



MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Board Approves 2021 Work Plan and Budget Which Includes 3% Rate Increase

At their November meeting, the Board approved the Work Plan and Budget for the coming year. They also approved a 3% overall average rate increase, which will take effect on January 1st. The last rate increase was September 1st, 2017. The Work Plan calls for about \$5.5 million in system improvements or new construction projects in 2021. Over \$2 million of these construction projects will be transmission line rebuilding. In addition to this, the budget includes the annual maintenance activities that we need to do to keep your system operating at a high level of reliability. One of the bigger maintenance projects is tree cutting, trimming and spraying to keep our lines clear when the load of the ice and wind comes. The right-of-way clearing budget alone for 2021 is \$955,000. We will inspect and maintain the 652 oil/vacuum enclosures spread throughout our 3,270 miles of line and 16 substations. The enclosures are basically big circuit breakers that trip and reset when things such as lightning or an incidental line contact drop out the line. We will also inspect and maintain the supervisory controls for our transmission line switches, which allow us to switch line from the office when we have problems or need to work on different sections of line. We also maintain the 150 voltage regulators spread throughout the system, which are constantly adjusting to keep the proper voltage to your place. We plan to test and treat about 4,500 poles this next year to get more life out of them and change out the 90 or so poles the treating crews will reject. These projects and many other maintenance activities must be performed on our system each year to make sure we provide you good voltage while keeping your lights on.

Ending 2020 in Good Financial and Operational Shape

As of this writing, we have closed the financials through October. We have a total margin year-to-date of just over \$1 million on total revenue of just under \$16.5 million. We had budgeted to have a total margin of \$275,000 through October. We are in good shape financially at this point in the year. We expect an average November and December finish in crop drying and electric heat energy sales. We also expect a fairly large patronage allocation to book from our Basin Electric to round out the year in good overall financial shape.

Operationally, we are closing in on finishing all of the construction and maintenance projects planned for the year to keep your system operating properly. We are making good progress on catching up on our right-of-way clearing for our power lines. We will finish out the northwest quadrant early next year and move to the southwest quadrant.

Anyway, we feel like we are in pretty good shape operationally and financially at this point for 2020.

From All of Us to You

The Board and employees of Minnesota Valley want to let you know that we appreciate your business this past year — *Thank You!* We also want you to know that we appreciate working for you and for your cooperative to make sure you continue to get the reliable electric service you have rightfully come to expect. We wish you a Blessed and Merry Christmas and a Happy and Prosperous New Year!

*Merry
Christmas
from all of us
at Minnesota
Valley
Cooperative*

Directors

*Darryl Bursack
Don Fernholz
Gary Groothuis
Steve Norman
Wayne Peltier
Mark Peterson
Tim Velde
Matt Haugen, Attorney*

Employees

Pat Carruth, General Manager

<i>Brandon Bjelland</i>	<i>Bob Kratz</i>	<i>Jill Rothschild</i>
<i>Stacey Boike</i>	<i>Scott Kubesh</i>	<i>Jill Sand</i>
<i>Mitch Christensen</i>	<i>Eric Landmark</i>	<i>Kent Smith</i>
<i>Dustin Cole</i>	<i>Tommy Lee</i>	<i>Don Snell</i>
<i>Tyler DeZeeuw</i>	<i>Blake Lymburner</i>	<i>Jill Strand</i>
<i>Trevor Diggins</i>	<i>Scott Monson</i>	<i>Mark Sweno</i>
<i>James Hughes</i>	<i>Duane O'Malley</i>	<i>Bob Walsh</i>
<i>Andy Johnson</i>	<i>Jerrad Perkins</i>	<i>Lacey Wintz</i>
<i>Mark Johnson</i>	<i>Tracie Peterson</i>	<i>Eric Wollschlager</i>

ENGINEERING & OPERATIONS // BOB KRATZ



Manager of Operations

Crews have been doing some line patrol and fixing things that are or will be a problem as they find them. Keeping the system in good shape is what we strive for, so as to not have to repair these problems during a storm. Every year, one third of the project is patrolled. This year, the areas that will be involved are Rosen, Madison, Watson, Garfield and Canby Substations. The crews are still changing out a few poles that had to wait until the crops were out or they were in wet areas.

The wind on opening deer hunting season (November 7th) tried to cause some problems for Minnesota Valley members. Two transmission poles were broken off and had to be replaced when crews noticed they were a little rotten at the base of the pole. F four twenty three zero three A One was east of Madison Substation and the other was east of the Minneota Substation. Karian Peterson Electric had a digger truck available to hold onto the one by Madison

until it could be changed, so that it did not fall completely over and cause a major outage. The other one on the line was de-energized and did not affect any consumers.

This time of year also brings year end inventory to be taken to check the numbers and get an idea of what we will need for the coming year's projects. It will also tell us what is on hand in case of bad weather this winter.

If you are planning to be away from your home for an extended period of time during the winter months, don't forget to have someone check on your premises for any power problems during your absence.

Remember to let Minnesota Valley Tree Service cut the trees and branches as far back as possible if they are working in your area.

Have a great and safe holiday season.



Meet Your Employees

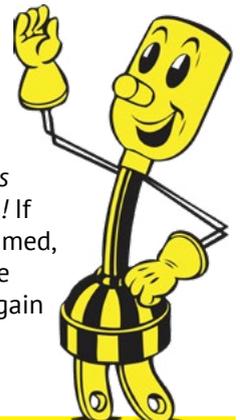
Name	Dustin Cole
Hometown	Presho, SD
Family	Girlfriend: Lacey
When did you start at Minnesota Valley?	May 2015 as a 1,000-hour lineworker and November 2017 as a lineman
What do you like best about working here?	My coworkers and the variety of tasks
What do you like to do in your free time?	Fish and ride motorcycle
If you could do another job just for one day, what would it be?	Fighter pilot

Comparative Report

	Jan-Oct 2020	Jan-Oct 2019	Jan-Oct 2000
Kwh Purchased	169,807,243	176,236,571	111,651,065
Kwh Sold	159,139,295	165,397,725	104,503,601
Cost Of Purchased Power	\$8,176,404	\$8,868,639	\$3,371,265
Patronage Capital Margins	\$1,019,417	\$721,247	\$446,329
Reserve For Taxes	\$245,781	\$213,330	\$194,000
Cost Per Kwh Purchased (mills)	48.15	50.32	32.68
	October '20	October '19	October '00
Total Plant	\$80,583,148	\$75,129,925	\$33,397,915
Number of Active Services	5,314	5,290	5,214
Avg. Residential Bill	\$290.75	\$255.04	\$129.40
Avg. Residential Kwh Consumption	2,632	2,212	1,771
Avg. Kwh Usage All Consumers	3,565	3,199	2,195
Peak Kw Demand (Peak Load)	37,002	45,814	25,994

Find Your Location Number!

There are two account numbers hidden in this newsletter. If you find your number, call 320.269.2163 or 800.247.5051 to receive a bill credit. The bill credit starts at \$10, but if neither number is claimed before the 25th of the month, the unclaimed amount rolls over to the next month! If both numbers are claimed, the recipients split the credit, then it starts again at \$10.



CLAIM BY THE 25TH OF DECEMBER TO RECEIVE:



Congratulations to Stan Adelman of Bellingham who identified his location and received a \$10 credit on his energy bill!



Comparison of Current and New Rates

Current Rates		New Rates Effective January 1 st , 2021	
Single Phase Service			
Availability Charge	\$22.00/month	Availability Charge	\$22.00/month
Energy Charge		Energy Charge	
First 700 kWh	\$0.1236/kWh	First 700 kWh	\$0.1296/kWh
Over 700 kWh	\$0.1036/kWh	Over 700 kWh	\$0.1096/kWh
Three Phase Service < 25 kW			
Availability Charge	\$49.00/month	Availability Charge	\$49.00/month
Energy Charge		Energy Charge	
First 700 kWh	\$0.1236/kWh	First 700 kWh	\$0.1296/kWh
Over 700 kWh	\$0.1036/kWh	Over 700 kWh	\$0.1096/kWh
Three Phase Service ≥ 25 kW			
Availability Charge	\$49.00/month	Availability Charge	\$49.00/month
Demand Charge	\$12.50/kW	Demand Charge	\$12.50/kW
Energy Charge		Energy Charge	
First 100 kWh/kW	\$0.0700/kWh	First 100 kWh/kW	\$0.0730/kWh
Over 100 kWh/kW	\$0.0500/kWh	Over 100 kWh/kW	\$0.0530/kWh
Seasonal Service			
Availability Charge	\$25.00/month	Availability Charge	\$25.00/month
Energy Charge		Energy Charge	
First 700 kWh	\$0.1958/kWh	First 700 kWh	\$0.2018/kWh
Over 700 kWh	\$0.1658/kWh	Over 700 kWh	\$0.1723/kWh
Irrigation Single Phase Service			
Availability Charge	\$42.00/month	Availability Charge	\$42.00/month
Energy Charge		Energy Charge	
First 700 kWh	\$0.1685/kWh	First 700 kWh	\$0.1745/kWh
Over 700 kWh	\$0.1385/kWh	Over 700 kWh	\$0.1445/kWh
Irrigation Three Phase Service			
Availability Charge	\$49.00/month	Availability Charge	\$49.00/month
Demand Charge	\$12.50/kW	Demand Charge	\$12.50/kW
Energy Charge		Energy Charge	
First 100 kWh/kW	\$0.1052/kWh	First 100 kWh/kW	\$0.1112/kWh
Over 100 kWh/kW	\$0.0752/kWh	Over 100 kWh/kW	\$0.0812/kWh
Dual Heat			
Energy Charge		Energy Charge	
October - April	\$0.0440/kWh	October - April	\$0.0440/kWh
May - September	\$0.0790/kWh	May - September	\$0.0850/kWh
Electric Heat			
Energy Charge		Energy Charge	
October - April	\$0.0480/kWh	October - April	\$0.0480/kWh
May - September	\$0.0830/kWh	May - September	\$0.0890/kWh

Comparison of Estimated Monthly Bills: Single Phase Service					
kWh/Mo	Bill Increase	kWh/Mo	Bill Increase	kWh/Mo	Bill Increase
-	\$0.00	750	\$4.50	2,000	\$12.00
250	\$1.50	1,000	\$6.00	5,000	\$30.00
500	\$3.00	1,600	\$9.60	10,000	\$60.00





MEMBER SERVICES // BOB WALSH

Member Services Manager

How to Avoid or Investigate High Winter Bill

No matter how conservative you are, there's a good chance you'll use more electricity during the upcoming winter months. Many factors will have an effect on your electricity usage during the colder months of winter. A better understanding of your energy consumption may help you track your usage on the electric bills you will receive this winter. One or more of the following things are possibly going to contribute to increased energy consumption this winter. I three fifteen zero two There may also be other hidden "energy hogs" that you may not be aware of.

- ⊗ Central heating systems are used more during the colder months of winter.
- ⊗ Space heaters can be used more to keep certain areas warmer.
- ⊗ Heat tapes and heaters may be used to keep water pipes from freezing.
- ⊗ Shorter days mean more lights are on for longer periods.
- ⊗ Exterior lighting is used more often.
- ⊗ Clothes dryers are used in place of line dried clothes.
- ⊗ Additional cooking and baking are usually done.
- ⊗ Christmas lighting is used throughout December.
- ⊗ We stay in the house for more hours, using electronics and appliances more often.
- ⊗ Livestock and pet water tank heaters are used to keep water from freezing.
- ⊗ Vehicle engine heaters are used more to get equipment started.

THREE EASY STEPS CAN HELP YOU UNDERSTAND A HIGHER BILL AND AVOID HIGH BILLS DOWN THE ROAD:

1) Compare your usage — view your KWh consumption, not just the cost, to see if it has increased.

2) Find opportunities to save — if your consumption is higher, look for ways to reduce it.

3) Monitor you usage — with the use of energy monitors, you can track what certain appliances are using for electric energy.

It's important to remember that higher bills can be due to a number of different reasons — and our Member Services Department is here to help you better understand your energy usage. Please call our office at (320) 269-2163 or (800) 247-5051 if you have questions regarding your electric consumption.

The Member Services Department wishes you all a very Merry Christmas and Happy New Year!

Electric Heat is the Way to Go

Minnesota Valley has **Electric Heat** and **Dual Heat** rates that can lower your heating costs for the cold weather ahead. Permanently installed electric heat qualifies for cheaper rates that are comparable to purchasing propane or fuel oil at around \$1.20 per gallon. Taking advantage of these low heat rates can help to take the "sting" out of your winter heating bills. Contact us now for more information.

Minnesota Valley will be closed Thursday, December 24th and Friday, December 25th for **Christmas** and Friday, January 1st, 2021 for **New Year's Day**.

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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