

Electric Eye

OCTOBER 2009 • www.mvec.net

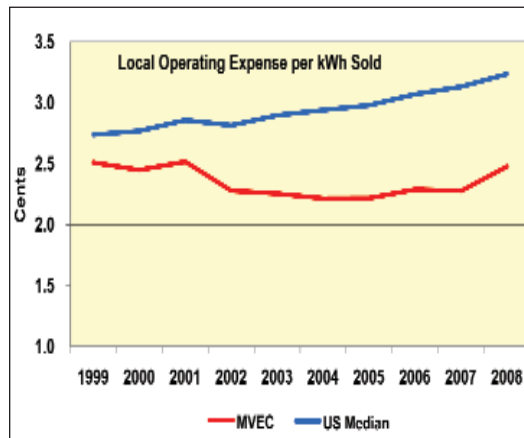
MVEC ranks among the best

a message from your Board President

MVEC is ranked among the best cooperatives nationally when it comes to saving costs, providing low rates, and enhancing reliability according to Cooperative Finance Corporation. Cooperative Finance, a financial partner of MVEC, recently announced its Key Ratio Trend Analysis report. The report evaluates financial trends among 819 distribution electric cooperatives nationwide. Results are based on data submitted for the year ending Dec. 31, 2008. Highlights from MVEC's report card include:

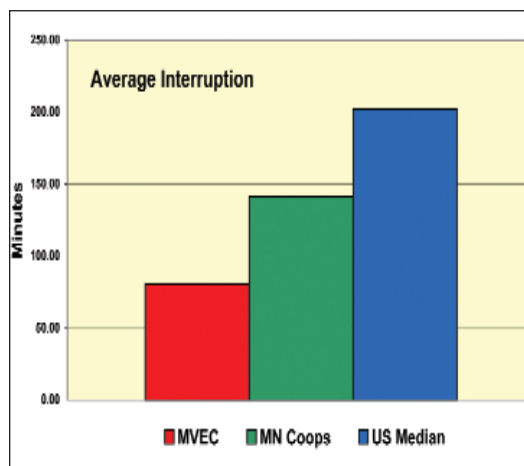


Michelle Morrison



Maintaining Lean Business Operations

MVEC's local operating expense – costs for running the cooperatives business operations – continue to be lean. Your cooperative effectively manages its local operating expenses and is 31 percent below the U.S. median.



Restoring Your Service Quickly

Providing reliable service continues to be our priority. This graph shows MVEC's outage ratio – the average amount of time, in minutes, a member is without power. MVEC is significantly lower than other Minnesota cooperatives and the U.S. median. Your cooperative ranks in the top 19 percent of all cooperatives nationwide in minimizing interruptions to your power.

Investments and Rates
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Phantom load in your home?

Energy thieves called phantom loads are quietly adding kilowatts to your electric bill – and at a time when energy costs are rising, no one wants to pay for energy they aren't even using.

A phantom load is an electrical device that operates 24 hours a day, 365 days a year – even if you think the device is turned off. As technology grows so do phantom loads. The average home may have more than 25 phantom loads that can easily account for 8-12 percent of your home's electricity consumption.

To see how much a device is costing you, multiply the wattage x 24 hours per day x 365 days in a year. Divide that number by 1,000 to get the total kilowatt hours per year. Multiply this number by your electric rate.

To reduce phantom load electric use:

- unplug battery chargers not in use.
- use a wall switch or power strip for TV and appliances not regularly used.
- unplug devices not used or needed.

These hidden culprits can raise your monthly bill

Device	Wattage
Cable TV Converter Box	25.0
Invisible Pet Fence	25.0
Security System	18.3
Television w/ VCR	18.0
Computer (CPU & monitor)	6.5
Computer Wireless Router	6.0
Cordless Power Tool Charger	5.0
Computer Cable Modem	4.5
Phone Answering Machine	3.9
Microwave Oven	3.2
Night Light	3.0
Water Softener	3.0
Computer Printer	2.8
Touch Lamp	2.3
Door Bell	2.2
Cordless Telephone	2.0
Nicad Battery Charger	1.7
Clock Radio	1.7
Toothbrush Charger	1.6

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3 Keep us updated. Current account information is important to us

4 Power blinks annoying, but serve a purpose

MVEC

Minnesota Valley Electric Cooperative

Your Touchstone Energy® Cooperative



Industry News

Three new wind turbines approved for Basin

There's been more activity at Basin Electric Power Co-op, Bismarck, N.D. The Rural Utilities Service recently approved an environmental report submitted by the G&T to build three new 1.5-megawatt wind turbines south of Minot, N.D. Minot Wind 2, as it's called, will be built next to Minot Wind 1, and construction of the new turbines was scheduled for August. Construction is expected to be complete by year's end; operation will start in January.

Source: Electric Co-op Today, Victoria A. Rocha

Plugged-in age feeds a hunger for electricity

Electricity use from power-hungry gadgets is rising fast all over the world. Fancy new flat-panel televisions everyone has been buying in recent years have turned out to be bigger power hogs than some refrigerators. The proliferation of personal computers, iPods, cellphones, game consoles and all the rest amounts to the fastest-growing source of power demand in the world. Americans now have about 25 consumer electronic products in every household, compared with just three in 1980.

Worldwide, consumer electronics now represent 15 percent of household power demand, and that is expected to triple over the next two decades, according to the International Energy Agency. Satisfying the demand from gadgets will require building the equivalent of 560 coal-fired power plants, or 230 nuclear plants, according to the agency.

Most energy experts see only one solution: mandatory efficiency rules specifying how much power devices may use. Part of the problem is that many modern gadgets cannot entirely be turned off; even when not in use, they draw electricity while they await a signal from a remote control or wait to record a television program. Source: New York Times

Applicants sought for \$500 award

Nominate an organization that has made a difference in the Minnesota Valley community

Minnesota Valley Electric Cooperative is seeking applications for the Touchstone Energy® Community Award which recognizes businesses, non-profit and community groups that have shown a strong commitment to the community. Any organization that has helped make MVEC's service area a better place to live and work is eligible for the \$500 cash award.



Touchstone Energy®
Cooperatives

TOGETHERWESAVE.COM

Minnesota Touchstone Energy® cooperatives are part of a national alliance of more than 680 electric cooperatives in 46 states that adhere to the values of integrity, accountability, innovation and commitment to community.

Nominations can be made by completing an application form, available at 125 Minnesota Valley Electric Drive in Jordan or online at www.mvec.net - community news link. Questions may be directed to Susan Larson at 952-492-8258. The application will ask for a description of the project, program or event and the positive impact it brought to the community. **Completed applications must be received at MVEC's office by Oct. 31, 2009.**

The recipient will be announced at the end of November and will then contend for the statewide \$1,000 Touchstone Energy® Community Award. The statewide award winner will be recognized at the Minnesota Rural Electric Association annual meeting in March 2010.

OCTOBER
CO-OP MONTH

Celebrate Co-op Month
Win a \$25 bill credit

October is national co-op month, and MVEC invites you to join the celebration! Complete our cooperative quiz, and your name will be entered into a drawing to win one of 10 \$25 bill credits. Quiz details available online at www.mvec.net. Entries accepted Sept. 1 - Oct. 31, 2009.

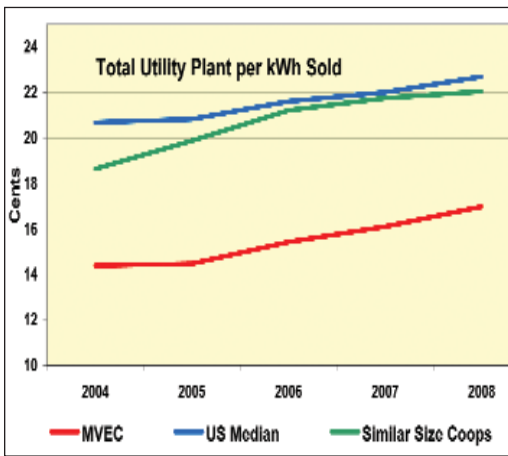
You may receive energy use survey in the mail



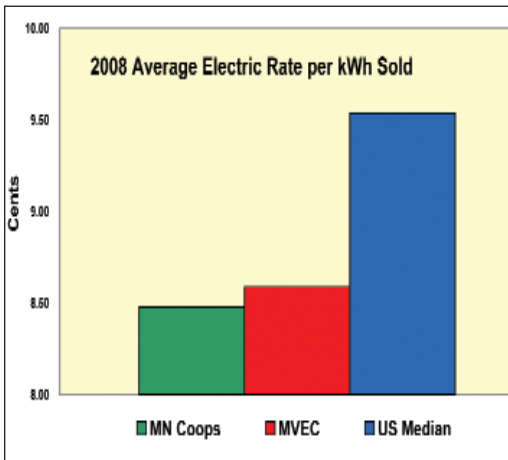
In late October and again in mid November, randomly-selected groups of MVEC members will be sent residential energy use surveys from Great River Energy and Basin Electric

Cooperative, MVEC's wholesale power suppliers. If you are selected, please take a few minutes to complete and mail the survey back to the address provided.

Information from the surveys will be used to track residential energy usage patterns, saturation of major appliances and interest in energy programs.



Efficiently Investing Our Resources
MVEC's investment in total utility plant costs such as utility poles, wires and substations is significantly less than similar size co-ops and the U.S. median. This keeps the cooperative's operating expenses such as depreciation, interest and property tax on a per-member basis under control.



Providing Competitive Electric Rates
MVEC's retail electric rates are competitive with other Minnesota cooperatives and are 11 percent below the U.S. median. This means MVEC members saved an additional \$9.50/month on their electric bill compared to the national average. This is based on the average residential usage of 1,000 kWh per month. MVEC rates also continue to compare favorably with other local municipals and investor-owned utilities that border our service area.

Other report highlights

- While member growth has slowed significantly, MVEC continues to seek out ideas that will continue to provide low-cost service while using the latest technologies to ensure reliable service.
 - MVEC has secured significant power cost savings with our two wholesale power providers. This opportunity has translated to nearly \$5 million in savings to our membership.
 - The cooperative's average borrowing is less than 5 percent on its entire debt. MVEC continues to search out and implement strategies that keep our average borrow rate low.
- "MVEC continually evaluates system costs and efficiencies to ensure our members get the most competitive rates possible. This report is a great tool for us to track our progress," said Michelle Morrison, MVEC's Board of Directors President.

Is your home ready for heating season?

Fall is the time to winterize your home. Change filters on your furnace and make sure it works properly; caulk around windows, vents and other areas where drafts come in; and replace worn and missing weather stripping around doors. Small maintenance projects can add up to big energy savings!

Visit www.mvec.net/save for even more energy-saving ideas, energy use and appliance calculators, as well as full details of our money-saving Energy Wise® programs.

Keep us updated

Is the name, address, and phone number on your electric bill correct? If you have additional changes to your account



information, please visit www.mvec.net to update your account information - https://www.mvec.net/forms/account_update.asp. It is important for the cooperative to have correct information, especially in regard to our outage reporting system.

Did you know MVEC notifies members about planned outages via phone messages? MVEC cannot tell you about a planned outage without your correct information. Please make sure the phone number for the location of your service is on file. If you have changed from a land line to cell phone, call our automated



phone system Touch-n-Go at 952-492-8333 or 866-492-8333 (option 1) and update your phone number.

CFL savings

An instant rebate offer is available to members who purchase up to 12 qualified CFL bulbs at participating Ace Hardware stores. Rebate forms are available at the store at checkout. Offer is good Oct. 1 to Nov. 30, 2009, (while supplies last) and may not be combined with any other utility offer. Participating stores are listed on MVEC's web site, www.mvec.net - community.



Reliability improvements for members

Tracking “blinks” with new technology proactively pinpoints trouble spots

Your lights flicker, and even though it is literally just the blink of an eye, it can be annoying if it causes clocks and other electronic devices to re-set.

Since April of this year, your cooperative has been tracking these blinks to narrow down trouble spots on sections of power lines before larger issues arise. Thanks to AMI “smart” meters, these investigations can begin from MVEC’s dispatch center, improving productivity and efficiency for busy line crews, and improving your power reliability.

Blinks are annoying, but serve a purpose

Each day, a report is generated listing blinks that have occurred in the past 24 hours. Incidents are sorted in the dispatch center by location, and if there are repeated blinks in a certain section of line, a maintenance crew is sent out to investigate. The crew checks a device called a reclosure that makes the line blink. If the reclosure sees three blinks, it prevents electricity from flowing to your home as a safety precaution.

“Blinks are frustrating for people now more so than years ago because everyone has more electronic and digital products in their homes and businesses,” said Dianne Hartman, MVEC dispatcher. “But blinks do happen for a reason – to protect the electrical system and reduce the number of outages.”



“Smart” meter technology allows MVEC to monitor blinks and potential outage hot spots right from the co-op dispatch center, saving money and time spent in the field which means increased power reliability for members.

Board Highlights

The monthly meeting of MVEC’s Board of Directors was called to order at 8:30 a.m. on Monday, Sept. 28, 2009. Highlights are as follows:

- Accepted the Financial report. Energy sales for August were 17 percent below projections, resulting in a loss of \$131k for the month. While 2009 energy sales also lag projections, wholesale power costs are favorable to budget, causing YTD margins of over \$2 million.

- Approved an extension of MVEC’s Transmission Service contract with Great River Energy (GRE). The new contract covers deliveries through 2050. It is also key to securing least cost financing. GRE is responsible for providing the cooperative all its transmission service, and their performance has consistently exceeded expectations.

- Approved a ground source heat pump (GSHP) rate for residential and commercial accounts. GSHPs are very energy efficient. They are eligible for significant tax credits, and members have expressed increasing interest in the technology. GSHPs on this new rate will not be subject to load control.

- Received reports from management covering a variety of items including: 2010 wholesale power rates, wholesale power cost adjustment charges (WPCA), subsidiary business activity, labor market data, Chaska franchise and Energy Wise rebates.

The meeting adjourned at approximately 2:00 p.m. Members with questions or comments may telephone MVEC’s General Manager, Roger Geckler, at (952) 492-8200 or email rgeckler@mvec.net.

Statement of non-discrimination

Minnesota Valley Electric Cooperative is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, sex, religion, age, or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization’s programs or activities.

The person responsible for coordinating this organization’s nondiscrimination compliance efforts is Wanda Breimhorst, MVEC human resources administrator. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Administrator, Rural Utilities Service, Stop 1510, 1400 Independence Avenue SW, Washington, D.C. 20250-1510; or the Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence SW, Washington, DC 20250-9410; or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.



Editor:	Susan Larson
General Manager:	Roger Geckler
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Office Hours:	M - F; 8 a.m. to 4:30 p.m.
Member Service Phone Hours:	M - F; 7 a.m. - 5 p.m.
Member Service:	952.492.2313 800.282.6832
Dispatch/Outages:	952.492.8255 800.232.2328
Pay By Phone:	952.492.8333 1.866.492.8333

Minnesota Valley Electric Cooperative
125 Minnesota Valley Electric Drive
Jordan, MN 55352
www.mvec.net • info@mvec.net