MINNESOTA VALLEY
CO-OP NEWS
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MANAGER'S MESSAGE // PAT CARRUTH

General Manager

In Pretty Good Shape Compared to Our Cooperative Peers

Each year a report called the Key Ratio Trend Analysis, or KRTA, is put forth by one of our bankers, the Cooperative Finance Corporation. The report produces several ratios we can use to track our performance against our peers in the state and across the country. We just got the 2023 numbers and comparatively, we think we have some good things going for us at Minnesota Valley.

There are 42 electric cooperatives in Minnesota. Of those, only five have lower retail rates than Minnesota Valley. One of the big reasons we have lower rates is that we continue to have the lowest wholesale power cost in the state. Our overall average power cost per kwh purchased in 2023 was 5.3 cents; the state average was 7.44 cents. We get our wholesale power from two low-cost providers. We purchase a fixed amount of federal hydropower through the Western Area Power Administration. This amounts to about 20% of our annual wholesale power purchases. The average cost is about 2.85 cents per kwh. The balance of our wholesale power purchases come from our Basin Electric via their well-run fleet of mostly cost-effective coal-fired power plants. Our Basin Electric purchases ran, on average, about 5.84 cents per kwh in 2023.

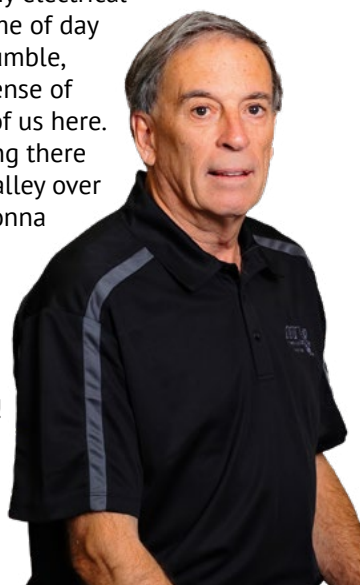
We feel being one of the lowest cost electric providers in the state is particularly notable for us because the KRTA shows we have the lowest member density in the state. We have 1.6 consumers per mile of line. The Minnesota average is 4.5 consumers per mile of line and the national average is 6.36. This means we are required to build and maintain more miles of line to serve each member than anyone else in the state. Our member-owners must build, maintain and pay for more powerline to get their electric service than any member from any other cooperative in the state. We have $19,064 plant investment per member as compared to the state average of $8,251 per member.

Another ratio in the report we feel tells a lot about what type of cooperative Minnesota Valley is, is how committed we have been to retiring capital credits. Only two cooperatives in the state have retired, or paid out, more capital credits as a percentage of total allocated than us. We have paid out almost 50%. The state average is 38% and the national average is 29%. The Minnesota Valley Board has historically set rates sufficient to build and maintain a reliable system and to generate enough revenue to retire capital credits aggressively. We have always retired on a first-in first-out basis.

Best Wishes to Duane!

Duane O'Malley, Senior Member Services Representative, retired this past month after almost 30 years at Minnesota Valley. He is a Master Electrician and the best Heat Pump Guy around bar none. We can't say enough about Duane always being available to help members with a heating or cooling problem or any electrical problem—no matter what the time of day or day of the week. Duane is a humble, hardworking man with a great sense of humor. He will be missed by all of us here. Thank you Duane for always being there for the members of Minnesota Valley over the years. We wish Duane and Donna the best in their well-earned retirement from Minnesota Valley and good luck with their future endeavors.

Have a great rest of the summer!



Congratulations on your retirement, Duane!

2024 Basin Tour

The 2024 Basin Tour was a success all around. Along with all the fun, traveling and food, tour members learned "the story behind the switch". It is remarkable to see what is actually involved in the process of bringing electricity into our lives.

Engineering & Operations Report

I hope everyone is having a wonderful summer. It's hard to believe we're already past the Fourth of July—time really flies! The Line Department has been keeping busy.

In June, our linemen participated in switch training with the Western Area Power Administration (WAPA) at the Appeldorn Substation. Scott, Andy and Cole traveled to Duluth for a pre-paint inspection on a new bucket truck that we recently purchased. Meanwhile, James and Brody installed collectors and repeaters for our new metering system to improve meter read reliability. We also worked together with Puris for a scheduled hour shutdown for maintenance.

In July, we again worked together with Puris for another quick scheduled maintenance shutdown. WAPA also reached out to us to back-feed the Appeldorn Substation for transformer maintenance. Additionally, our linemen installed new junction boxes and 600-amp elbows for the Louriston Dairy Digester.

Summer is flying by, so it's a good reminder for everyone to take some time to relax and enjoy moments with family and friends.

Find Your Location Number

If you find your location number in this newsletter, you will receive a $40 bill credit *(Operation Round Up participants get a $10 bonus)*. If no 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, we will start again at $10. If you find your number, call 320.269.2163 or 800.247.5051.

Comparative Report

	Jan-Jun 24	Jan-Jun 23	Jan-Jun 2004
Kwh Purchased	113,662,909	115,091,790	156,256,674
Kwh Sold	107,973,808	108,889,334	145,358,654
Cost Of Purchased Power	$5,715,365	$5,218,817	$4,183,999
Patronage Capital Margins	$449,218	$876,131	$1,587,259
Reserve For Taxes	$132,000	$144,000	$175,200
Cost Per Kwh Purchased (mills)	50.51	45.38	26.77
	June '24	**June '23**	**June '04**
Total Plant	$101,023,312	$95,333,546	$37,730,788
Number of Active Services	5,307	5,292	5,217
Avg. Residential Bill	$204.47	$230.29	$149.01
Avg. Residential Kwh Consumption	1,520	1,637	2,566
Avg. Kwh Usage All Consumers	2,975	2,984	2,898
Peak Kw Demand (Peak Load)	32,300	32,191	32,158

No one found their location last month, so we've rolled it into this month!
If you find your number, claim by the **25th of August** to be eligible for:

Essential Safety Tips for Students

Each August we recognize *Back-to-School Safety Month*. As families prepare for the upcoming school year, here are some essential safety tips for students of all ages.

Elementary School Students

Young children should be reminded of the following safety tips:

- Writing utensils and other supplies like paperclips should never be placed in or near electrical outlets.
- Ensure hands and the surrounding area are dry before plugging anything in, especially in science labs where there may be sinks, chemicals, and other hazards.
- When unplugging cords from an electrical outlet, always grasp the plug, not the cord, to avoid damage.
- Arrive at the bus stop at least five minutes before the scheduled arrival time and stand away from the curb while waiting for the bus.
- Wait for the bus to come to a complete stop and for the driver's signal before approaching.
- Look both ways before crossing the street after getting off the bus.
- Avoid pad-mount transformers—the big green metal boxes. All electrical equipment should be avoided to prevent the risk of electrical shock.

Middle and High School Students

These tips are for older students, especially those who have recently started driving:

- Pay close attention while driving, especially during morning and afternoon commutes, as utility crews may be at work. If there is an accident involving a power line or pole, assume live electricity is present and exercise extreme caution.
- Be extra cautious around school buses. Always stop when the bus displays flashing red lights and extends the stop sign. It is illegal to pass a school bus that is loading or unloading children.
- Slow down and obey all traffic laws, especially in school zones. Pay attention to school crossing guards and follow their signals.

College Students

College students, who often live away from home for the first time, should follow these guidelines:

- Avoid overloading outlets or circuits to prevent overheating and potential fires.
- Choose power strips with heavy-gauge cords that are approved by recognized certification agencies.
- Avoid placing extension cords under carpets, rugs or furniture to prevent damage and reduce fire risk. Replace frayed or damaged extension cords promptly.
- Keep flammable materials like books, paper and clothing away from heaters, stoves and other heat sources.
- Never leave cooking appliances unattended while on.
- Keep gadgets and cords away from bedding and curtains, as the heat from chargers or appliances can start a fire if left in contact with flammable materials for too long.

By following these safety tips, students of all ages can contribute to a safer and more secure school environment. Ensuring everyone understands and practices these safety measures will help prevent accidents and promote a successful and healthy academic year.

Energy Efficiency Tip of the Month

Placing heat sources, such as lamps, computers or TVs, near your thermostat can result in false temperature readings, increased energy use and inconsistent cooling/heating. Make sure your thermostat is installed in an area clear of obstructions, electronic devices, direct sunlight and drafts. N two one nine zero three Ensuring your thermostat is free from these types of interferences optimizes energy efficiency, improves indoor comfort and reduces wear and tear on your cooling/heating system.

MEMBER SERVICES // SCOTT KUBESH
Member Services Manager

Summer Heat Gains

The past two months I've wrote about air conditioning and controlling humidity in your home for summer comfort. Components of your house, such as windows, walls, doors, and ceilings, work to insulate your interior living space. The energy efficiency of these components impacts your cooling and heating costs. In the summer, controlling the amount of heat that enters your home will help you reduce the cost of air conditioning, while at the same time helping to increase your comfort level. Internal sources of heat and humidity can also cause your home to be less comfortable in the summer. Unwanted heat in your home during the cooling season is called ***HEAT GAIN***. We are going to look at heat gains and how they are categorized.

Solar Gain

Solar gain heat gain is generally the largest contributing factor of the heat accumulating indoors during the summer. Solar energy falling on the roof and coming through the windows generally accounts for approximately 50% of the heat gains of your house.

- Shade all "sun-struck" windows in your home with devices such as outside shading screens, awnings, trees and shrubs, window tints and films, and indoor blinds, shutters and draperies. G two zero six zero two Shaded windows can save up to 25% of the cost of air conditioning, when compared to unshaded windows.
- In the summer, close draperies and blinds during the day to help keep out the heat.
- Make sure your attic is properly ventilated. Without proper ventilation, attic temperatures can reach 140-160 degrees. These high temperatures not only cause increased air conditioning costs, but also can reduce the life of your roofing material.
- Natural ventilation in your attic that has a balance of intake vents and exhaust vents can lower your attic temperatures. Intake vents should be positioned lower than exhaust vents to achieve maximum benefit.
- Insulation provides a line of defense between attic temperatures and the comfort of your living space. The effectiveness of an insulation material is measured in R-values. Typically attic insulation should not be less than R38.

Air Leakage

Air leakage allows hot outside air to leak into the home, and cold indoor air to leave. Air sealing helps reduce summer heat gains and winter heat loss. Air leakage can contribute about 20% to the summer heat gains of a building.

- Inspect weather stripping around exterior doors and windows to ensure cracks are sealed and air isn't leaking into your home.
- Caulk around window frames and all exterior wall penetrations such as pipes, electrical boxes and vents.
- Install foam or rubber receptacle gaskets on all switches and outlets.
- Check the fireplace damper to make sure it's closed and that no daylight can be seen around the edges.
- Keep windows and doors shut tightly to retain cooled air.

Internal Heat Gains

Internal heat gains are the heat given off by appliance motors, cooking, laundry and even our bodies themselves. Internal gains can typically account for 20% of your air conditioning load.

- Avoid adding excessive heat to your home during the hottest part of the day. Do not add extra heat and humidity to your home by operating the oven, clothes washer and dryer, or dishwasher.
- Efficient appliances use less energy, therefore contributing less waste heat. This saves both on operating the appliance and air conditioning.
- Replacing incandescent lights with CFLs can save on energy consumption and lower heat gain due to lower operating temperatures.

Heat Transmission

Heat transmission through the shell of the house is the least important summer heat gain because of the relatively low temperature difference of the indoor air temperature and the exterior wall temperature. Heat transmission generally represents about 10% of your summer cooling load.

- A light-colored exterior paint will help reflect the sun, absorbing less heat and keeping your home more comfortable.
- Plant deciduous trees and vegetation that will provide shading during the summer, while allowing you to take advantage of the sun's warmth during the winter.

Summer **DOUBLE REBATE** Days

Remember – we are *DOUBLING* the rebates given for the installation of an air to air heat pump or a geothermal heat pump through September 2nd! That makes an already attractive heating system look that much better. Take advantage of this offer now!