

Mission Valley Power



36079 Pablo West Road, Pablo, Montana 59855
(406) 883-7900
www.missionvalleypower.org

FY2018 Annual Report October 1, 2017 thru September 30, 2018

**Mission Valley Power
36079 Pablo West Road
P. O. Box 97
Pablo, MT 59855-0097**

Phone: (406) 883-7900 or (406) 675-7900
Fax: (406) 883-7919
Pay by Phone: 877-779-7947
After Hours Emergency Number: (406) 883-7972

Main Office Hours:

Monday through Thursday
7:00 a.m. to 5:30 p.m.

Number of Employees as of September 30, 2018: 72

Mission Valley Power is a federally-owned electric utility, operated as a non-profit organization and managed by the Confederated Salish and Kootenai Tribes of the Flathead Reservation pursuant to a contract authorized under Public Law 93-638, the Indian Education and Self-Determination Act (25 U.S.C. 450).

Managers

Jean Matt.....	General Manager
Dalene Gardipe.....	Customer Service Manager
Joe Caye.....	Engineering Supervisor
Jeanne West.....	Support Services Manager
Craig Morigeau.....	Superintendent of Operations & Construction
Arnold Sorrell.....	Safety & Environmental Compliance Officer

Message from Jean Matt, General Manager

Manager Thoughts FY18

Mission Valley Power (MVP) Celebrates 30 years in operation. MVP is a Federally owned utility that is operated and managed under Public Law 93-638. In 1988, through the Indian self-determination and education act of 1975, the Confederated Salish and Kootenai Tribes contracted with the Federal Government to bring local management and operation to the Flathead Indian Reservation. Today with nearly 20,000 customers, and over 23,000 accounts MVP still maintains the Lowest KWH rate in the state of Montana.

MVP exists to provide the most cost effective, reliable, and safe electric power to all of our customers. We continue to gather knowledge and prepare for the future. We look forward to continuing to learn from past practices and use that knowledge to help shape forthcoming business decisions.

Jean Matt
General Manager

P.O. Box 97
Pablo, MT 59855

Ph. (406) 883-7900 MVP Office
(406) 883-7905 direct

www.missionvalleypower.org
matt@missionvalleypower.org



MVP Utility Board

Utility Board members are appointed by the Confederated Salish & Kootenai Tribal Council for three year terms. The Board and General Manager recommend major changes to the Tribal Council who, in turn, review and present those recommendations to the Bureau of Indian Affairs for final approval.

Cindy Benson and Gordon Fyant have served on the Board since 1997 and are valuable resources of the utility industry for both historical trends and in planning for the future. Germaine White has been a Board member since January 2014 and Allen Sloan since March 2014. Germaine and Allen are long time residents of the Mission Valley and have proven to be quick studies in the electrical industry. Ellie McLeod became the newest addition to our board in May of 2018.

Mission Valley Power is privileged to work with seasoned Board members.



CINDY BENSON, CHAIR
MEMBER SINCE 1997



GORDON FYANT, VICE- CHAIR
MEMBER SINCE 1997



ALLEN SLOAN,
MEMBER SINCE 2014



GERMAINE WHITE, SECRETARY
MEMBER SINCE 2014



ELLIE MCLEOD
MEMBER SINCE 2018



Customer
Appreciation
Meeting
Photo by SKC

MISSION VALLEY POWER UTILITY BOARD

MVP Consumer Council

The Consumer Council consists of seven members who must live within MVP's service area. At least one appointee of this group, but no more than two, must be a tribal member. Established as "grass roots" representatives, two members represent Lake County, one represents Sanders County, one represents Missoula County, and three are "members at large".

This Council serves as a liaison between customers and utility staff regarding either complaints or praise. They also provide feedback to the utility and Board prior to establishing new or changed procedures or policies that affect customers, as well as rate changes.



Vickie Lester, Chair
Missoula County Representative



Claudia Larsen, Vice Chair
Lake County Representative



Stacy Torgerson
Sanders County Representative



Paul Hunsucker
Lake County Representative



Alice Oechsli
Member-at-Large



David Morigeau
Member-at-Large (Tribal Member)



Mark Warner
Member-at-Large



Customer
Appreciation
Meeting
Photo by SKC

MISSION VALLEY
POWER
CONSUMER COUNCIL

Customer Service Dept.

This year we did more enhancements to our collections process. All Customer Services Representatives were previously rotated to a "station" every two months. CSR's are now assigned one station. This is helpful for the collection stations as they can create a working rapport with the customer. They learn the customer and their needs, and the customer gets to know just one person they need to speak with concerning collections.

We had one retirement in our department and MVP chose not to fill the position. Changes came about by reassigning duties and moving desks. We miss Jenny and wish her well in her retirement!

	2014	2015	2016	2017	2018
Walk-in Transactions	22,600	21,197	22,984	28,728	24,270
Mail & Drop Box Transactions	120,806	114,325	109,727	91,844	89,656
Web Payments	23,904	18,304	17,879	19,072	1,558
Auto-Pay Checks/Cards	19,170	19,666	21,142	24,266	25,952
Web Pymts no sign-up	1,128	4,734	6,728	12,310	11,340
Pay By Phone	915	5,702	6,648	15,379	20,732
Smart Hub		429	1,169	4,028	6,900
Payroll Deduct Transactions	3,045	3,011	3,048	3,211	3,239
Budget Billing Transactions	6,180	6,670	6,670	7,084	6,873
Valley Banks Payments	8,286	8,957	9,266	7,840	7,020
Service Orders Processed	3,954	4,231	4,308	5,891	3,957
Final Notices Mailed	28,181	29,594	28,000	20,425	18,544
Disconnect Report List	14,975	16,367	14,390	8,624	6,651
Orange/Green Cards Delivered	3,687	4,403	4,607	3,212	2,911
Red Cards Delivered	908	1,443	1,211	742	619
NSF/Broken P/A Red Cards	564	631	421	414	327

Historical Rate Increases 1937 - 2018

Year	Type	Residential Rate	Year	Type	Residential Rate
1937	Initial Rate by Public Service Commission	10.0¢/kWh for first 25 kWh 4.0¢/kWh for any additional usage	1995	Pass Through BPA Rate Increase (Effective Oct. 1, 1995)	4.817¢/kWh; \$11.00/mo. basic charge
1950	Adjustment for Inflation	4.0¢/kWh for first 50 kWh 3.0¢/kWh for second 50 kWh 1.0¢/kWh for next 900 kWh 1.5¢/kWh for all consumption over 1000 kWh \$1.50/\$3.00/mo. basic charge (urban/rural)	1997	General Revenue/Rate Adjustment (Effective Oct. 1, 1997) (Cost of Service Study by Tom Powers)	4.725¢/kWh; \$5.00/mo. basic charge \$10.00 mo. minimum*, May 1 st - Oct. 31 st \$20.00 mo. minimum*, Nov. 1 st - Apr. 30 th *Monthly minimum includes basic charge
1976	Adjust for Inflation and Pass Through BPA Accumulated Rate Increases	5.0¢/kWh for first 50 kWh 2.5¢/kWh for second 50 kWh 1.3¢/kWh for next 900 kWh 1.9¢/kWh for all consumption over 1000 kWh \$3.00/\$5.00/mo. basic charge (urban/rural)	1999	Pass Through MPC Rate Increase (Effective July 1, 1999)	4.739¢/kWh; \$5.00/mo. basic charge \$10.00 mo. minimum*, May 1 st - Oct. 31 st \$20.00 mo. minimum*, Nov. 1 st - Apr. 30 th *Monthly minimum includes basic charge
1982	Pass Through BPA Accumulated Rate Increases	7.7¢/kWh for first 50 kWh 3.8¢/kWh for second 50 kWh 2.0¢/kWh for next 900 kWh 2.9¢/kWh for all consumption over 1000 kWh \$3.00/\$5.00/mo. basic charge (urban/rural)	2001	Pass Through PPL Rate Increase (Effective July 1, 2001)	4.739¢/kWh; \$5.00/mo. basic charge \$10.00 mo. minimum includes basic charge
1984	Pass Through BPA Accumulated Rate Increases	3.5¢/kWh \$3.00/\$5.00/mo. basic charge (urban/rural)	2002	Pass Through PPL Rate Increase (Effective April 1, 2002)	4.798¢/kWh; \$5.00 mo. basic charge \$10.00 mo. minimum includes basic charge
1988	Pass Through BPA Rate Increase	3.6¢/kWh \$3.00/\$5.00/mo. basic charge (urban/rural)	2003	Pass Through PPL Rate Increase (Effective February 3, 2003)	4.82¢/kWh; \$5.00/mo. basic charge \$10.00 mo. minimum includes basic charge
1990	Pass Through MPC Rate Increase (Effective Dec. 1, 1990)	3.954¢/Wh \$3.00/\$5.00/mo. basic charge (urban/rural)	2004	Pass Through PPL-BPA Rate Increase (Effective February 1, 2004)	4.87¢/kWh; \$5.00/mo. basic charge \$10.00 mo. minimum includes basic charge
1991	Pass Through BPA Rate Increase (Effective Oct. 1, 1991)	4.017¢/kWh \$3.00/\$5.00/mo. basic charge (urban/rural)	2005	Pass Through PPL Rate Increase (Effective February 1, 2005)	4.9¢/kWh, \$5.00/mo. basic charge
1992	General Revenue/Rate Adjustment (Effective March 1, 1992) Cost of Service Study by Hittle	4.375¢/kWh; \$11.00/mo. basic charge	2007	Pass Through PPL Rate Increase (Effective February 1, 2007)	4.96¢/kWh, \$5.00/mo. basic charge \$10.00 mo. minimum includes basic charge
1993	Pass Through MPC Rate Increase (Effective Feb. 1, 1993)	4.385¢/kWh; \$11.00/mo. basic charge	2007	Revenue Rate Increase (Effective December 1, 2007)	4.96¢/kWh, \$7.50/mo. basic charge \$12.50 mo. minimum includes basic charge
1993	Pass Through BPA Rate Increase (Effective Oct. 1, 1993) (Hittle Analysis)	4.709¢/kWh; \$11.00/mo. basic charge	2008	Pass Through PPL Rate Increase (Effective February 1, 2008)	4.97¢/kWh, \$7.50/mo. basic charge \$12.50 mo. minimum includes basic charge
1994	Pass Through MPC Rate Increase (Effective June 3, 1994)	4.719¢/kWh; \$11.00/mo. basic charge	2009	Pass Through PPL Increase (Effective February 1, 2009)	4.988¢/kWh, \$7.50/mo. basic charge \$12.50/mo. minimum includes basic charge
1995	Pass Through MPC Rate Increase (Effective Feb. 1, 1995) (Calculated by Jeanne West MVP)	4.724¢/kWh; \$11.00/mo. basic charge	2011	Revenue Rate Increase (Effective January 1, 2011)	4.988¢/kWh, \$10.00/mo basic charge, with or without meter \$15.00/mo. minimum includes basic charge
			2011	Pass Through Rate Increase (Effective October 1, 2011)	5.99¢/kWh, \$10.00/mo. basic charge, with or without meter \$15.00/mo. minimum includes basic charge
			2013	Pass Through Rate Increase (Effective October 1, 2013)	6.20¢/kWh, \$11.00/mo. basic charge, with or without meter \$15.00/mo. minimum includes basic charge; \$14.00/mo. Basic Charge for Prepay Meter
			2014	Pass Through Rate Increase (Effective December 1, 2014)	6.22¢/kWh, \$11.00/mo. basic charge, with or without meter \$15.00/mo. minimum includes basic charge; \$14.00/mo. Basic Charge for Prepay Meter
			2015	Pass Through Rate Increase (Effective October 1, 2015)	6.57¢/kWh, \$12.00/mo. basic charge, with or without meter \$15.00/mo. minimum includes basic charge; \$15.00/mo. Basic Charge for Prepay Meter
			2017	Pass Through Rate Increase (Effective October 1, 2017)	6.83¢/kWh, \$13.00/mo. basic charge, with or without meter \$16.00/mo. minimum includes basic charge; \$16.00/mo. Basic Charge for Prepay Meter

Engineering Department

Ronan Substation Pole Setting
Photo by Addie Hout

Accomplishments for Fiscal Year 2018

- Initialized and assigned 357 work orders through the fiscal year including customer and MVP projects.
- Large electrical equipment was ordered and received for the Ronan Substation re-build project. These items included:
 - Current Transformers
 - Voltage Transformers
- Ronan Substation
 - Installed new, above ground, junction boxes for get-a-ways
 - Re-route old get-a-ways for new substation configuration
 - Installed new perimeter fence
- Installed new transmission lines from Ronan West
- Other equipment purchased
 - Switch gear for sub-division in Pablo
 - Installed switchgear at Pablo sub-division
 - Transmission line disconnect switches
- Field equipment continues to be verified to increase the accuracy of MVP's mapping database.
- The National Electrical Safety Code is applied to all MVP work orders issued and spot checks are used to confirm construction compliance.



MVP Aerial View from Drone
Photo by Brent Burland

Operations & Construction Dept.

Accomplishments for Fiscal Year 2018

- Replaced .75 of a mile of primary cable. Installed 5.5 miles of primary cable plus 4.5 miles of secondary cable. Nine miles of underground cable was used during the installation of new services.
- 2 apprentice linemen have completed and passed the Journeyman exam and are expected to complete their required hours of training soon. We have also started 2 more apprentice linemen. 1 Electrical Instrument Mechanic (EIM) apprentice is still training and 1 line clearance tree trimmer has completed training and has passed his Journeyman's line clearance exam.
- 3,164 poles were inspected in our test and treat utility pole inspection program.
- A total of 329 poles were set for FY 2018, this includes poles set for new construction. 5.5 miles of primary and 4.5 miles



Photo by Ed Weinbrenner

Underground Digging
Photo by Addie Hout



- of secondary was installed in new construction.
- Performed 2,150 underground locates by customer request.
- Responded to 504 outages that affected 21,045 customers. The average outage lasting 1.95 hours. The heavy snow that MVP received in December accounted for 101 outages that month with 3,024 customers experiencing outages. Also, in May, MVP was involved in switching at the Dixon Substation which caused 8,846 people to experience short outages that month.
- EIM cleaned and tested 924 AMR single phase meters and 108 three phase meters.
- Processed 148 new transformers, refurbished 152 transformers, and recycled 72 transformers.
- Tree trimming and/or removal of 68 miles of power line right-of-way clearing. 340 wood chip loads. Of that total amount, 51 loads of wood chips were delivered to customers.
- Repaired 245 Area Lights.
- Installed 12 Area Lights.
- Removed 15 Area Lights.

Support Services Department

In FY18, Mission Valley Power's Support Services department experienced many changes, and each area worked hard to ensure our employees had what they needed to make sure our Customer needs were met.

In the IT department, we upgraded all our servers. We enlisted an outside company who specializes in evaluating computer systems to assess our overall system from hardware to software. Our system now runs faster and is more secure, with better backup capability, than it has ever been in the past. In addition, we have been working on a new and improved web-site that will provide our customers with easier access to Utility information and forms.

Billing is striving to go completely paper free; workflows for all the service orders in the system have been installed. With the implementation of the iPads for the Meter Readers and AMR tech we can assign service orders and any other work to them throughout the day and the completion timeline has been shortened. They can look at maps, get any reads for bill runs and their card lists on their iPad's and send information back into the office allowing for more data entry time.

AMR is continuing to fine tune our metering system to be reliable and constant. Throughout the year the number of lost meters has steadily decreased showing the system is more dependable. Through training received, the AMR Technician has learned to take a close look at inactive/lost meters and from this has been able to find several meter tampers, resulting in the collection of several thousands of dollars in lost revenue and fees. He continues to look at new methods of improving his system.

The General Services department had another busy year replacing equipment and upgrading the facility. The employees in this department try to make sure that equipment is repaired and replaced as needed for the crews in the field. In addition to upgrading the facility, we have a person who attends to all the maintenance needs at both the Pablo and St. Ignatius facilities. This can be a daunting task, especially during snow removal time.

The warehouse is a hub of activity. Not only does this group order, stock and inventory material needed for construction projects, but they ensure all staff have the supplies they need to effectively do their jobs. This requires a constant monitoring of work being done by the utility and an excellent relationship with vendors. When other warehouse people visit our facility, they are always amazed at the organization and cleanliness of the warehouse.

The accounting department does what most accounting departments do. However, this accounting department consists of two people who put out over \$30,000,000 per year in payments, all the while ensuring that all Federal requirements are met. In addition, they are responsible for ensuring money the Customer Service Department receives is correct, preparing payroll, paying benefits, and working with auditors annually. It pleases us to say that we haven't had any audit findings in several years!

This synopsis is just the tip of the iceberg of the tasks this group takes care of daily. They work for the most part in the background, but they are a great group who work hard to make the utility a success and help keep rates low.

Financial Highlights

FISCAL YEAR 2018 OPERATING STATEMENT

INCOME

TREASURE/OTHER INT	\$12,324.00
BPA REIMBURSEMENT - ADMIN	\$112,117.00
SALES REVENUE	\$30,731,057.00
MISC. REVENUE	\$768,033.00
TOTAL CASH RECEIVED	\$31,623,531.00

EXPENDITURES

PAYROLL	\$9,607,120.00
MAJOR CONSTRUCTION/WAREHOUSE	\$1,244,540.00
CAPITAL - GENERAL PLANT	\$1,154,334.00
CONSERVATION PROGRAMS (MVP)	\$15,017.00
MAINTENANCE - DIST/TRANS	\$148,201.00
GENERAL OPERATING/ADMINISTRATIVE	\$3,045,575.00
POWER PURCHASES	\$15,841,331.00
TOTAL CASH EXPENSED	\$31,056,118.00

NET INCREASE (Operating Reserve)	\$305,413.00
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Safety & Environmental Compliance Department

Safety Accomplishments for FY2018

Mission Valley Power's safety department continues to strive for Zero Accidents/Incidents each fiscal year. These goals are pursued by accident investigation completed by the safety officer, operations superintendent, safety committee and accident investigation team members. Safety training is offered to all MVP employees to meet and exceed OSHA requirements.

Employee training for FY-18

- Team Building
 - Harassment and Bullying
 - OSHA Related Topics
 - Defeating Negativity in the workplace
 - MVP drug and alcohol policy
 - Dog Bite Prevention
 - Winter Driving Safety
 - Chainsaw Safety
 - Privilege of Safety
 - Vehicle Inspections
 - QPR
 - Bear Safety
 - Hearing Conservation
 - Distracted Driving
- 98% employee attendance rate for all trainings.
 - In service training on 7 new pieces of equipment.
 - Annual Wellness Fair that offered health news and updated employee's vaccines.
 - Continued training on the MVP safety table top demonstration to local schools and first responders.
 - All hazardous conditions and access issues are continually being reviewed and updated.
 - Continued support to Tribal Emergency Response Committee (TERC) and Lake County Local Emergency Planning Committee (LEPC).
 - All safety forms and policies are reviewed for accuracy and compliance issues.



Energy Efficiency & Conservation Department

MVP Energy Efficiency & Conservation Department FY18

MVP Customers worked to save 3,571,154 kilowatt hours of electricity. Following is a breakdown of the MVP Conservation Department Programs that aided in the savings:

Measure	kWh Saved	Units
Comm. Projects/Commercial Lighting	2,416,477	81
LED Lights & Fixtures	314,900	3,148 Bulbs & Fixtures
Insulation (floor, wall & ceiling)	183,490	18,349 sf
Ductless Heat Pump	335,000	67
Air Source Heat Pump	60,000	12
Irrigation	43,916	32 Irrigation Systems
Windows	87,471	3,498 sf
Geo Thermal Heat Pump	20,000	2
Appliance	54,150	75
Early Refrig Decomissioning	3,000	3
Montana Home	40,000	8
Manufactured Home	5,000	1
Home Electronics/Office Equipment	4,250	17
Heat Pump Water Heater	3,500	3



Irvine Sub
Photo by Addie Hout



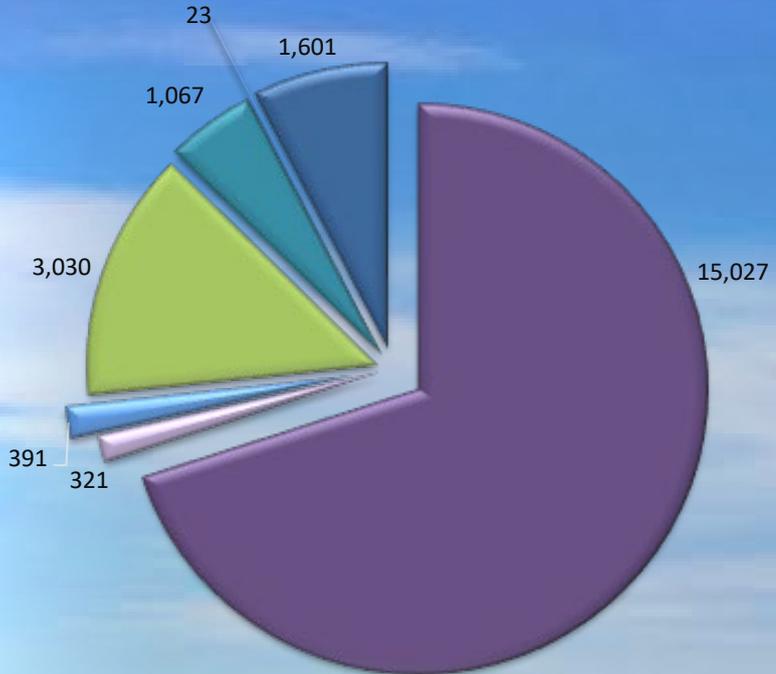
This is an accounting of measures turned in and approved for rebates through Mission Valley Power's Energy Conservation Program for FY18. The actual numbers for our service area are much greater.

Eight Montana Homes were built during FY18, a minimum 15% more energy efficient than MT State Building Code.

One Energy Star / Northwest Energy Efficient Manufactured Home was placed in MVP's service area during FY18, a minimum 15% more energy efficient than State Building Code.

There was \$498,994 returned to MVP customers via rebate for Energy Conservation Measures during FY18.

Customers & Revenue

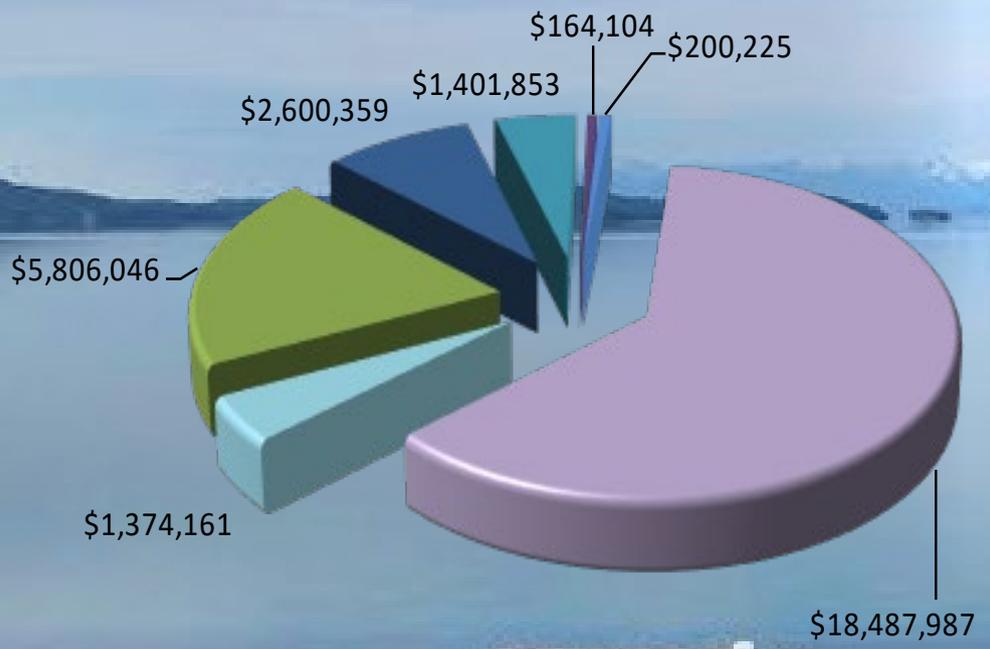


Customers per Rate Class

- Residential (70.03%)
- Small Commercial - Single Phase (1.43%)
- Small Commercial - Three Phase (1.79%)
- Small Commercial - No Demand (13.94%)
- Irrigation (4.99%)
- Street Light (.12%)
- Area Light (7.7%)

Revenue per Rate Class

- Residential (62%)
- Small Commercial - Single Phase (4.6%)
- Small Commercial - Three Phase (19%)
- Small Commercial - No Demand (8.6%)
- Irrigation (4.6%)
- Street Light (.54%)
- Area Light (.66%)



Mission Valley Power



Photo by
Addie Hout

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www.missionvalleypower.org
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Mission Valley Power is organized and exists to provide the best possible and most cost effective electric power service to its customers consistent with sound business principles.

