



CEO's Corner

By Ryan Hentges

Study makes sure electric rates cover co-op costs and are fair to all members

While virtually all aspects of today's cost of living continue to rise, we strive to avoid routine rate adjustments. In fact, the last time MVEC electric base rates were modified was in 2016. In a world of rising costs for nearly all consumer products and commodities, MVEC continues to work hard to manage costs effectively.

MVEC is a not-for-profit utility. It is part of our mission statement: to safely provide reliable energy at cost. In order to accomplish that, staff sets annual workplans that enhance member service while making financially-responsible decisions and working efficiently to meet them.

Revenue derived from the electric rates collected from our membership funds the operation of the electric cooperative. It is the responsibility of MVEC's Board of Directors and the co-op's staff to examine rates routinely. This ensures rates are justifiable and reasonable for all classes of

members (residential and commercial). It also allows MVEC to fulfill its lender obligations and our commitment to you, the members, to deliver safe and reliable service at cost.

If MVEC rates collect too much it is given back to the members. Bill credits have been issued to the membership in 2018, 2019 and 2020 totaling \$1 million. Likewise, if our electric rates do not cover cooperative expenses, we need to adjust. MVEC rates compare favorably to local electric utilities. All are seeing upward cost pressures with natural gas availability and the cost of utility materials.

How are electric rates established? MVEC has hired a third-party rate consultant, Power Systems Engineering, to conduct a Cost-of-Service Study. Existing data is used to determine what revenue is required to operate the cooperative in the future, and costs are assigned to each class of service. Electric rates are then designed, from those cost allocations, to collect revenue fairly

from each rate schedule in meeting obligations and the funding for future goals as identified by the Board of Directors.

As MVEC reviews costs, power supply is the largest expense, which covers costs to purchase the power that is generated and transmitted to MVEC substations by Great River Energy, Basin Electric Power Cooperative and Alliant Energy. Wholesale power currently accounts for 70 percent of MVEC's annual budget.

The remaining 30 percent of MVEC's budget is local costs for delivering power from MVEC substations to your home or business. Many of these items are currently affected by inflation, as well as supply and demand. This includes poles, wire, trucks, office and warehouse facilities, substations, maintenance and repair of lines, repayment of loans and employee costs.

When will the results of the Cost-of-Service Study be announced? Once the

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MVEC's Rate Stability Commitment

Total all costs needed to maintain cooperative financial stability and reliable electric service.

Allocate costs to determine revenue requirements by each member class.

Determine rate adjustment to ensure adequate revenue. Rate adjustments may vary. Not all rates may be impacted.

Balance recommended rates with staff and Board input, future objectives and MVEC's commitment to reliable service at cost.

Communicate any rate changes to members before implementing and provide solutions to mitigate any cost impacts.

Additional resources and board meeting highlights available 24/7 at www.mvec.net



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MVEC

MINNESOTA VALLEY ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative

Get ready for cold weather season!

Ways to save home energy during the holidays

The holidays are a magical time of food, gifts and quality time with family and friends. It's also the most expensive time of year for many. Along with the expense of gifts, meals and travel comes colder weather and darker nights that lead to more electricity use and higher bills.

Here are some energy efficiency tips to reduce energy expenses during the most wonderful time of year:

Around the house

If you are hosting guests, your household will consume more electricity than normal. Be prepared with these efficiency basics:



- Program your thermostat at 68 degrees when you are home and dial back 6 to 8 degrees when you go to sleep or are away.
- Run the washer on cold with full loads.
- When not in use, turn off lights and the TV; fully shut down computers and gaming systems instead of putting them in sleep or standby mode.
- Lower the thermostat when guests are over or cooking food. Most gatherings happen in the center of the home, so save energy by turning the heat down in areas you are not using.

In the kitchen

Whether you are making holiday treats or a feast, here are a few tips to help lower energy use in the kitchen.



- Use the oven light to check food. Every time the oven door is opened, the temp inside is reduced by up to 25 degrees.
- When possible, use a slow cooker, microwave, toaster oven or warming plate, which use less energy than an oven and



LED holiday lights consume 70 percent less energy than conventional incandescent light strands. Consider updating your decorations this holiday season.

stovetop. A toaster oven can use up to half the energy of the average electric stove over the same cooking time.

- Let hot food cool to room temperature before placing it inside the refrigerator. This ensures you don't increase the temperature inside your fridge and cause it to use more energy to cool down. You can also take some of the stress and expense out of your holiday cooking by asking guests to bring a dish.

Decorating with lights

- Make the switch to LEDs for all your holiday lighting. LED holiday lights consume 70 percent less energy than conventional incandescent light strands. For



example, it costs 27 cents to light a 6-foot tree for 12 hours a day for 40 days with LEDs compared to \$10 for incandescent lights.

- Use light timers so you don't have to remember to unplug your lights every evening. Or upgrade to smart holiday lights that offer a wide range of app-controlled options, including time, colors, music and modes.

While you are away

If you're traveling during the holidays, prepare your home to use less energy while you're gone.



- Water heating is the second-largest energy expense in your home, accounting for about 18 percent of your utility bill. Switch your water heater to vacation mode to reduce wasted energy by keeping the water at a lower temperature. If

your water heater does not have vacation mode on the dial, adjust it to the lowest setting.

- Set your thermostat to around 55 degrees so you're not wasting energy to heat the home while you're away.
- Instead of leaving lights on all day, upgrade a lamp or fixture to a smart lightbulb. You can control lights from afar and set a schedule for it to go on and off. Another option is to repurpose your holiday light timer for one of your living room lamps.

For more energy savings tips, visit www.mvec.net/savings-rebates/

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study and corresponding rate designs are completed, it is reviewed by the Board of Directors for final approval. Your Board takes the responsibility of setting fair rates seriously. After all, they are members of the cooperative and pay the same rates as all members – like you.

Operation Round Up seeks volunteer director

MVEC's nine-person Operation Round Up Trust Board is seeking a new director to join the group of MVEC members who help decide how to spend Operation Round Up funds. Must be able to attend quarterly evening meetings and have time to research grant requests prior to the meetings. To learn more or to apply for this reward-incentive volunteer opportunity, visit www.mvec.net/operation-round-up/



How to report an outage

WHEN THE POWER GOES OUT at your home or business, MVEC offers several easy ways for you to notify us. By reporting your outage, you are helping us get the power back on as quickly and safely as possible.

- 1. Text:** One of the quickest and most convenient ways to report an outage is to **send us a text message to 855-963-3830**. Text OUT to report the outage and text STATUS to request an update. Just make sure the phone number in your SmartHub account is enabled to receive messages.
- 2. Phone:** Call MVEC at 952-492-8255 or 1-800-232-2328. Your information is automatically added to our outage reporting system. If you stay on the line, you always have the option to talk with a Dispatcher.
- 3. SmartHub:** The Report an Outage quick link makes it easy for registered users of SmartHub to report outages on the SmartHub home page or app. To learn more, visit mvec.smarthub.coop

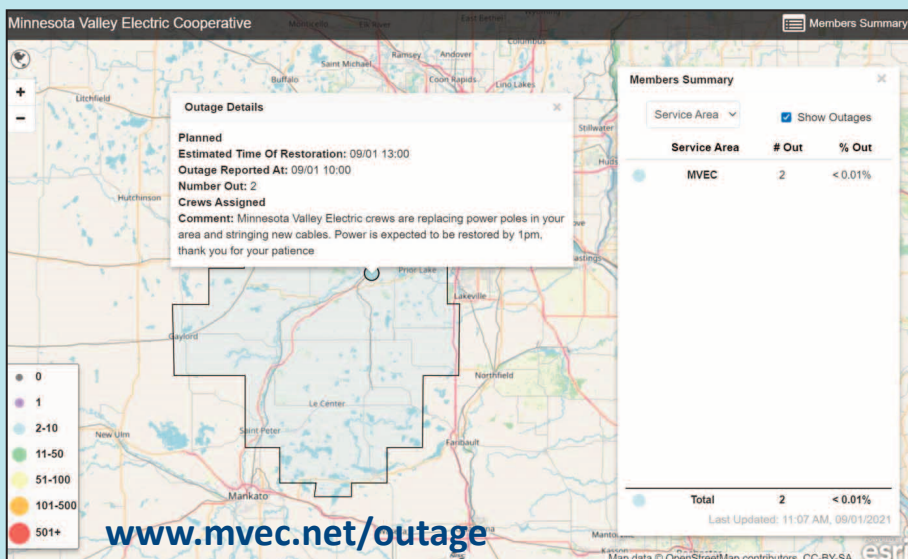
Make sure your phone numbers are current

If your two most-used phone numbers are in MVEC's records, our automated phone system will be able to identify your location when you call or text in an outage. Your information is added to the other outage information that has been reported. This helps our dispatchers send crews to needed areas and speeds up power restoration. You can easily fill out an update form at www.mvec.net/power-outages/update-phone/



Stay informed with MVEC's online outage map

When there is an outage affecting over 250 members, an outage update is posted at www.mvec.net/outage and on our Facebook page. Click on the dot near your location for expanded information. When time allows, our dispatcher also is able to post pertinent comments and estimated restoration times. *Please note: do not report outages on Facebook or Twitter as those two sites may not be monitored 24/7.*



Reminders

Your electric heat bills may be exempt from sales tax

If 50 percent or more of your energy costs are for using electricity to heat your home, you may be exempt from Minnesota sales tax on that heating cost. Fill out the exemption form online at www.mvec.net/stay-informed/find-a-form/. If you have filed for an exemption in the past, there is no need to file again.

Active military personnel protected from shut off

Minnesota Law protects active duty military personnel households from shut-off if they cannot pay utility bills. To request an arrangement, complete a Military Protection form at www.mvec.net/financial_assistance/ and return it to MVEC. If you qualify and make the required monthly payment, MVEC will not disconnect your electricity due to financial hardship.

Cold weather rule reminder

Members who fall behind on utility bills can avoid disconnection between Oct. 1 and April 30 when it affects the primary heat source for the household and as long as members have filled out a form at www.mvec.net/financial_assistance/ declaring inability to pay, meet state fuel assistance guidelines and have a payment arrangement with MVEC in place.

Give the Gift of Electricity

As a practical holiday or any time gesture, the Gift of Electricity is a great option for an MVEC member you know facing financial hardship, adult children living on their own, your hard-to-buy-for parent, a loved one on a fixed budget, or a surprise gift for a friend. Learn more at www.mvec.net/gift-of-electricity/



Interested in serving on MVEC's governing board? Three director positions up for election

The filing period for the cooperative's 2023 election process is now open with a deadline of Tuesday, Jan. 17, 2023. On the ballot are the seats currently held by:

- Brent Lawrence of Credit River (District I)
- Michelle Morrison of Belle Plaine (District II)
- Fran Barten of New Prague (District III)

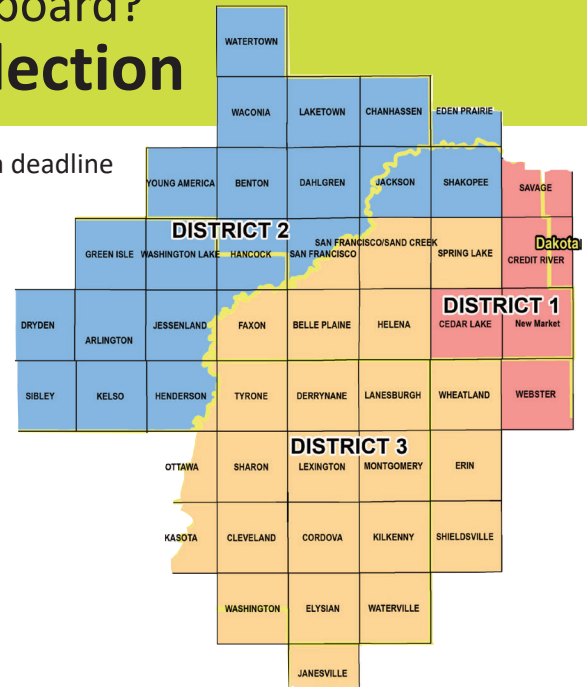
Directors are MVEC members who represent the membership as a whole in making co-op decisions, establishing policies, developing budgets and setting rates.

Qualifications

- Candidates must be members who reside within MVEC's service area.
- Candidates may not be employed by or financially involved with a competitor or business selling electric energy or supplies.
- If elected, directors must be able to attend board meetings usually held the last Monday morning of each month.

If you are interested in running for one of the open board seats, call 952.492.8242 or email elections@mvec.net before Jan. 17, 2023.

Election results will be announced at MVEC's Annual Meeting, set for 7 p.m. March 28, 2023, at the Jordan High School.



\$19,000 in Scholarships Available!

MVEC is pleased to offer several scholarship opportunities for area students pursuing continuing education.

The deadline to apply is February 21, 2023. Applications and further information: www.mvec.net/high-school-scholarships/



High School Scholarships

Graduating high school seniors attending public, private or home school are eligible to apply for a \$1,000 scholarship for college or tech school. Five recipients from each of MVEC's three districts will be randomly selected. The only requirement is to be a member of Minnesota Valley Electric Cooperative with a wish to further your education.

Basin Scholarship

Basin Electric Power Cooperative, one of our wholesale power providers, has a \$1,000 scholarship, based on academics and activities. An essay and teacher/counselor appraisal are required. The recipient is chosen by Basin Electric. High school seniors and college undergraduates whose guardians are MVEC members are eligible to apply for this scholarship.

Lineworker Scholarships

Any student within MVEC's service area, who wishes to enter the field of electrical line work, can apply for scholarship funds of \$1,000 to \$3,000, depending upon how many applications are received in a particular year. The scholarship can be applied for at any time during the year and must be used for educational costs.

The Electric Eye is the official publication of Minnesota Valley Electric Cooperative
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