MINNESOTA VALLEY CO-OP NEWS
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MANAGER'S MESSAGE // PAT CARRUTH

General Manager

Minnesota Valley in Pretty Good Shape Compared to Our Cooperative Peers

Each year, a report called the Key Ratio Trend Analysis, or KRTA, is put forth by one of our bankers, the Cooperative Finance Corporation or CFC. The report produces several ratios that we can use to track our performance against our peers in the state and across the country. We just got the 2022 numbers and comparatively, we think we have some good things going for us at Minnesota Valley.

There are 43 electric cooperatives in Minnesota. Of those, only four have lower retail rates than Minnesota Valley. One of the big reasons we have lower rates is that we continue to have the lowest wholesale power cost in the state. Our overall average power cost per kwh purchased in 2022 was 5.1 cents; the state average was 7.2 cents. We get our wholesale power from two low-cost providers. We purchase a fixed amount of federal hydropower through the Western Area Power Administration. This amounts to about 20% of our annual wholesale power purchases and averaged about 2.5 cents per kwh. The balance of our wholesale power purchases come from our Basin Electric via their well-run fleet of mostly cost-effective coal-fired power plants. Our Basin Electric purchases ran on average about 5.4 cents per kwh in 2022.

We feel being one of the lowest cost electric providers in the state is particularly notable for us because the KRTA shows we have the lowest

(Manager's Message continued on page 2)

School Bus Safety

It won't be long before kids get ready to head back to school and school buses fill the roads once again. According to the National Transportation Safety Board (NTSB), every day across the country, nearly 500,000 buses carry more than 25 million students to and from school and school related activities.

While school buses are one of the safest modes of transportation, it is important that students riding the bus and drivers sharing the roads with buses keep safety first. Minnesota Valley encourages everyone to brush up on these bus safety guidelines offered by the Minnesota State Patrol.

Motorists

- Motorists must stop at least 20 feet from a school bus that is displaying red flashing lights and an extended stop-arm. Motorists traveling in the opposite direction on a divided roadway are not required to stop.
- Motorists should slow down, pay attention and anticipate school children and buses, especially in neighborhoods and school zones.
- The best way to be aware of your surroundings at all times is to put the distractions away.

Students

- When getting off a bus, look to be sure no cars are passing on the shoulder.
- Wait for the bus driver to signal that it is safe to cross.
- When crossing the street to get on the bus or to go home, make eye contact with motorists before proceeding.

Manager's Message (continued from page 1)

member density in the state. We have 1.6 consumers per mile of line, the Minnesota average is 4.6 consumers per mile of line and the national average is 6.2. This means we are required to build and maintain more miles of line to serve each member than anyone else in the state. Our member-owners must build, maintain and pay for more powerline to get their electric service than any member from any other cooperative in the state. We have a $17,000 plant investment per member as compared to the state average of $8,000 per member.

Another ratio in the report that we feel tells a lot about what type of cooperative Minnesota Valley is, is how committed we have been to retiring capital credits. Only two cooperatives in the state have retired or paid out more capital credits as a percentage of total allocated than us. We have paid out almost 50%, the state average is 38% and the national average is 29%. The Minnesota Valley Board has historically set rates sufficient to build and maintain a reliable system and to generate enough revenue to retire capital credits aggressively. We have always retired on a first-in first-out basis.

There was one ratio where we came dead last in the state and towards the bottom in the country: the SAIDI, which stands for System Average Interruption Duration Index. By this measure, we had the worst outage record in the state for 2022. The SAIDI measures, in minutes, how long members were out on average over the year. Typically, our members are out of power between 100 and 200 minutes per year. The state average SAIDI was 197 in 2022. With last year's May/June five major storms included, our members were out of power for not minutes, not hours, but six days for some members. The storms last year were collectively the most destructive storms our system has gone through so far in its history. We are still making permanent repairs from those storms.

Have a great rest of the summer!

Minnesota Valley Cooperative will be closed **Monday, September 4th** in observance of **Labor Day**.

2023 Basin Tour a Success

The 2023 Basin Tour trip was a success all around. Along with all the fun, traveling and food, tour members learned "the story behind the switch". It is remarkable to see what is actually involved in the process of bringing electricity into our lives.

Make plans to attend next year's tour. Anyone who has ever been there will tell you it's an "enlightening" experience!

Engineering & Operations // Eric Wollschlager

Manager of Operations

Minnesota Valley crews continue with the installation of underground service upgrades as well as other overhead projects. Pole change outs are always in the works as well as other maintenance items such as OCR and voltage regulator maintenance. Pole treating crews are moving along as well. As of July 7th, they have treated approximately 1,400 poles.

Minnesota Valley Tree Service continues with the right-of-way clearing in the southeast quarter of the system. Other jobs that need immediate attention come up and service orders are made which are passed on to the tree service.

Karian Peterson should be starting on the Asbury to Gluek transmission line sometime in the beginning of August. A little delay in poles being delivered pushed the job back a month or so. Most hardware has arrived and poles continue to be delivered for the project.

The Tantalus Metering System Project is still on track. One shipment of meters arrived at the beginning of July and another shipment is due to arrive at the beginning of August. The installation contractor, NexGen, is scheduled to arrive the week of July 31st to begin the meter installations. The installation process is still scheduled to be completed by the end of October.

Reminder: You may be seeing vehicles with the NexGen logo and Minnesota Valley sticker on the door. They are working on the meter replacement project.

NexGen Utility Solutions

Contractor for

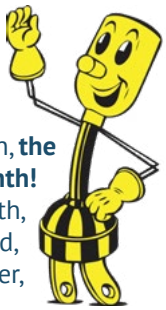
Minnesota Valley Cooperative Light & Power Association

Energy Efficiency Tip of the Month

Did you know ceiling fans can make a room feel 4 degrees cooler? To save energy through ceiling fan use, remember to raise your thermostat a few degrees while fans are turned on. Ceiling fans can help improve comfort year-round. In the summer, operate ceiling fans in a counterclockwise direction. Reverse the direction to clockwise during winter months and set fans on a low speed so warm air can circulate from the ceiling to the lower levels of the room. Remember, ceiling fans cool people, not spaces. Be sure to turn them off when you leave the room.

Source: energy.gov

Find Your Location Number and Receive a Credit!



There are two hidden account numbers in this newsletter. If you find your location number, you receive a $10 bill credit *(Operation Round Up participants get a $10 bonus)*. If neither number is claimed before the 25th 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. Once claimed, it will start again at $10. If you find your number, call 320.269.2163 or 800.247.5051.

Comparative Report

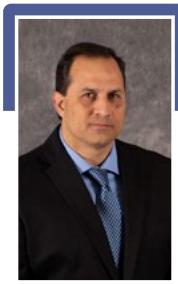
	Jan-Jun 23	Jan-Jun 22	Jan-Jun 2003
Kwh Purchased	115,091,790	119,366,496	74,214,447
Kwh Sold	108,889,334	112,862,995	69,126,920
Cost Of Purchased Power	$5,218,817	$5,699,776	$1,890,330
Patronage Capital Margins	$876,131	$677,212	$600,939
Reserve For Taxes	$144,000	$128,502	$114,804
Cost Per Kwh Purchased (mills)	45.38	48.11	29.67
	June '23	**June '22**	**June '03**
Total Plant	$95,333,546	$89,893,645	$35,731,778
Number of Active Services	5,292	5,321	5,230
Avg. Residential Bill	$230.29	$208.68	$108.07
Avg. Residential Kwh Consumption	1,637	1,585	1,304
Avg. Kwh Usage All Consumers	2,984	2,925	1,814
Peak Kw Demand (Peak Load)	32,191	34,425	22,161

Current Location Prize

Find your number and claim by the **25th of August** to receive a prize of:

$30

No one identified their number last month, so we've rolled the amount into this month!



Member Services // Scott Kubesh

Member Services Manager

Keep Your Cool

Did you just spend a hot July with an HVAC system that didn't quite cut it? The transition period from cooling to heating is an excellent time to evaluate whether or not you need a new heating or cooling system. If your furnace is 15-20 years old or more, a new system can probably lower your heating and cooling costs by a fair amount. As with buying anything new, replacing your furnace or air conditioner can raise a lot of questions.

- What is the best system for me?
- How big of a system do I need?
- What do all of these terms and acronyms mean?
- How much does it cost?
- Is one particular system right for me?

There is a multitude of ways to heat and cool your home, but generally only one size of a system that you need. D four zero seven zero two Your home either gains heat in the summer or loses heat in the winter. The trick is to know how many Btu's it is going to gain on the hottest day of summer and how many Btu's it is going to lose on the coldest day of winter. The amount of Btu's entering or leaving your building have to be compensated for by the buildings HVAC system. The building heat loss or heat gain will dictate what size of a unit needs to be installed in your home. Statistics vary, but as much as 1/3 of all heating and cooling units may be oversized or undersized. Systems that are not sized to your home will cost you money. Replacing your old heating and cooling equipment with new, energy-efficient models is a great start. But to make sure that you get the best performance, the new equipment must be properly installed. In fact, improper installation can reduce system efficiency by up to 30 percent — costing you more on your utility bills and possibly shortening the equipment's life.

If you are shopping for that new heating system you may wonder where to start. Our recommendation would be to start by doing your research. K two ten zero three On any given day in the Member Service Department, we answer dozens of questions about heating, cooling and energy conservation. These three go hand in hand. If you have a question about a new system, please give us a call. Another good option would be to tap into the wealth of information from your local electrical, plumbing and heating contractors.

Now is the time to install a new heat pump system. From now through Labor Day, Minnesota Valley Cooperative is offering a ***DOUBLE REBATE*** on that installation. The unit has to be installed by Labor Day of this year. Summer is slipping by so now is the time to act on this rebate offer.

Summer
DOUBLE REBATE
Days

Now through Labor Day *(September 4th, 2023)*, we are offering double rebates on air source or geothermal heat pumps! Call Member Services at 320.269.2163 or 800.247.5051 today!

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