



# System Delivery Charge to increase in 2018

Effective February 1, 2018 the System Delivery Charge (fixed charge) will increase for all general service rate classes. The only energy rate increase will be to the Load Management (off-peak) rate. These changes will appear beginning with bills sent out in March. A detailed explanation of the reasons the revenue increase is necessary can be found on page 2 in General Manager Carrie Buckley's column.

By increasing the System Delivery Charge in 2018 it will bring the Co-op closer to the actual cost of providing service access and make it possible for the Co-op to meet its financial obligations. Currently, the Co-op does not collect the entire cost of providing access to electric service through the System Delivery Charge. A portion of that cost is recovered through kWh sales, which have been lower in recent years due to mild weather, the loss of sales to our two largest industrial accounts, the increase in private renewable energy generation, and effective energy conservation measures.

The MCPA Board of Directors has been slowly increasing the System Delivery Charge over the past decade, with the goal of decreasing the collection of access

costs through the energy or kWh charge. This is a transition that takes some time.

To keep rates as low as possible, the Co-op has reduced the number of employees from 31 to 26 full-time employees, changed our healthcare offerings to employees, and reduced expenses in recent years.

Most MCPA members are on the Single-Phase Farm & Residential Rate. That System Delivery Charge will increase from \$33.50 per month to \$36.00 per month. The chart on this page shows the changes to each affected rate class.

There will be no increases to the energy rates, except for the Load Management (off-peak) rate. It will increase from \$0.0588 to \$0.0612 per kilowatt hour. The load management rate has historically been about half of the general service rate, and even with this adjustment it will still be 50% of the regular farm and residential rate. The off-peak rate has not been increased as frequently as the other rates. This slight increase was necessary as load management rates from our power supplier for Dual Fuel and storage programs have been increasing annually.



## Darrel Beste retires after 30 years at MCPA

Darrel Beste has served as Engineering Manager at McLeod Co-op Power (MCPA) since October 1, 1987. He recently announced his plans to retire, after hitting the 30-year mark with the Co-op.

Darrel recalled that some of the biggest changes in his years at the Co-op have been the conversion from primarily overhead to underground construction, the slow growth of renewable distributed generation, and the migration to automated meter reading. Designing and constructing large substations for industrial loads in recent years was something new for MCPA also.

After Darrel is officially retired at the end of the month, he hopes to have more time to catch up on reading. He also hopes to travel more and visit relatives living across the U.S.

Effective February 1, 2018 the System Delivery Charge will increase for all general service rate classes. The only energy rate increase will be to the Load Management (off-peak) rate. These charges will first appear on bills mailed in March.		
Service Type	Current System Delivery Charge	New charge effective 2/1/2018
Single-Phase Farm & Residential	\$33.50	\$36.00
Three-Phase Farm & Residential	\$52.50	\$56.00
Peak Alert (Genset)	\$120.00	\$127.00
Large Power & Large Power Seasonal	\$120.00	\$127.00
Service Type	Current Energy Rate per kWh	New Energy Rate per kWh
Off-Peak	\$0.0588	\$0.0612

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## Scenic 2018 calendars available at the Co-op



This year's 2018 scenic calendars are available in the Co-op office.

*Please stop in and pick up a copy. First come, first serve, while supplies last.*

## McLeod Cooperative Power wishes you and your family a blessed Christmas and a prosperous New Year



**Our offices will be closed Monday, Dec. 25, Tuesday, Dec. 26, and Monday, January 1 so our employees may spend the holidays with their families.**

**For outages or electrical emergencies call 1-800-927-5685.**

## Manager's Message — by Carrie L. Buckley, General Manager



### 2018 Rate Increase Approved

**A**t the November board meeting, our Board of Directors approved the 2018 budget. To balance the projected costs of the Co-op with the expected flat sales experienced over the past several years, the Board approved an increase to rates forecasted to generate 1.2% more in revenue.

The Board has acted to more fully recover the fixed charges through the System Delivery Charge. Effective February 1, 2018, almost all System Delivery Charges will increase by approximately 6%. Our single-phase farm and residential System Delivery Charge (fixed charge) will increase from \$33.50 to \$36.00 per month. The three-phase farm and residential accounts will increase from \$52.50 to \$56.00 per month. A billing synopsis with additional detail is included on page 1.

Approximately 62% of MCPA's costs are power supply costs. The remaining 38% of costs include long-term investment in facilities like 1,894 miles of wire, transformers, substations, 29,000 poles and other equipment. The local cost of employees, buildings, customer services and programs are also in that remaining 38%. After the Co-op pays the cost of providing our members with electricity and delivery of services, without a rate increase, our operating margin would only be a slim 1% of revenue.

For the Co-op to remain in good standing with our borrowers, we must maintain a minimum operating margin. When internal operating cost cuts are not enough to maintain a satisfactory margin, then the Co-op must raise rates to meet our financial requirements. That is the position we are in right now.

Balancing our goals of service reliability while reducing costs is ever present in our operational strategies. Our cost-cutting measures in recent years have reduced the number of employees from 31 to 26 full-time employees, a 19% reduction in staffing with the associated wage

and benefit reductions. We have reduced program expenses, extended years between replacement of vehicles, and changed our healthcare offerings to employees to off-set cost increases as additional examples of changes that have held the line on costs.

However, service reliability is still primary in our goals. Despite a reduction in staffing, we have maintained our ability to reasonably respond to outages. We have retained an aggressive tree clearing program which will continue in 2018. We are also investing in technology to become more efficient in our outage response.

Our Co-op costs are either fixed or variable. The fixed costs are those which are needed to bring electricity to your home, farm, or business. The costs associated with the fixed costs are system delivery costs such as investment in substation, taxes, poles, wires, transformers, meters, etc. It also includes, in part, our customer service functions, billing expenses, monthly newsletters, and the expenses of restoring power outages. The fixed costs do not vary with the amount of power flowing through any meter.

The fixed costs are collected through both the System Delivery Charge and the Energy Charge. With the mild weather experienced in recent years and associated flat kilowatt hour sales, we are not recovering sufficient revenue through the energy charge to cover all the fixed charges. By increasing the System Delivery Charge to \$36.00 in 2018 it will bring the Co-op closer to the actual cost of providing service access and makes it possible for the Co-op to meet its financial obligations.

As noted earlier, each standard rate will have about a 6% increase to the System Delivery Charge effective February 1, 2018. Members will see this change on the bill they receive in March.

There will be no increases to the energy rates, except for the load management rate. It will

increase from \$0.0588 to \$0.0612 per kilowatt hour. The load management (off-peak) rate has historically been about half of the general service rate, and even with this adjustment it will still be just 50% of the regular farm and residential rate. The off-peak rate has not been increased as frequently as the other rates. This slight increase was necessary as load management rates from our power supplier for Dual Fuel and storage programs have been increasing annually.

While no one likes to see a rate increase, we still need to recover our costs and provide a margin. Selling fewer kWh year after year means that we need to recover our fixed distribution costs over fewer kWh sold. Increasing the monthly access charge mitigates some of this variability and helps recover more of the fixed distribution costs.

I can assure you that your board of directors takes rate setting very seriously and works hard to balance service, reliability, and safety under a rate structure intended to fairly recover the costs as they are incurred. When they approve raising rates, it means they are raising their own bills too.

I was thinking recently about some of the other bills we pay each month and the comparative value of those services. What do you pay per month for your cellphone, TV or internet service? What's one thing they all have in common? Each of these services require safe and reliable electricity so we can enjoy modern conveniences.

In closing, I wish you and your family a loving, joyous, and safe holiday season.

I remain, proud to keep your Christmas lights on,

Carrie

### Board of Directors

#### District 1 - Oria Brinkmeier, 320-485-2554

Hollywood Twp. in Carver Co., Winsted Twp. in McLeod Co., Victor, Woodland, & Franklin Twps. in Wright Co.

#### District 2 - Joe Griebie, Vice President, 320-779-1101

Hassan Valley, Sumter & Rich Valley Twps. in McLeod Co.

#### District 3 - David Resch, 952-449-1793

Bergen, Helen, & Glencoe Twps. in McLeod Co.

#### District 4 - Doug Kirtz, Secretary-Treasurer

[dkirtz@mcleodcoop.com](mailto:dkirtz@mcleodcoop.com)

Boon Lake, Brookfield, Osceola, Kingman, Preston Lake, Hector, Melville, Bird Island, Palmyra, & Norfolk Twps. in Renville Co. & East Lake Lillian Twp. in Kandiyohi Co.

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#### District 7 - Randy Hlavka, GRE Representative

[rhlavka@mcleodcoop.com](mailto:rhlavka@mcleodcoop.com)

Hutchinson & Hale Twps. in McLeod Co., Collinwood Twp. in Meeker Co.

#### District 8 - Keith Peterson, President

[kpeterson@mcleodcoop.com](mailto:kpeterson@mcleodcoop.com)

Collins & Round Grove Twps. in McLeod Co, Martinsburg, Bandon, & Wellington Twps. in Renville Co., Grafton, Moltke, Bismarck, Transit, & Alfsborg Twps. in Sibley Co.

#### District 9 - Gerald Roepke, Asst. Secretary-Treasurer

Watertown, Camden, & Young America Twps. in Carver County

### McLeod Cooperative Power News

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The McLeod Cooperative Power News is the official member publication of McLeod Coop Power Association and focuses on our members, programs and events.

All member story ideas and comments are welcome.  
Send to Sue Pawelk at the address shown.

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Monday - Friday  
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**Web site: [www.mcleodcoop.com](http://www.mcleodcoop.com)**

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ENERGY WISE MN



0% interest financing available to members of MCPA in good financial standing.

2017 Appliance Rebate Deadline:  
Submit rebate forms before Dec. 21

*Rebate forms must be received at McLeod Co-op Power's office by Dec. 21 to be included in 2017 rebate processing. Please allow several days if mailing the rebate form.*

**This is the last chance to qualify for a \$3 rebate for LED bulbs.** Next year rebates on household LED bulbs will be reduced to \$2 per bulb and rebates may be offered on a more

limited basis. So if you are thinking of purchasing some LED bulbs, do it quick and get your rebate form in before December 21. Print out the downloadable rebate form from the Co-op's website [www.mcleodcoop.com](http://www.mcleodcoop.com). It is at the bottom of the rebate page and explains the rules and maximum quantities eligible for the \$3 LED bulb rebate.



2017 Residential Rebates

*Rebates available from your co-op this year\**

ENERGY STAR APPLIANCES

- Dehumidifier ..... \$25
- Electric Clothes Dryer..... \$75

RECYCLING

- Old Freezer or Refrigerator..... \$75  
(proof of recycling required)

ENERGY STAR LIGHTING

- LED Yard Light..... \$60
- LED Holiday Light Strings, (limit 10) ..... \$2
- LED Light Bulbs, (limit 10) ..... \$3

CONSERVATION

- Electric Vehicle Charging Station ..... Up to \$500  
toward installation & equipment

ENERGY STAR SWIMMING POOL

- Air Source Heat Pump Pool Heater ..... \$400
- Variable Speed Pump ..... \$200

HVAC

- Electric Thermal Storage (ETS) Space Heating.....\$50/kW
- 14.5 SEER Air Source Heat Pump..... \$480
- 15 SEER Air Source Heat Pump..... \$580
- 16 SEER or higher Air Source Heat Pump ..... \$630
- Ductless Air Source Heat Pump (delivered fuels) .... \$300
- Ductless Air Source Heat Pump (primary electric heat)\$500
- Ground Source Heat Pump.....\$400/ton
- ECM (fan motor) ..... \$100

WATER HEATERS

- Electric Storage Water Heating Program ..... \$400

\*This is a residential summary only. The Co-op also offers agricultural, commercial and industrial custom rebates. There is a \$2,000 maximum rebate per member per year. Only ETS space heating does not have a \$2,000 maximum cap. All rebates are on a first come, first serve basis, so please turn in your paperwork promptly.

Most downloadable rebate forms are available on the Co-op website at [www.mcleodcoop.com](http://www.mcleodcoop.com) (click on Customer Service tab). Please read the details on specific rebate forms, as some products have limits, require ENERGY STAR certification, or other requirements.

Air Source Heat Pump rebate forms must be completed by the installing contractor. Rebates for high efficiency air source heat pumps require installation by a "registered contractor" which has been designated as a quality installer and is listed on the [hvacaducation.net](http://hvacaducation.net) web site. A list of all "registered contractors" in Minnesota is on our cooperative website at [www.mcleodcoop.com](http://www.mcleodcoop.com). There are no rebates on central air conditioners. The Cooperative encourages any member replacing their central air conditioner to upgrade to an ENERGY STAR rated air source heat pump. LED yard lights must be installed on consumer-owned building or facilities. Lights cannot be installed on Co-op power poles.

Be Proactive In Stopping Scams

If you suspect a scammer, ask the person to provide you with your account number, your last payment amount, and date of payment.



Know the signs to #StopScams

UTILITIES UNITED  
AGAINST SCAMS

Far too many electric co-ops have heard a story along these lines

The member says someone from the co-op called warning their bill was past due and the electricity would soon be turned off. To keep the lights on, the member went to the drugstore, bought the prepaid debit card that the guy on the phone said to get, then called the guy back and gave him the card number. So how could they possibly still owe the co-op money?

No co-op—or any other utility, for that matter—would ever make

such a demand. The only people who do that are scammers.

It angers the utilities as much as the victims, which is why co-ops, investor-owned companies and municipals are banding together to raise consumer awareness of how scammers work.

Contact the Co-op if you receive a suspicious call by anyone claiming to be from McLeod Co-op Power.

*Michael W. Kahn is a staff writer at NRECA.*

Stop Scams—  
Know the Signs

Utilities will never ask or require a customer with a delinquent account to purchase a prepaid debit card to avoid service disruption.



Know the signs to #StopScams

UTILITIES UNITED  
AGAINST SCAMS



# Heartland Security System catches intruder in-the-act of stealing from the Co-op



Local Heartland Security Services employee Vern Zimmer shows some of the 25 foot cords cut off of voltage regulators at McLeod Co-op Power's pole yard near Glencoe. The Heartland Security video system caught the thief in the act and law enforcement apprehended the intruder as he fled the scene.

On July 13 at 5:16 AM, cameras at the McLeod Co-op Power pole yard detected an intrusion. Dispatchers at the monitoring station verified on the video that a male person was walking inside of the fenced area. McLeod County Sheriff's Office was contacted and deputies responded. Cooperative personnel were also notified. Deputies apprehended the thief fleeing the scene, with burglary tools and wire cords stolen from the Co-op in his possession.

He had cut through a security fence to gain access. He then cut off and stole six 25-foot regulator cords from voltage regulators stored at the Co-op's pole yard facility near Glencoe. The cords were valued at \$1,500. The labor to repair the voltage regulators and the fence were also listed as damages.

The intruder pled guilty to the charge of criminal damage to property in the first degree. At his hearing in November, he was ordered to provide restitution for his theft and damages.

"The Co-op was very happy with the detection provided by the Heartland Security Services system, it's surveillance cameras, and the watchful eye of dispatchers at the Wright-Hennepin Response Center where alarms are monitored," said General Manager Carrie Buckley. She added, "The quick response of the McLeod County Sheriff's officers also helped in apprehending the thief."

McLeod Cooperative Power and Meeker Cooperative are two of the 14 co-ops that own Heartland Security Services. Over the years,

Heartland Security has grown to be one of the premier security and monitoring companies in Minnesota and surrounding states. It provides home security systems for many members of McLeod and Meeker Cooperatives. Heartland Security offers fire detection, intrusion detection, camera systems, card entry systems, and environmental monitoring (temperature and water sensors). It also provides systems for farms, ag confinement buildings, and commercial businesses.

Vern Zimmer is the local sales representative for Heartland Security Services. Vern is available to meet with members who are considering a security system or need a price quote. Vern had helped McLeod Co-op Power initially with placement of its cameras and improvements to its security system a few years ago.

Metal theft happens much too often to utilities and it is the utility customers who pay for the losses when thieves are not caught in the act.

"We can attest to the value of having a system from



The intruder cut metal cords off of voltage regulators at the Co-op. McLeod County sheriff's deputies caught the thief with the cords in his possession.

Heartland Security Services," said Bob Thomes of McLeod Co-op Power. "When they successfully detect an intruder and then act quickly to help law enforcement catch the thief, it makes you very thankful that you had a quality system in place guarding the Co-op's property," added Thomes.

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# Standby Generators Increase Home Resale Value

In response to power outages, homeowners have taken action by installing standby generators. Outages may range from bad weather to animals and trees in lines, to random accidents, and standby generators will automatically turn on any time your power is interrupted.

According to Remodeling Magazine's 2014 Cost Versus Value Report, homeowners across the country can expect to see an increase in the resale value of their homes after installing a standby generator. Add that to the value of being comfortable and having the ability to stay in your home (and continue working from your home office, if that applies) during an extended power outage, and the actual cost of the generator becomes negligible.

Homeowners with backup generators have the peace of mind that their homes will stay dry and safe, their refrigerated food cold, and their hot water on. When you sell a home with a backup



generator installed, buyers will know that you took excellent care of your home and invested in it. This is also very appealing to people who work from home or have elderly or disabled family members living with them.

Before you remodel your bathroom or add another bedroom, consider investing in a backup supply of energy. You can have confidence that an automatic standby generator will keep your property safe and help you avoid costly expenses while improving the resale value of your home.

## For safety, have your generator professionally installed

Generators can be temporarily or permanently installed. A permanent generator is wired into a house by a qualified electrician using a transfer switch. This protects you, your neighbors, and repair crews from electricity backfeeding onto power lines. This can seriously injure anyone near those lines, especially co-op crews working to restore power. A temporary generator fired by gasoline or diesel fuel should not be attached to a circuit breaker, fuse, or outlet. Please follow these safety tips and follow any additional safety steps provided with your generator.



**The improper use of a standby generator can lead to injury or death. When using a generator, SafeElectricity.org urges you to follow these tips to keep you and your family safe:**

- Read and follow all manufacturer operating instructions to properly ground the generator. Be sure you understand them before starting it up.
- Standby generators should have a transfer safety switch installed by a professional. Portable generators should never be plugged directly into a home outlet or electrical system—use an extension cord to plug appliances into an outlet on the generator.
- Never operate a generator in a confined area, such as a garage. Generators produce gases, including deadly carbon monoxide. They require proper ventilation.
- There should be nothing plugged into the generator when you turn it on. This prevents a surge from damaging your generator and appliances.

## Industry News

### Electric cooperatives light the way toward more community solar

When discussing areas of utility-scale solar growth during a panel at Solar Power International, Mathew Ricci with national utility contractor Arraycon mentioned the Midwest getting a boost in construction thanks to electric cooperatives.

According to the National Rural Electric Cooperative Association (NRECA), the service organization for America's electric cooperatives, it seems like this type of utility is growing community solar in a big way.

There are around 900 co-ops in 47 states serving around 42 million customers, according to NRECA. Co-ops are established in rural areas that don't have an investor-owned or municipal utility nearby to supply electric power.

"We are not accountable to shareholders or local governments. We are accountable to our members," said Tracy Warren, senior communications manager for NRECA. This freedom opens them up to experiment with new technologies much more quickly than the more bureaucratic, public or investor-owned utilities.

By the end of 2017, the total solar capacity of rural electric co-ops will be five times the amount just two years ago, according to NRECA. In the past two years, co-ops have expanded their solar footprint from 34 to 44 states.

"Electric cooperatives continue to aggressively pursue solar as an energy source and are the leaders in the community solar," said NRECA CEO Jim Matheson in a statement.

Co-ops are leading in solar because of a multitude of reasons, with the main one being that co-ops have a mission to serve their members.

~Solar Power World



\$100 per kW storage heating rebate offered through 2017

**Baby it's cold outside**

But it's warm and cozy inside! Purchase an electric thermal storage (ETS) heating system between now and December 31, 2017, and you'll get a \$100/kW rebate – that's double our standard \$50/kW rebate. Plus you'll save between 40 – 70% on your home heating costs without sacrificing the comfort and convenience of a traditional heating system. ETS systems take advantage of off-peak electricity, charged at a lower rate since it is consumed when demand is low. In addition, ETS systems don't produce carbon monoxide, so they're safe, and require minimal maintenance.

**+ SAVE 40 – 70%  
\$100/kW REBATE**

**Call the energy experts at the Co-op 1-800-494-6272 soon.**

ENERGY WISE MN



This is double the regular \$50 per kW rebate for storage furnaces, or room units, or under floor slab heating installations. Anyone contemplating installation of a storage system must act very quickly. This is the largest rebate ever available for storage heating.

MCPA News Ads — Free want ad service for members

Please limit your ad to nine words. Use the coupon printed here or available at McLeod Cooperative's front desk to submit your ad. Ads will be printed for one month only. Please submit a new ad if you want it published more than one month. Include your name and address, which will be used for identification purposes only. Ads must be received by December 28 to be included in the January issue. Thank you!

**Please run this ad in the next MCPA News**

Name: \_\_\_\_\_

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**Remember to limit your ad to nine words!**

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**Please check ad category**

☐ Giveaway

☐ For Rent

☐ For Sale

☐ Wanted

For Sale Miscellaneous

- H & S 6ft X 10ft stock trailer. 320-587-7746
- Used lumber. 2x4x12, 2x6x12 and others. 320-587-7746
- Antique loveseat wood. Great condition. Needs simple upholster replaced. 320-238-2331
- Nativity scene. 7 figures, 3 animals, built in manger. 320-587-6301
- Arctic Cat Purple power lube racing formula snowmobile oil. 952-467-2103
- Galv roof steel 26 @ 21ft, 16 @ 14ft. 320-894-4042
- 7ft Cherokee snow blower in great working condition. \$350. 320-328-5747
- 1993 Ford F-150 4X4, 163,000 miles. \$2,500/obo. 320-333-4415
- Yale forklift. 5000lb lift. 320-582-1534

- 55-gallon steel drums w/removeable tops. \$15/each. 952-353-2351

For Sale Farm

- 300 gallon fuel tank w/stand & hose complete. \$50. 320-833-2258
- JD five belt dummy head. Hesston bat real head. 320-522-2167
- 6ft Wayne's tile plow. 320-582-1534
- Round bales of hay. 320-582-1534
- Round bales for bedding. 320-582-1534
- 2-225 bushel gravity boxes. 320-582-1534
- Tractor cab for IHC tractor. 320-582-1534

Wanted

- Cattle or hog panels. 320-779-0539

*Disclaimer – McLeod Cooperative Power Association (MCPA) assumes no liability for the content of, or reply to, any item posted. The party posting any advertisement assumes complete liability for the content of, and all replies to, any advertisement and for any claims against MCPA as a result thereof, and agrees to indemnify and hold MCPA harmless from all costs, expenses, liabilities and damages resulting from, or caused by, any advertisement or reply thereto.*

Satisfaction Survey will be in bill you receive in January. We really want your input!  
*You could win one of five \$100 electric bill credits*

McLeod Co-op Power would like to know how it can meet your needs and serve you better. A satisfaction survey will be coming your way in January.

All MCPA members will receive a survey in their electric bill in mid-January. Please fill out the survey form. Seal it and put it in the mail. It is a postage-paid mailer and will go right to the company tabulating the surveys for us.

With many land lines no longer being used, it is important for the Co-op to have correct contact information for members. Each

member who provides their name, e-mail, and active cell/home phone numbers will be entered in the drawing for five \$100 electric bill credits.

This survey provides important information to the Cooperative. It shows us how satisfied you are with your rates and service compared to previous years. It shows us where improvement may be needed. It gives you an opportunity to tell us what additional services you would like to see us offer. It helps us meet your needs better. So, please take a few moments and complete your survey in January.

October 2017 Outage Summary

During the month of October the Cooperative had a total of 77 outages, affecting 2,297 consumers. Fifteen of those outages were caused by lightning. Twelve were planned outages for service upgrades.

The outages affecting the most members was due to lightning damaging a substation lightning arrestor on October 2, 2017 about 11 p.m. near New Germany. It affected 725 members and lasted for 12 minutes. The second largest outage occurred on October 3, about 7:30 a.m. The outage lasted 34 minutes and

affected 603 members served by Hollywood Substation in Carver County. Cause was also due to a lightning arrestor being damaged.

Most outages affect only one or two members. They are frequently caused by small animals, trees in the line, equipment failure, or motor vehicle/machinery accidents. Larger outages affecting hundreds of members at a time are usually caused by transmission outages, storms, equipment failure to substation equipment, or accidents. Restoration time on weekend and evening outages, when line crews are called out from home, usually take a little longer to get back on than outages when crews are already out working on the project.

**Experience Washington D.C.**



*Time for high school juniors and seniors to apply*

High school juniors and seniors have until March 2, 2018 to apply for the Cooperative's Washington Youth Tour competition. One local youth will win an all-expense paid trip to Washington D.C. June 9-14, 2018 from the Cooperative.

For over 40 years, electric cooperatives have sponsored the annual Rural Electric Youth Tour by sending their high school students to experience first hand, the essence

that is our republic. An information packet is available on the Co-op website [www.mcleodcoop.com](http://www.mcleodcoop.com). Click on ABOUT US tab and then YOUTH PROGRAMS tab. You will have until March 2, 2018 to submit your application. Students complete a questionnaire and application to qualify. Please encourage your child or grandchild to apply. They need only attend a high school in or reside in McLeod, Renville, Sibley or western Carver County.

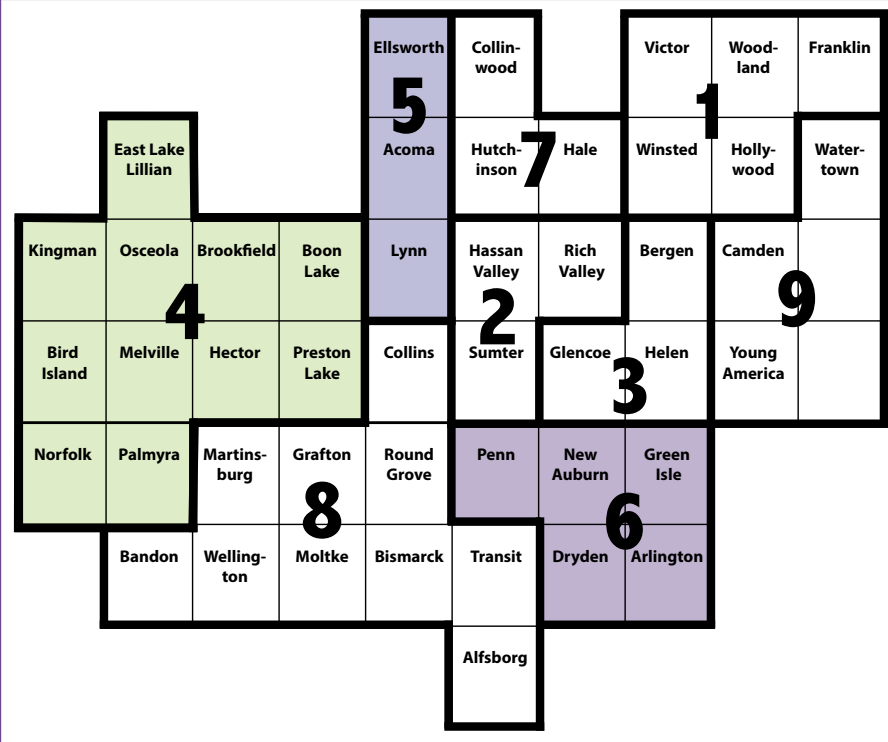
Volunteers needed for Nominating Committee

To elect directors in Districts 4, 5, & 6 at the 2018 Annual Meeting, we need members from those districts to serve on the Nominating Committee. Nominating Committee members participate in the election process by selecting director candidates and submitting their names to the Board for approval. They also assist with collecting and counting ballots at the Annual Meeting. Volunteers are needed from the following townships:

- District 4** includes: Kingman, Osceola, Brookfield, Boon Lake, Preston Lake, Hector, Melville, Bird Island, Norfolk, and Palmyra Townships in Renville County and East Lake Lillian Township in Kandiyohi County.
- District 5** includes: Lynn and Acoma Townships in McLeod County, and Ellsworth Township in Meeker County.
- District 6** includes: New Auburn, Green Isle, Arlington, and Dryden Townships in Sibley County, and Penn Township in McLeod County.

Call McLeod Cooperative Power at 1-800-494-6272 if you are willing to volunteer for the 2018 Nominating Committee no later than January 2, 2018. Committee meetings are scheduled for January 25 and February 8, 2018. The Annual Meeting is planned for April 10, 2018.

Members in good standing who serve on the Nominating Committee are paid a per diem for the meetings plus mileage. Nominating candidates to run for board seats is an important part of the democratic process of operating your electric cooperative. We encourage your participation.



What makes a good director?

At McLeod Cooperative Power we believe that our Board of Directors comprises a pillar connection with our membership and the community at large. Besides meeting the legal requirements for Director nomination, we are seeking individuals who hold some important personal characteristics. We’ve summarized these attributes below.

**Possess a sincere interest in preserving the strength of the Cooperative’s operations and maintaining a productive relationship with its consumer-members.** McLeod Cooperative Power has assets of about \$39 million, employs 26 full-time people and is responsible for providing quality electric service to more than 6,400 accounts, as well as a variety of ancillary services. Our electric distribution system serves a diverse membership consisting of residences, farms, businesses and industries. While representing all members of the district, **Directors must work with each other to ensure equitable treatment to all members across the entire distribution system.**

**Be willing and available to fully participate in the business activities of the Cooperative. Attendance is expected at all scheduled Board of Directors meetings. In addition, from time to time, Directors will be called upon to represent the Cooperative at other meetings and events where their presence is deemed to be beneficial to the Cooperative.**

**Remain accessible to the members whom they represent.** Since the Directors are elected from and by the Cooperative’s membership, it is important that they work to **maintain open lines of communication with their constituents. They should also strive to be knowledgeable about trends and circumstances that may impact the people and communities of central Minnesota,** and be capable of using basic computer skills to receive electronic communications and reports from the Co-op.

**Be enthusiastic.** During these times of accelerated change, we look for proactive, resourceful and inspired leadership.

Director qualifications per the Co-op Articles of Incorporation

Article 3, Section 2 of the McLeod Cooperative Power Association Articles of Incorporation states the following about director qualifications. No person shall be eligible to become or remain a Director of the Cooperative who:

- A. is not a member in good standing of the Cooperative receiving service at the member’s primary residence or principal place of business in the district from which the Director is elected;
- B. within five (5) years preceding a Director candidate’s nomination was or during service on the Board of Directors is finally adjudged to be guilty of a felony;
- C. within five (5) years preceding a Director candidate’s nomination was an employee of the Cooperative;
- D. is or becomes, or at any time during the five (5) years preceding a Director candidate’s nomination shall have been, employed by a labor union which represents, or has represented, or has endeavored to represent any employees of the Cooperative;
- E. is a child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew or niece, whether by blood, or in law, of an employee of the Cooperative;

- F. is a person that is child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew or niece, by blood, or in law, of an incumbent Director that is not up for re-election at that time;
  - G. is in any way employed by or substantially financially interested in an enterprise competing with the Cooperative or any Cooperative-affiliated business;
  - H. is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another Director; or
  - I. is absent without cause from three (3) or more regular meetings of the Board of Directors during any twelve (12) month period.
- A member that is an authorized farm corporation, family farm corporation, regular corporation, partnership, limited liability partnership or other business entity may select an individual member residing on or actively operating such business entity to be eligible for election to the Board. A member that is not a natural person may select one of its officers to be eligible for election to the Board, provided that not more than two (2) such officers may serve on the Board at the same time.

MCPA Director Candidate Application

The undersigned, a member of McLeod Cooperative Power Association, hereby applies as a nominee for director of McLeod Cooperative Power Association from District \_\_\_\_\_ and requests that my name be considered by the Nominating Committee to be placed on the ballot for the next election for director from said district to be held at the next Annual Meeting, April 10, 2018.

I certify that my account is current and I am a member in good standing with McLeod Cooperative Power Association from District \_\_\_\_\_.

I certify that I am a resident of District \_\_\_\_\_ and am receiving

electric energy from McLeod Cooperative Power Association.

I certify that I am not in a competing business with McLeod Cooperative Power Association.

If elected director, I agree to attend as many meetings of the Board of Directors as possible and to abide by the Articles of Incorporation and By-laws and Policies of McLeod Cooperative Power Association.

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Print address: \_\_\_\_\_

Signature: \_\_\_\_\_

**Return to the MCPA by Jan. 16, 2018**





**Morning: Brought to you by electricity**

Even before you flip on the lights, your morning probably starts with one of modern life's little pleasures: a fully charged cellphone.

After a hot shower — thanks to your water heater — your getting-ready routine might be helped along by an electric razor, hair dryer or curling iron. You can even do all this with one ear on the weather forecast.

If you're the type who gets right to work before sunrise, lighting in the garage or barn is indispensable. An engine block heater might even be the difference between your car starting or not on a cold winter morning.

Whether you're cooking bacon and eggs on a Sunday or prepping breakfast to-go in the toaster or microwave, electricity helps you start the day right.

**McLeod Co-op Power is proud to provide the electricity its members depend on to start their day.**

YEAR TO DATE FINANCIALS		
Through September		
	2017	2016
Operating Revenue	\$ 14,275,036	\$ 15,490,768
Cost of Purchased Power	\$ 9,041,594	\$ 9,925,828
Other Operating Expenses	\$ 5,471,731	\$ 5,568,995
Total Cost of Electric Service	\$ 14,513,325	\$ 15,494,823
Operating Margins	\$ (238,289)	\$ (4,055)
Non Operating Margins	\$ 268,004	\$ 361,185
Total Margins	\$ 29,715	\$ 357,130
kWh's Sold	112,849,220	130,390,213
Member Services Billed	6,678	6,643
Avg kWh Used, Residential/Month	1,313	1,354



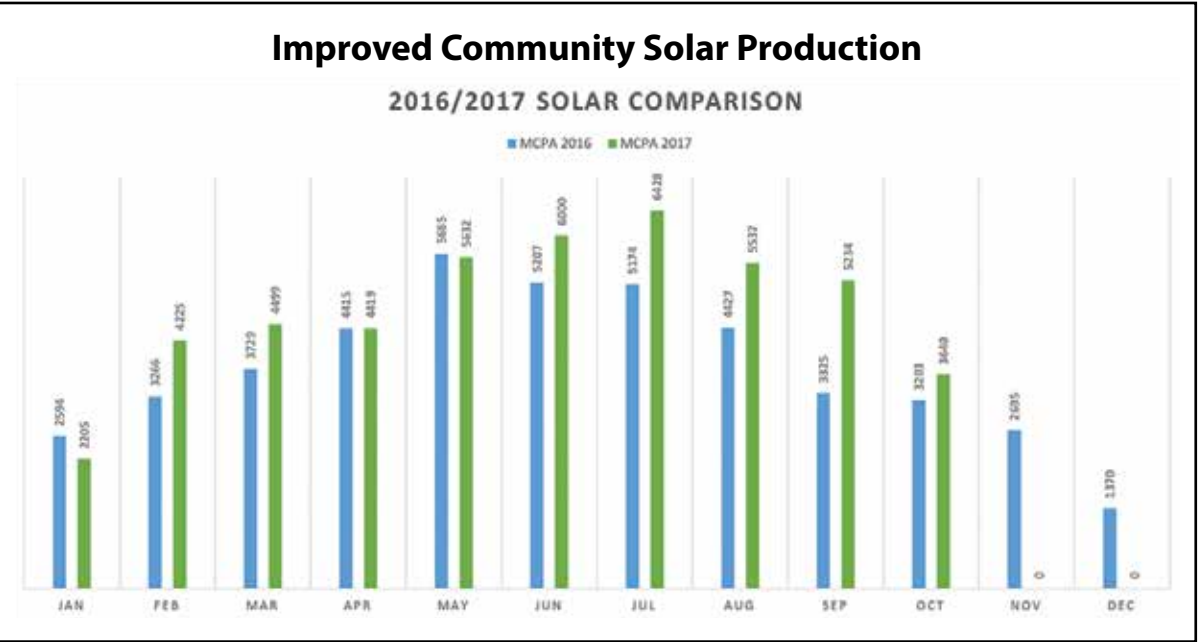
## 2017 Community Solar array production outshining last year's performance

McLeod Co-op Power has a 41 kW community solar array that was constructed in 2015. It consists of 100 fixed-location panels, each 410 watts. Its total production for 2016 was 45,090 kWhs or 450 kWh per panel. This means it operated with a 12.5% capacity factor for the year. This output is the percentage of electricity delivered compared to what the array would have been able to provide had it produced electricity 100 percent of the time, 24 hours a day, 365 days of the year.

In 2016, the average farm and residential member used 17,196 kWh. This means that

the solar array indirectly produced enough electricity to supply slightly more than 2.5 MCPA member's homes with electricity for the year.

Through the first ten months of 2017 the community solar array has produced approximately 47,819 kWhs. This is more than all 12 months of the previous year. The increased production in 2017 could be due to a bit more sunshine or that repair/replacement of some problematic components at the end of 2016 had the system functioning better this year. Either way, we are pleased with the improved performance.



### As a member of McLeod Co-op Power, you get the credit

### Over \$550,950 going back to members this month

Members of McLeod Cooperative Power Association (MCPA) may notice lower electric bills in December. A total of \$550,950 is being distributed this month in capital credit refunds. This amount includes all remaining capital credits from 1998 and 20% of capital credits allocated from 2016.

Capital credits are being applied to active electric accounts and will show as a line item credit on each bill that is supposed to receive a refund. Former members who no longer have an active electric account will be mailed their refund in the form of a check in December.

#### HOW DO CAPITAL CREDITS WORK?

**TRACK**

MCPA tracks how much electricity you purchase and the amount you pay for it throughout the year.

➡

**YEAR END**

Once year-end financials are complete, the co-op determines if there are excess revenues, called margins.

➡

**ALLOCATION**

MCPA allocates the margins to members as capital credits based upon their use of electricity during the year.

➡

**LOCAL DECISION**

The board of directors decides to retire, or pay, the capital credits.

➡

**NOTIFICATION**

MCPA notifies members of how and when capital credit retirements are received.

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