

MINNESOTA VALLEY Co-op News

Volume 76 No. 1 • January 2014



MANAGER'S MESSAGE • PAT CARRUTH

General Manager



Prepare

This past month of bitter cold mixed with some ice helps to remind all of us that we need to be prepared for extended outages due to the possibility of ice storms, blizzards and other bad weather. We work and plan around here to make sure we are prepared to get you back on as quickly as we can should adverse conditions knock your lights out. You need to prepare, as well. Keep abreast of changing weather and be prepared for extended outages. If you have a generator, make sure it has been serviced and is ready to go. One of the worst ice storms for Minnesota Valley occurred in early 1977. The last member had power restored 11 days after the first outage. It can happen, so please be prepared. The good news is that when it does, we will do our level best until every member has power restored.

Ending the Year in Good Shape Financially

As we continue to close out the numbers for 2013, barring anything unforeseen, we expect to end the year in good shape financially. We had a good October and November with more corn drying this year than we have had for several years. Our October system peak is a new record peak of 46,828 kilowatts, beating the previous November 2009 record of 46,717 kilowatts. We also had strong energy sales to go with the heavy demand due to the drying

and electric heat use brought by the cold November and December. Anyway, we are fortunate to end the year with strong energy sales to help us produce a strong year-end margin for you.

Please Help Keep Your Electricity Affordable

In last month's newsletter we explained in some detail how the EPA is trying to root out coal as an option for producing electricity. They are doing this with unfettered new regulations on so-called greenhouse gases coming out of coal-fired plants. Of course, you know, the current EPA target is CO2 emissions which are blamed for a "global warming" effect that some believe is occurring. We believe CO2 is, for the most part, that essential ingredient plants need to grow so they can produce food and oxygen for us. In case you missed it, a recent new look at NASA satellite data revealed that Earth set a new record for the coldest temperature recorded. It happened in August 2010 when it hit -135.8° F. Then on July 31st of this year, it came close again at -135.3° F. The old record had been -128.6° F.

Please register your opinion online at www.action.coop and help us keep coal-fired power alive and well for the health of our economy. Please help us keep your electric energy affordable to help you.

BUSINESS OFFICE • CANDICE JAENISCH

Office Manager



2013 Winding Down

With 2013 almost in the books, our margins through November are just over 1.3 million dollars. This is well above our budget of \$450,000. As you know, the cold weather directly affects our margins, along with lower costs across the board operationally. We also continue to look for ways to provide exceptional customer service to all of our members. One way we do this is to provide several cost saving options for our members to pay and receive their monthly bill.

20% of Members Enjoy Automatic Payment Options

Over 20% of Minnesota Valley's members elect to have their electric bill deducted from their checking account automatically each month. Members continue to sign up monthly and enjoy this "no hassle" method of paying their electric bill.

Electric payments are deducted on the 27th of each month and members avoid the possibility of getting their power disconnected for non-payment. These members also

avoid late fees, disconnect notice charges or disconnect/reconnect fees. Members can also rest assured that their payment is made in time, even when they are out of town. This is the most cost-effective payment option available to our members and to the cooperative.

Another good alternative to the automatic payment option is Minnesota Valley's Bill-4U Program. This program allows members to initiate

a payment monthly using their checking account, debit card or credit card. Members can use this payment method at their convenience and can set up a recurring payment at their discretion. The Bill-4U Program can be accessed through Minnesota Valley's website at www.mnvalleyrec.com.

If you would like to save time and money by paying your bill electronically, simply call the Business Office at (320) 269-2163 or (800) 247-5051.

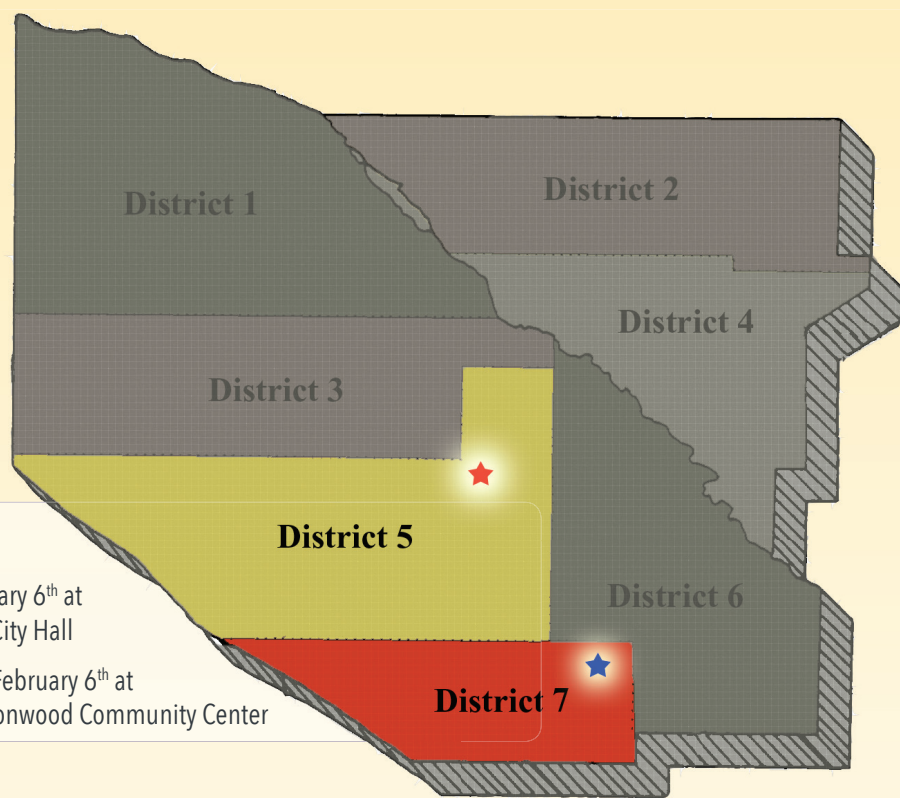
2014 Annual Meeting

Saturday, March 22nd, 2014 at the
Prairie's Edge Casino Convention Center
Breakfast Buffet begins at 8:30 a.m.
Meeting at 10:30 a.m.

Mark your calendars...

2014 Caucus Meetings

- ❖ **District 5:** Thursday, February 6th at
1:30 p.m. at the Clarkfield City Hall
- ❖ **District 7:** Thursday, February 6th at
10:30 a.m. at the Cottonwood Community Center



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 favorably 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

Comparative Report

	Jan-Nov 2013	Jan-Nov 2012	Jan-Nov 1993
Kwh Purchased	197,745,389	185,834,074	123,044,068
Kwh Sold	187,325,639	175,745,140	114,089,502
Cost Of Purchased Power	\$9,654,705	\$8,563,605	\$4,301,796
Patronage Capital Margins	\$1,311,301	\$497,107	\$190,778
Reserve For Taxes	\$303,002	\$294,915	\$212,448
Cost Per Kwh Purchased (mills)	48.82	46.08	34.96
	November '13	November '12	November '93
Total Plant	\$62,140,474	\$60,745,013	\$23,042,662
# Of Members Receiving Service	5,261	5,244	5,165
Average Residential Bill	\$273.14	\$159.51	\$153.19
Average Residential Kwh Consumption	2,370	1,341	2,432
Average Kwh Usage All Consumers	4,211	3,153	2,795
Peak Kw Demand (Peak Load)	42,936	33,658	31,884

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. Call the office to claim your credit.

There were no winners in last month's issue. Keep looking!



Win a Trip to the 2014 Electric Co-op Youth Tour in Washington, D.C.

Minnesota Valley will again be sponsoring a youth trip in 2014. The program is open to all high school sophomores and juniors in Minnesota Valley's service area, whether or not their parents are members of the cooperative. To qualify you will need to submit an essay and application form which are available by calling the numbers below. **All applications/essays must be completed and in our office by March 14th, 2014.** If you place first in the competition, you will be awarded an all expense paid trip to our nation's capital along with about 40 other students from Minnesota cooperatives.

The Electric Cooperative Youth Tour to Washington, D.C. is scheduled for June 14th-19th, 2014. The students will join over 1,000 young people from across rural America given the opportunity to see American government in action, tour our nation's capital, visit historic places of interest and meet many new friends.

All winners are guaranteed a good time! If you are a high school sophomore or junior living in Minnesota Valley's service territory and would like to go on this all expense paid trip, call (320) 269-2163 or (800) 247-5051 and we will send or email you the complete application.

Apply Now for the 2014 Minnesota Valley/Basin Electric Scholarship

Minnesota Valley R.E.C. has again joined Basin Electric Power Cooperative in sponsoring a scholarship in 2014. A total of \$2,000 in educational scholarships will be awarded to area students. All dependent children of Minnesota Valley Cooperative members meeting the qualifications are eligible to apply. The scholarship program is designed to recognize and encourage the achievements, abilities and school/community involvement of students in Minnesota Valley's service territory. The cooperatives have developed the scholarships to help meet the college funding needs of students in rural areas.

To qualify for the scholarship, an applicant must be the dependent child of a Minnesota Valley member and a U.S. citizen. Applicants must be students enrolled or planning to enroll in a full-time undergraduate or graduate course of study at an accredited, two-year or four-year college, university or technical college in the 2014-2015 school year. Students in any year of post high school education are eligible. Previous scholarship winners are **not** eligible. Recipients will be chosen based on a combination of overall grades, achievements, participation in school and community activities, a personal statement of career goals, applicant appraisal form and an essay. A neutral group of Minnesota Valley members will review all applications and make a selection on a recipient(s). All post high school areas of study will be equally considered for the scholarship. Stop into the Minnesota Valley R.E.C. office to pick up a scholarship application form or have one mailed or emailed to you by calling (320) 269-2163 or (800) 247-5051.

Scholarship applications for the 2014-2015 school year will be accepted until February 7th, 2014.

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

When we live in Minnesota, we deal with all sorts of weather. The cold temperatures and the white stuff definitely found us this past month. When this happens, we shift into line patrol duty. P two zero two zero two If you see our trucks in your yard, or going slow on roads, they are just looking at the condition of wires, checking clearances to trees and buildings, and looking out for any problems that might need to be addressed.

We are also still doing retirement of overhead lines in the southern portion of our service area. The CapX lines will be constructed during the upcoming months by Xcel crews. This time of year also brings year-end inventory at our facilities to square up year-end numbers and also get a head start on what we may need for materials next year. This helps us know what we have on hand if an ice storm or some other problem were to hit our system.

We did experience some icing on our transmission line in areas serviced by our Lisbon, Vallery, Wood Lake and Echo Substations on the evenings of December 9th and 10th with short periods of blinking lights and a short, five-minute outage when the winds picked up.

Have a happy New Year!

Director Wayne Peltier Named Board President of Basin Electric

At the Basin Electric Annual Meeting in November Minnesota Valley Director Wayne Peltier, was re-elected for a three-year term as the District 9 Director to the generation and transmission cooperative. At the December 9th Basin Electric Board Meeting held in Bismarck, ND, Wayne Peltier was elected Board President.



Wayne was first elected to the Basin Board in 2008. Wayne represents the cooperatives that make up District 9 which include: Grand of Bison, SD; Rosebud of Gregory, SD; KEM of Linton, ND; Mor-Gran-Sou of Mandan, ND; Crow Wing of Brainerd, MN; Wright-Hennepin of Rockford, MN; Minnesota Valley of Jordan, MN; Flathead of Kalispell, MT; and us here at Minnesota Valley. Basin Electric has 11 director districts.

Wayne lives west of Cottonwood and has 14 years of experience on the Minnesota Valley Board representing the members of District 7. We are confident that he will represent Minnesota Valley, District 9 and all of the owners of Basin Electric well and with a strong voice.

Basin Electric Power Cooperative is a consumer-owned, regional generation and transmission (G&T) cooperative providing wholesale power to 137 member rural electric systems in nine states.





Give Me a Break - Tax Break That is!

The federal government had tax credits the past few years for a variety of home energy efficiency practices, but many of those have been reduced or eliminated for 2014. Those tax credits have all but gone, with the exception of one huge credit you can still take advantage of. If you installed a geothermal heating system in your home in 2013, or plan to install a new heating system in 2014, there is still a 30% tax credit available for the installation of a geothermal heat pump. This tax credit can be used to your advantage until December 31st of 2016.

Geothermal heat pumps are similar to ordinary heat pumps, but use the ground instead of outside air to provide heating, air conditioning and, in most cases, hot water. Because they use the earth's natural heat, they are among the most efficient and comfortable heating and cooling technologies currently available. Q two zero eight zero four The efficiency of a ground source heat system can be 3-5 times higher than other conventional heating systems. That means that you can have efficiencies of over 300%, which translates into huge savings on your heating bills.

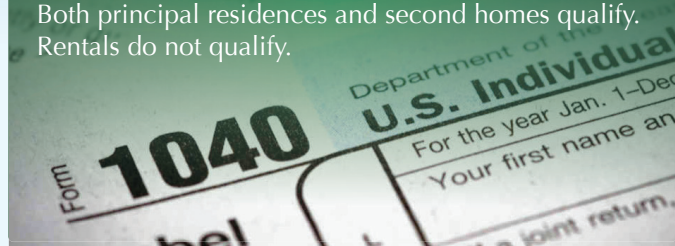
If you are thinking about a new home heating system this year, the geothermal heat pump may be for you. Federal tax credits, coupled with low interest loans, low electric heat rates and ultra high efficiencies, can make a geothermal heating system very attractive. If you would like more information on this type of heating system, please contact your local geothermal heating contractor or the Member Services Department of Minnesota Valley Cooperative.

Geothermal Heat Pumps Tax Credit

Tax Credit: 30% of cost with no upper limit

Expires: December 31st, 2016

Details: Existing homes & new construction qualify. Both principal residences and second homes qualify. Rentals do not qualify.



Energy Saving Tip.....

Use Window Coverings to Keep the Heat Where You Want It!

Energy saving window coverings can cut your home heating and cooling costs in a number of ways.

- ❖ They block the sun out in summer (when sunlight turns into unwanted heat), and allow sunlight in during the winter (when you want the solar heating).
- ❖ They improve insulation - creating an extra layer of still air between your windows and the indoors, cutting heat transfer in both hot and cold weather.
- ❖ They also control the amount of light coming in, so you can take advantage of natural lighting where possible.
- ❖ Window coverings can help to control heat transfer to the outdoors in winter, or overheating the room on hot summer days.

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