MINNESOTA VALLEY CO-OP NEWS
Volume 79 • No. 8 • August 2017

MANAGER'S MESSAGE • PAT CARRUTH

General Manager

Rate Increase September 1st

When we made the budget for this year, we knew it would be tight. We were hoping with some luck we would be able to hold rates until the first of the year—we can't. Increased storm damage, interest expense and other operating costs not in the budget prove too much to stay ahead of on soft power and energy sales year to date. As you know, as stewards of your cooperative, we have a duty to keep it in good financial shape. The board approved a 9% overall average rate increase effective with next month's usage. We held the rates steady for 4 years and 7 months.

Running out of Someone Else's

The taxpayer and electric ratepayer have and will continue to pay for the heavy buildup in wind and solar over the last two decades. On your behalf, we and the other 140 cooperative member-owners of Basin Electric, have made heavy investments in renewables and emission abatement in our power plants to meet government requirements during that time period. The taxpayers are paying the taxes that companies putting up wind farms avoid with tax credits. The ratepayers are paying higher electric rates for the installation and operation of this renewable energy, in addition to the cost of their original baseload power plants they own and operate. We will soon be faced with the next installment payment for renewable energy. That next installment will be for rebuilding our baseload generation capacity and reliability, our coal-fired plants.

Today, our Basin Electric has 6,031 megawatts of generating capacity. Most of it is coal based. Renewables, made up of mostly wind, represent 20%. The wind, of course, has to be backed up with gas generation. Even with all of our investment in wind and gas, we still rely on our baseload coal plants for delivering the bulk of our power and energy. In the past 20 years, most electric utilities have moved into regional power pools or grids to help effectively and collectively dispatch power plants and to mitigate the added instability renewables put onto the grid. This helps to socialize the risk of meeting the power needs of the entire power pool. Coal-based power plants are critical to providing high-quality power, along with stability and reliability to power pools. Power pools are increasingly requiring baseload generation to constantly ramp up and down, which is

(Manager's Message continued on page 2)

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

Rate Increase Announced for September 1st, 2017

Minnesota Valley Cooperative will implement our first rate increase since January of 2013. At the beginning of this year the cooperative had stated that a rate increase was imminent, but we had hoped to hold that rate increase off until year end. The combination of many things has prompted the decision to implement that rate increase on the first day of next month. The contributing factors for the increase include among other things: increases in wholesale power costs, higher interest rates on existing loans, lower than expected heat sales, normal operation expense increases and recent storm damage expenses.

Your cooperative conducts rate studies to identify the costs of providing service to each rate class. The projected sales for each rate class is then used to formulate a rate for that particular rate class. Assigning the costs associated with each rate class helps us to more accurately develop rates that are equitable and fair for each of our member-owners. It is not easy having to increase energy rates, but we will continue to do what we can to keep your rates as low as possible. We take this matter very seriously and will continue to look for ways to more efficiently and economically meet your electrical energy demands. All while still delivering reliable, safe and affordable power.

If you have questions regarding the new rate structure or need help with your energy efficiency goals, please contact the Member Services Department at 320.269.2163 or 800.247.5051 for assistance.

See more details on the new rates on page 3.

Manager's Message (continued from page 1)

opposite of what they were designed to do – operate at full load. This is causing increased operating and maintenance costs for baseload power plants and potential for more grid instability. Small generators, like wind turbines, simply cannot replace large baseload power plants.

Power pool markets have not kept up with the reality of today's power generation in the way generation assets are priced and dispatched. Wind generation doesn't have to play by the same rules that apply to other generation sources such as coal-based generation. Semantics and bias have allowed wind and coal generation assets to be treated differently in most power pools in the country. Forecasting wind is difficult for grid operators. Today, many power pool participants reduce generation from certain wind assets at any time with little to no pool-related penalties. Accounting for these contingencies leads to price spikes, reliability issues and inefficient operation of pool generating resources. The volatility of wind generation brings extreme uncertainty for daily resource operation in the power pool. Unlike natural gas generation, coal units cannot cycle on and off the same way. They need potentially days' notice to come on and offline. A typical high wind day will result in very low or negative power pool prices for energy. This will cause coal units to be backed down to minimum generation levels and subsequently incur financial losses. However, these units cannot be taken off line because the very next day, when wind drops to low levels, they will be needed to supply power to the grid.

While wind is subsidized through tax incentives and power pool bias, the power pool provides no just compensation for coal to be on standby as an offset to the losses incurred when the wind blows. Additionally, wind levels can change abruptly throughout the day, forcing fossil fuel-based generation to start up or "ramp up" from lower generation levels. The power pool currently does provide some compensation for generation assets in reserve, but does not compensate for the value of "ramping up." Both "standby baseload" and "ramping up" will need to be compensated more equitably or baseload generation will not be there to keep the lights on. We can't keep baseload power plants running without compensation and less interference from the government. This is the next installment payment ratepayers will make over the next decade to support "renewable energy".

The laws of physics still apply to AC electric power even in the green age. A rotor must turn inside of a stator to make electric power. It must be of size and scale or quantity to meet all of the power demand in a power pool or on a grid and at the right voltage. If not, the grid will collapse and there will be blackouts. The past 20 years of government policy has been hard on the backbone of our electric grid, cheap and reliable coal-fired baseload power plants. Few companies have had the fortitude to build new ones, let alone invest in improvements to their existing fleet of plants to keep them running. It is easier to mothball the plant and rely on someone else in the power pool or grid to have that baseload power you need when the wind isn't blowing or the sun isn't shining. The problem is that sooner or later you run out of "someone else's" in the power pool.

Engineering & Operations • Bob Kratz

Manager of Operations

Another round of storms hit again and caused some damage to some of our transmission structures east of the Cerro Gordo Town Hall on July 9th. This affected Watson and Madison Substations around 9 p.m. Other than the transmission, which was back fed to allow for the repairs to be made, there were very few individual outages. Then around 10 p.m. that same evening, there was excessive lightning in the Vallers, Wood Lake and Echo area, which caused an interruption on the transmission line. This line also caused a 15 minute outage out of the Lisbon Substation. We thank you for your patience when these events occur. These outages were mainly caused by the wind and lightning. Last month's outages had to do a lot with trees and branches getting in the power lines. If you happen to notice a potential problem with trees and/or branches, we would appreciate a call so we can take care of them.

The line crews are working on a three phase tie line north of Dawson that will help with back feeding between Riverside, Madison and Watson Substations if ever needed. They are also busy with service upgrades for consumers and pole change outs that have been turned in by the pole treating crew. H two thirty zero one Some of these poles need immediate attention since they are in bad shape, with wood rot or mechanical damage.

Our office has gotten quite a few inquiries for service changes, etc. from consumers who have been put on hold until a later date. If you are one of these consumers, or if you are thinking of updating something on your service, we encourage you to do so soon.

When calling in, you may be talking to Eric Wollschlager, who has taken over as System Coordinator. Eric has been an asset to your cooperative as a Journeyman lineman for over 15 years and will continue to be in his new position. In addition to his inside duties, he will also be involved in Gopher State locates, helping with staking line and meeting with you on service changes.

Comparison of Current and New Rates

Current Rates		New Rates Effective September 1st, 2017	
Single Phase Service			
Availability Charge	$20.00/*month*	**Availability Charge**	$22.00/*month*
Energy Charge		**Energy Charge**	
First 700 kWh	$0.1163/*kWh*	First 700 kWh	$0.1236/*kWh*
Over 700 kWh	$0.0974/*kWh*	Over 700 kWh	$0.1036/*kWh*
Three Phase Service < 25 kW			
Availability Charge	$47.00/*month*	**Availability Charge**	$49.00/*month*
Energy Charge		**Energy Charge**	
First 700 kWh	$0.1163/*kWh*	First 700 kWh	$0.1236/*kWh*
Over 700 kWh	$0.0974/*kWh*	Over 700 kWh	$0.1036/*kWh*
Three Phase Service ≥ 25 kW			
Availability Charge	$47.00/*month*	**Availability Charge**	$49.00/*month*
Demand Charge	$11.34/*kW*	**Demand Charge**	$12.50/*kW*
Energy Charge		**Energy Charge**	
First 100 kWh/kW	$0.0700/*kWh*	First 100 kWh/kW	$0.0700/*kWh*
Over 100 kWh/kW	$0.0518/*kWh*	Over 100 kWh/kW	$0.0500/*kWh*
Seasonal Service			
Availability Charge	$20.00/*month*	**Availability Charge**	$25.00/*month*
Energy Charge		**Energy Charge**	
First 700 kWh	$0.1558/*kWh*	First 700 kWh	$0.1958/*kWh*
Over 700 kWh	$0.1463/*kWh*	Over 700 kWh	$0.1658/*kWh*
Irrigation Single Phase Service			
Availability Charge	$40.00/*month*	**Availability Charge**	$42.00/*month*
Energy Charge		**Energy Charge**	
First 700 kWh	$0.1283/*kWh*	First 700 kWh	$0.1685/*kWh*
Over 700 kWh	$0.1057/*kWh*	Over 700 kWh	$0.1385/*kWh*
Irrigation Three Phase Service			
Availability Charge	$47.00/*month*	**Availability Charge**	$49.00/*month*
Demand Charge	$11.34/*kW*	**Demand Charge**	$12.50/*kW*
Energy Charge		**Energy Charge**	
First 100 kWh/kW	$0.0741/*kWh*	First 100 kWh/kW	$0.1052/*kWh*
Over 100 kWh/kW	$0.0572/*kWh*	Over 100 kWh/kW	$0.0752/*kWh*
Dual Heat			
Energy Charge		**Energy Charge**	
October - April	$0.0440/*kWh*	October - April	$0.0440/*kWh*
May - September	$0.0740/*kWh*	May - September	$0.0790/*kWh*
Electric Heat			
Energy Charge		**Energy Charge**	
October - April	$0.0480/*kWh*	October - April	$0.0480/*kWh*
May - September	$0.0780/*kWh*	May - September	$0.0830/*kWh*

Comparison of Estimated Monthly Bills: Single Phase Service

kWh/Mo	Bill Increase	kWh/Mo	Bill Increase	kWh/Mo	Bill Increase
-	$2.00	750	$7.42	2,000	$15.17
250	$3.83	1,000	$8.97	5,000	$33.77
500	$5.65	1,600	$12.69	10,000	$64.77

Member Services • Bob Walsh

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. Your home either gains heat in the summer or loses heat in the winter. The trick is to know how many BTUs it is going to gain on the hottest day of summer and how many BTUs it is going to lose on the coldest day of winter. The amount of BTUs entering or leaving your building have to be compensated for by the building's 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 many 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. J three twenty zero three 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 a new heating system, you may wonder where to start. Our recommendation is to start by doing your research. 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.

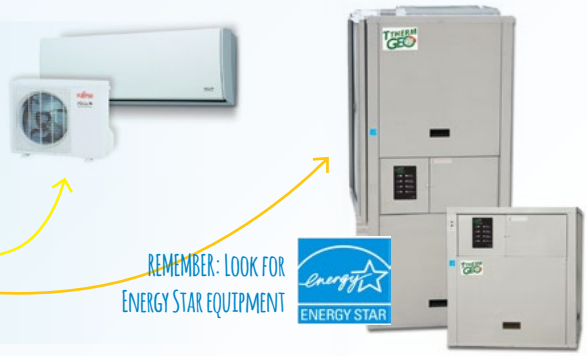
Now is the time to install a new heat pump system. From now through Labor Day, Minnesota Valley Cooperative is offering a ***DOUBLE REBATE*** on that installation. The unit has to be installed by Labor Day of this year. Summer is slipping by, so now is the time to act on this rebate offer.

Summer Double Rebate Days End This Labor Day

Take advantage of this limited time opportunity by installing a heat pump heating and cooling system at your home or business before Labor Day *(September 4th)*!

Get a rebate of **$12 per 1,000 Btus** *for Air Source Heat Pumps*

Get a rebate of **$24 per 1,000 Btus** *for Geothermal Heat Pumps*



Comparative Report

	Jan-Jun 2017	Jan-Jun 2016	Jan-Jun 1997
Kwh Purchased	102,427,945	101,426,687	70,819,790
Kwh Sold	97,236,476	96,377,139	66,728,796
Cost Of Purchased Power	$4,851,076	$4,472,553	$2,132,707
Patronage Capital Margins	$273,188	$950,464	$66,384
Reserve For Taxes	$137,500	$137,500	$175,000
Cost Per Kwh Purchased (mills)	47.36	44.10	30.11
	June '17	**June '16**	**June '97**
Total Plant	$70,228,584	$67,985,298	$29,085,011
Number of Active Services	5,274	5,257	5,159
Average Residential Bill	$178.39	$184.23	$90.65
Average Residential Kwh Consumption	1,513	1,583	1,278
Average Kwh Usage All Consumers	2,633	2,750	1,761
Peak Kw Demand (Peak Load)	28,650	29,235	22,354

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.

Congratulations to Daniel Schmidt of Wood Lake who identified his location and will receive a $10 credit off his energy bill!

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

24-Hour Telephone Answering
320.269.2163
800.247.5051

Minnesota Valley Co-op News
Published monthly by:
Minnesota Valley Cooperative
Light and Power Association

Website
www.mnvalleyrec.com

Address
501 South 1st Street
P.O. Box 248
Montevideo, MN 56265

MINNESOTA VALLEY CO-OP NEWS
Volume 81 • No. 10 • October 2019

MANAGER'S MESSAGE • PAT CARRUTH

General Manager

We've Seen This Movie Before

The spot market for electricity went wild in Texas this summer and may give a glimpse of things to come. Power prices jumped from less than 1.5 cents per kwh to as much as $9 per kwh in July. When the wind stopped blowing for the wind factories in that region and there was simply not enough gas or coal fired facilities to backfill, the demand for power and the price went up. As ongoing movement toward more wind energy factories and the retirement of more reliable baseload coal-fired power plants continues, it would be wise for us to keep the Texas power grid event this summer in mind. At some point, the demand will go up to the point that price will not matter. There simply will not be enough power and there will be blackouts.

If we as a country ignore the occasional blackouts and continue our present course toward only wind and solar without enough gas and coal, there will be rolling blackouts and eventually some long-term grid collapse. We have seen this movie before back in the mid 90's. At that time, the electric utility industry was being deregulated under the guise of bringing us all cheaper electricity prices. This movement was pushed by many different interests including business, power marketers and their respective political cronies.

California, of course, wanted deregulation in the 90's but also wanted all fossil fuels banned from the state. They broke all three of their big investor owned utilities driving most fossil fuel power production out of the state. They sided with a company called Enron and other power jockeys who told California not to worry, they would provide. Enron's

(Manager's Message continued on page 2)

Celebrating the Cooperative Difference

Every October, cooperatives from across the nation participate in **National Cooperative Month**. This annual celebration reminds the public about the purpose of cooperatives and recognizes the significance of the "cooperative difference."

The cooperative difference is found at the very core of how we structure and carry out our business. Minnesota Valley REC was first formed in 1937, when a group of neighbors came together to bring electricity to their rural community. The cooperative now maintains over 3,000 miles of power lines and serves more than 5,000 members throughout Chippewa, Lac qui Parle, Lincoln, Lyon, Renville, Yellow Medicine, Redwood and Swift Counties.

Although Minnesota Valley has grown in size, the cooperative remains committed to its original purpose of providing safe, reliable and affordable power for its members. Our focus has always been, and continues to be, on making decisions that best support our local communities. We are a locally governed entity committed to serving the people who live and work in our region.

National Cooperative Month is also a good time to reflect on what sets the cooperative business model apart from other types of businesses. As a cooperative, Minnesota Valley bases our business on seven cooperative principles: *voluntary and open membership; democratic member control; members' economic participation; autonomy and independence; education, training and information; cooperation among cooperatives;* and *concern for community*.

We are a private, independent electric utility owned by the same members we serve. We are firmly invested in our local community and provide a valuable service for our consumers. This October, please join us in taking some time to celebrate the many benefits of being part of a cooperative!

Your Electric Cooperative needs Your Help

Your electric cooperative works hard to provide safe, reliable and convenient electrical power for you and your family. We also provide programs to help you use energy efficiently.

To help us plan for the future and determine what programs will benefit you most, we need your help.

This fall, we will be conducting a survey of our members. If you receive a survey, please help us by taking a few minutes to complete it. Your answers are very important, so respond as best as possible and return it promptly. A postage-paid return envelope is included for your convenience. The survey will also be available to complete online.

Manager's Message (continued from page 1)

nickname became *"The Crooked E"* and they earned it. Enron and other unscrupulous parties in the spot market, along with willing utility buyers, proved to be a recipe for disaster. Soon there was no power at any price coming into the state of California. Rolling blackout ensued for a big part of the summer of 1998. We were not immune to the experiment going on in California as prices in the Midwest during the summer of 1998 hit $10 a kwh on the spot market. Midwest power plants were sending power meant for here, westward for the higher prices. Having our own coal generating plants, we kept the lights on and the rates reasonable.

For cooperative members, there is one big difference between 1998 and today. Back then cooperatives, including Minnesota Valley, owned outright the coal, the power plant, the transmission, the distribution and the meter on your yard pole. The chances of you being subject to any long-term blackouts because of power generation or transmission events were slim. There were fewer generation and transmission entities in our power pools back then and they were vetted by the proven online availability of their generating assets. Today, most cooperatives, including Minnesota Valley, are part of much larger power pools than in the 90's. Increasingly, all power pools are filling up with more inexperienced and unvetted merchant power producers selling wind and solar energy at taxpayer and ratepayer lowered prices. These renewable contracts are supposed to be backed up by coal or gas for reliability. Most in the electric utility industry will go after the short-term gain. They will continue to gobble up the cheaper heavily subsided energy contracts. Big companies will continue to avoid taxes and put up more wind and solar factories until the tax credits stop. It is simple business. The requirement of baseload coal or gas for backup in these renewable contracts will eventually get watered down. That will cause, in the meantime, little investment in the baseload coal and gas fired plants that have proven to be reliable and affordable over the long haul. The result will be no backup when the wind doesn't blow.

The continued march toward the so-called renewable energy future will bring reality to the power grids in our country in the very near future. The day is coming when there will be more frequent blackouts. In our part of the country, it will be when it is 30 below zero or 100 above. Those blackouts will be followed by more blackouts, the only discernable difference will be the longer duration. Not until we recommit ourselves to reliable baseload coal and gas fired plant, will these blackout events subside in frequency or severity. You can't build enough wind and solar factories in the entire country, even if you had the transmission line, to keep the lights on when the sun doesn't shine and the wind doesn't blow. Yes, we have seen this movie before and we know how it ends.

Engineering & Operations • Bob Kratz

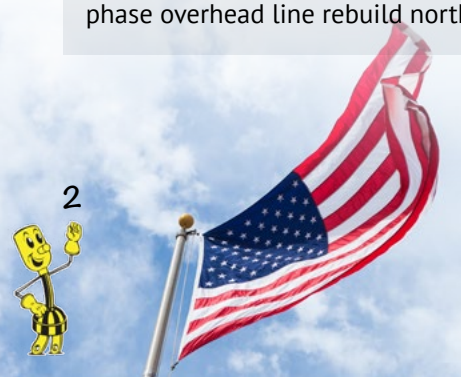
Manager of Operations

Now is the time of year when the weather can change your plans on a moment's notice. Minnesota Valley crews have been busy getting as much done as possible before the weather changes. In late August and into September, the underground plow was putting in cable while dodging the rain drops. The crews were busy with service upgrades as can be seen in the picture to the right with Trevor Diggins working on the connections for the transformer and Andy Johnson doing the conversion for the bigger meter loop.

Pole change outs on our system will continue throughout the coming months along with underground services, but the underground services will come to a halt once freeze up is upon us. K two twenty two zero three A Our contractor, Karian-Peterson, completed a three mile stretch of three phase overhead line rebuild north of the Minneota Substation. This was part of our four year work plan that will help the capacity of that line with the heavier structures.

I'm sure there are a lot of crops to come out yet due to the late planting. Just a reminder to be safe around utility poles and overhead wires.

Veterans Day is November 11th and once again, thank you to all the Veterans for what you have done and continue to do.



Minnesota Valley will be closed Monday, November 11th in honor of Veteran's Day.

Comparative Report

	Jan-Aug 2019	Jan-Aug 2018	Jan-Aug 1999
Kwh Purchased	144,043,134	147,287,876	91,050,835
Kwh Sold	135,526,597	138,974,888	84,851,421
Cost Of Purchased Power	$6,865,499	$7,117,312	$2,817,219
Patronage Capital Margins	$887,247	$1,236,369	$283,821
Reserve For Taxes	$170,664	$183,333	$228,000
Cost Per Kwh Purchased (mills)	47.66	48.32	30.94
	August '19	**August '18**	**August '99**
Total Plant	$74,610,504	$73,300,613	$32,412,243
Number of Active Services	5,301	5,297	5,190
Average Residential Bill	$199.58	$206.93	$115.44
Average Residential Kwh Consumption	1,559	1,642	1,510
Average Kwh Usage All Consumers	2,690	2,879	2,013
Peak Kw Demand (Peak Load)	28,271	31,102	22,690

Find Your Location Number and Receive a Bill Credit!

We hide two account numbers in every issue of our newsletter. If you find your 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.

Congratulations to Bill Croatt of Madison who identified his location and received a $10 credit off his energy bill!

CLAIM BEFORE OCTOBER 25TH FOR: $10

216B.097 COLD WEATHER RULE; COOPERATIVE OR MUNICIPAL UTILITY

Subdivision 1. Application; notice to residential customer.

(a) A municipal utility or a cooperative electric association must not disconnect and must reconnect the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit and all of the following conditions are met:

(1) The household income of the customer is at or below 50 percent of the state median household income. A municipal utility or cooperative electric association utility may (i) verify income on forms it provides or (ii) obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income.

(2) A customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household.

(3) A customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 each year, notify all residential customers of the provisions of this section.

Subd. 2. Notice to residential customer facing disconnection.

Before disconnecting service to a residential customer during the period between October 15 and April 15, a municipal utility or cooperative electric association must provide the following information to a customer:

(1) a notice of proposed disconnection;

(2) a statement explaining the customer's rights and responsibilities;

(3) a list of local energy assistance providers;

(4) forms on which to declare inability to pay; and

(5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 3. Restrictions if disconnection necessary.

(a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with subdivision 1, the disconnection must not occur:

(1) on a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;

(2) on a weekend, holiday, or the day before a holiday;

(3) when utility offices are closed; or

(4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved.

Subd. 4. Application to service limiters. For the purposes of this section, "disconnection" includes a service or load limiter or any device that limits or interrupts electric service in any way.

History: *1991 c 235 art 2 s 1; 2001 c 212 art 4 s 2; 1Sp2003 c 11 art 3 s 2; 2007 c 57 art 2 s 14,15*

Member Services • Bob Walsh

Member Services Manager

And The Survey Says

You probably noticed on the front page of this newsletter that we are urging you to complete an End Use Survey if you are randomly selected to receive one. The surveys will be mailed out in October and can be returned by mail or online if you would like. Minnesota Valley will conduct surveys of our members occasionally to meet the requirements of the Rural Utilities Service (RUS). Basin Electric is also bound by certain requirements to conduct member surveys. The last time Basin sent out a similar survey was in 2013.

A small sampling of our residential members will be selected for the survey from a list of our entire residential membership. Any non-residential consumers will not receive the survey. The 2013 End Use Survey basically contained the same questions as this 2019 survey will have. The survey will ask you to provide us with information about your residence, type of heating and cooling systems and major appliances.

In 2013, the surveys were mailed out to 946 of our members, with 365 of those being returned. That was nearly a 40% return rate. We hope to have as good of a return percentage or better. We would appreciate your participation if you were to receive a survey. The information will help your electric cooperative and its power suppliers meet your energy needs in the future.

At the end of the survey, there will be a space for your comments and suggestions. As a nonprofit, member-owned cooperative, we are committed to customer service and we welcome your comments, questions, criticism or suggestions. If you would like us to respond, please include your name. Otherwise the survey is anonymous and we have no way of knowing who to contact.

Colder Weather is Coming

It is getting to be that time of year again. The temperatures are dropping and fall is in the air. With the coming of colder weather, there are a few things that we should be looking at to prepare. Minnesota Valley offers the Furnace Inspection Program to help you rest assured that your heat system is ready for the winter months. For $60, we will inspect your heating system for proper operation. Please contact the Member Services Department to get on the schedule.

Last month, we urged you to check your electric heat meter to make sure it is powered up. If your electric heat meter is not turned on, you will not get the credit you have coming for being on an electric heat rate. O one twenty eight zero two Your heat meter will most likely receive its power from your electrical service and make sure the breaker supplying power to the heat meter is turned on.

Have a Great Fall!

Meet Your Employees

Name	Eric Wollschlager
Hometown	Montevideo, MN
When did you start at Minnesota Valley?	I started in June 1998 as a 1,000 hour apprentice lineman, then was hired as a full time lineman in June 1999. I became System Coordinator in July 2017.
What do you like best about working here?	The people are great to work with.
What do you like to do in your free time?	I like to ride motorcycle.
What did you want to be when you grew up?	I always thought I wanted to be a pilot because of my interest in aircraft.

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

24-Hour Telephone Answering
320.269.2163
800.247.5051

Minnesota Valley Co-op News
Published monthly by:
Minnesota Valley Cooperative
Light and Power Association

Website
www.mnvalleyrec.com

Address
501 South 1st Street
P.O. Box 248
Montevideo, MN 56265

MINNESOTA VALLEY CO-OP NEWS
Volume 83 • No. 4 • April 2021

MANAGER'S MESSAGE // PAT CARRUTH

General Manager

Rolling Blackouts Reach Minnesota Valley

Twenty plus years of failed energy policy has led us to where we are at today. *Rolling Blackouts* are becoming commonplace across the country and finally reaching us. This, of course, is because of government policy. For the past couple of decades plus, the federal government has been coercing the electric utility industry into forming larger and larger power pools. The purpose was to feather in more and more windmills into the generation mix at all cost.

Since the late 60s, we in this region have had our own highly reliable power pool called the *Integrated System* or IS. Hydropower, through the *Western Area Power Administration* (WAPA), and Basin Electric's mostly coal-fired electric generating facilities work together to provide reliable power through a jointly owned and operated transmission system—no matter the weather conditions. The IS was primarily the upper Missouri River Basin area of which we are a part of.

That was then, this is now. WAPA and Basin finally succumbed to federal government pressure. In October of 2015, our Basin Electric joined a power pool called *Southwest Power Pool* (SPP) along with WAPA. We, at Minnesota Valley, had unresolved reliability concerns and strenuously made them known to Basin and WAPA ahead of them joining SPP. Anyway, the premises of joining SPP was that Basin would have improved access to power markets in and out, as well as better transmission access throughout the region in which they operate.

Now we are in a power pool, or region, in which WAPA and Basin operate in, that stretches all the way from the Canadian border into north Texas. This power pool is heavily reliant on green energy backed up by gas turbines to generate electricity when the wind doesn't blow. This is like ERCOT, the power pool in Texas.

Five years and five months after we joined SPP, a cold snap ran right through the midsection of the country. It created problems for Texas as windmills wouldn't operate. There was a demand spike on natural gas to run gas-fired electric generation to back up wind that was not running. Gas-fired electric generation couldn't keep up with demand. What was left of baseload coal-fired electric power plants couldn't pick up the slack. Then came rolling blackouts, permanent blackouts, freeze-ups and unnecessary deaths. It started in ERCOT before SPP. Then it started in our power pool, SPP.

On Valentine's weekend, as we were in the deep freeze, we knew our power pool, SPP, was strained. The cascading spiral which crippled Texas was now happening in our power pool. Windmills were dropping offline; gas line constrictions were limiting gas-fired power generation that was supposed to

(Manager's Message continued on page 2)

2021 Annual Meeting Results & Photos

DIRECTOR ELECTIONS

Re-elected to 3-year terms

Don Fernholz
District 1

Mark Peterson
District 3

back up the windmills. What is left of our coal-fired fleet of power plants, along with our hydropower, could not keep up with the magnitude of demand for electric power in our power pool. Nebraska south to north Texas was sucking up our coal-fired and hydropower.

On Monday, February 15th, we were in meetings with fellow distribution cooperatives and our power suppliers, including WAPA, being appraised of the situation and discussing collective steps being taken to avoid rolling blackouts or worse yet. There was a real possibility of crashing entire sections of the power pool. As we left the call, we were wary but somewhat assured by WAPA during the call that we were seeing light at the end of the tunnel. WAPA would be the entity responsible for throwing the switches should the SPP power pool need to shed load. We were worried and talked about mitigation steps we would take at Minnesota Valley if we got a heads up on rolling blackouts coming our way from our control area operator, WAPA.

The heavy load on our pool is about 5 a.m. to 8 a.m. About 6:40 a.m. on February 16th, four of our distribution substations went dark. We never got a call from WAPA. We quickly figured out WAPA flipped the switch that feeds those four substations out of their Granite Falls Delivery Point Substation north of Granite Falls. We were given no advance warning. We were stunned.

We are fortunate to be located adjacent to another power pool. We are also fortunate to own and operate our own transmission system. We were able to bring everyone back up in less than an hour. Our guys manually threw a switch to connect to the power pool to the east of us called MISO who fortunately at the time had available capacity for some of our load. After making some calls, we got WAPA to stop randomly throwing switches on our system. They had planned to have rolling blackouts on our system in 45-minute increments throughout the day and possibly the next day. We lobbied them to leave the switch open that they had initially threw. We told them that load had been moved to another power pool that was currently stable. Furthermore, we pointed out that we had borne more than our share of the load shedding burden. They relented. Fortunately, better weather allowed our SPP situation to improve over the next few days.

This should be a wake-up call. But it won't be. Government, state and federal, will continue to demand more renewable energy and continue the faux race to zero carbon. Make no mistake, if that cold band down the center of the country would have moved 100 miles further east, Minnesota would have had the rolling blackouts in most of the state.

When the next massive deep freeze covers a huge swatch of our country like what happened in Texas and in our power pool, it will happen again. It will go as follows as weather conditions drop deeply subzero.

1) Wind power generating capacity will drop to near zero because of mechanical problems or lack of wind.
2) Gas-fired generators meant to provide electric power when the wind power goes away will keep up for a while.
3) What is left of gas supplies to those generators will be choked off because of the suddenly astronomical demand for gas for things such as home heating. Government has not allowed enough pipelines to be built to get enough gas to gas-fired power generators spread throughout the country. Gas-fired generators will then start to shut down.
4) People will use more gas for heating to keep up with the cold, straining the gas supply system beyond its capability. As gas is constricted to homes, people plug in electric heaters to stay warm, further straining the electric grid.
5) What is left of coal-fired electric generators and hydro powered electric generators will run at full capacity, but will never be able to keep up with the electric demand.
6) Grid operators will be forced to initiate rolling blackouts to keep the system from burning down. If they don't, major components such as large transformers on the bulk transmission system will burn out. Blackouts will occur. Power in some areas could be out for months. Under normal conditions, a large transformer will typically take 8 to 16 months to get.
7) Unfortunately, what just happened to us and other parts of the country is a vivid and cold reminder of where we are today with our electric grid in most regions of the U.S.

What needs to be done going forward? For starters, the power pools are too big. They expose everyone to regional disturbances and accountability gets washed out with too many players in the pool. Why should we have to send our power down south when we need it here? We also need to have more "spinning reserves". Currently, 12% is what our power pool requires. It should be closer to 20% and should be coal-fired or nuclear, something always reliable. We should stop overflooding power pools with unreliable and costly wind and solar energy.

We currently don't have the political will to address the fallacies of the zero carbon and continued green energy push. We don't have the political will to get done what it will take to keep the lights on reliably as in days past. It will take more rolling blackouts and probably long-term permanent blackouts before the reality of our decades of failed energy policy are truly realized and effectively dealt with. We are just starting to see the economic costs calculated of what happened in Texas and the rest of the country from this event. We know the economic costs will be staggering, but also know they will be distorted and politicized too. Furthermore, we lest not forget the at least 39 unnecessary deaths caused by our failed energy policy.

Green energy did this to us. More green energy will do this to us more often.

Meet Your Employees

Name	Tyler DeZeeuw
Hometown	Montevideo, MN
Family	Mom: Janelle; Dad: Jim; Brother: Adam
When did you start at Minnesota Valley?	March, 2020 as a Lineman
What do you like best about working here?	We do different tasks each day and you get to be outdoors
What do you like to do in your free time?	Ride snowmobile, side by side and going to the lake with family and friends
What did you want to be when you grew up?	A mechanic

Engineering & Operations // Bob Kratz

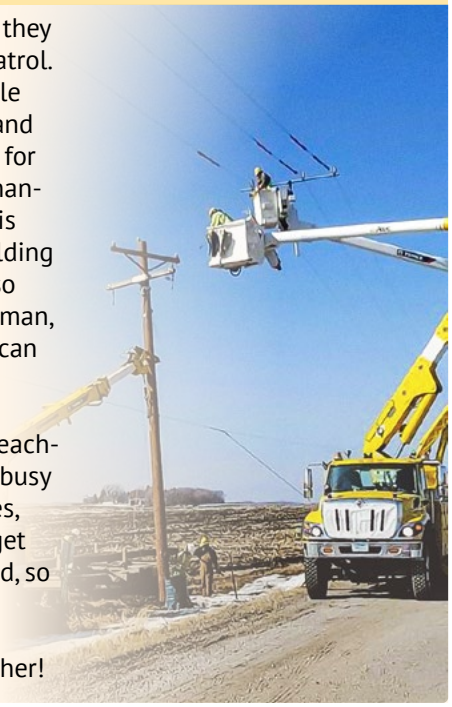
Manager of Operations

The crews finished up with a single phase to three phase line conversion east and south of the Echo Substation. This was another line upgrade to help out with the load in that area for now and the future. The next 2021 Work Plan project they just started is also a single phase to three phase conversion south of the Vallers Substation. The nice early spring weather in March has helped the crews continue on these jobs without much delay.

Besides patrolling line during this time of year, the linemen have been changing out Oil Circuit Reclosers, which are sent in to a maintenance and repair company to be gone through. This is done on a rotation of 5-7 years to keep them functioning properly when needed. Otherwise, the crews have been replacing poles that they rejected when they were doing line patrol. N one fourteen zero four One such pole was one that some consumers north and east of Wood Lake were de-energized for about an hour and a half to get the changeout complete. Pictured to the right is lineman, Tommy Lee, in the bucket holding the energized three phase line away so the new pole can be set in place. Lineman, Blake Lymburner, in the other bucket, can be seen helping direct the pole.

We hope that before this newsletter reaches you, the underground plow will be busy installing cable for consumer upgrades, new services, etc. It is always nice to get some cable in before crops are planted, so we minimize crop damage.

Enjoy the much awaited warmer weather!



Comparative Report

	Jan-Feb 2021	Jan-Feb 2020	Jan-Feb 2001
Kwh Purchased	42,132,016	43,180,949	27,879,106
Kwh Sold	39,761,038	40,541,539	25,610,780
Cost Of Purchased Power	$1,532,737	$1,870,355	$715,664
Patronage Capital Margins	$628,807	$222,035	$133,499
Reserve For Taxes	$44,167	$44,167	$38,840
Cost Per Kwh Purchased (mills)	36.38	43.31	27.19
	February '21	**February '20**	**February '01**
Total Plant	$82,479,372	$77,826,165	$33,212,845
Number of Active Services	5,316	5,273	5,203
Avg. Residential Bill	$266.96	$244.98	$131.92
Avg. Residential Kwh Consumption	2,861	2,629	2,047
Avg. Kwh Usage All Consumers	3,775	3,635	2,421
Peak Kw Demand (Peak Load)	42,483	41,816	26,829

Find Your Number!

There are two account numbers hidden in this newsletter. If you find your number, call 320.269.2163 or 800.247.5051 to receive a bill credit. The bill credit starts at $10, but if neither number is claimed before the 25th of the month, *the unclaimed amount rolls over to the next month!* If both numbers are claimed, the recipients split the credit, then it starts again at $10.

CLAIM BY THE 25TH OF APRIL TO RECEIVE: $20

Member Services // Scott Kubesh

Member Services Manager

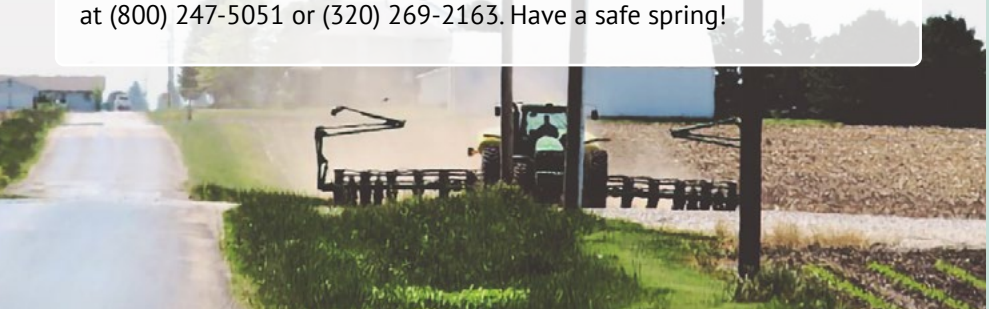
Have a Successful Planting Season Rooted in Safety

As days become warmer and farmers make plans to return to their fields for spring planting, Minnesota Valley Cooperative urges farm workers to be particularly alert to the dangers of working near overhead power lines.

- Always be aware of the location of power lines and designate pre-planned routes that avoid hazard areas.
- Be aware of increased height when loading and transporting tractors on trailer beds. Many tractors are equipped with radios and communications systems that have very tall antennas extending from the cab that could make contact with power lines. Avoid raising the arms of planters or cultivators or raising truck beds near power lines. Never attempt to raise or move a power line to clear a path.
- Simply coming too close to a power line while working is dangerous as electricity can arc or "jump" to conducting material or objects, such as a ladder, pole or truck. Remember, non-metallic materials such as lumber, tree limbs, tires, ropes and hay will conduct electricity depending on dampness, dust and dirt contamination.
- When guy wires (a grounded wire used to stabilize utility poles) are broken, these normally neutral wires can be anything but harmless. G two zero two zero three If you hit a guy wire and break it, call the utility to fix it. Do not do it yourself. When dealing with electrical poles and wires, always call the electric utility.
- If your equipment does come into contact with power lines, stay in the cab and call for help. Warn others who may be nearby to stay away and wait until the electric utility arrives.
- If leaving the cab is necessary, as in the case of fire, the proper action is to jump—not step—with both feet hitting the ground at the same time. Hop to safety, keeping both feet together as you leave the area. Once you get away from the equipment, never attempt to get back on or even touch the equipment before the power has been shut off.
- Be aware of power lines in your own farm yard and the height of your lines when moving equipment or getting equipment ready for your spring planting.

Farmers should make sure full-time and seasonal workers are educated on these safety precautions. Danger areas need to be thoroughly identified and labeled.

We encourage you to let us know if you come across any damage to poles, cross arms, lines or any other electrical line hazards you see while performing your spring farming tasks. You can report your findings to us at (800) 247-5051 or (320) 269-2163. Have a safe spring!



2021 Scholarships

The selection committee for the Minnesota Valley/Basin Scholarship met on Thursday, February 18th and made selections for the scholarships. Members of the committee were: Harvey Williamson, Diane Dieter, Barb Holien and Don Fernholz. Since the committee felt there were many exceptionally strong candidates again this year, they elected to split the scholarship and award $400 to five students. The students selected are *Elly Stratmoen, Kaitlynn Bott, Caleb Johnson, Kailey Hinz* and *Bailey Wolff*.

Elly Stratmoen will graduate from the Dawson-Boyd High School in 2021. Elly is the daughter of Jon and Stacy Stratmoen. Elly will be attending *NDSU,* studying Nursing.

Kaitlynn Bott will graduate from Lakeview this spring. Kaitlynn is the daughter of Chad and Stephanie Bott of Minneota. Kaitlynn will be attending either the *University of South Dakota* or *South Dakota State University,* studying Nursing.

Caleb Johnson is the son of Ed and Kathy Johnson of Boyd. Caleb is home schooled and will graduate this spring. Caleb will be attending *Minnesota West Community and Technical College* in *Canby,* pursuing his degree to become an electrician.

Kailey Hinz is the daughter of Benjamin and Jennifer Hinz of Wood Lake. Kailey will graduate this spring and will be attending *MSU* in *Moorhead,* studying Speech Language and Hearing Science.

Bailey Wolff is the daughter of Jonathan and Stacy Wolff. Bailey will graduate this spring and will be attending *Lake Area Technical College* in *Watertown, SD,* studying Livestock Production and Management (Agriculture).

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

24-Hour Telephone Answering
320.269.2163
800.247.5051

Minnesota Valley Co-op News
Published monthly by:
Minnesota Valley Cooperative Light and Power Association

Website
www.mnvalleyrec.com

Address
501 South 1st Street
P.O. Box 248
Montevideo, MN 56265