Mission Valley Power provides electrical service to the majority of Lake County, Eastern Sanders County, and portions of Flathead and Missoula Counties. Mission Valley Power is synonymous with Reliability, Low Rates, Friendly Service and absolutely breathtaking views throughout our service area.

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

FY2019 Annual Report October 1, 2018 thru September 30, 2019
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, 2019: 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/Supervisors
Jean Matt.................................................................General Manager
Dalene Gardipe..........................................................Customer Service Supervisor
Joe Caye.................................................................Engineering Supervisor
Jeanne West...........................................................Support Services Supervisor
Craig Morigeau.........................................................Superintendent of Operations & Construction
Arnold Sorrell..........................................................Safety & Environmental Compliance Officer
Manager Thoughts FY19

As we enter Fiscal year 2020, Mission Valley Power continues to focus on increasing reliability of our Tribally managed distribution system. We have embarked on several projects this last year that focused on furthering our commitment to conserving energy. The undertaking of these projects is key to maintaining low power rates in our service area.

I see the next year bringing forth many new ideas and advances in technology which will continue to improve how the utility is managed. The focal points of projects we plan to initiate in the coming fiscal year will help refine our commitment to serve the most cost effective, reliable, and safe electric power to all customers.

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
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 Bundy became the newest addition to our board in May of 2018.

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

Customer Service is always looking for ways to enhance our service to the customer. As individuals, we find ourselves always looking for convenience within today’s advancing technology.

So, keeping technology in mind we have introduced a KIOSK machine in our Pablo office. This machine takes payments and applies it to your account in real time. Additional machines will be distributed in locations throughout our service area in the coming year.

Our prepay metering program continues to grow! We are close to a thousand participants taking advantage of the program. There are no late fees or penalty fees assessed, and this saves our customers additional funds each month.

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walk-in Transactions</td>
<td>21,197</td>
<td>22,984</td>
<td>28,728</td>
<td>24,270</td>
<td>21,784</td>
</tr>
<tr>
<td>Mail &amp; Drop Box Transactions</td>
<td>114,325</td>
<td>109,727</td>
<td>91,844</td>
<td>89,656</td>
<td>84,798</td>
</tr>
<tr>
<td>Web Payments</td>
<td>18,304</td>
<td>17,879</td>
<td>19,072</td>
<td>15,583</td>
<td>15,643</td>
</tr>
<tr>
<td>Auto-Pay Checks/Cards</td>
<td>19,666</td>
<td>21,142</td>
<td>24,266</td>
<td>25,952</td>
<td>29,094</td>
</tr>
<tr>
<td>Web Pymts no sign-up</td>
<td>4,734</td>
<td>6,728</td>
<td>12,310</td>
<td>11,340</td>
<td>13,171</td>
</tr>
<tr>
<td>Pay By Phone</td>
<td>5,702</td>
<td>6,648</td>
<td>15,379</td>
<td>20,732</td>
<td>22,096</td>
</tr>
<tr>
<td>Kiosks</td>
<td>171</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Hub</td>
<td>429</td>
<td>1,169</td>
<td>4,028</td>
<td>6,900</td>
<td>9,377</td>
</tr>
<tr>
<td>Payroll Deduct Transactions</td>
<td>3,011</td>
<td>3,048</td>
<td>3,211</td>
<td>3,239</td>
<td>2,969</td>
</tr>
<tr>
<td>Budget Billing Transactions</td>
<td>6,670</td>
<td>6,670</td>
<td>7,084</td>
<td>6,873</td>
<td>8,329</td>
</tr>
<tr>
<td>Valley Banks Payments</td>
<td>8,957</td>
<td>9,266</td>
<td>7,840</td>
<td>7,020</td>
<td>6,278</td>
</tr>
<tr>
<td>Service Orders Processed</td>
<td>4,231</td>
<td>4,308</td>
<td>5,891</td>
<td>3,957</td>
<td>6,203</td>
</tr>
<tr>
<td>Final Notices Mailed</td>
<td>29,594</td>
<td>28,000</td>
<td>20,425</td>
<td>18,544</td>
<td>17,860</td>
</tr>
<tr>
<td>Disconnect Report List</td>
<td>16,367</td>
<td>14,390</td>
<td>8,624</td>
<td>6,651</td>
<td>6,251</td>
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<tr>
<td>Orange/Green Cards Delivered</td>
<td>4,403</td>
<td>4,607</td>
<td>3,212</td>
<td>2,911</td>
<td>2,525</td>
</tr>
<tr>
<td>Red Cards Delivered</td>
<td>1,443</td>
<td>1,211</td>
<td>742</td>
<td>619</td>
<td>546</td>
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<tr>
<td>NSF/Broken P/A Red Cards</td>
<td>631</td>
<td>421</td>
<td>414</td>
<td>327</td>
<td>303</td>
</tr>
</tbody>
</table>
### HISTORICAL RATE CHANGES - 1937 - 2019

<table>
<thead>
<tr>
<th>Year</th>
<th>Type</th>
<th>Residential Rate</th>
<th>Year</th>
<th>Type</th>
<th>Residential Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>Initial Rate by Public Service Commission</td>
<td>$0.10/kWh for first 25 kWh, $0.05/kWh for any additional usage</td>
<td>1999</td>
<td>Pass Through MPC Rate Increase (Effective July 1, 1999)</td>
<td>$4.79/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1950</td>
<td>Adjustment for Inflation</td>
<td>$0.00/kWh for first 50 kWh, $0.05/kWh for second 50 kWh, $0.05/kWh for next 900 kWh, $0.05/kWh for all consumption over 1000 kWh</td>
<td>2001</td>
<td>Pass Through PPL Rate Increase (Effective July 1, 2001)</td>
<td>$4.73/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1976</td>
<td>Adjust for Inflation and Pass Through BPA Accumulated Rate Increases</td>
<td>$5.00/kWh for first 50 kWh, $2.50/kWh for second 50 kWh, $1.50/kWh for next 900 kWh, $1.50/kWh for all consumption over 1000 kWh, $3.00/$5.00/mo. basic charge (urban/rural)</td>
<td>2002</td>
<td>Pass Through PPL Rate Increase (Effective April 1, 2002)</td>
<td>$4.79/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1982</td>
<td>Pass Through BPA Accumulated Rate Increases</td>
<td>$7.76/kWh for first 50 kWh, $3.80/kWh for second 50 kWh, $2.00/kWh for next 900 kWh, $2.95/kWh for all consumption over 1000 kWh, $3.00/$5.00/mo. basic charge (urban/rural)</td>
<td>2003</td>
<td>Pass Through PPL Rate Increase (Effective February 3, 2003)</td>
<td>$4.82/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1984</td>
<td>Pass Through BPA Accumulated Rate Increases</td>
<td>$3.50/kWh</td>
<td>2004</td>
<td>Pass Through PPL-BPA Rate Increase (Effective February 1, 2004)</td>
<td>$4.87/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1988</td>
<td>Pass Through BPA Rate Increase</td>
<td>$3.60/kWh</td>
<td>2005</td>
<td>Pass Through PPL Rate Increase (Effective February 1, 2005)</td>
<td>$4.90/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1990</td>
<td>Pass Through MPC Rate Increase (Effective Dec. 1, 1990)</td>
<td>$3.95/kWh</td>
<td>2006</td>
<td>Pass Through PPL Rate Increase (Effective February 1, 2006)</td>
<td>$4.97/kWh, $5.00/mo. basic charge</td>
</tr>
<tr>
<td>1991</td>
<td>Pass Through BPA Rate Increase (Effective Oct. 1, 1991)</td>
<td>$4.01/kWh</td>
<td>2009</td>
<td>Pass Through PPL Increase (Effective February 1, 2009)</td>
<td>$4.98/kWh, $5.00/mo. basic charge</td>
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<tr>
<td>1992</td>
<td>General Revenue Rate Adjustment (Effective March 1, 1992) / Cost of Service Study by Hittle</td>
<td>$4.37/kWh, $11.00/mo. basic charge</td>
<td>2011</td>
<td>Revenue Rate Increase (Effective January 1, 2011)</td>
<td>$4.38/kWh, $10.00/mo. basic charge, with or without meter $15.00/mo. minimum includes basic charge</td>
</tr>
<tr>
<td>1993</td>
<td>Pass Through MPC Rate Increase (Effective Feb. 1, 1993)</td>
<td>$4.38/kWh</td>
<td>2011</td>
<td>Pass Through Rate Increase (Effective October 1, 2011)</td>
<td>$5.99/kWh, $10.00/mo. basic charge, with or without meter $15.00/mo. minimum includes basic charge</td>
</tr>
<tr>
<td>1994</td>
<td>Pass Through BPA Rate Increase (Effective Oct. 1, 1993) / Hittle Analysis</td>
<td>$4.70/kWh, $11.00/mo. basic charge</td>
<td>2013</td>
<td>Pass Through Rate Increase (Effective October 1, 2013)</td>
<td>$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</td>
</tr>
<tr>
<td>1995</td>
<td>Pass Through MPC Rate Increase (Effective June 3, 1994)</td>
<td>$4.71/kWh, $11.00/mo. basic charge</td>
<td>2014</td>
<td>Pass Through Rate Increase (Effective December 1, 2014)</td>
<td>$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</td>
</tr>
<tr>
<td>1996</td>
<td>Pass Through Rate Increase (Effective February 3, 1996)</td>
<td>$4.72/kWh, $11.00/mo. basic charge</td>
<td>2015</td>
<td>Pass Through Rate Increase (Effective October 1, 2015)</td>
<td>$6.57/kWh, $12.00/mo. basic charge, with or without meter $15.00/mo. minimum includes basic charge $14.00/mo. basic charge for Prepay Meter</td>
</tr>
<tr>
<td>1997</td>
<td>Pass Through BPA Rate Increase (Effective Dec. 1, 1997) / Hittle Analysis</td>
<td>$4.81/kWh</td>
<td>2017</td>
<td>Pass Through Rate Increase (Effective October 1, 2017)</td>
<td>$6.83/kWh, $12.00/mo. basic charge, with or without meter $16.00/mo. minimum includes basic charge $14.00/mo. basic charge for Prepay Meter</td>
</tr>
<tr>
<td>1999</td>
<td>General Revenue Rate Adjustment (Cost of Service Study by Tom Powers)</td>
<td>$4.72/kWh, $5.00/mo. basic charge</td>
<td>2019</td>
<td>Pass Through Rate Increase (Effective October 1, 2019)</td>
<td>$6.89/kWh, $15.00/mo. basic charge, with or without meter $18.00/mo. minimum includes basic charge $18.00/mo. basic charge for Prepay Meter</td>
</tr>
</tbody>
</table>
Engineering Department

Accomplishments for Fiscal Year 2019

- Initialized and assigned 420 work orders through the fiscal year including customer and MVP projects.
- Ronan Substation
  - Purchased distribution structural steel
  - Installed transmission structural steel
  - Installed substation equipment
- Pablo Substation equipment replaced
  - Thirty-nine (39) insulators
  - Three (3) voltage transformers
- Relays
  - Purchased new relays for Charlo, Pablo, and Polson
  - Installed new relays
- Sectionalizing Equipment
  - Purchased four (4) Trip Saver II’s
- Construction Work Plan
  - Purchased six (6) line regulators
  - Purchased twelve (12) line regulator by-pass switches
- Back-up Equipment
  - Purchased two (2) 38kV NOVA reclosers
- Purchased new survey equipment.
- Updated Engineering department reference books.
- 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.
- Continued training and education for Engineering department personnel.
Accomplishments for Fiscal Year 2019

- Replaced .8 of a mile of primary cable. Installed 2.72 miles of primary cable plus 3.34 miles of secondary cable. 6.06 miles of underground cable was used during the installation of new services.
- 2 apprentice linemen have completed all requirements and have acquired Journeyman status. We have 2 apprentice linemen in training. The Electrical Instrument Mechanic (EIM) apprentice has also acquired Journeyman this year.
- 3,271 poles were inspected in our test and treat utility pole inspection program.
- A total of 341 poles were set for FY 2019, this includes poles set for new construction. 2.7 miles of primary and 3.34 miles of secondary was installed in new construction.
- Performed 2,439 underground locates by customer request.
- Responded to 420 outages that affected 15,810 customers. The average outage lasting 2.46 hours. September was the most extreme month with high winds that blew down trees causing them to go through power lines.
- EIMs cleaned and tested 873 AMR single phase meters and 93 three phase meters.
- Processed 210 new transformers, refurbished 76 transformers, and recycled 290 transformers.
- Tree trimming and/or removal of 68.7 miles of was accomplished in the power line right-of-way. 278 wood chip loads with 67 loads that were delivered free of charge to customers requesting them.
- Repaired 184 Area Lights.
- Installed 36 Area Lights.
- Removed 40 Area Lights.
The Utility’s Support Services Department encompasses Accounting, Billing, Meter Reading, Information Technology, Warehousing, and Building and Vehicle Maintenance. Most of the employees in this department have been with the Utility for quite some time and bring a great deal of history and knowledge of the processes that keep the Utility running efficiently.

In FY19, much of the focus has been on becoming as paper-free as possible and using technology to continue to improve efficiencies. As a result of this, we have been able to cut costs by eliminating one position through attrition. We also work continuously on figuring out better ways to use our information technology resources to cut down on the amount of time it takes to get things done.

For example, we purchased new vehicle diagnostic software to assist the mechanics in trouble shooting problems with vehicles and equipment. This results in quicker repairs, and not having to send vehicles to Missoula for repairs we can make on-site.

Because we understand that technology has limits, we are always aware of training opportunities we can provide to our employees. We can have the best diagnostic software out there, but we still need people trained properly to read the software and perform the work.

During FY19, we also began to look at the feasibility of adding additional covered areas for our vehicles and equipment. We have had an architectural study done and hope to get the ground preparation work completed in FY20.

In addition to preparing for a new building, we repaired and upgraded many areas of our existing facility. We added garage doors, paint, lighting and heating to existing structures, and expanded our material recycling area. Being an environmentally friendly organization, we continue our recycling efforts in all areas of the utility.
# Financial Highlights

## FISCAL YEAR 2019

### OPERATING STATEMENT

**INCOME**
- TREASURE/OTHER INT: $16,208.00
- BPA REIMBURSEMENT - ADMIN: $250,218.00
- SALES REVENUE: $30,904,211.00
- MISC. REVENUE: $935,026.00

**TOTAL CASH RECEIVED**: $32,105,663.00

**EXPENDITURES**
- PAYROLL: $9,822,879.00
- MAJOR CONSTRUCTION/WAREHOUSE: $1,104,481.00
- CAPITAL - GENERAL PLANT: $365,629.00
- MAINTENANCE - DIST/TRANS: $356,034.00
- GENERAL OPERATING/ADMINISTRATIVE: $3,596,729.00
- POWER PURCHASES: $16,072,689.00

**TOTAL CASH EXPENSED**: $31,318,441.00

**NET INCREASE (Operating Reserve)**: $340,000.00
Safety Accomplishments for FY2019

Mission Valley Power’s safety department continues to strive for Zero Accidents/Incidents in a 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 or exceed OSHA requirements.

Employee training for FY2019

- Forklift Certification
- OSHA Required Training
- MVP Drug and Alcohol Policy
- Bonneville Power Substation
- Understanding Personal Styles
- Switching and Clearance Procedures
- Oil Spill Control Plan
- First Aid/CPR Certification
- Acceptable Risk
- Flagger Certification
- Resiliency Training
- D.O.T. Vehicle Inspections
- Ladder Safety
- Defensive Driving
- Purchased 12 new AED’s and donated old AED’s to Tribal Departments.
- Replaced the old electrical tabletop demonstration unit.
- In service training on new equipment
- Annual Wellness Fair that offered health news and updated employee’s vaccines.
- 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.
MVP Energy Efficiency & Conservation Department FY19

MVP Customers worked to save 3,387,844 kilowatt hours of electricity. These are the Energy Conservation Programs that resulted in the greatest kWh savings:

<table>
<thead>
<tr>
<th>Measure</th>
<th>kWh Saved</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm. Projects /Commercial Lighting</td>
<td>2,586,334</td>
<td>106 projects</td>
</tr>
<tr>
<td>LED Lights &amp; Fixtures</td>
<td>218,00</td>
<td>2,180 Bulbs &amp; Fixtures</td>
</tr>
<tr>
<td>Insulation (floor, wall &amp; ceiling)</td>
<td>15,990</td>
<td>1,559 sf</td>
</tr>
<tr>
<td>Ductless Heat Pump</td>
<td>270,000</td>
<td>54 units</td>
</tr>
<tr>
<td>Geo Thermal Heat Pump</td>
<td>60,000</td>
<td>6 units</td>
</tr>
<tr>
<td>Irrigation</td>
<td>50,413</td>
<td>25 Irrigation Systems</td>
</tr>
<tr>
<td>Windows</td>
<td>48,004</td>
<td>1,925 sf</td>
</tr>
<tr>
<td>Air Source Heat Pump</td>
<td>40,000</td>
<td>8 units</td>
</tr>
<tr>
<td>Appliance</td>
<td>52,000</td>
<td>69 appliances</td>
</tr>
<tr>
<td>DHP Conv. From FAF</td>
<td>25,000</td>
<td>5 units</td>
</tr>
<tr>
<td>Manufactured Home</td>
<td>10,000</td>
<td>2 homes</td>
</tr>
<tr>
<td>Home Electronics/Office Equipment</td>
<td>6,000</td>
<td>24 units</td>
</tr>
</tbody>
</table>

This is an accounting of measures turned in and approved for rebates through Mission Valley Power’s Energy Conservation Program for FY19. The actual numbers for our service area are much greater.

Two Energy Star / Northwest Energy Efficient Manufactured Homes were placed in MVP’s service area during FY19. They are a minimum of 15% more energy efficient than the Montana State Building Code requires.

A total of $544,294 in rebates was returned to MVP customers for Energy Conservation Measures during FY19.

The following projects used BPA Engineers during FY19: St. Lukes Hospital Ronan, Flathead Lake Bio Station, Ninepipes Museum, S&S Sports, Polson Waste Water Treatment Plant and Thermal Wood Technologies.
Mission Valley Power

Visit our website at
www.missionvalleypower.org
or find us on Facebook at
https://www.facebook.com/missionvalleypower/

Photo by
Addie Hout

Background Photo by Brent Burland
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.