



MANAGER'S MESSAGE // PAT CARRUTH



General Manager

Torvik Substation To Be Commissioned This Month

We will be firing up a new distribution substation north of Gluek this month to better serve load growth in the northeast part of our project which includes the large new Grace Dairy. We built seven new miles of transmission from the Gluek Substation to feed the Torvik Substation. The last distribution substation we built was the Chapman Substation at the ethanol plant east of Granite Falls back in 2005. The new Torvik Substation is named in honor of the late Stephen Torvik who served as our cooperative attorney from 1992 until his passing in 2018. Steve worked hard providing legal services to the community and many of the cooperatives doing business in this area. Being a cooperative attorney was naturally easy for Steve because he believed completely in the cooperative business model. We remember Stephen as a hard worker with great common sense. He did a great amount of excellent work for Minnesota Valley during that time and our cooperative still receives benefit today from the good decisions he helped us make. We are proud to have the new substation named in remembrance of Steve.

Ending 2025 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 \$1.6 million and total revenue of just over \$17.2 million. We had budgeted to have a total margin of \$1.5 million through October. We are in good shape financially at this point in the year. We expect a lower-than-average

November and December finish in crop drying and electric heat energy sales. We also expect a large patronage allocation to book from our Basin Electric to round out the year in good overall financial shape.

Our subsidiaries, *Karian Peterson Powerline Contracting* and *Minnesota Valley Tree Service*, are in good shape financially, as well. Karian Peterson has a margin of \$980,000 and Minnesota Valley Tree Service has a margin of \$100,000 through October.

Operationally, we are closing in on finishing all the construction and maintenance projects planned for the year to keep your system operating properly. We are making timely progress 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 fairly good shape operationally and financially at this point for 2025.

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 ensure 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
Tony Bednarek
Brandon Bjelland
Stacey Boike
Todd Bolkema
Mitch Christensen
Tyler DeZeeuw
Trevor Diggins
Brady Gimberlin
James Hughes
Andy Johnson
Collin Kor
Scott Kubesh
Eric Landmark
Matt Leese
Blake Lymburner
Cole Mertens
Scott Monson
Jerrad Perkins
Tracie Peterson
Jill Rothschild
Jill Sand
Logan Schmidt
Kent Smith
Don Snell
Darwin Strand
Lacey Wintz

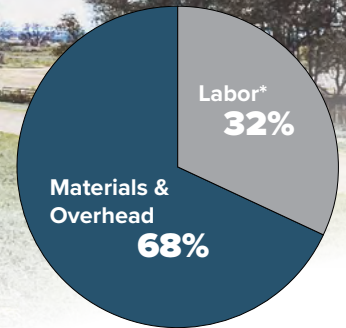
ENGINEERING & OPERATIONS // TODD BOLKEMA



Engineering & Operations Manager

Power poles are expensive. We regularly replace some of the approximately 60,000 poles on the Minnesota Valley system due to age, condition, storm and woodpecker damage. This is done so we can provide you with safe, reliable service. These poles play an important part in delivering the power you need every day. Replacing a pole costs around \$3,000. It requires three linemen with two trucks and a pole trailer and takes several hours to an entire day depending on the location of the pole and the equipment on the pole. These costs are part of our yearly maintenance or outage budget. Unfortunately, some poles are

replaced after they are damaged by farm equipment, car crashes or planned burns that get out of control. When this happens that individual is responsible for the cost. Please be cautious around the poles for your safety and to avoid the expense of replacing a pole.



*Labor costs are affected by after working hours, weekend or holiday response times.

Comparative Report

| | Jan-Oct 2025 | Jan-Oct 2024 | Jan-Oct 2005 |
|----------------------------------|------------------------------|------------------------------|-----------------------------|
| Kwh Purchased | 195,062,294 | 186,366,419 | 131,535,595 |
| Kwh Sold | 184,239,168 | 176,852,556 | 122,228,245 |
| Cost Of Purchased Power | \$11,222,684 | \$9,782,356 | \$3,577,567 |
| Patronage Capital Margins | \$1,611,512 | \$1,466,459 | \$560,113 |
| Reserve For Taxes | \$286,072 | \$213,693 | \$146,000 |
| Cost Per Kwh Purchased (mills) | 57.53 | 52.62 | 27.20 |
| Total Plant | October '25 \$111,905,993 | October '24 \$103,976,566 | October '05 \$40,620,982 |
| Number of Active Services | 5,337 | 5,320 | 5,260 |
| Avg. Residential Bill | \$354.13 | \$306.44 | \$161.18 |
| Avg. Residential Kwh Consumption | 2,504 | 2,333 | 2,304 |
| Avg. Kwh Usage All Consumers | 4,073 | 3,717 | 2,876 |
| Peak Kw Demand (Peak Load) | 42,373 | 39,380 | 31,876 |

Minnesota Valley will be closed the following dates:

- ▶ December 24th-25th for **Christmas**
- ▶ January 1st for **New Years**



Congratulations Norm and Thank You!

Norm Viken has decided to retire from the Operation Round Up Board. We thank Norm for his dedication and 12 years on the Operation Round Up Board!

You will be missed and we wish you the very best! Thanks again, Norm!



Comparison of Current and New Rates

| Current Rates 2025 | | New Rates Effective January 1 st , 2026 | |
|--|--------------|--|--------------|
| Single Phase Service | | | |
| Availability Charge | \$35/month | Availability Charge | \$45/month |
| Energy Charge | | Energy Charge | |
| First 700 kWh | \$0.1450/kWh | First 700 kWh | \$0.1618/kWh |
| Over 700 kWh | \$0.1250/kWh | Over 700 kWh | \$0.1417/kWh |
| Three Phase Service < 25 kW | | | |
| Availability Charge | \$70/month | Availability Charge | \$95/month |
| Energy Charge | | Energy Charge | |
| First 700 kWh | \$0.145/kWh | First 700 kWh | \$0.1618/kWh |
| Over 700 kWh | \$0.125/kWh | Over 700 kWh | \$0.1417/kWh |
| Three Phase Service ≥ 25 kW | | | |
| Availability Charge | \$70/month | Availability Charge | \$95/month |
| Demand Charge | \$16.50/kW | Demand Charge | \$19.90/kW |
| Energy Charge | | Energy Charge | |
| First 100 kWh/kW | \$0.0730/kWh | First 100 kWh/kW | \$0.0730/kWh |
| Over 100 kWh/kW | \$0.0530/kWh | Over 100 kWh/kW | \$0.0530/kWh |
| Low Use Service (formerly Seasonal Service) | | | |
| Availability Charge | \$40/month | Availability Charge | \$51/month |
| Energy Charge | | Energy Charge | |
| First 700 kWh | \$0.2121/kWh | First 700 kWh | \$0.2121/kWh |
| Over 700 kWh | \$0.1773/kWh | Over 700 kWh | \$0.1773/kWh |
| Irrigation Single Phase Service | | | |
| Availability Charge | \$58/month | Availability Charge | \$78/month |
| Energy Charge | | Energy Charge | |
| First 700 kWh | \$0.1941/kWh | First 700 kWh | \$0.2161/kWh |
| Over 700 kWh | \$0.1641/kWh | Over 700 kWh | \$0.1761/kWh |
| Irrigation Three Phase Service | | | |
| Availability Charge | \$65/month | Availability Charge | \$85/month |
| Demand Charge | \$16.50/kW | Demand Charge | \$19.50/kW |
| Energy Charge | | Energy Charge | |
| First 100 kWh/kW | \$0.1175/kWh | First 100 kWh/kW | \$0.1193/kWh |
| Over 100 kWh/kW | \$0.0875/kWh | Over 100 kWh/kW | \$0.0893/kWh |
| Dual Heat | | | |
| Energy Charge | | Energy Charge | |
| October - April | \$0.0460/kWh | October - April | \$0.0485/kWh |
| May - September | \$0.1250/kWh | | |
| Electric Heat | | | |
| Energy Charge | | Energy Charge | |
| October - April | \$0.0500/kWh | October - April | \$0.0525/kWh |
| May - September | \$0.1250/kWh | | |

Seasonal Rate is now known as Low Use Service Rate

In the past, the rates for seasonal services included grain dryers, pump services, shops, hunting shacks and other services with seasonal usage. The *Seasonal Services* rate has now changed to a new *Low Use Services* rate and accounts that do not maintain 300 kWhs of monthly usage for 6 of the 12 months of the calendar year will fall into this Low Use Services rate class. For one thirty-six zero two Primary residences are exempt from the Low Use Services rate and will fall in the Single Phase or the 3 Phase rate classes. The Low Use Services rate will be reviewed in January of each year to determine your classification.

Find Your Location Number

If you find your location number in this newsletter, you will receive a bill credit that starts at \$10 (*Operation Round Up* participants get an additional \$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.



Congratulations to **Dan Moravetz** who found his number last month and received \$10.

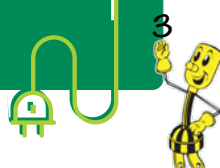
If you find your number, claim by the 25th of December for:



Energy Efficiency

Tip of the Month

To maximize your fireplace's efficiency, always keep the damper closed when the fireplace is not in use. An open damper is like an open window, allowing warm indoor air to escape and cold air to enter. Consider installing a fireplace insert, which improves heat output by circulating warm air into the room rather than letting it escape up the chimney. Also, burn only seasoned hardwood to ensure a hotter, cleaner burn. Regularly clean and inspect your chimney to maintain safe and efficient operation.





Rheem Marathon® Water Heaters

This may be the last water heater you'll ever have to buy!

The Marathon water heater uses space-age materials and innovative construction methods to deliver long life, high efficiency and good looks! It's warrantied not to leak as long as you own your home, with a tough polybutylene tank and outer shell.

These water heaters have an *Energy Factor* of .95. What is a water heater's energy factor? Energy Factor (EF) is a measurement that's used to describe the energy-efficiency of a water heater. To calculate a water heater's energy factor, you take the amount of energy the water heater puts to use and divide it by the total amount of energy that goes into powering the unit. The higher the energy factor of a water heater, the more efficient it is. Rheem Marathon electric water heaters have one of the best Energy Factor ratings in the business today.

MN Valley offers **lifetime warranty** residential models, that meet the newest federal efficiency requirements, at reduced costs for co-op members. Our current rebates bring the cost even lower.

Financing is available at **0% interest for 12 months** on the Rheem Marathon water heater and installation. A \$50 origination fee is required for the processing of the loan and approval will be based on previous payment history with MN Valley Co-op.

For more information on long-life Marathon water heaters, please contact Member Services at 320.269.2163 or 800.247.5051.



Outage Notifications

If you have a valid mobile phone number and email address in our system, we will now send you text and email updates when there is an outage at your location. The emails will also have a link to our real time outage map.

If you haven't already updated your contact information, it can be added through your existing online account or by signing up for an online account through our website or mobile app.



Save the Date!

Caucus Meetings

Thursday, February 5th, 2026

District 7: Wayne Peltier

- 10:30 AM at Cottonwood

Community Center

District 5: Darryl Bursack

- 1:30 PM at Clarkfield City Hall

2026 Annual Meeting

Saturday, March 21st

Prairie's Edge Casino

| Method | Contact | Status | Action |
|--------|--------------------------|--------------------------|--------|
| 📞 | 123-456-7890 | Enrolled - Text Messages | |
| ✉️ | mnvalley@mnvalleyrec.com | Enrolled - Emails | |

Office Hours

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

24-Hour Telephone Answering

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