you to contact Minnesota Valley to relay that information. However, if you have another issue during a power outage, please call the Business Office and we will assist you.

We understand the inconvenience you experience during a power outage and appreciate your patience during this time.

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

Fall is upon us with the harvest of small grain completed. Now the rest of the fields will follow shortly, if not already. Please be careful and aware of overhead lines and structures with equipment during harvest.

With the cooperation of the landowners/renters of affected parcels, we are planning to do some more line improvements once the crops are removed and before it freezes. Our pole treating crew has completed the summer checking and digging around the base of power poles, while doing an increment boring of the center of the pole for wood quality. This is followed by preservative treatment to extend the useful life of the pole. This year was a good season with almost 4,000 poles inspected.

Our crews are also busy upgrading individual services. We have our contractor, Karian/Peterson, constructing six miles of three phase line north of Gluek.

Have a safe harvest!

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.

There were no winners from last month's issue. Keep looking!



Comparative Report

	Jan-Jul 2015	Jan-Jul 2014	Jan-Jul 1995
Kwh Purchased	121,272,686	126,802,392	79,875,907
Kwh Sold	115,090,472	120,337,514	73,393,961
Cost Of Purchased Power	\$5,620,557	\$5,727,886	\$2,465,859
Patronage Capital Margins	\$774,745	\$1,079,013	\$225,873
Reserve For Taxes	\$173,392	\$178,156	\$181,325
Cost Per Kwh Purchased (mills)	46.35	45.17	34.67
	July '15	July '14	July '95
Total Plant	\$65,704,108	\$62,777,434	\$25,819,965
# Of Members Receiving Service	5,268	5,269	5,158
Average Residential Bill	\$193.02	\$189.49	\$126.04
Average Residential Kwh Consumption	1,676	1,615	1,395
Average Kwh Usage All Consumers	2,902	2,881	1,934
Peak Kw Demand (Peak Load)	30,106	30,227	24,605



MEMBER SERVICES • BOB WALSH

Member Services Manager



Heat Pump Rebates

Our recent heat pump bill crediting program went well, but it is not too late to install a new heat pump in your home or business. In fact, any time is a good time to install a heat pump for your heating and cooling needs. Minnesota Valley still offers rebates for the installation of a heat pump system, whether it is an air source or geothermal system. You can also take advantage of very good operational efficiencies, low interest loans, attractive electric heat rates and maybe even a federal tax credit. Contact our Member Services Department at (320) 269-2163, for more information.

Energy Efficiency Tip of the Month



Looking for an easy efficiency upgrade? Additional insulation can make a difference! The Department of Energy estimates you can reduce heating and cooling needs up to 30 percent by properly insulating and weatherizing your home.

Source: energy.gov

What To Look For While Appliance Shopping

US Department of Energy

When you're shopping for appliances, think of two price tags. The first one covers the purchase price—think of it as a down payment. The second price tag is the cost of operating the appliance during its lifetime. You'll be paying on that second price tag every month with your utility bill for the next 10 to 20 years, depending on the appliance. Refrigerators last an average of 12 years; washing machines last about 11 years and room air conditioners last about 9 years.

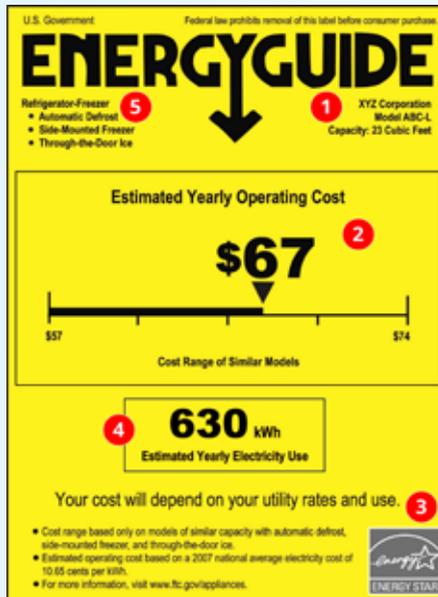
THE ENERGY STAR® LABEL

When you shop for a new appliance, look for the ENERGY STAR® label. ENERGY STAR products usually exceed minimum federal standards by a substantial amount.

The ENERGY STAR logo is on all qualified products that meet specific standards for energy efficiency. ENERGY STAR-qualified products exceed the federal minimum standards for efficiency and



quality – sometimes significantly. Look for the label on appliances, electronics, water heaters, windows and other products that consume energy in your home.



THE ENERGYGUIDE LABEL

To help you figure out whether an appliance is energy efficient, the federal government requires most appliances to display the bright yellow and black EnergyGuide label. Although these labels will not show you which appliance is the most efficient on the market, they will show you the annual energy consumption and operating cost for each appliance so you can compare them yourself.

HOW TO READ THE ENERGYGUIDE LABEL

The EnergyGuide label is required to be placed on all appliances by the manufacturers. The label provides information about energy consumption and shows you how much energy an appliance uses compared with similar models. Keep in mind that the numbers are averages: actual costs will differ somewhat depending on how you use them. The label shows the following:

- 1) Maker, model number and size of the appliance.
- 2) Estimated yearly operating cost (based on the national average cost of electricity) and the range of operating costs for similar models.
- 3) The ENERGY STAR® logo indicates that this model meets strict criteria for energy efficiency.
- 4) Estimated yearly electricity consumption.
- 5) Key features of the appliance and the similar models that make up the cost comparison range.

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