

Looking Ahead: Managing costs, preparing for 2026 rate changes

CEO Update from Marvin Denzer



Keeping electricity affordable while ensuring reliable power is important to your cooperative. Like many utilities, MVEC faces rising costs from wholesale power suppliers, government mandates, infrastructure investments, and inflation that has increased equipment prices.

In 2024, we conducted a cost-of-service study with a third-party rate consultant and have been closely monitoring the rising costs of doing business. As we prepare the 2026 budget, a rate adjustment will be needed to maintain the reliable service you expect. Further details will be shared in upcoming editions of the *Electric Eye* newsletter.

MVEC is a not-for-profit cooperative, owned by you, our member-owners. Any margins are returned through Capital Credits, and since 1959, \$34 million has been returned. Electric rates are established by reviewing data to determine future revenue needs, assigning costs to each class of service, and designing rates that fairly collect revenue to meet obligations and fund the cooperative. Costs are reviewed by your cooperative's commitment to rate stability centers on the key areas listed below.

Your electric bill has two main components: the cost to generate (wholesale power), which represents about 70% of costs, and the cost to deliver (MVEC's local cost to get electricity to your home or business), which makes up 30%. It includes the Basic Monthly Service Charge, a fixed fee on all member bills, applied regardless of how much energy is used, which covers the cost of maintaining MVEC's system, including poles, wires, transformers, meters, other line equipment, and administrative services. This charge was last adjusted in January 2023.

While there's never an ideal time for rate adjustments, we remain committed to helping you save on your electric bill through Energy Wise programs and SmartHub energy management tools. Your Board of Directors takes rate-setting seriously. As member-owners, they recognize the importance of enhancing reliability while keeping rates competitive and want to ensure fairness for all rate classes.

Cooperatively yours,
Marvin

As costs are reviewed, your cooperative's commitment to rate stability centers on these key areas:

Our Rate Stability Commitment

1

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

2

Allocate costs to determine revenue requirements by each member class.

3

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

4

Balance proposed rates with staff and Board input, future goals, and MVEC's commitment to reliable, cost-based service.

5

Notify members of rate changes before the implementation and offer ways to reduce impact.

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

Scholarships for high school seniors available

MVEC awards fifteen \$1,500 scholarships to area high school seniors each year. In addition, five at-large scholarships are drawn at MVEC's Annual Meeting in April.

- Eligible applicants must be graduating seniors whose parents or legal guardians are MVEC member-owners.
- Scholarships are awarded by random drawing and are evenly distributed among MVEC's three districts.
- Students from public, private, parochial, or home schools are welcome to apply.

• Scholarships are funded by MVEC's Unclaimed Capital Credits, money that would otherwise be claimed by the State of Minnesota.

Deadline: Tuesday, Feb. 17, 2026

Basin \$2,500 scholarship

Basin Electric Power Cooperative, MVEC's wholesale power provider, has increased its academic scholarship to \$2,500 this year. This award recognizes academic and community activity and requires an essay.

Deadline: Monday, Feb. 2, 2026

Apply for either scholarship at:
www.mvec.net/our-community/youth



Give the Gift of Electricity

Looking for a practical gift? MVEC's Gift of Electricity can be given anytime, for any occasion. Purchase any amount and apply it to an MVEC member's account—perfect for someone on a fixed budget, facing financial hardship, or just hard to shop for.

Learn more at www.mvec.net/my-account/financial_assistance/



Last call for rebates on 2025 purchases

Did you purchase an Energy Star appliance, an energy-efficient heating or cooling unit, or outdoor cordless electric lawn equipment in the last three to six months of 2025?

MVEC rewards members who purchase energy-efficient products. You may qualify for a rebate of \$25 to \$500. But hurry! Final rebates for 2025 will be processed soon.

Check eligibility at www.mvec.net/savings/rebates/



Meet our Team: the friendly faces behind the power



Member Services Reps are front line of member support

Our friendly Member Service Representatives are the first voices you hear when you call our office. They respond to member questions and aim for first-call resolution support for everything from billing questions and service requests to outages and program enrollment.

They help members navigate SmartHub, understand electric bills, update accounts, and learn about money-saving programs like Energy Wise.

Whether on the phone, online, or working behind the scenes, you can count on a Member Service Representative to deliver more by listening and ensuring your questions are answered.

At MVEC, the MSRs keep our mission centered on the members we serve.

We've redesigned our website with you in mind



Explore the refreshed design of our website at www.mvec.net

At www.mvec.net our goal is to make your online experience faster, easier, and more convenient.

The new site features enhanced design, updated security, improved performance, and accessibility across devices, including:

- **Simpler Navigation:** Pages reorganized for quick access. Most-requested topics are just a click away, with key information at the top of each page.
- **Mobile-Friendly:** Accessible, flexible design because half of our site visitors use phones.
- **Home page features:** Quick access to your SmartHub account to make a payment or check your energy usage, outage map, load management times and find a form link. Rotating slides and a dedicated news section will keep you informed of current promotions and announcements.

Visit www.mvec.net for MVEC info, account access, and 70+ secure online forms—available 24/7 to fit your schedule.

Adventure awaits in Washington, D.C. Apply for youth leadership trip

MVEC is now accepting applications for the 2026 Youth Tour, an all-expenses-paid leadership trip to Washington, D.C., for a high school sophomore or junior in MVEC's service area.

Who: One student, whose parent or guardian is an MVEC member, is selected to represent our cooperative in the National Rural Electric Cooperative Association's Youth Tour.

What: Participants learn about the electric cooperative difference and meet with policymakers while gaining leadership skills and touring historic sites that shaped the U.S.A.

When: June 15-20, 2026.

Deadline to apply: Friday, March 6, 2026

Learn more at www.mvec.net/our-community/youth



Filing deadline for Board of Directors is Tuesday, Jan. 27

The application period to apply for a seat on the MVEC Board of Directors closes at midnight on Tuesday, Jan. 27, 2026.

Four positions are on the ballot this year:

- **District 1:** one three-year term for the seat currently held by Tom Wolf.
- **District 2:** one three-year term for the seat currently held by Michelle Morrison.
- **District 3:** There are two open seats.
 - One three-year term for the seat currently held by Liz Krocak
 - One two-year term for the seat currently held by Jim Reeder.

The Board meets on the last Wednesday of each month and is responsible for setting policies, overseeing budgets, and guiding decisions that support MVEC's member owners.

Applications can be found at www.mvec.net/your-cooperative/board-of-directors/

Election results will be announced at MVEC's 89th Annual Meeting on Tuesday, April 7, 2026, at Jordan High School. Questions? Call 952.492.8242 or email elections@mvec.net

Food support tops ORU list of \$37,225 in donations



The MVEC Operation Round Up Trustee Board met in November to approve Quarter 4 donation requests for 43 local organizations:

Food Support - \$500 each

Belle Plaine Food Shelf, Belle Plaine Backpack Program, Bountiful Basket Food Shelf, BrainPower in a Backpack, Central Elementary Backpack Program, Every Meal, Green Isle Lions Community Meals, Jordan Area Food Shelf, Jordan Lions Food Basket Program, Le Center Food Shelf, Le Sueur Food Shelf, Le Sueur Rotary Backpack Program, Lonsdale Area Food Shelf, Peace Center, PROP, and Sibley County Foodshare

Holiday Programs - \$500 each

- Jordan Family Outreach
- Le Sueur Adopt-a-Family

Public Safety

- Shakopee Fire Department - \$4,000 for turnout pants and coats

- Cologne Fire Department - \$3,966 for firefighting gear
- Jordan Fire Department - \$1,500 for medical-grade infrared sauna
- Le Center Area Fire Commission - \$1,000 for two new pagers
- Minnesota K9 Search Specialists - \$250 for vet services and volunteer training

Education and Youth Programs

- Angels Among Us - \$1,500 for fundraising event to benefit youth and scholarships
- Campfire MN - \$1,500 for summer camp scholarships
- Harriet Bishop Elementary Service Club - \$1,500 for community events
- Jordan Public Schools - \$500 for Go Buckets for classrooms and offices
- Le Sueur Community Ed - \$600 for Adult Basic Education Chromebooks
- Teuby/2B Continued - \$1,250 for teen mental health first aid
- The Well TreeHouse Network - \$1,000 to launch location at Le Sueur-Henderson

Field trip transportation:

- Central Elementary School - \$426

- Jordan Middle School - \$720
- St. John Catholic School - \$384
- Shakopee Ed Endowment - \$1,000

Community Organizations

- Aging Services for Communities - \$500 for volunteer expenses and supplies
- Angel Foundation - \$1,500 for emergency financial assistance
- Arlington Chamber of Commerce - \$500 for Arli-Dazzle winter celebrations
- Belle Plaine Historical Society - \$629 for scanner
- Montgomery Svaty Mikulas Committee - \$1,000 for entertainers
- ProAct - \$500 for water filling stations
- Relate Counseling Center - \$500 for cognitive behavioral therapy supplies
- Sleep in Heavenly Peace - \$1,500 for 50 twin-size mattresses
- Treasures in Town of Le Sueur - \$500 for Project Connect

**4th Quarter 2025
Total: \$37,225**

Next deadline to apply: Jan. 31



Grant helps local railway museum keep chugging along

A \$1,000 grant helped the Gopher State Railway Museum, located just north of New Prague, advance its ongoing track restoration efforts this past summer. Despite wet weather, volunteers purchased ballast (the coarse stone used to form the bed of a railroad track), built a temporary "shoofly" track, and reconnected a locomotive and caboose to the museum's active line. As a volunteer-run nonprofit, the museum preserves local railroad history, offers hands-on learning experiences, and provides a unique community destination for families, schools, and rail enthusiasts. **Thanks to 28,000+ members who round up their electric bills, ORU contributions help keep projects like these moving forward.**



The Gopher State Railway Museum relies on a variety of volunteers to restore equipment and run its operations. At right, a load of ballast is poured into a section of railroad track.



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