Minnesota Valley Co-op News
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Manager's Message • Pat Carruth

General Manager

Help us Improve Your Power System's Efficiency

Your electric system was built from coal mine to your home to handle the "coincident" peak load of the member-owners on the system. What we mean by coincident peak is what everyone on the system might happen to be using, in terms of electric power, at the same time. If we didn't, you would have brown outs. Historically and still today, corn drying will typically drive our annual coincident peak. Corn drying is the most energy intensive period of production agriculture in our particular project area.

In a typical year, we would expect corn drying to set the coincident peak for the year and the rest of the year the system would pretty much run half of that on average for demand. Heavy drying months typically are October and November. The other ten months of the year, where power use is much lower, are called shoulder months. We want to sell electricity during shoulder months to improve the efficient use of our system. Efficiency on an electric system is called load factor. The higher the better.

In 1983, we started an electric heat rate with the sole purpose of making more efficient use of our entire system from coal mine to the meter in your yard. Or improve our overall load factor by selling electricity during the shoulder months. Through rebates, marketing and demand and energy price signals, the discount electric heat rates, to you we have built up use during the shoulder months by getting you interested in electric heat and heat pumps which heat as well as air condition. After 35 years of marketing with rebates, our peak still comes at corn drying but we have done much better at filling in the shoulder months. The result is a more efficient use of our complete electric system—reducing your overall per energy unit cost.

Thirty years ago, in 1987, our system peak for the year was 26 MWs and it happened during corn drying. Our annual load factor, or system efficiency, was 44%. That means for that particular year our system had to be built to handle 26 MWs, but the load factor of 44% for that year tells us, on average for the year, only 11 MWs were being used.

In 2017, 30 years later, our system peak for the year was 48 MWs. Our annual load factor was 49%, which means the rest of the year, on average, the members were using about 23 MWs. The 1987 to 2017 comparison shows a 5% increase in system load factor when comparing those two particular years.

Actually, we think during that 30 year period our real increase in efficiency is closer to 10%. Thirty years ago, our annual load factor ran in the low 40's and today it typically runs in the low 50's. A marked improvement. There are a number of reasons for that but without a doubt, the way we design rebates and rates, particularly for heat, has helped along the way. Back in 1987, we had 191 members on our heat rates. Today, we have almost half of our members using our discounted electric heat rate with over 2,600 sub meters on our system.

You can help us keep improving the efficiency of your electric system by investing in electric heating systems. We have great rebates and discount heat rates. In fact, until Labor Day, we are running Double Rebate Days on geothermal or air-to-air heat pumps. You can get a reduced rate for the energy you use for air conditioning by simply installing a heat pump, which both heats and cools very efficiently. Call and ask for someone in Member Services for details or visit our website.

Have a great summer!

Engineering & Operations • Bob Kratz

Manager of Operations

This is a very busy time of the year for our crews and contractors trying to get projects done. The Asbury Substation got part of an overhaul the first part of May. Earlier in the year, a squirrel had got in and caused a mess with one of the potential transformers, which gave those consumers fed off of Asbury partial power. We decided to upgrade and change out all three of these transformers. While the crews had the sub backfed, some additional maintenance and insulator replacement were done to other parts of it. The pictures to the right show the linemen in the process of the work.

A couple of work plan projects have been completed southwest of Dawson and south of St. Leo. These were mainly pole and conductor replacements for upgrade of the line. Consumer service upgrades are starting to ramp up as requests are coming in fast. The underground plow was brought out of storage for the first URD job on May 9th, which is a little later than most years as the wet ground and frost were a problem.

As a reminder - if you are contemplating an upgrade to your service, now is the time to call so we can get the correct equipment ordered and get your date on the calendar to do the job. Q four zero nine zero two Also, this time of year everybody is busy and sometimes in a hurry in the fields; remember to be aware of your surroundings when close to electric poles, wires or cabinets.

Hope you all have an enjoyable 4th of July!

Comparative Report

	Jan-Apr 2018	Jan-Apr 2017	Jan-Apr 1998
Kwh Purchased	83,180,177	73,893,820	47,448,882
Kwh Sold	78,769,164	70,191,122	44,769,163
Cost Of Purchased Power	$3,635,262	$3,329,893	$1,389,472
Patronage Capital Margins	$857,234	$292,110	$59,283
Reserve For Taxes	$91,667	$91,667	$113,000
Cost Per Kwh Purchased (mills)	43.70	45.06	29.60
	April '18	**April '17**	**April '98**
Total Plant	$72,538,304	$69,660,459	$30,365,686
Number of Active Services	5,277	5,264	5,175
Average Residential Bill	$216.47	$172.22	$105.73
Average Residential Kwh Consumption	2,106	1,616	1,456
Average Kwh Usage All Consumers	3,131	2,655	1,855
Peak Kw Demand (Peak Load)	35,361	26,010	19,240

Find Your Location for 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.

As of this writing, no one has identified their hidden number in last month's issue of the Minnesota Valley Co-op News. Keep looking each month–next time it could be your number! If you find your number in the newsletter, call the office at *320.269.2163* or *800.247.5051*.

Minnesota Valley Cooperative will be closed Wednesday, July 4th in observance of Independence Day.

Louriston Dairy

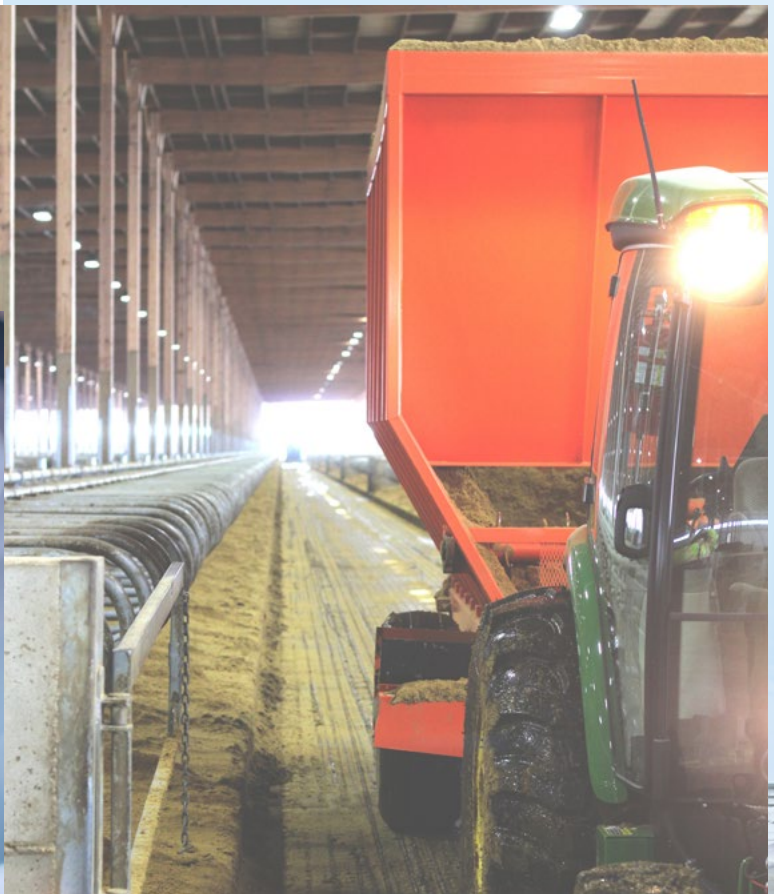
Each June, ***National Dairy Month*** is celebrated as a way to highlight the many contributions the dairy industry makes to the world. For more than 75 years now, the month is set aside as a time to recognize dairy products and the farmers who produce them.

The newly-constructed Louriston Dairy in Chippewa County is just one example of a local dairy farm providing milk to meet our nation's dairy needs. Located six miles southwest of Kerkhoven in Louriston Township, Louriston Dairy is a large operation permitted for 9,500 animal units. The 160-acre farm was built less than a year ago by Riverview, LLP – a diversified agribusiness based in Morris, Minnesota.

Louriston Dairy is one of ten dairy barns Riverview operates across the region. An eleventh dairy barn is slated to open next month. With a 22-acre barn and other buildings on site, Louriston Dairy is one of the top five users on Minnesota Valley Cooperative Light and Power Association's system.

"Construction on Louriston Dairy officially began in the spring of 2017," explains Erin Larson, Community Relations with Riverview. "We have our own construction team with Riverview and it took them about 8 ½ months to build the dairy. We first started milking in November 2017."

Approximately 50 people work on the farm, each specializing in a different area. Louriston Dairy features a 106-cow DeLaval rotary, enabling each cow to be prepped and milked in seven minutes. The parlor runs 22 hours a day, with a one-hour cleaning cycle each day at noon and midnight.



The dairy sends around 60 semi loads of milk per week to a milk processing plant. "It's about eight or nine loads of milk per day," Larson says. "All of the milk from Louriston goes to AMPI in Paynesville where it's all made into cheese."

Feed ingredients for Louriston Dairy are purchased from area farmers, cooperatives and processing facilities. Larson also notes how the farm's silage is a cooperative effort. Over 100 people come together for the massive undertaking that utilizes the equipment, knowledge and experience of not just Riverview employees, but neighboring farmers as well.

Another unique feature of Louriston Dairy is an on-site education center called The Red Barn. "It basically serves as a community hub which we can use to engage different groups of people," mentions Larson. "We see about 300 students every month, so we wanted a place to accommodate student groups." In addition to visits from kindergarten through college-age students, several 4-H and FFA chapters are able to utilize the barn.

The Red Barn offers conference room space for farm meetings, student workshops, community events and other agricultural activities. The Red Barn also provides a great internal training space.

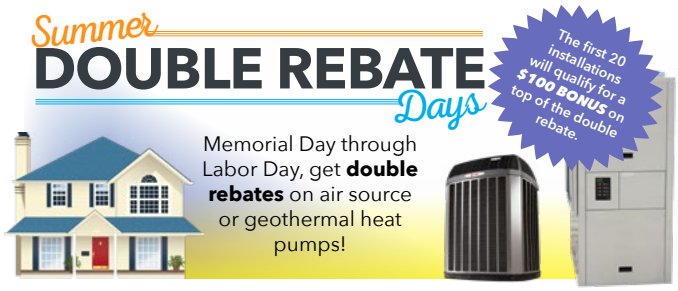
Tours of Louriston Dairy are offered Monday through Friday, from 8 a.m. to 5 p.m. To set up a tour, contact Erin Larson at (320) 875-6021. "We encourage the public to come and see what we are doing here," she says. "We each have such specialized jobs and there are lots of passionate people working here."

Member Services • Bob Walsh

Member Services Manager

Double Rebate Days with a $100 Bonus

From now through all of this summer, 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 now through Labor Day (September 3rd, 2018). That will give you all summer to take advantage of this great offer. The system needs to be a new installation and placed in service between the dates stated above. Certain size limitations apply. HURRY, the first 20 heat pump installs this summer will also receive a $100 bonus on top of the double rebate deal.



Heat and Cool Cheaper with Minnesota Valley Heat Rates

Minnesota Valley has some very attractive heat rates that are extremely competitive when compared to fossil fuels. In comparison to the heat rates Minnesota Valley is offering for 2018, the same amount of heating Btu's would be equivalent to purchasing propane or fuel oil at approximately $1.10–$1.25 per gallon. Our Electric Heat Rate gives you the flexibility of metering any amount of electric heat without having a fossil fuel backup. The Electric Heat Rate will be at 4.8¢ per KWh for heating in 2018 and 8.3¢ per KWh for cooling. The Dual Heat Rate can be used if you have an automatic fossil fuel backup and install a heat pump. The rate for Dual Heat will be at 4.4¢ per KWh for heating in 2018 and 8.3¢ per KWh for cooling. With a heat pump and Minnesota Valley's Heat Rates, the savings are even greater!

Get a Low Interest Loan

Minnesota Valley offers low interest loans for energy conservation practices like weatherization, installation of windows, doors, insulation and the installation of electric heating or heat pumps. Five zero dash zero one Conditions of the loan are that you must be a member of Minnesota Valley REC, have a good credit rating with Minnesota Valley, perform the work at a consuming service of 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. Up to $15,000 can be borrowed for a period of up to seven years. Over the years, these loans have enabled many people to do work to their homes at very affordable interest rates.

The loan funds may be used for air to air heat pumps and ground source heat pumps. Loan funds are available for equipment purchased and installed in member homes and businesses. Equipment may be purchased through Minnesota Valley or any heating, cooling or electrical contractor that you choose. The installation of an electric heat pump is looking better all the time!

If you are interested in the installation of a heat pump system, please contact the Member Services Department for more information about our programs. We can be reached during normal business hours at 320.269.2163 or 800.247.5051.

Looking for a New Grill?

Consider buying an electric grill from Minnesota Valley. Minnesota Valley offers different sizes and styles of electric grills and carries something that will fit your needs. Visit our office to pick up your new electric grill or call if you have any questions!

Electric Grill Cart / *$173*

Electric Grill Cart with Rotisserie / *$196*

Electric Tabletop Grill / *$138*

Electric Tabletop Grill with Rotisserie / *$162*

Lock N' Go Portable Electric Grill / *$71*

Office Hours
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