



## MANAGER'S MESSAGE // PAT CARRUTH



General Manager

### Annual Meeting

Please join us on Saturday, March 21<sup>st</sup> at the Prairie's Edge Casino for your Annual Owners'

Meeting. We will begin serving brunch at 8:30 a.m. and get the business meeting underway at 10:00 a.m. We will have director elections in Districts 5 and 7. The business meeting and drawings for the Basin Tour and door prizes should wrap up around 11:00 a.m. The Annual Meeting is a great place where you can come and visit with your board, employees and about your business. It is a good place to get more information as to how your business is doing. We look forward to seeing you there!

### Sending out Capital Credit Checks

The board approved retiring \$1,251,695 which is the remainder of 2013. We are planning on mailing them out near the Annual Meeting

on March 21<sup>st</sup>. We will also be retiring out and paying out estates throughout the year. Your board remains committed to aggressively retiring capital credits. For distribution cooperatives in Minnesota, there are only 3 out of 42 that have retired a higher percentage of their total patronage capital than Minnesota Valley. Nationwide, there are only 36 out of 698 that have done better.

In case you didn't know, when you signed up to receive electric power from Minnesota Valley you became a member – and owner – of an electric utility. Not just any electric utility, a cooperative electric utility. One of the things that differentiates a cooperative from any other form of business is how we handle any profits. Profits in the cooperative world are called margins and we book them as capital credits.

(Manager's Message continued on page 2)

## Notice of Annual Member Meeting 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** in Granite Falls, MN on **Saturday, March 21<sup>st</sup>, 2026**.

Registration and a breakfast buffet open at 8:30 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 two 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.*

**Mark Peterson, Secretary**  
*Dated: January 29<sup>th</sup>, 2026*

**MARCH**

**2026 ANNUAL MEETING // SATURDAY, MARCH 21<sup>ST</sup>, 2026**

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Our **2026 Annual Meeting** will take place at Prairie's Edge Casino in Granite Falls. Breakfast will be served at 8:30 a.m. with the business meeting starting at 10:00 a.m.

## What are capital credits?

While investor-owned utilities return a portion of any profits back to their investors, which are for the most part not their rate payers, electric cooperatives operate on a not-for-profit basis. Any profits, or margins, belong to the member-owners and all 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 2013, you will be getting a check.

## Where does the money come from that makes up capital credits?

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 is essentially capital credits. We use the cash from this margin for several years to operate the cooperative before returning it to you.

## Are capital credits refunded every year?

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 severe storms, which may result in the need to spend additional funds to repair line. This type of event might cause the board to defer any capital credit refunds.

## How does Minnesota Valley compute the retirement of capital credits?

Margins are calculated and allocated to members as "capital credits" based on their purchases from the cooperative – how much power the member used. Capital credits have always been 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 also discount and retire estates at 4% per year.

We hope to see you at the Annual Meeting on March 21<sup>st</sup>.

## 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 25<sup>th</sup> 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.

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Once claimed, we will start again at \$10. If you find your number, call 320.269.2163 or 800.247.5051.



## BUSINESS OFFICE // JILL ROTHSCHADL



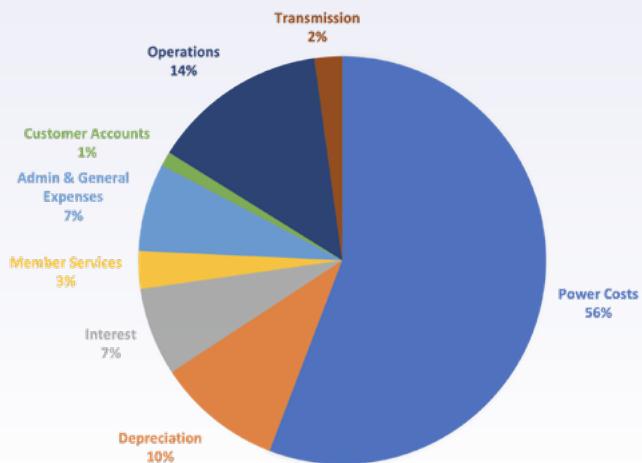
### Office Manager

#### 2026 Budget Approved

The Minnesota Valley Cooperative budget has been approved by our Board of Directors. Our expected fixed and variable cost distributions are reflected in the graph below.

Total costs are expected to increase, but the categorization of expenses remain in line with prior budgets.

#### 2026 BUDGETED EXPENSES



## Energy Efficiency Tip of the Month

Mid-winter is a great time to ensure you're making the most of your home heating system. Replace or clean filters to keep your furnace or heat pump running efficiently. Listen for strange noises and check for uneven heating—these signs indicate that the system may need servicing. Ensure vents and radiators aren't blocked by furniture or rugs as proper airflow helps your system work less and saves energy. A little maintenance along the way can prevent costly repairs and keep your home cozy through winter.

## Comparative Report

	Jan-Dec 2025	Jan-Dec 2024	Jan-Dec 2005
Kwh Purchased	242,673,608	229,888,870	166,809,149
Kwh Sold	229,362,990	218,110,119	156,270,569
Cost Of Purchased Power	\$13,687,885	\$11,940,875	\$4,504,335
Patronage Capital Margins	\$2,299,847	\$2,206,692	\$1,720,893
Reserve For Taxes	\$413,222	\$305,079	\$160,000
Cost Per Kwh Purchased (mills)	56.40	52.05	27.00
	December '25	December '24	December '05
Total Plant	\$115,362,921	\$107,569,557	\$40,713,975
Number of Active Services	5,340	5,321	5,255
Avg. Residential Bill	\$337.73	\$295.60	\$164.91
Avg. Residential Kwh Consumption	3,097	2,914	2,431
Avg. Kwh Usage All Consumers	4,601	4,185	3,505
Peak Kw Demand (Peak Load)	45,181	43,380	35,318

No one found their number last month, so we are rolling that amount over to this month! If you find your number, claim by the 25<sup>th</sup> of February for:



# Proposed Changes to the Articles of Incorporation and Bylaws

Please review the following Articles of Incorporation and Bylaws. Members will be voting on the proposed Articles of Incorporation and Bylaw changes at the Annual Meeting on March 21, 2026.

## Article III: Directors

Section 2. (Persons Eligible) No member shall be eligible to become or remain a director who is not a bonafide resident and consuming member in the area served by the association, who is **or has been** an employee of the association or who is **or has been** in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the association or a business primarily engaged in selling electrical appliances, fixtures or supplies to the members; provided, however, that nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

## ENGINEERING & OPERATIONS // TODD BOLKEMA

### Engineering & Operations Manager



In December, we completed the largest and most important project in our 2025-2028 construction work plan. We energized our new Torvik Substation on the northeast side of the service area. The substation serves load around that area including new dairy loads that have recently been added. The close proximity to these new loads reduces line losses and increases future reliability of the service. The work included five miles of 69 kilovolt transmission line, the substation with

three new circuits and several miles of three phase distribution lines.

Torvik Substation was named for our long-time co-op Attorney, Stephen Torvik, who served us from 1992 to 2018. He was a valuable contributor to the success of Minnesota Valley and a strong supporter of our cooperative business model.

We could not have completed this project without the construction assistance from Karian Peterson, design support from Power Systems Engineering and our Minnesota Valley employees.



In Service December 2025



Start of Construction Spring 2025



Regulators

## TORVIK SUBSTATION TIMELINE



Steel Framework



Oil Containment at Transformer



Cable Trench

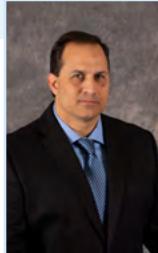


Switches, Insulators

## Cogeneration and Small Power Production Compliance Notification

In compliance with MN Adopted Rules Relating to Cogeneration and Small Power Production Chapter 7835 along with State Statue 216B.164, Minnesota Valley Cooperative Light and Power Association is required to interconnect with 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 mediation of an independent third party. The third party mediator must be listed on the roster of neutrals for civil matters established by the state court administrator under Rule 114.12 of Minnesota's General Rules of Practice for the District Courts.

Members interested in obtaining further information should contact **Scott Kubesh, Member Services Manager, Minnesota Valley Cooperative Light and Power Association, at 320-269-2163/800-247-5051.**



### How to Avoid, or Investigate, a High Winter Bill

No matter how conservative you are, there's a good chance that you'll use more electricity during the upcoming winter months. Many factors will have an affect on your electricity usage during the colder months of winter. A better understanding of your energy consumption may help you to track your usage on the electric bills you will receive this winter. One or more of the following things are possibly going to contribute to increased energy consumption this winter. There may also be other hidden "energy hogs" that you may not be aware of.

- ◆ Central heating systems are used more during the colder months of winter
- ◆ Space heaters can be used more to keep certain areas warmer
- ◆ Heat tapes and heaters may be used to keep water pipes from freezing
- ◆ Shorter days mean more lights are on longer
- ◆ Exterior lighting is used more often
- ◆ Clothes dryers are used in place of line dried clothes
- ◆ Additional cooking and baking is usually done
- ◆ Christmas lighting is used throughout December
- ◆ We stay in the house for more hours using electronics and appliances more often
- ◆ Livestock and pet water tank heaters are used to keep waterers from freezing
- ◆ Vehicle engine heaters are used more to get equipment started

Three easy steps can help you understand a higher bill and avoid high bills down the road:

- 1) **Compare your usage** – view your KWh consumption, not just the cost, to see if it has increased
- 2) **Find opportunities to save** – if your consumption is higher, look for ways to reduce it
- 3) **Monitor your usage** – with the use of energy monitors, you can track what certain appliances are using for electric energy

It's important to remember that higher bills can be due to a number of different reasons – and our Member Services Department is here to help you better understand your energy usage. Please call our office at (320) 269-2163 or (800) 247-5051 if you have questions about your electric consumption. If you are experiencing financial hardships, there are ways to help such as Energy Assistance Programs.

### What is the Energy Assistance Program (EAP)?

The Energy Assistance Program helps people with lower incomes pay their heating/energy bills during the fall, winter and spring months. EAP agencies around the state take applications for the program and determine how much help each household can get to pay their heating bills.

### Who can get help from the Energy Assistance Program?

EAP is available to many households with lower incomes, including homeowners and renters. Renters can get help unless they are subsidized with both heat and electric included in their rent. Your household's income has to be below 50% of the state median limit to get help.

### How do I find out who my Energy Assistance Program agency is?

In Chippewa, Lac qui Parle, Swift and Yellow Medicine Counties: *Prairie Five Community Action* (800) 292-5437  
In Lincoln, Lyon, Redwood and Renville Counties: *United Community Action Partnership* (800) 992-1710

### How much will the Energy Assistance Program pay?

It depends on how many people live in your household, their income, the type of fuel you use and how much fuel you use. Those families with the lowest incomes and the highest cost for energy will get the most help paying their bills. You will get between \$200 to \$2,000 of help. The average grant is \$500. Households whose energy services have been disconnected (or are in danger of being disconnected) may be eligible for additional help to get reconnected or prevent disconnection. Even if you received a grant earlier, you may be able to get more help. Some homeowners may also be eligible for furnace repair/replacements if they meet eligibility requirements. Ask your local Energy Assistance agency or visit [www.mnnesotaenergyresources.com](http://www.mnnesotaenergyresources.com) for more information.

### What is the Cold Weather Rule?

The Cold Weather Rule protects all Minnesotans from having their heat turned off during the winter (from October 15<sup>th</sup> to April 15<sup>th</sup>) even if they have not paid all of their bills. There is information about the Cold Weather Rule on the EAP application. If you fall behind paying your heating bills, you will get a letter in the mail from your energy company called a "Notice of Proposed Disconnection" telling you that your heat may be turned off soon. To make sure your heat is not turned off, call your utility company and set up a budgeted payment plan. That way, you can plan to pay about the same amount each month of the year, instead of having very large bills during the winter.

### What will happen if my heat gets shut off?

If your heat gets shut off, it will cost more money (a reconnection fee) to have it turned back on. Your energy company may also require an additional deposit before they will turn on the heat. That is why it is important to fill out the Cold Weather Rule form or arrange a payment plan with your energy company. Then your heat cannot be turned off during the winter as long as you make the required payments.

