

Member-Ownership at Heart of Every Decision

On behalf of the Board of Directors and staff, thank you for your continued trust in Minnesota Valley Electric Cooperative (MVEC).

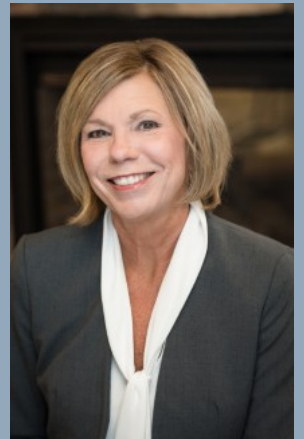
Your cooperative was built on a simple but powerful idea. When people come together, they can improve the quality of life in their communities. It was true back in 1937 when MVEC was founded, and it's still true today.

Every board decision starts with one question: How will this impact the member-owners we serve?

- Whether we're delivering safe, reliable electricity, planning for future needs, launching new programs, or advocating for energy policy, **our responsibility** is to act in the best interest of our member-owners.
- This past year, MVEC **met face-to-face** with Minnesota's elected representatives to emphasize how their policy decisions directly influence affordability, reliability, member service, and long-term planning for the communities we serve.
- **As your trusted energy partner**, we aim to be your first stop for energy questions and solutions. There's no one-size-fits-all solution for homes and businesses. That's why it's important to offer a variety of member programs and service options.
- **MVEC's Energy Wise programs** give members flexible options to reduce energy costs, delivering savings through bill credits and discounted electric rates.

Discover the exciting developments that happened at MVEC in 2025 inside your Annual Report. As the owners of this electric cooperative, we truly take to heart our privilege to serve you.

*Cooperatively yours,
Deborah Erickson
MVEC Board President*



MVEC Annual Report

special edition of the April 2026 Electric Eye



MVEC is guided by
**Seven
Cooperative
Principles**

that set our business
model apart:

- 1** Voluntary and Open Membership
- 2** Democratic Member Control
- 3** Members' Economic Participation
- 4** Autonomy and Independence
- 5** Education, Training, and Information
- 6** Cooperation Among Cooperatives
- 7** Concern for Community

Unlike traditional for-profit companies, cooperatives operate with a different purpose. We put people before profits.

Member-owners are first. Always.

2025 COOP

680 Tailgate Meetings

Reinforces MVEC's commitment to safety through OSHA-compliant job briefings for our Team in the field.

\$13,279,683

In System Reliability Efforts

Construction Work Plan capital investments included 93 completed projects, 1,763 staking sheets, 230 permits and 60+ miles of line staked across eight counties.

11.79 Minute Outage Reduction

Shows stronger system performance and faster outage restoration across our service area.

99.983%

the amount of time power was on system-wide for our 48,783 member-owners.

Call Before You Dig = 26,414 Tickets

were processed, helping protect underground lines and prevent outages or safety risks with Gopher State One Call services.

**Compared to publicly measured energy reliability metrics that did not regulate the survey administration.*

OPERATIVE YEAR-IN-REVIEW

12 seconds

The average time it took for members to reach a live, friendly MVEC representative in 2025.

Connected the Way Members Choose

Integrated SMS, email, and voice tools to give members communication options aligned with their preferred ways to stay informed.

Energy Wise Savings = \$10,014,048

18,911 members use Energy Wise programs to lower bills and help the co-op reduce wholesale power costs; a win-win for everyone.

10% Off Summer Usage

10,205 participating members received a 10% discount on their electric bills for usage from June through September, totaling \$542,323 in savings.

Paperless Savings = \$243,000 Annually

19,393 members streamlined their billing, helping MVEC save on paper and postage costs each year.

\$2.15 Million Returned to Members

MVEC's 2025 Capital Credit payout contributes to a total \$34 million returned since 1959.

\$211,400+ in Grants from Operation Round Up

Thanks to generous members rounding up their electric bills, MVEC's Operation Round Up program awarded grants to 159 organizations, making meaningful impact across our local communities.

75% of members use SmartHub

to securely manage their electric account and make payments online or through the mobile app.

88/100 Satisfaction Score

Our American Customer Satisfaction Index (ACSI®) score* climbed five points, showing your continued trust in MVEC. Thank you!

We Deliver More



Audited Financial Report

Summary of revenue, investments and expenses

BALANCE SHEET

	2025	2024
Net Plant Investment	\$189,823,000	\$182,044,000
Investment/Patronage	\$62,187,000	\$56,122,000
Current Assets		
Cash in Bank Accounts and Investments	\$6,858,000	\$11,748,000
Receivables, Owed to MVEC	\$9,364,000	\$9,515,000
Materials, Supplies and Prepayments	\$4,446,000	\$4,483,000
Other Assets	\$6,877,000	\$4,893,000
Total Assets - What MVEC Owns:	\$279,555,000	\$268,805,000
Current and Accrued Liabilities	\$36,939,000	\$38,874,000
Long-Term Obligations	\$141,824,000	\$133,673,000
Deferred Credits	\$2,190,000	\$3,939,000
Margin Stabilization Plan	\$3,521,000	\$3,829,000
Total Liabilities	\$184,474,000	\$180,315,000
Total Equity	\$95,081,000	\$88,490,000

Total Liabilities/Equity - What MVEC Owes: \$279,555,000 \$268,805,000

OPERATING STATEMENT

	2025	2024
Operating Revenues and Patronage	\$119,538,000	\$104,855,000
Less: Cost of Purchasing Power	\$81,307,000	\$69,326,000
Gross Margin	\$38,231,000	\$35,529,000
Less: Departmental Operating Expenses	\$22,209,000	\$20,627,000
Less: Depreciation, Interest and Taxes	\$14,477,000	\$13,646,000
Operating Margins	\$1,545,000	\$1,256,000
Plus: Other Income	\$349,000	\$495,000
Plus: Capital Credit Allocations	\$6,743,000	\$2,935,000

Net Margins: \$8,637,000 \$4,686,000

67¢
of every
dollar is for
wholesale
power costs



33¢
is local delivery costs:

- Distribution - 10¢
- Administrative - 7¢
- Depreciation - 6.5¢
- Interest - 5¢
- Member Accounts - 2.5¢
- Taxes/Other - 2¢