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A Legacy of Service



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CEO MESSAGE

FROM GWEN STEVENS, PRESIDENT & CEO

gstevens@peoplesenergy.coop

Part of the mission of People's Energy Cooperative (PEC) is to ensure fair and reasonable prices for the services we provide. Unfortunately, since the COVID pandemic, costs have risen sharply and the need to build, maintain, and repair the electric system continues.

From 2021 to 2024, the cost of many electric utility products, on average, increased by about 48%. In the last five years alone, the cost of underground transformers went up as much as 300%, overhead transformers 175%, wiring and cable 70-130%, and labor (with benefits) 22%. Their compounding effect continues to shape how we plan, budget, and operate on your behalf.

In addition to replacing damaged infrastructure from extreme weather events (which are not covered by insurance), PEC, similar to many other utilities, is strategically making long-term investments to strengthen our electric system. These investments include a focus on advanced monitoring technology that supports observing the electric system's health and enhances maintenance strategies, along with rebuilding existing infrastructure with modern material and design standards. These types of investments could render a higher cost in the short term but ultimately reduces the risk of catastrophic damage and the overall long-term costs in the future.

Another cost impacting factor for PEC has been converting the voltages of equipment in the communities we acquired from Alliant in 2015. We have converted Eyota and are in the process of converting Elgin and Planview. Converting to one voltage across PEC's system minimizes operation and maintenance expenses while enabling us to reroute electricity from nearby equipment to

minimize or avoid outages. These increased options will help reduce overall outage times members in these areas could experience in the future.

As we prepared our financial forecast for 2026, these industry wide pressures signaled the need for a 3% increase in revenue to maintain the reliability and service you expect. The good news is that our cost-control efforts—combined with more favorable wholesale power prices than projected—enabled the revenue adjustment to be closer to 2%. This is a direct reflection of our commitment to careful planning, reducing some costs, and making prudent investments in the system that serves you every day.

The exact impact on rates will depend on the results of our current cost of service rate study, which provides a detailed, data-driven look at how costs are distributed across rate classes. Once those results are finalized, we'll communicate the rate increases needed to ensure we meet the revenue requirements. New rates will go into effect beginning with May usage.

We understand that a rate increase may be concerning. Thank you for your trust and engagement as we work through these industry-wide challenges with transparency and care.



Sincerely,

A handwritten signature in blue ink that reads "Gwen Stevens". The signature is fluid and cursive.

Gwen Stevens
President & CEO
(800) 214-2694

MONTHLY MEETING HIGHLIGHTS

PEC's Board of Directors held monthly meetings on December 19, 2025, and January 29, 2026.

During the December meeting, the following items were discussed: Security updates to the front lobby; Kasson service territory annexation; regional transmission projects; participation in GridEx cyber security simulation; update from MREA Director; update from the Dairyland Director; a review of meetings attended; and a preliminary call with Brady Martz ahead of our annual audit, scheduled to take place in February.

A quorum of directors was present, and the following actions were taken:

- ▶ Approved no PCA for December usage billed in January
- ▶ Approved the 2026 Work Plan and Budget
- ▶ Approved the appointment of Tamara DeMuth from District 6 to the Operation Round Up Trust Board of Directors

During the January meeting, the following items were discussed: Max Gen Event on January 24; RPU Agreement for Transfer of Service Territory Rights; front lobby security updates; effects of MN Paid Leave; 2025 safety metrics; Dairyland Directors Report; fourth quarter financials; status of Oronoco Crossings Housing Project; and a review of meetings attended.

A quorum of directors was present, and the following actions were taken:

- ▶ Approved edits to Board Guideline 1 – Power Supply
- ▶ Approved edits to Policy 606 – Billing and Collections
- ▶ Approved no PCA for January usage billed in February
- ▶ Approved the RUS funds transfer
- ▶ Action to vote for candidates up for election to the CRC Board of Directors

DID YOU KNOW?

Landlords can protect their property with specific agreements in place.

As a property-owner, landlords have some options when it comes to their rental property. Our **Landlord Agreement** allows us to automatically transfer service when a tenant contacts the Cooperative about a move-out. Without this agreement, service may still be disconnected. It's important to note this agreement does not apply to disconnections for nonpayment. With a signed **Third-Party Agreement** on file, the Cooperative can send a landlord copies of any disconnect notices regarding the rental property, alerting them about a potential disconnect for non-payment. We recommend having both forms in place.

To learn more, visit www.peoplesenergy.coop/landlords-tenants.

highline

Vol. 90 • Issue 1

MANAGEMENT

Gwen Stevens,
President/CEO

Dody Wubker, *CFO*

Jeff Holley,
*Vice President of
Engineering*

Michelle Olson,
*Vice President of
Information & Services*

Nicholas Woetzel,
*Vice President of
Operations*

BOARD OF DIRECTORS

DISTRICT 1:

Jon Kroening

DISTRICT 2:

Jodie Tvedt, *Vice Chair*

DISTRICT 3:

John Winter, *Secretary*

DISTRICT 4:

Tracy Lauritzen, *Treasurer
& MREA Board Director*

DISTRICT 5:

Jerry Wooner, *Board Chair*

DISTRICT 6:

Art Friedrich,
Dairyland Director

DISTRICT 7:

Jeff Orth

Visit peoplesenergy.coop
for a listing of the areas
covered by each district.

Business Hours:
7:30 am – 4:00 pm, M–F

\$30 SPOT YOUR NUMBER

Each month, we hide five account numbers (without the last two digits) within the text of the newsletter. If you find your number, contact the Cooperative by the 15th of the next month at **(800) 214-2694** or memberservices@peoplesenergy.coop to receive a \$30 credit on your bill.

Good luck in finding your account number!

Lobby Security Project

Beginning in late March, the Cooperative's front lobby will undergo updates for safety and security improvements. Due to the nature of the construction, **the main lobby will be closed to the public from late March through most of May.** For individuals who require an office visit, a temporary arrangement will be available in the Conference Center, with signage posted outside for guidance.

We encourage members to call the Cooperative at (800) 214-2694 instead of coming to the office during this construction period.

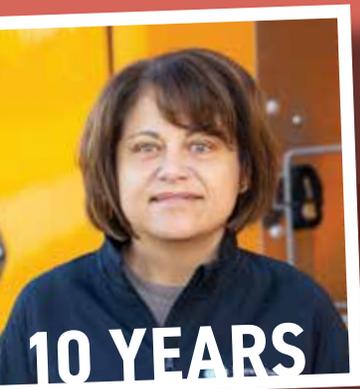
January 2026 Maximum Generation Event

At the end of January, much of the U.S. experienced a historic freeze and winter storm. In the early morning hours of January 24, Midcontinent Independent System Operator (MISO) issued a Maximum Generation Event which meant the regional power grid was operating near its limit with extreme demand for energy coinciding with generation outages.

To better understand what happened and how interconnected we are to the regional electric grid, we encourage you to check out our article on the Highline Hub by visiting www.peoplesenergy.coop/highline-hub or scanning the QR code here:



Celebrate Our Staff



10 YEARS

Jackie

Jackie's commitment to excellent customer service as a Member Services Representative is matched by her easy-going nature and positive attitude, making her a valuable asset to our cooperative.



20 YEARS

Nate

As a lineworker, Nate consistently goes above and beyond to support our members, always taking extra time to ensure their needs are met.



10 YEARS

Ashley

Ashley's dedicated service, creativity, and commitment to advancing the Cooperative's mission makes her a valuable part of the communications and community outreach team.



10 YEARS

Paulette

Paulette is dependable and reliable, always present and ready to help whenever she is needed as Engineering and Operations Coordinator.



5 YEARS

Sam

Sam is a hardworking and positive lineworker whose great attitude makes him a pleasure to work with.

A Legacy of Service

For 90 years, People's Energy Cooperative has provided electric service to the rural communities and areas around Rochester. Throughout 2026, we will share stories from our rich history to better understand where we have been and where we are going.



Prior to 1935

There was little reason to be optimistic in rural America during the early 1930s as the country was experiencing the Dust Bowl and the Great Depression. However, on May 11, 1935, President Roosevelt signed the Rural Electrification Act into law. It was an emergency measure not only designed to help electrify rural America but also provide thousands with employment.

December 9, 1935

The Articles of Incorporation were signed to form People's Cooperative Association of Olmsted County. As operations began in 1936, signing up members was a challenge. Many were skeptical of the project or concerned with making the investment. They reasoned that if the power companies felt it would not be profitable to send power lines into rural areas, a cooperative composed mostly of farmers was doomed to fail. Often, it took multiple visits before a member would be willing to pay the \$2 membership fee.

October 19, 1937

The City of Rochester served as the Cooperative's first power provider. An agreement was negotiated to buy wholesale power from **Rochester's North Broadway Power Plant** which produced enough power to electrify 60,000 homes. This arrangement lasted nearly 20 years.

January 1943

During WWII, construction of new power lines were halted as construction materials were needed for the war effort. The War Production Board, which was responsible for the scale of priorities, relaxed its restrictions around January 1943. Farmers who were close to existing power lines could obtain extensions provided they could show that electricity would mean an increase in food production or a decrease in labor. One thousand seven hundred sixty-five.



November 21, 1956

By 1955, the Cooperative supplemented its power supply to its members by engaging with Interstate Power and Light. Shortly after that, in September 1956, People's Cooperative Power Association was informed by the City of Rochester that it would have to discontinue service by 1957. The Mayo Clinic was expanding with the newly constructed Mayo Building in 1955, and IBM began operations in 1956. Thankfully, during this time, the Cooperative had already begun negotiations with Dairyland Power Cooperative to become its 26th cooperative member. A ceremony marking the energization of People's lines by Dairyland Power Cooperative was held at Dairyland's Rochester substation on November 21, 1956.



L to R: Dairyland President John E. Olson, PEC President H.C. Blumentritt, Rochester Mayor Claud McQuillan

Your Voice, Your Cooperative

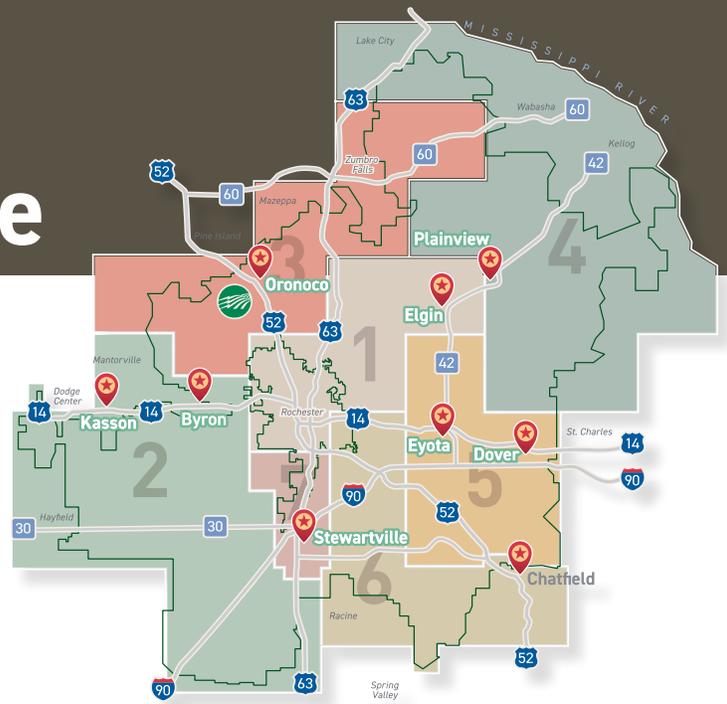
As a member-owner of People's Energy Cooperative, you have a say in how your cooperative is governed as outlined in the second cooperative principle – Democratic Member Control. By participating in this year's Board of Directors election, you help set priorities, guide investments, and strengthen the services that power homes, businesses, and communities. Your ballot is more than a vote; it's your voice shaping our shared future.

In 2026, three seats are on the ballot – District 3, currently served by John Winter; District 5, currently served by Jerry Wooner; and District 7, currently served by Jeff Orth. John Winter and Jerry Wooner are both running unopposed. Matt Kitzmann from Stewartville is running against Jeff Orth for the District 7 seat. Although nominated to serve from different districts, they are voted upon by the entire membership.

In early March, all members will receive a ballot packet in the mail with directions on how to cast their vote either by paper ballot or online. For members with email addresses on file, an email will also be sent from "People's Energy Cooperative Election Coordinator" at noreply@directvote.net with a direct link to cast their vote online. Only one vote per membership is

allowed; the first vote received is the one that will be counted. The voting link will be "live" and open for voting on February 23, 2026. Members can also fill out the paper ballot and return it in the postage-paid return envelope included in each packet. Ballots, both online and mailed via USPS, must be received by March 25 at 10:00 a.m. CST.

Meaningful participation from members across our service territory ensures a board that reflects the needs and values of our cooperative.



2026 Nominating, Credentials, and Elections Committee

The Nominating, Credentials, and Elections Committee is comprised of volunteer cooperative members who seek out and vet candidates to run for the Board of Directors. They begin their process in October and make an official nomination in early January.

The Nominating Committee ensures candidates are proven leaders with high integrity, can exercise sound judgment, will make a meaningful contribution to carrying out the functions of the Board, and believe in the Seven Cooperative Principles. We thank this year's committee comprised of:

District 1: Ben Hain

District 2: Robert Scott-Hovland, Kevin Welter

District 3: Brian Kabat

District 4: Mary Blair-Hoelt

District 5: Jim Kalvetter, Diane Tradup





People's Energy Cooperative

Your Touchstone Energy® Cooperative 

89th Annual Meeting

March 26, 2026

This year marks 90 years of service at People's Energy Cooperative. At this year's Annual Meeting we're taking a look back, as well as forward, at what makes our cooperative special. We invite you to join us to hear how we live out our mission and vision of bringing value to our membership and their communities. Twenty-three thousand.

The main event will be held at the Rochester International Event Center. The event will also be broadcast to Copperfield Terrace in Plainview. Members can participate in the meeting at either location. For those preferring to vote in-person, ballots will be collected at both sites.

During the business meeting, we will also be recognizing the Cooperative's high school scholarship winners. This may extend the length of the meeting.



PEC's 89th Annual Meeting

Thursday, March 26, 2026

5:00 p.m. – Doors Open and Dinner is Served

6:00 p.m. – Business Meeting

Rochester International Event Center

733 Airport View Dr. SW
Rochester, MN 55902

Copperfield Terrace

24371 550th Street
Plainview, MN 55964



Please RSVP in advance of the event by scanning this QR code or by calling (800) 214-2694. Indicate how many people will be attending and at which location.

A Legacy of Service



National Engineering Week

February 22-28

Our engineering department plays a vital role in the design and management of our distribution system. Our electrical engineers, staking engineers, and mapping technicians work closely together, and with operations, to ensure we provide reliable electric service to our members today and for years to come.

We appreciate their hard work helping design our current and future electrical grid!

Unclaimed or Uncashed Capital Credits

Last October, capital credit checks were mailed out to members and former members who qualified to receive them. The U.S. Postal Service has now returned a number of these checks as undeliverable. Sometimes, these checks are never cashed.

To see a list of members whose checks have been returned as undeliverable or uncashed, please visit our website at peoplesenergy.coop/capital-credits. People on the list can claim their capital credit funds by following instructions listed on our website. If you have any questions, please call our office at (800) 214-2694 or email jgoulson@peoplesenergy.coop.

Spring Project Reminder: Plan Your Electrical Service Now

It's never too early to begin planning upcoming projects that require new or modified electrical service. To help ensure your project stays on schedule, please provide as much notice as possible, as requests are processed in the order they are received.

How to get started:

1. **Visit PEC's website** and search under "Electrical Service" for detailed information on new construction or service modifications.
2. **Complete the online service application** to initiate your request.
3. **Schedule a site visit** to review site plans, projected load, equipment locations, line routes, easements, and right-of-way clearing.

Security Systems Made Easy

Serving much of Minnesota and northern Iowa, Heartland Security is a local company owned by electric cooperatives in the region, including People's Energy Cooperative. They design and install custom home and business security systems that not only protect property, but also people. Learn more about their award-winning emergency response, exceptional service, and competitive rates by visiting heartlandss.com or calling (888) 264-6380. Two thousand six hundred seventy-six.



OPERATION ROUND UP®



People's Energy Cooperative's Operation Round Up® Trust is funded by members who allow the Cooperative to simply "round up" their electric bills to the next highest dollar. That monthly contribution is put into a trust fund that is later granted to charitable, educational, community, and youth-related programs and events.

In January, the Operation Round Up® Trust Board granted \$40,610.07 to the following local organizations:

- \$1,000 to the Hayfield Backpack Program to help purchase food
- \$1,000 to Bundles of Love to help purchase materials
- \$1,000 to Byron Robotics STEAM Assoc. for equipment upgrades
- \$1,000 to Catholic Charities of Southern MN to help purchase infant car seats
- \$750 to ConnectAbility MN for the purchase of adaptive equipment
- \$2,000 to Cronin Home Inc. for general operating expenses
- \$3,000 to Daughters of the American Revolution to assist with pest control at the William Dee Cabin
- \$3,500 to HOPE Ranch for staff recertification
- \$800 to Kasson-Mantorville Community Ed. for preschool curriculum
- \$3,500 to Lake Zumbro Forever for an aerial drone survey
- \$500 in support of the Little Vikes Youth Sports program
- \$1,000 to Othello Cemetery Assoc. for monument restoral
- \$1,000 to PEM Drama Booster Club for the purchase of microphone headsets
- \$10,000 to PEM Schools in support of the PK-3 playground
- \$1,000 to Plainview Area Community & Youth Center to help with electrical upgrades
- \$3,342.11 to SE MN Food Rescue & Redistribution in support of Harvest Health
- \$2,000 to St. John's Lutheran Church in support of food insecurity programs
- \$3,500 to Three Rivers Community Action, Inc. in support of Meals on Wheels
- \$717.96 to Triton Community Education in support of Storybook Walk

To be considered for first quarter grants in 2026, applications must be submitted no later than March 20, 2026. Program guidelines and applications for donations are available at peoplesenergy.coop/operation-round-up or by calling the Cooperative at (800) 214-2694.

Vegetation Management 2026

Carr's Tree Service and New Age Tree Service continue to work with PEC to execute our vegetation management plan in 2026. During the months of March and April, Carr's Tree Service will continue scheduled work in Viola and Elgin townships. Also, during this time, New Age Tree Service will continue tree clearing work in the City of Chatfield.



Residential Energy Audits

Curious about how efficiently your home uses energy? Interested in knowing which energy efficiency improvements could help you save the most money? If so, consider taking advantage of People's Energy Cooperative's energy audit program.

When you schedule an energy audit, a qualified energy consultant will assess your home's energy consumption and provide recommendations for improved efficiency. A standard residential energy audit costs \$320 and includes utility bill analysis, thermal envelope inspection, blower door diagnostics, as well as furnace efficiency and safety evaluation, including worst case back draft spillage testing. For \$420, a performance energy audit includes all features of the standard energy audit plus infrared camera diagnostics. Five thousand nine hundred eighty-four.

Following an energy audit, you will receive a detailed report with the auditor's findings and recommendations for improvements. This report can help you identify how to best cut back on energy loss and prioritize recommended improvements. Implementing even simple energy saving measures can save you money on your monthly energy bill.

If you are a member of People's Energy Cooperative and a customer of Minnesota Energy Resources, you are eligible to receive a reduced audit rate. Members served by both utilities should watch for an email this spring providing more details about joint audit opportunities.

To learn more about home energy audits or to schedule one today, call us at (800) 214-2694 or visit peoplesenergy.coop/energy-audits.

Members may qualify for rebates to help offset the cost of the audit and the audit-recommended improvements, further reducing your out-of-pocket expenses to make your home more efficient. Visit www.peoplesenergy.coop/rebates to learn about our rebate program!



Cold Weather Rule

Minnesota's Cold Weather Rule continues to be in effect now through the end of April. This does not prevent disconnection of service for non-payment. If you receive notification that your account is past-due, it's important to call the Cooperative to arrange a payment plan and receive information about energy assistance.

If you find yourself in need of energy assistance this winter, there are resources available to help. Please visit peoplesenergy.coop/energy-assistance to learn more about your options.

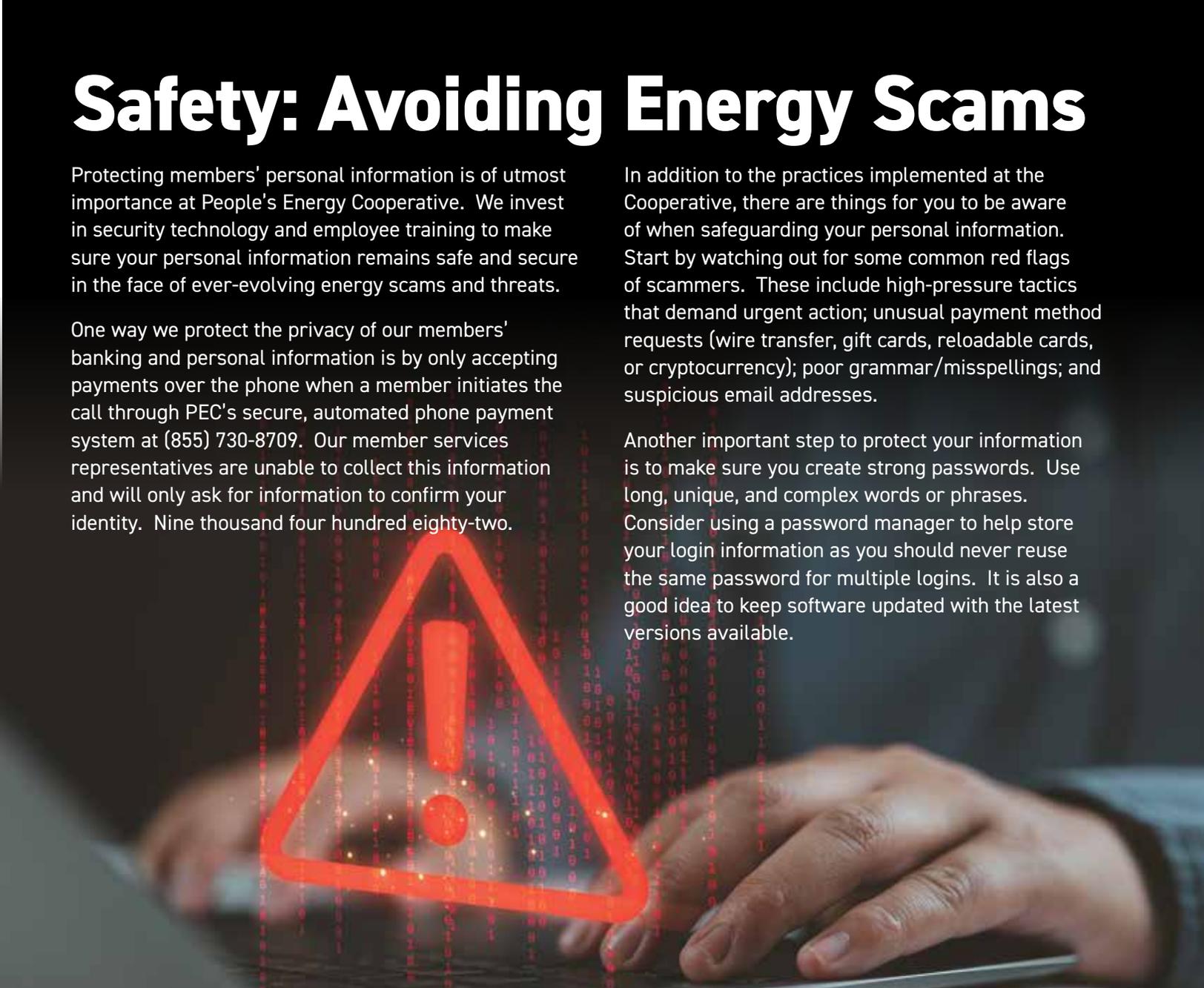
Safety: Avoiding Energy Scams

Protecting members' personal information is of utmost importance at People's Energy Cooperative. We invest in security technology and employee training to make sure your personal information remains safe and secure in the face of ever-evolving energy scams and threats.

One way we protect the privacy of our members' banking and personal information is by only accepting payments over the phone when a member initiates the call through PEC's secure, automated phone payment system at (855) 730-8709. Our member services representatives are unable to collect this information and will only ask for information to confirm your identity. Nine thousand four hundred eighty-two.

In addition to the practices implemented at the Cooperative, there are things for you to be aware of when safeguarding your personal information. Start by watching out for some common red flags of scammers. These include high-pressure tactics that demand urgent action; unusual payment method requests (wire transfer, gift cards, reloadable cards, or cryptocurrency); poor grammar/misspellings; and suspicious email addresses.

Another important step to protect your information is to make sure you create strong passwords. Use long, unique, and complex words or phrases. Consider using a password manager to help store your login information as you should never reuse the same password for multiple logins. It is also a good idea to keep software updated with the latest versions available.



Two-Factor Authentication

Two-factor authentication (2FA) adds a second step to your login process. After entering your password, you'll be prompted to verify your identity using something only you have – such as a one-time code sent to your phone, email, an authenticator app, or another trusted method. Think of it as putting two locks on your digital front door instead of one.

Criminals increasingly target online accounts through phishing emails, fraudulent texts, and fake login pages. Even strong passwords can be compromised. Enabling 2FA greatly reduces the risk of someone breaking into your accounts by ensuring that a stolen password alone isn't enough.

Protecting your information is a shared responsibility – and enabling 2FA is one of the most effective ways to do it.

Setting up 2FA on your SmartHub account is quick and easy:

1. Log in to your SmartHub account and navigate to Settings.
2. Select Two-Factor Authentication.
3. Follow the prompts to complete setup.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

highline February 2026 Vol. 90 • Issue 1

Highline Hi-Lites (USPS# 244-720) is published monthly.
Special Edition issued in March.

Periodical Postage Paid in Rochester, Minnesota.

Postmaster: Please send address changes to:
Highline Hi-Lites, 1775 Lake Shady Ave. S.
Oronoco, Minnesota 55960

*This institution is an equal opportunity provider,
employer, and lender.*

Why Use SmartHub?

SmartHub is the secure online account management platform utilized by People's Energy Cooperative to provide members with convenient and efficient account management options. Looking to go paperless? Turn to SmartHub. Looking to set up automatic bank draft payments? Turn to SmartHub. Additionally, members can easily do the following and more:

- ▶ Make payments using a credit card, savings account, or checking account.
- ▶ Set-up automatic payments using a credit card, savings account, or checking account.
- ▶ Set-up paperless billing.
- ▶ View payment and billing history.
- ▶ Review electric usage.
- ▶ Manage notification alerts (text or email) from the Cooperative.
- ▶ Report power outages.
- ▶ Notify our Member Services department of account issues.



If you are not already registered for SmartHub, visit peoplesenergy.coop/smarthub for video instruction on how to set up your account.



WHEN THE LIGHTS GO OUT, SO DO WE

Call even if you think your neighbors have reported the outage. Leave one light on so you know when power has been restored. Have an emergency kit prepared.

(800) 214-2694