



Congresswoman named to lead NRECA

U.S. Rep. Jo Ann Emerson of Missouri has been selected as the fifth chief executive officer of the National Rural Electric Cooperative Association (NRECA).

Emerson, who has represented Missouri's Eighth Congressional District since 1996, will assume her duties as CEO on March 1. She will follow Glenn English, who has been CEO since 1994 and announced his retirement in 2012.



The announcement came at the winter meeting of the NRECA board of directors in Arlington, Va.

"We conducted an exhaustive search to identify the very best individual to lead a great association," said NRECA Board President Mike Guidry. "We're convinced we found that person in Jo Ann Emerson. Her background as a member of Congress and a trade association executive coupled with her extensive knowledge of the issues facing electric cooperatives and rural America make Jo Ann eminently qualified to lead NRECA and represent the interests of our members."

"The respect she has from both sides of the aisle and her proven ability to bridge political and policy divides and find common ground will serve NRECA well," he added.

Emerson has been a strong supporter of electric co-ops during her congressional career. She received the NRECA Distinguished Service Award in 2006 for her advocacy of co-op interests in Congress.

"Energy has a direct relationship with the vitality of rural America. Without reliable, affordable electricity delivered by electric cooperatives serving thousands of communities, millions of Americans would be left without the energy that brings economic opportunity, unsurpassed quality of life, and the promise of growth in the future," Emerson said in a statement accompanying the announcement of her new position.

"NRECA is committed to the electric cooperatives of this great nation that fulfill this vital need, and work so hard every day to improve the quality of life for their member-owners. I am so very honored to

Continued on page 8

NOTICE of Annual Member Meeting of Minnesota Valley Cooperative Light and Power Association

Notice is hereby given that the Annual Meeting of the members of Minnesota Valley Cooperative Light and Power Association will be held at Prairie's Edge Casino Convention Center on Saturday, March 23, 2013. Registration and a Breakfast Buffet open at 8:30 a.m. Meeting begins at 10:30 a.m. at which time the following business will be transacted:

1. To hear, examine and approve the reports of the officers, directors and committees.
2. To elect three directors for said Cooperative for the ensuing term.
3. For the transaction of other business as may lawfully be brought before the membership of the Cooperative and as may be deemed to be in the best interest of the Cooperative.

Dated: January 30, 2013
Mike Gunlogson, Secretary

Manager's Message

*Pat Carruth
General Manager*



Retiring balance of 1999 and 35% of 2000 Capital Credits

The board approved retiring \$798,659 in patronage capital beginning at our Annual Meeting on March 23rd at Prairie's Edge Casino near Granite Falls. Your board remains committed to aggressively retiring capital credits. For distribution cooperatives Minnesota Valley is in the top 10% nationwide and top 20% statewide for cumulative patronage capital retired as a percent of total patronage capital.

Some of you might not have realized it when you signed up to receive electric power from Minnesota Valley that you became a member – and owner – of an electric utility. While investor-owned utilities return a portion of any profits back to their investors, electric cooperatives operate on a not-for-profit basis. Any profits, or margins as we call them, belong to the member-owners and are returned to them over a period of time. As a cooperative, if we are in good financial condition, we issue capital credits (also called patronage capital or equity capital) based on how much you paid the cooperative for electricity during a specified time period. This year, if you bought power in 1999 and 2000, you will be getting a check.

Member-owned, not-for-profit electric utilities like Minnesota Valley set rates to generate enough money to pay operating costs, make payments on loans and pay

for wholesale power. At the end of each year, we subtract expenses from the total amount of money collected during the year. The balance is called a "margin" or what are essentially capital credits. Your share of this margin will typically be shown on your April statement. We use the cash from this margin for several years to operate the cooperative before returning it to you. Doing so follows one of our seven cooperative principles – Member Economic Participation.

Margins are allocated to members as "capital credits" based on their purchases from the cooperative – how much power the member used. Member purchases may also be called "patronage". Capital credits only exist at not-for-profit electric cooperatives owned by their members. Investor-owned utilities pay their shareholders if they have a profit – not their rate payers.

Each year, the Minnesota Valley Board of Directors makes a decision on whether to refund capital credits based on the financial health of the cooperative. During some years, the co-op may experience events such as storms which may result in the need to spend additional funds to repairs line. This event might cause the board to defer any capital credit refunds. For this reason, Minnesota Valley's ability to return margins to the members in the form of capital credits reflects the cooperatives financial strength and stability.

Capital credits at Minnesota Valley are retired on a first-in, first-out method. Checks for less than \$10 are not issued and the amount is run into the next year. We discount and retire estates at 4% per year.

Operation Round Up continues making a difference

The first donation was made in July of 1995. It was \$240 dollars to a family struggling with severe medical problems and the financial stress that comes along. It made a difference. Since that time, our Operation Round Up program has given \$131,001 to 409 different parties. Each donation given is well thought out by a board of volunteer members. They give modest donations to several groups who request assistance such as the Special Olympics, March of Dimes, Reach Out for Warmth, youth clubs and caregiver programs just to name a few. Each donation is given with the intent of doing the most good it can for our area community.

Thank you to all members who have been or are currently signed up for our Operation Roundup program. We are especially appreciative to our volunteer Round Up board made up of: Jon Kleven, Norman Viken, Marlys Londgren, Richard Phinney, Janet Bossuyt, Wendy VanRavenswaay and Sheree Williamson. Thank you for giving of your valuable time!

You can help make a difference by having your light bill rounded up each month. There are currently 1,214 members signed up and donating. That means there are 4,301 more accounts that could be signed up for Operation Round Up. Again, if you sign up, your bill is rounded to the next dollar. Those cents added to your bill each month go into a separate fund. The average donation is \$6 per year. You can call the office to sign up or simply put a note in with your next bill that indicates you would like to participate. You can cancel at any time. Please take a moment to sign up if you can.





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Engineering & Operations



John Williamson
Mgr. of Engineering & Operations

Happy New Year, all! It's been a fairly quiet month for us with no bad storms to contend with. The guys are changing out poles throughout the system that were found to be defective during line patrol. They will soon be working in the St. Leo area. Crews have now completed the power line we replaced south of Ortonville.

The CAPX2020 power line rebuild project of Xcel Energy and Great River Energy will take place in 2013-2014 throughout the southern half of our system. Tim Bertrand has been out visiting with some P two zero one zero one of

the landowners along the route where we will be modifying our existing power lines that will cause clearance conflict issues or interfere with the CAPX2020 rebuild.

Enjoy the winter – it isn't going anywhere soon!

Crews work to replace power lines south of Ortonville.



First Call emergency response system

If you or someone you care about is living alone and wishes to maintain the independence they want and yet have the security you all need, First Call might be the answer.

First Call is a simple in-home emergency response system that is easily installed in any home and will summon help within minutes, day or night. With the push of a button on a pendant worn around the neck or on the wrist, you will be in two-way voice contact with the Cooperative Response Center (CRC). A trained dispatcher will talk to the caller or listen in at the residence through a high quality speakerphone built into the system and summon appropriate help immediately, no matter what the need may be. Hopefully, an emergency call will never have to be made, but if the need arises, everyone will have the peace of mind of knowing that you're never alone and that help is only a push of the button away.

First Call is available to anyone in Minnesota Valley's service area, whether or not they are a member of the cooperative. Call 320-269-2163 or 800-247-5051 for more information or to set up an installation appointment.



Member Services



Bob Walsh, Member Services Mgr.

Energy Tax Credits

With all of the talk at the end of 2012 about the fiscal cliff, you may need to sit back and evaluate just what it all means to you. Tax credits for installing energy efficient heating and cooling equipment expired on December 31, 2011. These included high efficiency air conditioners and air source heat pumps. To avoid the fiscal cliff, certain energy related tax credits were extended. The American Taxpayer Relief Act of 2012 retroactively renewed tax credits effective January 1, 2012, expiring again on December 31, 2013. Any qualified equipment installed in 2012 or 2013 is eligible for this credit. As in previous years, the cumulative maximum amount of tax credit that can be claimed by a taxpayer in all years combined is \$500. If a taxpayer has already claimed a tax credit of \$500 for purchases made in any previous year, they are ineligible for additional tax credits for any new equipment purchases.

This credit applies to energy efficiency improvements in the building envelope of existing homes and for the purchase of high-efficiency heating and cooling equipment. The maximum tax credit for all improvements made in 2011, 2012 and 2013 is \$500. The cap includes tax credits for any improvements made in any previous year. If a taxpayer claimed \$500 or more of these tax credits in any previous year, any purchases made in 2011, 2012 or 2013 will be ineligible for a tax credit.

You must remember that all energy efficient installations will not qualify. In fact the energy efficiency thresholds that you will have to meet can be quite high. Equipment that has an EnergyStar rating will not always meet the energy efficiency ratings needed to qualify for the credit. The tax credits must be taken on your federal income tax filings, and consulting a qualified tax R one twenty five zero three representative is recommended when doing your 2012 and 2013 taxes.

Building envelope improvements

Owners of existing homes may receive a tax credit worth 10% of the cost of upgrading the efficiency of the building's envelope. Installation (labor) costs are not included and the credit is capped at \$500 for all improvements. To be eligible for the credit, the improvement must meet the prescriptive requirements established for it under the 2009 International Energy Conservation Code (including supplements). The following improvements are eligible for the tax credit:

- ▼ Insulation materials and systems designed to reduce a home's heat loss or gain.
- ▼ Exterior doors and windows (including skylights) - no more than \$200 in total credits can be claimed for windows in years 2006-2013.
- ▼ Pigmented metal roofs designed to reduce heat gain, and asphalt roofs with appropriate cooling granules.

Heating and cooling equipment

Taxpayers who purchase qualified residential energy-efficient property may be eligible for a tax credit for electric heating and air conditioning installations. The credit is equal to the full cost of the equipment up to the following caps:

- ▼ Electric heat pump which achieves the highest efficiency tier established by the Consortium for Energy Efficiency: \$300.
- ▼ Central air conditioner which achieves the highest efficiency tier established by the Consortium for Energy Efficiency: \$300.

Tax Credit Chart

Maximum Available Tax Credit	Product Type	Efficiency Requirements
\$300	Split-System Air Conditioners	16 SEER/13 EER
\$300	Split-System Heat Pumps	15 SEER/12.5 EER/ 8.5 HSPF
\$300	Packaged Air Conditioners	14 SEER/12 EER
\$300	Packaged Heat Pumps	14 SEER/12 EER/ 8 HSPF

Dates to remember: Caucus Meetings

District 6

Monday, Feb. 11, 2013
1:30 p.m. at Wood Lake
Community Center

District 2

Tuesday, Feb. 12, 2013
10:30 a.m.
MN Valley R.E.C.

District 4

Tuesday, Feb. 12, 2013
1:30 p.m.
MN Valley R.E.C.

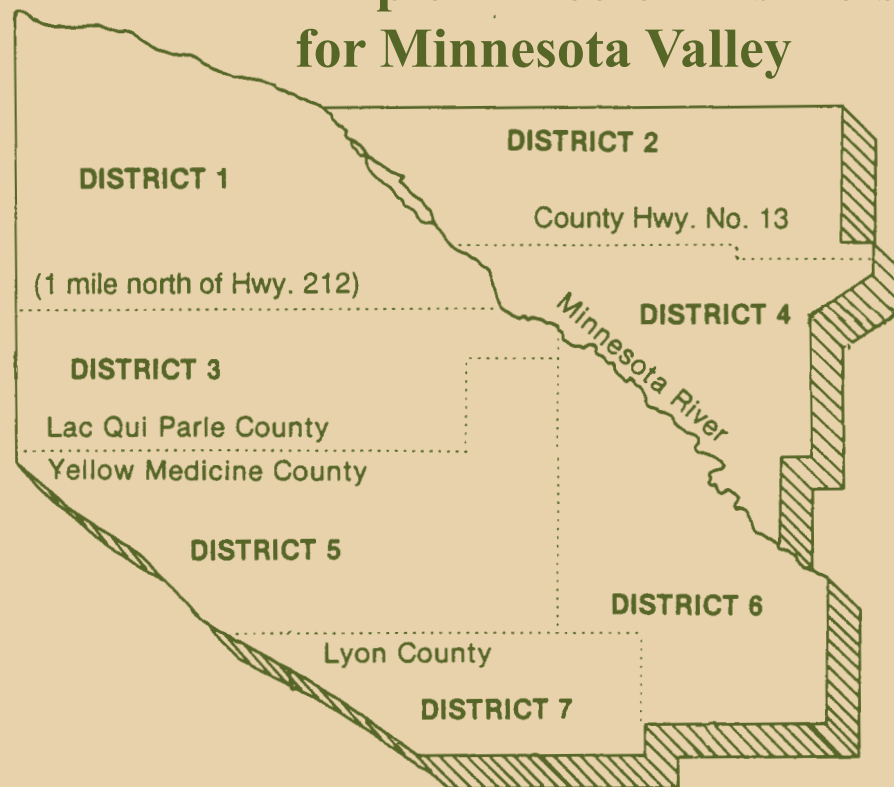
*** Electric Co-op Youth Tour to Washington, D.C.**

Application/essay due March 15, 2013

*** Annual Meeting - Saturday, March 23, 2013**

Prairie's Edge Casino Convention Center
Breakfast Buffet begins at 8:30 a.m.
Meeting at 10:30 a.m.

Map of Director Districts for Minnesota Valley



Director's Responsibilities

According to information compiled by the National Rural Electric Cooperative Association (NRECA) in Washington, D.C., a director's responsibility consists of having the ability and knowledge to set policy and approve programs that are the basis for operating the association. A director must have the time to attend monthly board meetings and other special meetings and seminars. These special sessions are necessary to keep directors informed on the various aspects of the cooperative and the electric utility industry. Other criteria of a board member as identified by NRECA include:

- Be an independent thinker, but a cooperator;
- Be capable of acquiring the knowledge necessary to cope with the issues of a modern electric utility, including finances, management and public issues;
- Possess the character and demeanor that will reflect favorable on behalf of the cooperative;
- Have the willingness to listen and learn;
- Be one who can accept and direct change;
- Be of sufficient stature to command the respect of management, employees, fellow board members, cooperative members and the public;
- Be willing to commit adequate time to the work of the board to be an effective member and properly discharge the duties of the board;
- Subordinate personal and other business interests to the needs of the cooperative when making a decision;
- Be willing to accept the unpleasant moments of a director's experience;
- Let management manage.

Non-Discrimination Statement

Minnesota Valley Cooperative Light & Power Association is the recipient of Federal financial assistance from the U.S. Department of Agriculture (USDA). The USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability and, where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202.720.2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue S.W., Washington, D.C. 20250-9410, or call toll free 866.632.9992 (voice) or 800.877.8339 (TDD) or 866.377.8642 (relay voice users). USDA is an equal opportunity provider and employer.

Patrick C. Carruth, General Manager

Minnesota Valley Cooperative Light and Power Assn.

P.O. Box 248 - 501 South 1st Street, Montevideo, MN 56265

Date: 2-1-13

NOTICE

Cogeneration and Small Power Production Compliance Notification

In compliance with MN Adopted Rules Relating to Cogeneration and Small Power Production Chapter 7835, Minnesota Valley Cooperative Light and Power Association is required to interconnect with and purchase electricity from cogenerators and small power producers which satisfy the conditions of a Qualifying Facility. The Cooperative will provide information relating to rates and interconnection requirements to all interested members free of charge upon request. An application of interconnection is required for a Qualifying Facility to interconnect and operate in parallel with the Cooperative's distribution system and is subject to approval by the Cooperative. Any disputes between the Cooperative and its members over interconnections, sales and purchases are subject to resolution by the Minnesota Public Utilities Commission.

Members interested in obtaining further information should contact

**Patrick C. Carruth,
Minnesota Valley General Mgr.
at: 320.269.2163/800.247.5051**



Spot Your Number!

Congratulations to Arlene Moen of Milan, C1-25-04, for identifying her hidden account number in last month's newsletter and receiving a \$20 credit on her energy account since she is a participant in Operation Round Up. Delbert Kimpling of Maynard, D4-03-04, also identified his location number and received a \$10 credit on his energy bill.

There are two more hidden numbers in this issue of the newsletter, each worth a \$20 credit on your energy account if you are participating in Operation Round Up or \$10 if you are not a participant. If you find your number in the newsletter, call the office at 320.269.2163/800.247.5051 by February 28, 2013. Give us a call if you want to start contributing to Operation Round Up.

COMPARATIVE REPORT

	<u>Jan.-Dec. '12</u>	<u>Jan.-Dec. '11</u>	<u>Jan.-Dec. '92</u>
kWhs purchased	207,646,135	210,180,830	130,147,822
kWhs sold	196,277,559	198,636,523	121,481,409
Cost of purchased power	\$9,497,432	\$8,708,526	\$4,625,371
Patronage capital margins	\$990,583	\$1,158,633	\$453,952
Reserve for taxes	\$308,300	\$191,628	\$215,903
Cost per kWh purchased	45.74 mills	41.43 mills	35.54 mills
	<u>Dec. 2012</u>	<u>Dec. 2011</u>	<u>Dec. 1992</u>
Total Plant	\$60,672,802	\$59,337,774	\$21,416,865
# Members receiving service	5,245	5,238	5,156
Average residential bill	\$185.41	\$159.13	\$119.97
Avg. res. kWh consumption	1,601 kWh	1,524 kWh	2,062 kWh
Avg. usage all consumers	3,915 kWh	3,593 kWh	2,450 kWh
KW Demand (Peak Load)	38,575KW	36,881KW	30,572KW



Looking back at 75 years - bringing power to our rural area

As we moved into the late 1960s, Minnesota Valley continued to promote the latest technology in electric appliances. Besides the evolving household appliances like microwaves, electric self-cleaning ovens and other electric luxuries, the installation of electric heat, including heat pumps, continued to rise. The number of electrically heated dwellings in the U.S. increased 24.6% during 1968. The figures were brought out in a survey of investor owned electric utility companies completed by Edison Electric Institute and combined with data received from the National Rural Electric Cooperative Association and the American Public Power Association.

As reported in the 1970 Annual Report, a 230,000 volt, 50,000 KVA substation, to be known as the Blair Substation, will be built north of Gary, South Dakota.

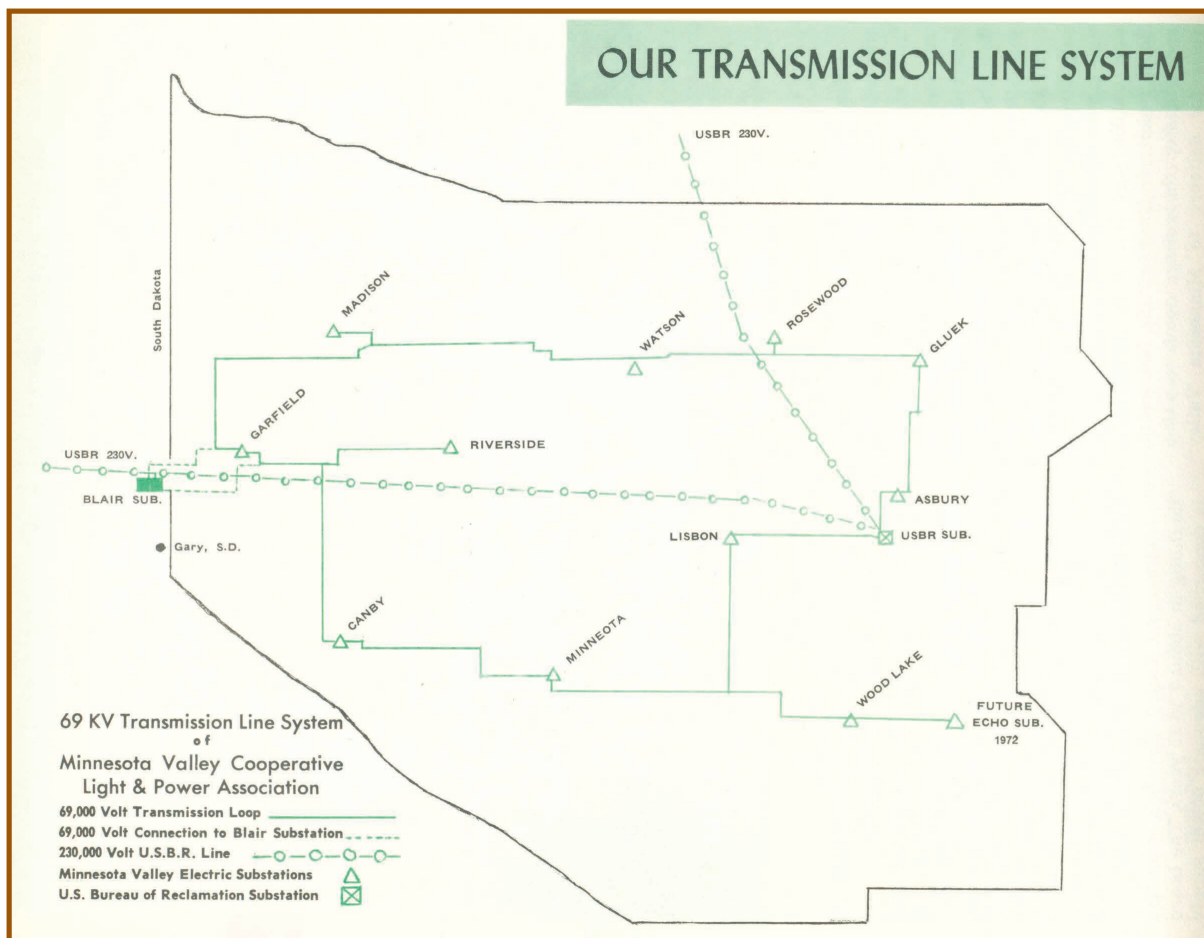
One half of the substation will be owned by Minnesota Valley and the other half by East River Power Cooperative of Madison, South Dakota. The substation will tap the existing U.S. Bureau of Reclamation (USBR) 230,000 volt line from Watertown, SD, to Granite Falls, MN, and will step the voltage down to 69,000 volts for delivery to Minnesota Valley members. Minnesota Valley will have two 69,000 volt circuits out of this 50,000 KVA substation tied into our 69 KV loop as shown on the map below which was printed in the 1970 Annual Report.

“At present, our cooperative has one direct tie for wholesale power into our 160 mile system loop. This is at the USBR substation located near Granite Falls. In case of power failure at the Granite Falls USBR substation, our system would be totally blacked out. When the Blair Substation is operational, and such a failure occurs at Granite Falls, the transmission loop could then be fed from the Blair Substation.

Minnesota Valley’s loads are doubling in about 7 to 10 years. The board is concerned with adequate power

supply and continuity of delivery so it must plan for adequate facilities in the future to supply the members’ energy needs.”

The Blair Substation was dedicated on June 30, 1972.



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Kathryn Christenson, Editor

Looking back at 75 years - Continued from page 7

By the mid-1970s, an energy crisis had evolved in our country. Our nation's demand for energy was overtaking the supply. Manager Eddie Lake addressed the issue in the January 1974 newsletter.

All of you members are somewhat familiar with the present energy shortage, a problem not one of us had thought of a short time back. The most shortages will occur in gasoline, fuel oil, diesel fuel, LP gas and electrical energy in some areas. A number of consumers have asked me what the electrical supply situation is and will be for Minnesota Valley. There is no shortage of electrical power capacity now nor in the foreseeable future within our system. The power produced to us is 100% coal and hydro generated. 56.9% of our wholesale power in 1973 comes from the Bureau of Reclamation, hydro produced on dams located on the Missouri River and the balance of 43.1% comes from Basin Electric Power Cooperative, lignite coal generated. There is no shortage of lignite coal used at our Basin 215,000 KW plant at Stanton, ND.

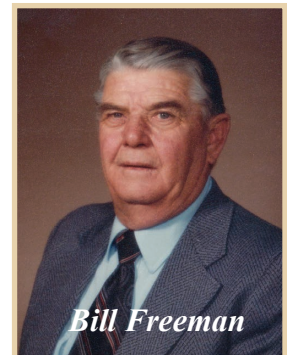
Basin Electric now has under construction, a 460,000 KW lignite fired generating plant to go on the line in 1974. Also, to provide for the member's power supply needs beyond the 1970s, Basin Electric, as a major participant, is now working with various other consumer-owned power systems in this region to develop an 800,000 KW or larger lignite fired generating station somewhere in the western portion of the Eastern Missouri Basin region.

In 1979, Minnesota Valley began offering free energy audits of members' homes to improve energy efficiency and save on heating and cooling. Trained personnel will assist members in examining and determining the effectiveness of homes for the proper type and amount of insulation, discussing weatherization needs and upgrading their home for energy efficiency.

Minnesota Valley Manager Eddie Lake retired on January 4, 1980. Bill Freeman, the co-op's Line Superintendent, was appointed Acting Manager. Mr. Freeman was later named Manager.



Eddie Lake



Bill Freeman

Congresswoman named to lead NRECA - Continued from page 1

join an outstanding organization to work on their behalf," she said.

Emerson is a member of the House Appropriations Committee and is chairwoman of the Subcommittee on Financial Services and General Government Appropriations. She will retire from Congress in February.

A graduate of Ohio Wesleyan University, she was an executive with the American Insurance Association and the National Restaurant Association before becoming the first Republican woman in Missouri to be elected to the House of Representatives.

Emerson will be officially introduced to the electric cooperative membership in February at the NRECA annual meeting in New Orleans.