

Electric Eye

MARCH 2010 • www.mvec.net

MVEC to premiere new bill format in April New features will help you understand and manage your energy dollars

Starting in April, the look of your electric bill will be changing, as MVEC will separate the cost of purchasing wholesale power from the cost of delivering that power to you. MVEC believes these changes will help address three common questions that your cooperative hears from its members.

- What are the different costs that make up my electric bill?
- What causes those costs to change?
- How does my electricity usage affect my bill?

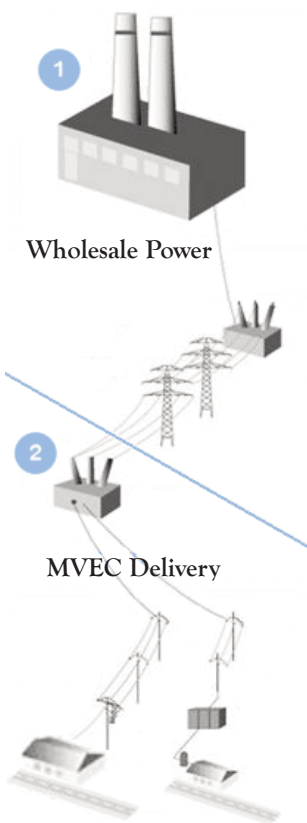
Although the look of the bill will be changing, there are no new charges or increases to our base rates. The same cost components from your current bill will appear on the new bill. The only difference is how they will be presented to you.

New categories offer explanations for the costs you pay

MVEC's 2009 annual member satisfaction survey revealed that more than 60 percent of respondents wanted more information about the costs that make up their electric bill. There are many costs associated with producing and delivering your electricity. To help explain the costs, two main categories have been developed: Wholesale Power and MVEC Delivery.

Category 1: Wholesale Power – costs to produce your power

Wholesale Power is the cost to generate the electricity you use and transmit it to MVEC's substations. On average, these costs represent the majority of your monthly electric bill. MVEC does not generate the electricity you use. Instead, your cooperative buys power from two generation and transmission cooperatives (Basin Electric Power Cooperative and Great River Energy). Our wholesale providers have experienced cost pressures in recent years and these pressures are likely to continue into the foreseeable future. Increasing costs in this area are a result of needing new power plants and transmission lines to meet your growing energy needs. Also, new state and federal mandates are impacting wholesale charges.



See **New Bill Format** continued on Page 3

Save 10% with Energy Wise® air conditioning program

Although snow drifts don't bring to mind hot summer days, now is the time to sign up for MVEC's

Energy Wise
Unmetered Air
Condition Program.



→ Nearly 7,000 MVEC members participate in this FREE program, which saves them 10 percent on ALL of their residential electricity usage billed during the months of June, July, August and September.

How it works

- MVEC installs an energy management switch (free of charge) on your home near your central air conditioner.
- On hot and humid days, during peak electricity usage, the switch cycles your central air conditioner on and off for 15-minute intervals. The furnace fan continues to circulate cool air in your home. When electric demand decreases, the air conditioner automatically returns to its regular mode.

Sign me up

Not only do you save, this green conservation measure helps your cooperative manage energy demand, and it saves on wholesale power costs. To participate you must have a residential service with MVEC. Window or through-the-wall air conditioners (plug in units) are not eligible unless they are hard wired in the home's electric service panel. Members who rent must have the homeowner's written permission to join.

Sign up at www.mvec.net – save energy & money link, or call 952.492.2313 or 800.282.6832



2 Members of MVEC's Operation Round Up Board gladly serve

3 Students receive \$50 Savings Bonds for Academic Excellence

4 Help us restore your power more quickly

MVEC

Minnesota Valley Electric Cooperative

Your Touchstone Energy® Cooperative



Industry News

Energy issues victim of excessive partisanship

Directing a forceful charge to the nation's co-op leaders, National Rural Electric Cooperative Association CEO Glenn English said they must demand elected officials put affordability at the center of their energy policy discussions. English said a unified, focused co-op position can help cut through the polarization and political fights in the nation's Capitol that have stalled efforts to produce constructive energy-related legislation.

The government's proposed fiscal 2011 budget would reduce the Rural Utilities Service electric loan program by \$2.6 billion, yet leave untouched large tax breaks that amount to subsidies for the rest of the electric utility industry (investor-owned and municipals). That proposal should spark outrage among co-op leaders, since, unlike tax subsidies for other utilities, the RUS program generates revenue for the federal government and creates jobs, he said.

The entire speech may be viewed at www.nreca.coop.

Source: NRECA press release

MN "Trade-in & Save" Appliance Program

Starting March 1, 2010, the Trade-in & Save Appliance Program will offer approximately 25,000 Minnesota homeowners a rebate for replacing their old appliances with qualifying Energy Star models purchased from a Minnesota retailer.

Minnesota's allocation of more than \$5 million includes Energy Star rebates on

- clothes washers – \$200
- dishwashers – \$150
- freezers – \$100 with recycling proof
- refrigerators – \$200 with recycling proof

Go to www.mnappliancerebate.com for eligibility requirements, rules and forms.

Source: Minnesota Department of Commerce, Office of Energy Security

Members serving members



Operation Round Up Board members put in many hours of individual research to help determine how ORU donations will be distributed each quarter. Front row from left: Vice President Carolyn Christopherson, President John Miller, Secretary-Treasurer John Sigmond. Back row from left: MVEC's ORU coordinator Chris Schwinger with board members Dick Peterson, Nancy Baldwin, Carol Ragan, Connie Meeker and Jeanne Zwart. Not pictured: Pam Peters. ORU Board members are appointed by the MVEC Board of Directors.

MVEC members are diligent stewards of Operation Round Up donations

John Miller would love to double the money he and MVEC's Operation Round Up (ORU) Trust Board give away each quarter.

"We are happy with all those who already participate, but we are also happy to open our hands to others who would like to," said Miller, a 33-year MVEC member and current ORU Board president.

"Currently there is a 44 percent participation rate in ORU, which means there are many more members who have the opportunity to join ORU and make a difference in our local communities for only pennies a month."

The pennies accumulate when MVEC members voluntarily round up their monthly electric bills. Those combined funds are given to groups in need through the ORU trust fund.

"At most, it averages \$6 a year (ORU participation), and with those dollars, we do a fantastic job." – John Miller, ORU president

In the first distribution of 2010, \$23,180 was given to local charities and organizations.

Below is a partial list of recipients and plans for their money:

- | | |
|---|---------|
| • Belle Plaine Junior High (Belle Plaine) Harsh Realities Retreat | \$750 |
| • Blue Star Families (New Prague) mail gift boxes to soldiers | \$500 |
| • Glendale Place (Savage) community garden | \$500 |
| • Friends of the Library (Montgomery) programs and aid | \$500 |
| • Safe Haven Shelter for Youth (Prior Lake) transportation expenses | \$2,000 |
| • Salvation Army (Sibley County) emergency funding | \$500 |
| • Victoria Fire Department (Victoria) wet suits | \$500 |

If you would like to make a difference in the community by simply rounding up your monthly electric bill, sign up at mvec.net/community/operation_roundup.asp

Since 1995, MVEC's ORU program has raised **\$884,377.51**.

For a complete list of recipients, visit www.mvec.net - community link.



New Bill Format continued from page 1

On your current bill there is a separate line item for the Wholesale Power Cost Adjustment (WPCA). The WPCA has been included on your electric bill since 2000. On the new bill the WPCA charge will be combined with the overall Wholesale Power costs. As a reminder, the WPCA is a monthly rate adjustment that allows MVEC to react to real time changes in wholesale power costs (increases and decreases) without formally adjusting the rates. The WPCA is a direct pass through to members based on wholesale billings. MVEC does not retain any of this revenue.

Category 2: MVEC Delivery – getting the power to you

MVEC Delivery includes the costs to deliver electricity (from the substation) to your home or location. These costs include: meters, transformers, substations, labor, equipment and administration. It is important to note that the rate you pay to cover costs of MVEC's Delivery has been very stable over the years. Members can expect that trend will continue for the foreseeable future.

New Feature! Check out your own personal energy use

Additional information on your new bill will include a personal daily energy usage graph representing a one-month period. The graph will show how much energy you've used on each specific day of the week. There are many factors that influence your energy use: behavior of household members, appliances, number of people within your household and weather conditions. This new personalized graph will be a great tool to help you manage your monthly energy costs and look at ways you can conserve energy.

Another exciting opportunity that will be available to members in the near future is Google PowerMeter and other free online energy management tools. These tools will enable you to look at monthly, daily and hourly energy usage. They also assist you in identifying ways to conserve, and track your conservation efforts. More details about these programs will be announced in future issues of the Electric Eye newsletter.

MVEC anticipates you may have other questions about the new bill format. In April, you will be receiving a more detailed explanation of the new bill. If you have questions please call 952.492.2313 or 800.282.6832. Or you can contact us via e-mail at info@mvec.net and type "new bill" in the subject line.



**FEELS BETTER AROUND
THE HOUSE SINCE I SET OUR
THERMOSTAT TO CHEAP.**

We're gone most of the day. Didn't make sense to keep an empty house comfortable.

But now when we get home, it's ready. I'm saving \$280 a year just by programming a thermostat.

What can you do?

Find out how the little changes add up at TogetherWeSave.com.

For Academic Excellence

MVEC students earn \$50 savings bonds

MVEC's Academic Excellence program gives students in grades 1-12 whose families are members of the co-op the chance to win a \$50 U.S. Savings Bond.



Good grades paid off for the following students whose names were drawn for the first half of the 2009-2010 school year:

- ✓ Jordan Fasching.....Grade 1
- ✓ Lauren Murphy.....Grade 5
- ✓ Nick Benz.....Grade 5
- ✓ Rachel Szyszka.....Grade 5
- ✓ Lauren DirnbergerGrade 5
- ✓ Kyle SchansbergGrade 8
- ✓ Sarah Aldrich.....Grade 8
- ✓ Brittany Schultz.....Grade 10

The next deadline to submit report cards is July 16, 2010. To learn more about this program, visit us at www.mvec.net - community link.

Electric heat is exempt from state sales tax

If electricity is the main source of heating your home (more than 50 percent), you are exempt from paying Minnesota sales tax on your electric bill during the heating season.

If you have filed an exemption card with Minnesota Valley Electric Cooperative in the past, you do not need to file again. However, if your electric heat is used in conjunction with wood or another fossil fuel, please re-evaluate your heat status.

Members who receive a tax exemption when electric heat is NOT the primary source of heating are in violation of the law. Please call MVEC at 952.492.2313 or 800.282.6832 if you haven't been on tax exemption before and should be or if you need to be taken off tax exemption.

Up-to-date information helps provide faster outage restoration

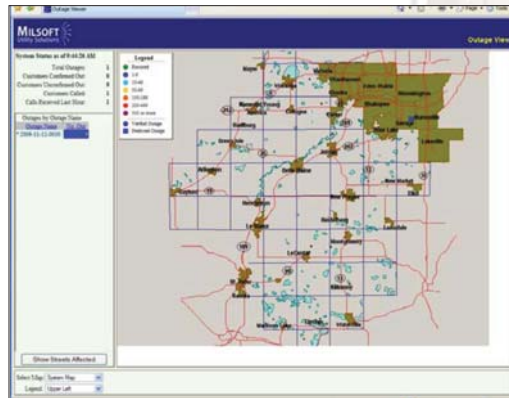
When you report a power outage by telephone, MVEC's automated Outage Management System (OMS) relies on your phone number to identify your location – similar to caller ID. When MVEC has your correct phone number on file, the system verifies your location, automatically enters your outage and alerts dispatchers that a new outage has been entered.

MVEC relies on our members to call and report outages.

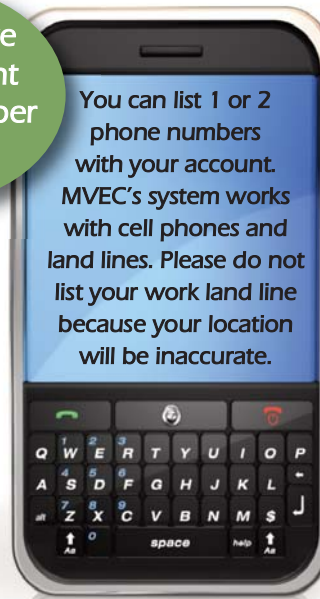
The OMS system works best when everyone experiencing an outage calls to report it. During periods of extreme outages such as major storms, MVEC's dispatch center receives large volumes of calls. This information is combined so the OMS can better track and predict the extent of the outages, helping dispatchers expedite outage restoration. Dispatchers can provide more accurate information to line crews, stating the source and extent of the outage, which can ultimately reduce your outage time.

There are several ways to stay informed.

- MVEC posts outage alerts on our web site's home page so you can get the latest information. The "live" outage map can be used by members to view outage status. It is automatically updated as power is restored.
- When you call to report an outage, the OMS system will automatically inform



Do we have your current phone number on file?



You can list 1 or 2 phone numbers with your account. MVEC's system works with cell phones and land lines. Please do not list your work land line because your location will be inaccurate.

you if a crew has been assigned to your outage and the estimated time of restoration. The OMS also gives you the option of receiving a callback after the power has been restored.

- If you do not have Internet access, our dispatchers are available to give you updates of restoration progress. MVEC makes every effort to answer each call with a live person, but when large call volumes are experienced, your cooperative relies on our automated systems to eliminate busy signals or long hold times.

Technology working for you.

Our main goal is to keep your lights on. Technology plays an important role in maintaining and improving reliability efforts. With your help, MVEC can respond quicker and with more accuracy, which means getting your lights back on sooner.

Please take the time to verify MVEC has your correct home and cell phone numbers on file.

Updating your information is simple:

- Call Touch-n-Go: 952.492.8333 or 866.492.8333
- Go online: www.mvec.net/forms/account_update.asp
- Call Member Services: 952.492.2313 or 800.282.6832

Board Highlights

The monthly meeting of MVEC's Board of Directors was called to order on Monday, Feb. 22, 2010 at 8:30 a.m. All directors were present. Highlights include:

- Accepted the January 2010 financial report. Energy sales were nine percent favorable to projections, and local expenses were also favorable. Great River Energy's (GRE) wholesale power cost adjustment (WPCA) charges to MVEC in January were \$223,000; Basin Electric Power Cooperative, our other wholesale supplier, does not bill a WPCA. The \$223,000 will be passed through to members on their March-May billings.
- Heard a review of 2009 wholesale power supply activities. MVEC savings due to purchase agreements with multiple suppliers totaled nearly \$4 million. Action was taken to increase 2010 purchases from our low cost provider. A new all requirements transmission contract with GRE was finalized which assures members have reliable transmission service for the future and strategies were implemented which minimize future load control.
- Reviewed bids to begin remodeling MVEC headquarters. The project will be completed in

increments where steep discounts are available and financial impacts are modest. Purpose is to provide facilities which accommodate MVEC growth from 30,000 to 45,000 members. The intent is to add workstations by maximizing space within the existing building footprint. Several options covering the scope of work for Phase One were discussed. MVEC's Board of Directors will make a decision on how to proceed at the March meeting.

- Appointed nine member volunteers to serve on MVEC's Nominating Committee. The Committee will meet March 5 to review the nominating process, as well as begin the search for qualified candidates. They will meet again late March to resolve the ballot for 2010 director elections, which will be conducted in conjunction with the cooperative's annual meeting on June 16.

Meeting adjourned at 2:45 p.m. Members with questions or comments may call MVEC's General Manager, Roger Geckler, at 952.492.8200 or email rgeckler@mvec.net.



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