

MINNESOTA VALLEY CO-OP NEWS

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MANAGER'S MESSAGE • PAT CARRUTH



General Manager

Summer Storms Season

Chances are summer will not pass without severe weather rolling through our service area. This year is no exception. When a storm is rolling through, you can trust that Minnesota Valley is ready to respond. We have operational procedures in place to organize the restoration process. We start by mobilizing our line crews. With the aid of our Cooperative Response Center (CRC), who takes your outage reporting call and our report capabilities of the meter on your yard, we are able to get crews where they need to be to get your power restored safely and quickly.

The major cause of most power outages is trees and branches falling on or being blown through power lines. Other causes this time of year are lightning strikes or wind. We work year-round, through right-of-way clearing, to ensure our power lines have the best chance of not being interfered with by trees, branches or other types of vegetation. Despite our best efforts, during major storms damage can occur to our transmission and distribution lines and substations. Safety is always our first priority. Crews give immediate attention to dangerous situations such as power lines down on roads. They always work safely and quickly to restore your power.

We always have one crew on call. When the storms roll in, they will make the initial determination of how many additional crews need to be called in to quickly restore power. All of our employees are always paying attention to the weather and they are willing to show up anytime to help get your power on. We are fortunate to have a dedicated group of employees all the way around. We are also fortunate to have a dedicated contractor, Karian Peterson Power Line Contracting, that we are part owner of. When we lost some transmission line poles in the July 9th storm, they put their other projects on hold to help us get our system up and running.

When You Call in an Outage

During a storm or after hours, your call goes in to CRC who helps us organize our outages and gives updates to our linemen on call. Minnesota Valley was one of 19 of the original incorporating members of CRC in Austin, Minnesota back in 1992. At the time, many of the original founders, including Minnesota Valley, were running out of options for local dispatch and we looked at several options which proved to be not economical. Forming a cooperative to share the cost of providing a more effective service seemed natural. The original purpose was to do a better job of after hours

dispatch of crews to handle member outages. CRC also provides monitoring for our *First Call* service which we have about 256 people using. This service provides those who use it with almost instant communication with a live person should they need some sort of assistance by simply pushing a pendant. They also monitor another 76 various types of alarms for a number of situations that our members have. The most common would be environmental for hog confinement buildings.

Overall, we think CRC does a good job of getting the information our crews need to get your lights back on as quickly as possible. Today, the cooperative organization handles after hours calls for 313 member systems. They also have two redundant offices, which allow them to keep operational should one office become disabled. They have over 190 dispatchers and customer service representatives between the three offices. CRC is always improving with new technology and methods to be sure that your outage quickly gets to the people who can put your lights back on...our linemen. The CRC currently handles up to 5,000 calls per hour and is working toward a goal of handling 50,000 calls per hour within the next couple of years. CRC plays a critical role in helping our linemen get your lights back on faster.

2016 Basin Tour



This trip included a tour of the Garrison Dam, a resource used for hydroelectric power production, flood control, irrigation, recreation, municipal and industrial water supply and downstream navigation;

a visit to the Antelope Valley Station, where they saw the process of generating electricity; and a trip into the world of coal mining at the Coteau Freedom Coal Mine, where they saw how the over burden is removed in order to get to the coal seam and also viewed land reclamation efforts. Along with all the fun, traveling and food, tour members learned "the story behind the switch". It is remarkable to learn what is actually involved in the process of bringing electricity into our lives.

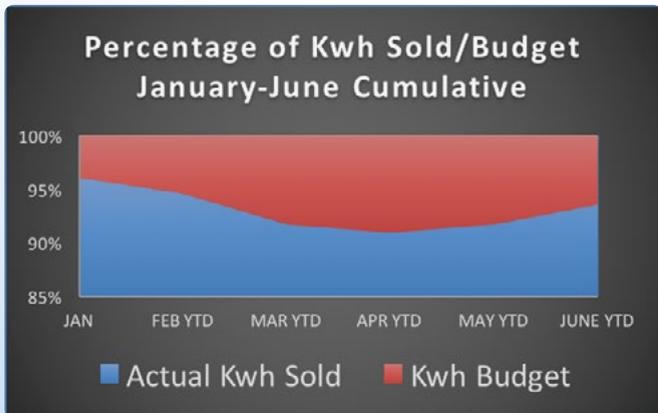


Office Manager

Financial Report through June 2016

Total Margins remain strong through June at \$950,000. Sales are approximately 6.4% below budget year-to-date. We were able to reduce the spread between Kwh's budgeted

and Kwh's sold this last month. Power costs year-to-date is about 13% below budget, which is helping our margins. Transmission and Distribution expenses, along with Administrative & General expenses, are within budgetary guidelines. Depreciation expense slightly exceeds budget by \$10,000. Overall, we are in good financial shape!



Construction Work Plan 2014-2017

We are on our third year of this Construction Work Plan. We have spent \$7.4 million of the \$10.8 million we have allocated for this work plan. Thus, we have \$3.4 million to carry us through 2017. All projects are going as planned.

In addition, we are in our third year of replacing our trucks. We have our bucket trucks on a seven to eight year rotation and our digger derrick trucks are on a ten year ro-

tation. The total cost of these trucks is \$1.8 million. These purchases allow us to provide safe and reliable services to you, the member-owners.

\$6 Goes a Long Ways...

Did you know that if every member joined Operation Round Up we would have \$30,000 to give back to our communities where they need it the most? This includes fire departments, first responders, 4-H clubs, scholarships and many more programs. We also give to members who have had financial hardships due to illnesses, fires, etc. On average, members who participate in Operation Round Up pay an extra \$6 a year by having their bills rounded up to the next whole dollar. Please join other cooperative members by joining today. If you would like to sign up or would like additional information, please contact Jill or Tracie at 320.269.2163.

Minnesota Valley's Credit Policy Remains Unchanged

In a time when many businesses are tightening their credit policies, Minnesota Valley's remains the same. Our bills are due on the 25th of each month, with interest being charged only after the first of the following month. Our deposit for new customers remains at \$200 and can be waived if they have a credit reference. After the second month without a payment, a customer receives a disconnect notice and a \$20 fee is charged. Overall, our member-owners pay their bill on time. This is extremely important and it keeps our cost of doing business low. Minnesota Valley offers many options for members to pay their bill. If you would like to have your bill paid automatically or would like information on how to pay your bill online, please call our Customer Services Representatives, Jill or Tracie, for more information.

Comparative Report

	Jan-Jun 2016	Jan-Jun 2015	Jan-Jun 1996
Kwh Purchased	101,426,687	105,105,872	73,810,895
Kwh Sold	96,377,139	99,802,082	67,553,041
Cost Of Purchased Power	\$4,472,553	\$4,790,008	\$2,220,591
Patronage Capital Margins	\$950,464	\$789,739	\$109,126
Reserve For Taxes	\$137,500	\$148,622	\$212,126
Cost Per Kwh Purchased (mills)	44.10	45.57	30.08
	June '16	June '15	June '96
Total Plant	\$67,985,298	\$65,584,565	\$27,997,790
# Of Members Receiving Service	5,257	5,267	5,142
Avg. Residential Bill	\$184.23	\$169.27	\$88.11
Avg. Residential Kwh Consumption	1,583	1,420	1,234
Avg. Kwh Usage All Consumers	2,750	2,571	1,779
Peak Kw Demand (Peak Load)	29,235	27,032	19,937

Find Your Location & Get a \$10 or \$20 Bill Credit!

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 last month. Keep looking!

Minnesota Valley Co-op will be closed Monday, September 5th in observance of Labor Day!





Minnesota Valley Tree Service

With over 20 years of experience in utility line clearing, Minnesota Valley Tree Service offers the expertise required to safely and efficiently keep the cooperative's lines clear of potentially hazardous trees and vegetation. Implementing an aggressive vegetation management plan is one important way the cooperative provides members with reliable electric service.

Minnesota Valley Cooperative Light and Power Association is the sole owner of Minnesota Valley Tree Service located in Granite Falls. The primary purpose of the tree service is right-of-way clearing for power lines. However, the company also provides professional tree and shrub trimming, complete tree removal including hazardous and minimum access trees, cabling and bracing and stump removal.

"Tree trimming can be really dangerous. It is very easy for people to get hurt when they try to trim trees themselves rather than hiring a professional crew," cautions Jarrod Schiltz, Certified Arborist and Manager of Operations at Minnesota Valley Tree Service. "We have the proper equipment and knowledge to do the job right."

When it comes to clearing utility lines, Schiltz reports that progress has been a little slower than expected with all of the storms that have come through the area this summer. "We are on about a five-year cycle of trimming," he says of the co-op's vegetation management plan. "That is where we like to be. It is pretty much a rotation. We break the co-op's service territory up into quadrants and work around the map that way. Our goal is to get at least 10 feet of clearance from ground to sky for the main wires."

Minnesota Valley Tree Service crews are currently working in between Granite Falls and Cottonwood. R two zero nine zero four The plan is to finish the southeast quadrant of the co-op's service territory by the end of the year.

"One of the most important things for us is communication," says Schiltz. If people have questions or concerns about the work crews will be doing on their property, it is important that they call Minnesota Valley Tree Service right away to address any issues that may arise.

Minnesota Valley Tree Service also has free wood chips available. To request a load of wood chips, call the office at 320.564.1899.

ENGINEERING & OPERATIONS • JOHN WILLIAMSON



Manager of Engineering & Operations

I hope your summer is going well. It was dry and hot for a while, which gave our crews an opportunity to accomplish a lot of planned work for the summer. That dryness definitely changed early in the morning on July 10th.

Shortly after 3:00 a.m. the winds really picked up along with a lightning storm, which caused several extended outages in our service area.

We continually clear trees to do our best to keep adequate space from the power lines. Yet, when Mother Nature throws strong winds at items (be it trees or power poles) they all have a breaking point. We had two transmission poles that broke during the storm. This took out one delivery point controlling four substations, affecting over 1,200 consumers.

We also had major lightning going on which blew arrestors and insulators. It

took out several main lines. On top of that, we were still contending with the strong winds. We had two broken distribution poles take out even more lines. The rest of the outages were all caused by tree branches dropping and breaking lines or just laying on them to short out and fault these lines out.

On the evening of July 16th, our area again experienced extreme weather. We had 70 mile per hour winds along with hail. We lost 15 transmission poles and a dozen distribution poles, which caused outages to seven substations and a lot of people. The crews worked continually to restore all these outages to get your power restored as quickly as possible. I commend them for the hard work they did. We appreciate your patience when these events happen.

I hope your crops and gardens weathered the storms. As always, if there is something you are thinking of doing yet this construction season on your property, please call.



MEMBER SERVICES • BOB WALSH

Member Services Manager



What Part of the Electric Service is Yours?

With the recent bad weather and damaging storms we have had, many consumers contact us about making repairs to the equipment regarding their electric service. There always seems to be some confusion as to who owns what when it comes to the electric “meter loop”, which is the hub of an electrical distribution system. When the power goes out or a storm rolls through, most people assume the utility is responsible for the cost and repairs. This may be the case, but in some instances the problem can be with equipment that you own.

On a majority of the residences and farms served by Minnesota Valley, the power comes into the property at a central location where the meter is located. Generally, the meter is contained in a meter socket or “loop” that is owned by Minnesota Valley. This meter loop equipment most often is where Minnesota Valley’s ownership of equipment ends and the terminal boxes, junctions and wire from that point on are owned by the member.

When Your Power is Out

During any power outage, it is important to take note of a few things to try to determine if the problem is Minnesota Valley’s or if it could be with your equipment.

- Check with your neighbors to see if they are also out of power.
- Make sure that all of your buildings with electric services are out of power. Q two thirty four zero one If all of the buildings are not out of power, the problems most likely is with your equipment.
- Look at the electrical meter itself for signs that the power is on. An older style mechanical meter will have a small “power on” indicator light on the underside of the meter. A newer digital meter will have a flashing display screen when the power is on.
- When in doubt, please call our office for assistance.



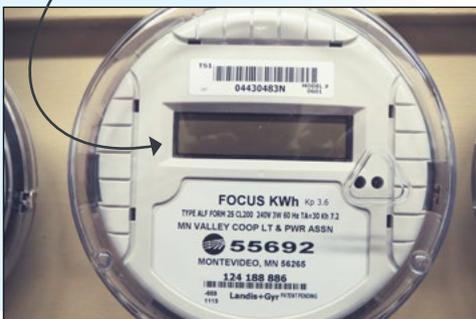
Minnesota Valley metering equipment

Service disconnect and transfer switch

Member owned terminal box

If your meter looks like this, check that the small light on the bottom of the meter is lit.

If your meter looks like this, check if the display is flashing.



Office Hours

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

24-Hour Telephone Answering

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