

MANAGER'S MESSAGE • PAT CARRUTH



General Manager

New Record Demand Set in November

Corn drying system wide, during a period of cold weather, brought our peak power demand to almost 48 megawatts in early November. Heavy power demand continued through most of November as corn drying, along with the cold snap, continued. This beat our previous record power demand of 47 megawatts set in November of 2009. To give you an idea of how much power 48 megawatts is, it would equate to 64,369 horsepower. We sold just over 25,000,000 kwhs of energy for the month of November. That is not a record month, but is reflective of how energy intensive production agriculture is especially during harvest. This is enough electric energy to provide for 27,870 homes for a month. Of course, this power and energy is not all used for drying and heat. Drying comes on top of our normal base use of power and energy by small and large commercial accounts, industrial and manufacturing, livestock and general business accounts and farm and residential. Historically, grain drying comes on and simply drives our big month for the year.

For us, the best part of this record power demand on our system was the fact that it operated without a hitch. The primary reason for this is a project we completed over five years ago. The Appeldorn Delivery Point Substation, west of Boyd, along with 28 miles of interconnecting transmission line was put into service on August 28th of 2012. Prior to this new delivery point our transmission system was designed to handle just over 40 megawatts of load without drops in voltage and other related problems in some areas. With this new third delivery point, our system can handle over 100 megawatts of load without loss of any voltage level system-wide. We are extremely pleased that we are prepared to effectively serve your load now and your load growth well into the future.

District Caucus Meetings

Those of you in **Districts 1 and 3** will be holding your Caucus Meetings on February 8th in Madison and Dawson, respectively. Times and locations are listed to the right. You will also be getting a notice by post-card. If you have never been to one of these, I hope you can take time to attend this year. Caucus Meetings are where you, as owners, nominate people to represent you on the cooperative Board. Members nominated at the Caucus Meeting have their names put on the ballot for vote at the Annual Meeting on March 24th. This is where member representation starts. We will also have staff and board members at these meetings to discuss issues that you may want to visit about. We will also be serving a light lunch, drawing for door prizes and a Basin Tour trip at each meeting. Hope to see you there!

Happy New Year

On behalf of Minnesota Valley, we thank you for the privilege of working with and for you this past year. From coal mine to your meter, we work hard to be good stewards of your cooperative owned and operated electric power system. We look forward to working for you again this year and wish you all a happy and prosperous 2018!

A New Look for Your Minnesota Valley Cooperative Bill Statement

Beginning February 2018, you will notice a new look to your Minnesota Valley Cooperative billing statement.

You will still find the same information as in previous bills, but there are a few additions and enhancements. For example, you will now find a bar graph presentation of your *Usage History* for up to 24 months.

With this change, we will have a new payment website, effective in January. All current automatic payments set up on our website **WILL NOT** withdraw your payment for the January bill and you will need to create a new login at <https://mnvalleyrec.smarthub.coop> or you can locate this through our website at www.mnvalleyrec.com.

It is our goal to provide our members with the most helpful information possible, in the best possible format. Please contact our office if you have any questions at 320.269.2163 or 800.247.5051.

Caucus Meetings

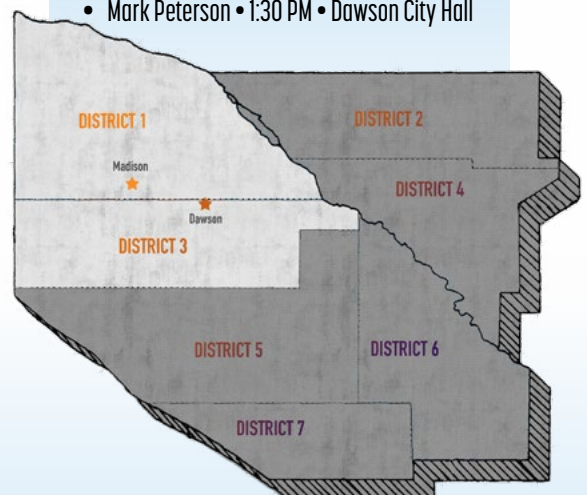
When: Thursday, February 8th, 2018

District 1:

- Don Fernholz • 10:30 AM • Madison VFW

District 3:

- Mark Peterson • 1:30 PM • Dawson City Hall



BUSINESS OFFICE • JILL ROTHSCHADL

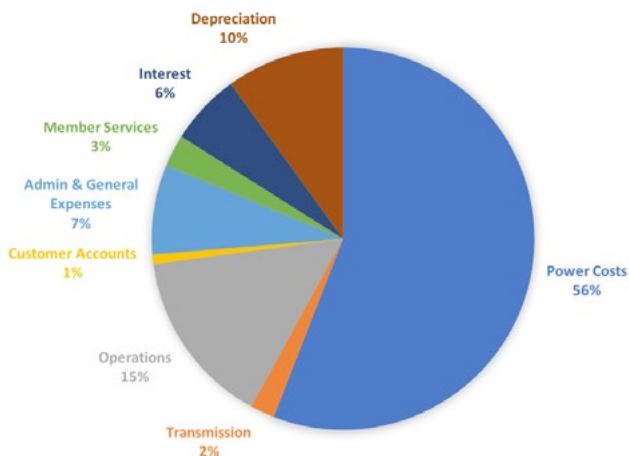


Office Manager

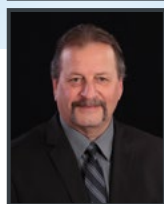
2018 Budget Approved

The Minnesota Valley Cooperative Light and Power budget has been approved by our Board of Directors. Our revenue number has increased due to the rate change that went into effect. This increase will allow us to adequately cover our fixed and variable expenses for 2018.

2018 Budgeted Expenses



ENGINEERING & OPERATIONS • BOB KRATZ



Manager of Operations

Happy New Year!

Weather has been pretty good so far to continue to work on projects. We have not had to use many cold days for our guys to patrol line. When patrolling the line, the linemen not only look for damaged poles and equipment, they also compare your electric demand to your transformer size when in your yard. This way we will determine if the transformer at your site will have to be increased or decreased in size.

Plans are in place for the next year's construction projects and if you have any that we are not aware of, please stop in to the office and visit with us about them. N four seventeen zero three With inventory done in late December, we will begin ordering materials for these projects soon.

When the weather is good, our guys are continuing to work on two of seven miles of three phase line northeast of our Gluek Substation. Our contractor, Karian/Peterson, will be doing the other five miles of this project and will have started by mid-January.

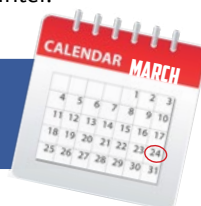
I hope I am not jinxing this, but power outages have been pretty quiet for consumers the last four months, which is great – I am sure we all hope it stays that way.

Stay warm and enjoy the next few months of winter.

Save the Date

Minnesota Valley
Cooperative's Annual Meeting

Saturday, March 24th, 2018
Lac qui Parle Valley High School



Be Prepared for Winter Storms

When winter temperatures drop and storms hit, it can be challenging to stay safe and warm. Winter storm severity varies depending on where you live, but nearly all Americans are affected by extreme winter storms at some point. Minnesota Valley cares about your safety and we want you to be prepared.

Heavy snow and ice can lead to downed power lines, leaving co-op members without power. During extremely low temperatures, this can be dangerous. During a power outage, our crews will continue to work as quickly and safely as possible to restore power, but there are a few things you can do to prepare yourself.

Stay warm – Plan to use a safe alternate heating source, such as a fireplace or wood-burning stove during a power outage. These are great options to keep you and your loved ones warm, but exercise caution when using, and never leave the heating source unattended. If you are using gasoline, propane or natural gas-burning devices to stay warm, never use them indoors. Remember that fuel and wood-burning sources of heat should always be properly ventilated. Always read the manufacturer's directions before using.

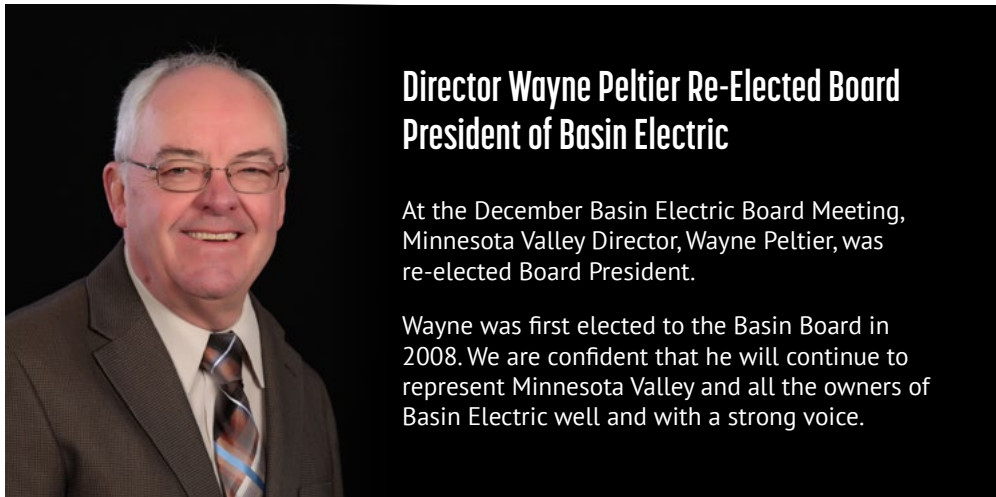
Stay fed – The CDC recommends having several days' supply of food that does not need to be cooked handy. Crackers, cereal, canned goods and bread are good options. Five gallons of water per person should also be available in the event of an extended power outage.

Stay safe – When an outage occurs, it usually means power lines are down. It is best not to travel during winter storms, but if you must, bring a survival kit along and do not travel alone. If you encounter downed lines, always assume they are live. Stay as far away from the downed lines as possible and report the situation to our dispatchers by calling 800.247.5051 or 320.269.2163.

Winter weather can be unpredictable and dangerous and planning ahead can often be the difference between life and death. Minnesota Valley is ready for what Mother Nature has in store and we want you to be ready too. For more winter safety tips, visit www.mnvalleyrec.com.

Abby Berry writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.





Director Wayne Peltier Re-Elected Board President of Basin Electric

At the December Basin Electric Board Meeting, Minnesota Valley Director, Wayne Peltier, was re-elected Board President.

Wayne was first elected to the Basin Board in 2008. We are confident that he will continue to represent Minnesota Valley and all the owners of Basin Electric well and with a strong voice.

Outlet Overloading = DANGER!

Every year, U.S. fire departments respond to an estimated 25,900 home electrical fires. These fires cause an estimated 280 deaths, 1,125 injuries and \$1.1 billion in property loss.

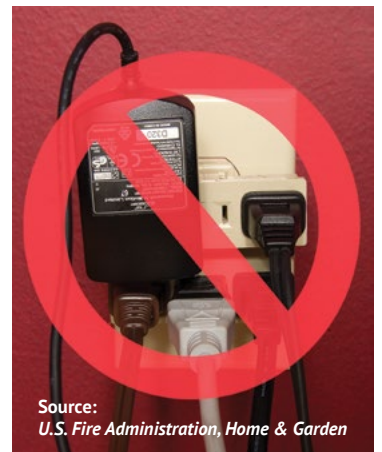
Thirty-nine percent of home electrical fires involve outlets and receptacles and other electrical wiring.

To ensure safety, you should only use about 80 percent of the available current for each electrical outlet in your home.

Are you overloading outlets? Use this formula to find out:

$$\text{wattage/volts} = \text{amps}$$

Example: Let's say you are using 2,000 watts of power (for one outlet). Divide the watts by the volts in your home (typically 120), and you come up with 16.6 amps of current being used. With a 20 amp electrical outlet, you are using about 80 percent of the available current.



Source: U.S. Fire Administration, Home & Garden

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 cooperater
- 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
- Let management manage
- 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

Comparative Report

	Jan-Nov 2017	Jan-Nov 2016	Jan-Nov 1997
Kwh Purchased	192,307,831	188,441,077	130,134,009
Kwh Sold	182,356,856	178,494,530	122,163,301
Cost Of Purchased Power	\$10,301,208	\$9,479,242	\$4,085,207
Patronage Capital Margins	\$284,076	\$1,117,114	\$154,999
Reserve For Taxes	\$252,083	\$252,083	\$350,000
Cost Per Kwh Purchased (mills)	53.57	50.30	31.40
	November '17	November '16	November '97
Total Plant	\$70,935,418	\$68,854,016	\$30,219,777
Number of Active Services	5,275	5,270	5,187
Average Residential Bill	\$357.11	\$256.88	\$158.73
Average Residential Kwh Consumption	3,493	2,493	2,217
Average Kwh Usage All Consumers	4,593	3,571	2,642
Peak Kw Demand (Peak Load)	47,890	37,276	23,889

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



There are two hidden account numbers in this newsletter.

If one of them is your number, you will receive a \$10 energy credit or \$20 if you are an Operation Round Up participant. Keep looking each month—it could be your number! If you find your number in the newsletter, call the office at 320.269.2163 or 800.247.5051.





Member Services Manager

Generator Installation and Safety

Winter can bring dangerous weather, hazardous road conditions and an increased risk of power outages. Electric generators can provide backup power during outages. While convenient, generators can also generate risks if not handled properly.

Take care when selecting a generator. Verify that the model you choose can handle the amount of electricity you need to power your home. Minnesota Valley can help you in determining the proper size for your application. Know the difference between standby and portable generators.

Standby generators are wired directly into the home. They must have an approved safety transfer switch to avoid feeding electricity back into the electrical system outdoors, creating what's known as "backfeed". Backfeed is dangerous for line workers, as well as anyone who may be near downed power lines. When installing a standby generator, the electrical installation must be



done by a qualified electrical contractor and the installation needs to be inspected by the Minnesota State Board of Electricity. E four twenty two zero three A Standby generators can be installed to automatically serve your power needs during a power outage.

Portable generators are not permanently attached to the home and can only power appliances that are plugged into the generator. A portable generator is not automatic and needs to be connected to each individual load that it is intended to supply power to. A portable generator should never be plugged directly into the home to avoid backfeeding power into the utility electrical system.

The Minnesota Valley Member Services Department would be happy to assist you in understanding and sizing your generator application. The system needs to be installed so it is safe and reliable. Please contact our office at 320.269.2163 or 800.247.5051 for assistance.

Be Aware of Carbon Monoxide

Make sure you understand how to properly vent fumes to prevent carbon monoxide poisoning. Carbon monoxide is an odorless, colorless gas and carbon monoxide detectors provide an early warning when installed near the floor on each level of your home. According to the

Consumer Product Safety Commission, about 80 deaths occur because of carbon monoxide poisoning from generators each year.

The Center for Disease Control estimates that one standard 5,000 watt generator produces as much carbon monoxide as **the exhaust**

from six idling cars. If you suspect that carbon monoxide is present in the house, seek fresh air immediately. To the right are tips for using your portable generator safely.

- ◆ Do not store your generator in enclosed areas such as a basement.
- ◆ Avoid running your generator in areas where carbon monoxide can enter the home. This includes near windows, doors and vents. Maintain three to four feet clearance on each side of the generator to aid with ventilation.
- ◆ Always operate the generator on a stable and dry surface. Never use a generator with wet hands or if you must stand in water to turn it on. For an extra precaution against the dangers of electricity and water, use extension cords and generators with additional ground fault circuit interrupter (GFCI) protection.
- ◆ When you are refueling the generator, make sure that the power is off and the engine is cool. If you add fuel to a hot generator, it could ignite. Always use the proper type of fuel, which should also be stored in an approved safety container.
- ◆ Plug appliances directly into the generator using grounded, 3-prong extension cords rated for outdoor safety. Remember, plugging the generator directly into the house could result in dangerous backfeed.
- ◆ Check that the extension cords are free of damage.
- ◆ Once your generator is in use, follow all associated maintenance instructions.

Office Hours

8:00 a.m. - 4:30 p.m.

Monday through Friday

24-Hour Telephone Answering

320.269.2163

800.247.5051

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