

highline

MARCH 2026 NEWS AND INFORMATION FOR MEMBERS OF PEOPLE'S ENERGY COOPERATIVE

2025 ANNUAL REPORT

A Legacy of Service



90
YEARS
A Legacy of Service



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

mission

Our cooperative's mission is to bring value to our member-owners and communities by safely providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices.

THE 2025 PEC BOARD OF DIRECTORS **SERVING YOU**



Jon Kroening
DISTRICT 1

Arthur Friedrich
DISTRICT 6
DPC Director

Tracy Lauritzen
DISTRICT 4
*Treasurer &
MREA Director*

Jeffery Orth
DISTRICT 7

Jodie Tvedt
DISTRICT 2
Vice Chair

John Winter
DISTRICT 3
Secretary

Jerome Wooner
DISTRICT 5
Board Chair



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

89th Annual Meeting Notice

March 26, 2026 · Rochester International Event Center

- MARK YOUR CALENDARS & SAVE THE DATE -

People's Energy Cooperative's Annual Meeting will be held in person and broadcast live on Thursday, March 26, 2026, from the Rochester International Event Center at 7333 Airport View Drive SW, Rochester, Minnesota. Members may also participate in the meeting and watch the live broadcast at Copperfield Terrace in Plainview (24371 550th Street).

Registration begins at 5:00 p.m. at both locations and a light, buffet-style meal will be served before the meeting. The business meeting will begin at 6:00 p.m. and be available to watch live on the Cooperative's website, YouTube channel, and Facebook page. It will last about one hour and 15 minutes.

THE OFFICIAL ORDER OF BUSINESS AT THE ANNUAL MEETING:

Welcome, Announcements, and Introductions	Dody Wubker, CFO
Invocation	Jerome Wooner, Board Chair
Pledge of Allegiance	Jerome Wooner, Board Chair
Announce Quorum	Jerome Wooner, Board Chair
Call to Order	Jerome Wooner, Board Chair
Approval of 88th Annual Meeting Minutes	Jerome Wooner, Board Chair
Financial Report	Tracy Lauritzen, Treasurer
Leadership Remarks	
A Legacy of Service	Jerome Wooner, Board Chair
A Bright Future	Gwen Stevens, President/CEO
Introduction of Director Candidates	Gwen Stevens, President/CEO
Announce Director Election.....	Ben Hain, Nominating Committee Chair
Director Oath of Office.....	Ben Hain, Nominating Committee Chair
Unfinished Business	Jerome Wooner, Board Chair
New Business	Jerome Wooner, Board Chair
High School Scholarship Awards.....	Dody Wubker, CFO
Adjourn	Jerome Wooner, Board Chair

NEED A SPECIAL ACCOMMODATION?

If you have special needs of accessibility, sign language, translation, or other assistance, we will do our very best to accommodate you. Please contact PEC at (800) 214-2694 or memberrelations@peoplesenergy.coop.

Joint Board Chair and CEO Message

FROM JEROME WOONER & GWEN STEVENS

The past year was marked by both opportunity and complexity for electric cooperatives. Rising costs across the industry, a changing energy landscape, and evolving member expectations required thoughtful decision-making and steady leadership. Thanks to the dedication of our employees, the guidance of our Board of Directors, and the trust of our members, People's Energy Cooperative met these challenges with focus and discipline.

As we reflect on 2025, we are proud of the Board and staff that continue our cooperative's legacy of service. The Cooperative's mission drives us to bring value to our member-owners and communities by safely providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices. Following are examples of how we lived out our mission in 2025.

SAFETY

At People's, the phrase 'safety first, always' is not just a slogan that makes us feel good, it's a mindset and core value. We have a multi-faceted safety program designed to keep people and property safe; maintain compliance with regulatory agencies; and ensure standards are up-to-date and followed. Participation in the Rural Electric Safety Achievement Program (RESAP), training sessions, safety huddles, and drills ensure employees understand and follow industry best practices for safely performing their work.

Our goal is always to have zero injuries and no damage to property. Unfortunately, we did not meet those goals in 2025, but we are thankful the claims were few with limited costs and no one suffered major injuries. This is a testament to our safety value of recognizing risk, protecting ourselves and others, and promoting safe work practices. We thank our facilities team for consistently maintaining our buildings and grounds with exceptional care, ensuring a safe environment for employees and members as they come and go.

In early 2025, the Cooperative partnered with the Minnesota Rural Electric Association to offer Active Violence Emergency Response Training (AVERT). It empowered employees with practical strategies to protect themselves and their coworkers, while also giving the Cooperative an opportunity to evaluate potential policy, facility, and security improvements to better protect staff, our buildings, and other property.

Working safely doesn't just mean protecting people and property, it also involves cybersecurity and protecting member and employee data, our information technology

(IT) systems, and the electric grid. Our IT team does a remarkable job on this front, not only defending our systems, but also educating and training our staff and Board on how to recognize and mitigate cyber risks. Their work is essential in keeping our organization secure and resilient.

RELIABILITY

As an electric utility, our purpose, the reason we exist, is to provide reliable electric service. Once again, our reliability metrics exceeded our goals and showed that:

- ▶ The average member experienced a total of 30.6 minutes without electricity during the year. Our goal is less than or equal to 80 minutes. For perspective, North American utilities typically average about 60-100 minutes annually.
- ▶ On average, members experienced a power outage 0.31 times in the year – that's one outage every three years! Our goal is less than or equal to 0.7 outages per member per year and nationally, utilities typically average about one outage per consumer per year.

We are grateful to our operations and engineering teams who work diligently to design, build, and maintain the system to be reliable today and long into the future as well as those who coordinate their work. We also recognize those who map and stake the routes for the poles and wires; optimize and manage our metering system; purchase and warehouse the needed materials and equipment; and maintain the trucks and equipment used to perform the work. An example of this collective work is the new substation in Plainview that went live at the end of 2025.

MEMBER ENGAGEMENT

You, the member-owners of People's Energy Cooperative, are part of what makes our cooperative a special organization. In 2025, attendance at our 88th Annual Meeting in March was up by 47 percent. We also experienced increased engagement on our social media platforms last year. Members who do not normally attend cooperative events participated in Watts & Wits Trivia Nights in September. Members had the opportunity to learn about how the electric grid has grown in size and complexity at the Energy Forums in November. We appreciate the opportunity to connect with members and talk about what's important to you, listen to your ideas, and answer your questions.

Our member services and member relations teams work closely together to develop, offer, and promote programs, communications, services, and events to help you get the most

value from your Cooperative. We thank them for the service they provide and their dedication to going above and beyond for our members.

We hope you plan to attend this year's 89th Annual Meeting to celebrate the Cooperative's legacy of service. You will notice that although the main event will once again be at the Rochester International Event Center, our satellite location has moved to Copperfield Terrace, just north of Plainview. We hope you can join us!

FINANCIAL STABILITY

In an environment of industry-wide cost pressures, we remained focused on careful planning and disciplined financial management. This approach helps protect the long-term financial health of the Cooperative while balancing affordability for our members. Sound governance and transparency are essential to earning and maintaining your trust, and we remain committed to both. We thank our finance and accounting team for their attention to detail, disciplined approach, and commitment to accuracy and transparency.

The thoughtful and strategic decisions made by your Board of Directors ensure that the Cooperative continues to be in good financial condition as reported on pages 12-14. These sound financial decisions have compounded over the years and have enabled the Cooperative to gain revenue from sources other than energy sales, which helps reduce the amount of revenue we need to collect through rates.

For example, back in 2011, when the Cooperative purchased land in Oronoco for a new headquarters building the property included significant acreage to the east and north of where the new building would sit. This land was later developed into Oronoco Crossings and is now home to a number of local and regional businesses. We are excited to share that all but one parcel in the Oronoco Crossings development has been sold. As the figures below demonstrate, the Cooperative has achieved significant financial benefit from the purchase and sale of the land over the years.

ORONOCO CROSSINGS DEVELOPMENT

Cash proceeds from land sales as of 12/31/2025	\$4,378,200
Projected cash proceeds on remaining parcel	\$312,000
Total Cash Proceeds on Land Sales	\$4,690,200
Less: Cost of Land (purchase price plus improvements)	\$2,978,309
Oronoco Crossings Development Margin	\$1,711,891

STRATEGIC PLAN

During the first year of our current strategic plan, we placed a strong focus on succession planning and risk management in 2025. This did not just involve the Board hiring a new President and CEO. It also meant management ensuring the next generation of leaders and staff are prepared for the future. This included identifying key roles and critical tasks and ensuring we have back-up coverage to help mitigate risk and ensure continuity. We are grateful for our HR team and the managers and supervisors who invest time and effort in training, developing, and supporting the growth of our employees.

LOOKING AHEAD

2026 marks the 90th Anniversary of People's Energy Cooperative. It is incredible to think how far we have come since the first power poles went in the ground in Olmsted County! We look forward to sharing stories from our rich history throughout the year, celebrating with you at community festivals and gatherings, and continuing to deliver on our mission.

Thank you for your continued trust, support, and engagement. We hope you are as proud to be a member of the Cooperative as we are to serve it!



Jerome H. Wooner

Jerome Wooner
Board Chair
jwooner@peoplesenergy.coop



Gwen Stevens

Gwen Stevens
President & CEO
gstevens@peoplesenergy.coop

Dairyland Director Report

FROM ARTHUR FRIEDRICH



Dairyland Power Cooperative was created in 1941 to be the wholesale power provider to its member electric cooperatives. Today, Dairyland continues to deliver power to 24 member electric cooperatives, including PEC, and 27 municipal utilities throughout Illinois, Iowa, Minnesota, and Wisconsin.

Just as directors are elected from our membership to govern PEC, the same applies to Dairyland's Board of Directors. I've had the privilege of being a director at People's for 13 years and have been proud to serve as your representative on the Dairyland Board for the past five years.

Dairyland's Mission & Vision

MISSION: To safely power our communities and empower cooperative members to improve the quality of their lives.

VISION: To grow, innovate, and deliver value as a premier, member-driven energy cooperative through safe, reliable, cost-competitive, and sustainable solutions.

Learn more about Dairyland Power at www.DairylandPower.com. Also, follow Dairyland on Facebook, LinkedIn, and YouTube.

About MISO

The Midcontinent Independent System Operator (MISO) is an independent, not-for-profit, member-based organization responsible for keeping reliable and cost-effective power flowing across 77,000 miles of transmission lines. MISO focuses on three critical tasks:

1. Managing the flow of high-voltage electricity across 15 U.S. states and the Canadian province of Manitoba
2. Facilitating one of the world's largest energy markets with more than \$40 billion in annual transactions
3. Planning the grid of the future

As a generation and transmission (G&T) cooperative, Dairyland is member-owned by 24 distribution cooperatives, including People's Energy Cooperative. I have the honor of serving as People's representative on the Dairyland Board of Directors. We meet monthly to ensure our cooperatives' needs are heard in these dynamic times, working together to achieve strong outcomes for our members. Following are key highlights from the past year.

System Growth

As of August 1, 2025, Dairyland began supplying power for the members of People's, Freeborn Mower Electric Cooperative, and MiEnergy, who were served by Southern Minnesota Energy Cooperative (SMEC) as a result of the 2015 acquisition of Alliant Energy's service territory in Minnesota. This added 80 MW of peak load to the Dairyland system, which equated to a load growth of seven percent.

On June 1, 2026, Norris Electric Cooperative (Newton, IL) and Oconto Electric Cooperative (Oconto Falls, WI) will become power supply customers of Dairyland, bringing 100 MW of peak load to the Dairyland system. These additions, along with other large load integrations, provide long-term benefits to the entire Dairyland membership by helping to spread out costs.

New ERA Grant Still Intact

In April 2025, Dairyland was pleased to receive confirmation from the Trump Administration that its \$595 million Empowering Rural America (New ERA) grant from September 2024 would be funded. Initiatives made possible by the grant will benefit Dairyland's members and the region with:

- ▶ Resource diversification to support rural communities, economic growth, and U.S. energy independence.
- ▶ Downward rate pressure for rural residents.
- ▶ Increased grid reliability and resilience resulting from critical transmission line upgrades.

Because of this award, Dairyland will be able to pursue 500 to 1,000 megawatts (MW) of power purchase agreements for clean energy projects. The first project, secured in February, was for 250 MW from Buffalo Ridge II Wind Farm in South Dakota. Buffalo Ridge generates enough wind energy to power about 70,000 homes. Additionally, the award supports important upgrades and rebuilds for parts of Dairyland's existing transmission infrastructure – ensuring communities have access to reliable electricity for decades to come.

Regional Transmission Projects

As a participant in one of the largest transmission buildouts in history, Dairyland is supporting regional reliability that benefits our members. MISO has named Dairyland a developer for three projects in its Long-Range Transmission Plan for Tranches 1 and 2.1. Two of them are in our region.

The Wabasha Relocation Project is part of Tranche 1 and will relocate about 13 miles of existing 161 kV transmission lines in Wabasha County to a new right-of-way. This project was identified by MISO in 2022 with the route development and public and stakeholder outreach processes happening in 2023.

The MariBell Transmission Project is part of Tranche 2.1 and is the southern segment of the Gopher to Badger Link transmission project. MariBell is a partnership between Dairyland and GridLiance Heartland, LLC, to jointly develop and co-own a 765 kV/161 kV double-circuit line between Marion, Minnesota, and Bell Center, Wisconsin (139 miles) on existing right-of-way. Community open houses have been hosted along the proposed route, with more to come. These events have been ways to meet with landowners and community members to answer questions and share more information about the process and benefits these lines will provide.

The northern segment of the Gopher to Badger Link transmission project is also part of MISO's long-range transmission plan in Tranche 2.1 and will be owned by Xcel Energy. This portion spans from the North Rochester Substation near Pine Island to Marion where it will connect with the MariBell project.

PowerOn Midwest is a series of transmission projects spanning from eastern South Dakota and traveling through parts of our service territory on the west side of Rochester. These projects are also part of MISO's long-range planning in Tranche 2.1 being developed by Great River Energy, ITC Midwest, Otter Tail Power Company, and Xcel Energy. Dairyland is not part of these projects. For more details about these projects, I encourage you to visit www.poweronmidwest.com.

The 765kV lines are new to the region but will be able to carry more electricity over longer distances between power generation resources to where electricity is needed. One 765-kV line carries as much electrical capability as six, 345-kV lines, minimizing the land needed by as much as 70 to 80 percent, while improving reliability.

Investing in higher-capacity lines now avoids the cost of upgrading or building additional lines in the future. Because Dairyland will be an owner and operator of the MariBell project that will follow existing rights-of-way, the guaranteed return on investment will apply downward pressure to rates in the future for Dairyland's member cooperatives.

Meeting Energy Needs of the Future

Transmission projects as outlined above are essential to ensure infrastructure is in place to support an "all-of-the-above" fuel mix for power generation. Dairyland currently generates and obtains electricity from natural gas, coal, solar, wind, hydroelectric, and biomass facilities. At the end of 2025, Dairyland acquired the Rocky Road Energy Center (East Dundee) and Elgin Energy Center (Elgin) in Illinois. The

purchase of existing natural gas-fired power plants supports the Cooperative's focus on sustainability and reliability for its members while transitioning to a lower-carbon future.

As part of its overall sustainable power supply plan, Dairyland continues to explore small modular nuclear reactors. With nuclear as a viable future energy option, Dairyland hired Grover Hettel in September to be the Executive Vice President & Chief Nuclear Officer.

Concern for Community

Through the Cooperative Contributions Program, Dairyland and its member cooperatives are able to make a positive impact on local communities. Annually, Dairyland donates \$1,000 to a charitable organization selected by each member cooperative. In 2025, PEC selected the Eyota Fire Department to be the recipient of this donation.

PEC was proud to participate in one of five Day of Service sites on October 1 by helping refresh the paint in the Albert Lea YMCA's gymnasium. On that day, about 200 volunteers from Dairyland, its member cooperatives, and the Wisconsin Electric Cooperative Association traveled to five sites to offer helping hands on a variety of projects.

Beginning this spring, Dairyland is supporting an additional \$1,000 scholarship for PEC's scholarship program. This award will be presented at our Annual Meeting on March 26.

Dairyland's Economic Development team advocates for community growth and new business establishments. In 2025, the team supported 27 projects that resulted in more than 34 megawatts (MW) of organic growth. Projects include new businesses or business expansions that also increase economic activity and new jobs. Dairyland offers its member cooperatives access to the USDA's Rural Economic Development Loan and Grant Program (REDLG), as well as Dairyland's Revolving Loan Fund and cost-share program.

In closing, Dairyland remains dedicated to powering our communities with reliable, affordable, and sustainable energy, while embracing new opportunities and addressing challenges head-on. As we look to the future, our commitment to innovation, collaboration, and community support will continue to shape a stronger, more resilient cooperative for all our members. Thank you for your trust and partnership as we work together to ensure a brighter tomorrow.



A handwritten signature in black ink that reads "Arthur Friedrich".

Arthur Friedrich,
Dairyland Board Representative
afriedrich@peoplesenergy.coop

Southern Minnesota Energy Cooperative

BY: RICHARD G. BURUD, GENERAL MANAGER

It is my pleasure to report that in 2025, Southern Minnesota Energy Cooperative (SMEC) successfully completed its last year of operation. SMEC was originally formed to provide a single entity to purchase the Alliant system in Minnesota and provide power supply for the affected members through July 2025.

We completed all compliance requirements set forth by the Minnesota Public Utilities Commission (MNPUCC). This included meeting and exceeding the state standards for renewable energy as a portion of our power supply. This also included reporting to the state, by cooperative, an outage report. The final report will be completed in 2026.

2025 marked the last year of supplying wholesale power via our power contract with Alliant as per the purchase contract in 2015. It is amazing how fast 10 years goes by! In August 2025, the SMEC agreement ended and all wholesale

requirements for People's, Freeborn-Mower Electric Cooperative, and MiEnergy were transferred to Dairyland Power Cooperative in a smooth process. We are now in the process of executing the termination clause of the Alliant power purchase contract.

SMEC has also met all financial policies as outlined by its Board of Directors. I thank Mike Henke for serving on our Board of Directors!

Lastly, I would like to thank the Board and members of People's Energy Cooperative for your leadership and vision on the purchase of the Alliant territory and support of SMEC.



Richard G. Burud,
SMEC General Manager



LIVING OUT THE COOPERATIVE PRINCIPLE OF "CONCERN FOR COMMUNITY"



\$67,792

Awarded by the
Operation Round Up Board



\$59,000

High School Scholarships Awarded
From Unclaimed Capital Credits



7
CURRENT
LOANS
totaling:

\$752,800

Economic Development
Loans For Area Businesses



People's Energy Cooperative

Minutes of the 88th Annual Meeting MARCH 27, 2025

The 88th Annual Meeting of the members of People's Energy Cooperative was held in person at the Rochester International Event Center in Rochester, Minnesota, on Thursday, March 27, 2025, pursuant to the notice mailed to each member of the Cooperative at least fifteen (15) days prior to the holding of the meeting. Members were present in-person and the meeting was also streamed through Facebook and YouTube to a satellite location in Plainview for online viewing.

Gwen Stevens, Vice President of Cooperative Relations, facilitated the meeting. She welcomed the group and reminded members that the registration gift of a \$10 credit on their electric bill would automatically be applied to the April bill. The Cooperative's Board of Directors were introduced to the meeting attendees.

Chair of the Board Jerome Wooner gave the invocation and led the membership in reciting the Pledge of Allegiance.

Chair of the Board Jerome Wooner announced there were sufficient members present (310) to constitute a quorum and the meeting was officially called to order at 6:23 p.m. A motion to accept the agenda was received along with a second. The motion carried.

The minutes of the March 24, 2024, Annual Meeting appeared in the Annual Report issue of the Cooperative's newsletter, **Highline Hi-Lites**. A motion was made and seconded to dispense with the reading of the minutes and to approve the minutes as they appeared in the Annual Report. The motion passed.

Treasurer of the Board of Directors, Tracy Lauritzen, gave the financial report. The **Highline Hi-Lites Annual Report** contained the results of the Cooperative's annual audit. A motion was made and seconded to approve the financial report as presented. The motion passed.

Board Chair Jerome Wooner addressed the membership and how the cooperative is more than just a power provider, as a community supporter, business partner, advocate, and partner in education.

President & CEO Mike Henke then addressed the membership and shared the successes and challenges of the past 14 years during his tenure, noting that current successes point to a focus on operational excellence in all that we do. He also shared the Cooperative's new three-year strategic plan, noting that it is a proactive one that he believes will take the Cooperative to the next level. Henke also announced his retirement at the end of 2025 or early 2026.

Mike Hintz, Chair of the Nominating Committee, who oversaw the election process, announced the results of the director elections. Elected to the Board of Directors for three-year terms were Art Friedrich from District 6 with 1,622 votes (uncontested) and Jon Kroening from District 1 with 1,622 votes (uncontested).

Hintz administered the Oath of Office to the newly elected board members.

Chair Wooner asked for any old, unfinished, or new business. There was none.

The 88th Annual Meeting of People's Energy Cooperative was adjourned at 7:01 p.m.

Mr. Wooner opened the meeting to questions.

John Winter, Secretary

2026 Districts Up For Election

Election materials for the 2026 Board Elections were mailed on February 23, 2026. You may vote online or by using the paper ballot that was mailed. However, you cannot do both. Only the first vote received will be counted. See back cover for additional voting information.

DISTRICT 3:

Gilford, Hyde Park, Milton, Mazeppa, New Haven, Oronoco, West Albany, and sections one through 18 of Kalmar

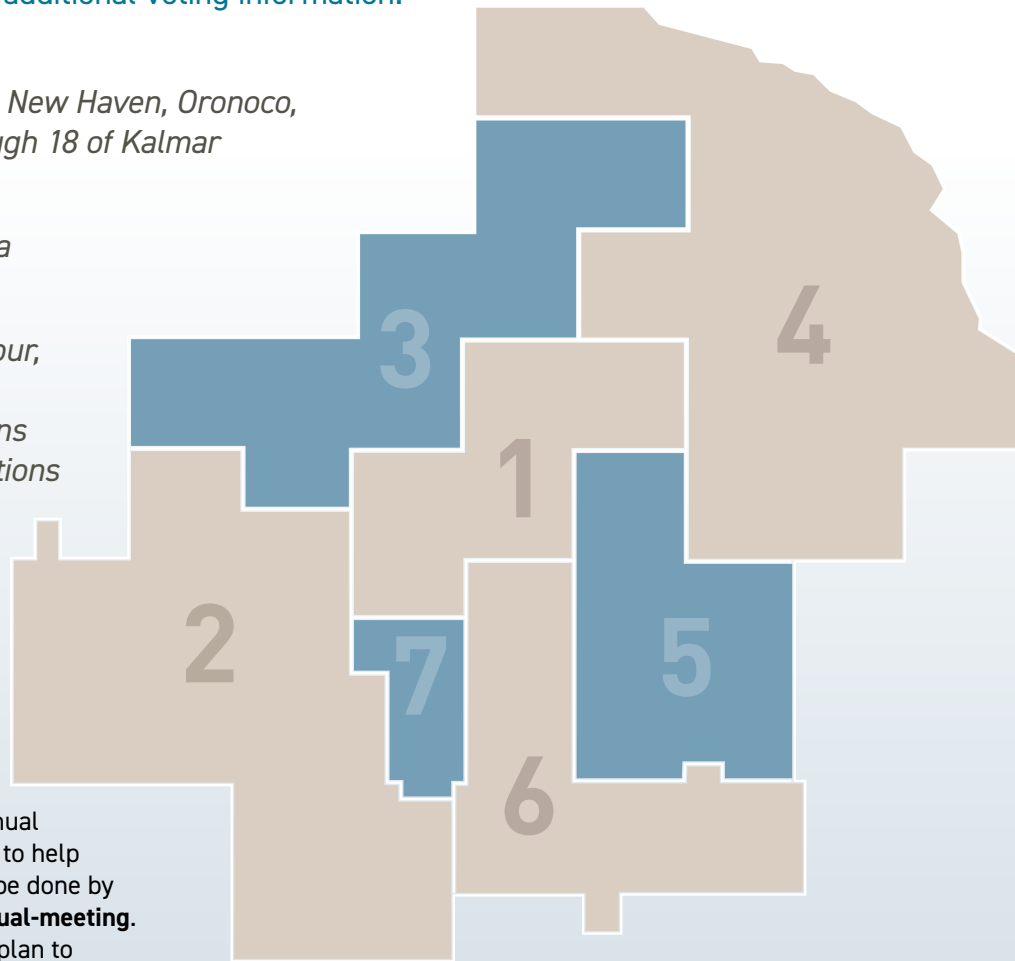
DISTRICT 5:

Dover, Elmira, Eyota, Orion, and Viola

DISTRICT 7:

Stewartville, sections one through four, nine through 16, 21 through 28, and 33 through 36 of High Forest, sections 19 through 36 of Rochester, and sections one through three of Racine

While candidates represent geographic regions, they are elected by the membership at large. All members should vote for ONE candidate from EACH director district.



RSVP for Annual Meeting

We are asking members to RSVP for the Annual Meeting taking place on Thursday, March 26 to help control costs related to the event. This can be done by visiting www.peoplesenergy.coop/89th-annual-meeting. We ask that you indicate which location you plan to attend, along with how many will be joining.



District 3

John Winter, Incumbent
By Nomination – Rochester, MN
Cooperative member for 18 years



District 5

Jerry Wooner, Incumbent
By Nomination – Eyota, MN
Cooperative member for 29 years



District 7

Jeff Orth, Incumbent
By Nomination – Rochester, MN
Cooperative member for 40 years



District 7

Matt Kitzmann
By Nomination – Rochester, MN
Cooperative member for 20 years

PROUDLY SERVING

A LOOK AT PEOPLE'S ENERGY COOPERATIVE BY THE NUMBERS



our PEOPLE

7

Board Members
governing the Cooperative

20,139

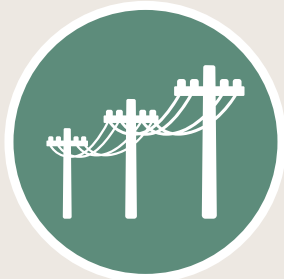
Cooperative Members

64

PEC Employees
serving you, the member

7

Operation Round Up
Board Members



our SYSTEM

1,144 Square Miles
of service territory in six counties

8.3 Services
per each mile of line

\$213 Million
in total utility plant

43,419
Poles

2,917 Miles of Line
2,040 overhead • 877 underground

28
Substations

380 Member-Owned
Renewable Systems
373 Solar • 7 Wind

12,775
Transformers



our SERVICE

381 Million
kilowatt hours sold

24,257
Services in Place

5,223
Poles Inspected

141,717
Hours Worked

679
Work Orders Completed

\$157,271 in Energy
Efficient Rebates Issued

2025

From The Treasurer:

I am pleased to present the 2025 financial results for People's Energy Cooperative.

The 2025 financial statements are currently under review by the Cooperative's independent auditing firm, Brady Martz & Associates, P.C., which also audits the *Operation Round Up*® financial records reported on page 14 of this annual report.

The audited financial statements and the auditor's opinion will be available upon request at the Cooperative when the audit is finalized

Sincerely,



Tracy Lauritzen,
Treasurer

2025 FINANCIAL RESULTS

Statement of Operations

FISCAL YEARS ENDED DEC. 31, 2025 & 2024

OPERATING REVENUES	2025	2024
	\$60,604,426	\$56,404,006
OPERATING EXPENSES		
Cost of Power	\$31,590,696	\$30,541,104
Distribution Expense - Operations	\$4,046,719	\$3,552,061
Distribution Expense - Maintenance	\$4,016,972	\$3,927,319
Consumer Accounts Expense	\$2,252,035	\$2,273,218
Sales Expense	\$120,618	\$108,366
Administrative and General Expense	\$3,942,463	\$3,747,168
Depreciation Expense	\$6,097,040	\$5,852,326
Other Deductions	\$63,807	\$50,583
Total Operating Expenses	\$52,130,350	\$50,052,145
OPERATING MARGINS (before fixed charges)		
	\$8,474,076	\$6,351,861
INTEREST ON LONG-TERM DEBT		
	\$3,893,965	\$3,571,857
OPERATING MARGINS (after fixed charges)		
	\$4,580,111	\$2,780,004
GENERATION, TRANSMISSION, AND OTHER CAPITAL CREDITS		
	\$1,513,409	\$1,533,666
NET OPERATING MARGINS		
	\$6,093,520	\$4,313,670
NON-OPERATING MARGINS		
Interest Income	\$125,026	\$121,597
Income Tax Expense		
Other Non-Operating Margins	\$740,595	\$344,683
Extraordinary Items	\$0	\$0
Total Non-Operating Margins	\$865,621	\$466,280
NET MARGINS		
	\$6,959,141	\$4,779,950

Balance Sheet

ENDED DEC. 31, 2025 & 2024

assets:

what we own

equities:

our net worth

liabilities:

what we owe

Corporate Profile

Incorporated on January 1, 1936, People's Energy Cooperative serves 20,139 members through 2,917 miles of line covering a service territory of 1,144 square miles in Olmsted, Dodge, Fillmore, Mower, Wabasha, and Winona counties. The Cooperative has 28 substations.

Members are served within the communities of Byron, Chatfield, Douglas, Dover, Elgin, Eyota, Genoa, Hayfield, High Forest, Marion, Oronoco, Plainview, Pleasant Grove, Potsdam, Predmore, Rochester, Rock Dell, St. Charles, Salem Corners, Simpson, Stewartville, Theilman, and Viola.

ASSETS	2025	2024
UTILITY PLANT		
- Electric Plant in Service	\$210,753,524	\$199,963,954
- Construction Work in Progress	\$2,525,915	\$2,949,138
Total	\$213,279,439	\$202,913,092
- Less Accumulated Provision for Depreciation	[-] \$45,937,604	[-] \$43,590,293
Net Utility Plant	\$167,341,835	\$159,322,799
OTHER PROPERTY AND INVESTMENTS		
Investment in Associated Organizations	\$22,237,122	\$21,291,548
Other Investments	\$906,494	\$1,330,838
Total Other Property and Investments	\$23,143,616	\$22,622,386
CURRENT ASSETS		
- Cash and Cash Equivalents	\$5,521,597	\$1,656,322
- Accounts Receivable, Net	\$5,812,635	\$5,337,736
- Other Accounts Receivable, Net	\$220,002	\$108,716
- Materials and Supplies Inventory	\$3,414,903	\$2,869,921
- Other Current and Accrued Assets	\$17,578	\$15,462
Total Current Assets	\$14,986,715	\$9,988,157
DEFERRED DEBITS		
	\$172,079	\$149,280
TOTAL ASSETS	\$205,644,245	\$192,082,622

EQUITIES & LIABILITIES	2025	2024
EQUITIES		
- Patronage Capital	\$44,747,439	\$40,398,369
- Other Equities	\$32,396,721	\$31,404,128
- Accumulated Other Comprehensive Margins	[-] \$117,708	[-] \$104,465
Total Equities	\$77,026,452	\$71,698,032
LONG-TERM DEBT (less current maturities)		
	\$114,375,373	\$107,026,505
OTHER NON CURRENT LIABILITIES		
- Accrued Post Retirement Benefits	\$803,245	\$727,426
CURRENT LIABILITIES		
- Current Maturities of Long-Term Debt	\$4,713,287	\$4,610,340
- Notes Payable	\$0	0
- Accounts Payable	\$3,635,033	\$3,290,909
- Consumer Deposits	\$463,947	\$460,520
- Other Current and Accrued Liabilities	\$2,968,974	\$2,684,031
Total Current Liabilities	\$11,781,241	\$11,045,800
DEFERRED CREDITS		
	\$1,657,934	\$1,584,859
TOTAL EQUITIES AND LIABILITIES	\$205,644,245	\$192,082,622

2025 Financial Results (continued)

FINANCIAL DATA & FIVE-YEAR COMPARISON					
FISCAL YEARS 2025-2021	2025	2024	2023	2022	2021
Total Utility Plant	\$213,279,439	\$202,913,092	\$192,715,264	\$182,664,606	\$187,538,186
Total Revenue	\$60,604,426	\$56,404,006	\$53,794,420	\$54,703,554	\$50,506,832
Cost of Purchased Power	\$31,590,696	\$30,541,104	\$31,210,702	\$31,234,285	\$28,339,653
Total Margins	\$6,959,141	\$4,779,950	\$3,311,740	\$6,331,449	\$3,599,103
Equity Ratio (equity/total assets)	37.46%	37.33%	37.20%	37.30%	34.30%
Total Interest Expense	\$3,946,152	\$3,616,802	\$3,173,523	\$3,115,364	\$3,135,792
Interest Coverage (TIER)	2.79	2.34	2.10	3.15	2.16
Service Interruptions (average hours)	1.65	2.19	1.49	2.44	7.83
Full-time Employees	64	66	65	65	65
Services in Place	24,257	24,345	24,159	24,060	23,878
Total Miles of Line	2,917	2,910	2,906	2,897	3,004
Kwh Sold	380,933,696	359,492,760	360,649,807	368,193,567	362,606,593
Capital Credits Retired	\$1,697,116	\$1,381,438	\$1,409,840	\$1,284,094	\$1,140,509



SMALL CHANGE THAT CHANGES LIVES

Since 2012, our Operation Round Up program has raised over \$1.5 million in support of charitable, educational, community, and youth-related programs and events. Members allow the Cooperative to simply "round up" electric bills to the next highest dollar and that monthly contribution to the trust fund is as little as a penny, but never more than 99 cents. The concept behind the program is to extend the principle on which electric cooperatives were built over 85 years ago - neighbor-helping-neighbor.

Financial Report People's Energy Cooperative Trust

FOR THE YEAR ENDED DECEMBER 31, 2025

STATEMENT OF FINANCIAL POSITION: NET ASSETS	
- Cash	\$59,459
- Accounts Receivable	\$7,273
- Accounts Payable	\$0
Net Assets	\$66,732
STATEMENT OF ACTIVITIES	
REVENUE	
- Contributions	\$88,026
EXPENSES	
- Charitable Giving	\$69,531
- Operating Expenses	\$4,995
- Bank Fees	\$108
Total Expenses	\$74,634
Change In Assets	\$13,392



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

Statement of Nondiscrimination

People's Energy Cooperative is an equal opportunity provider, employer, and lender.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the State or local

Agency that administers the program or contact USDA through the Telecommunications Relay Service at 711 (voice and TTY). Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:


- (1) mail: **U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights**
1400 Independence Avenue, SW
Mail Stop 9410
Washington, D.C. 20250-9410
- (2) fax: **(202) 690-7442**
- (3) email: **program.intake@usda.gov**

vision

To be a trusted energy resource for our members, an employer of choice, and a respected business partner with our communities.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

highline

March 2026
Vol. 90 • Issue 2

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.*

MANAGEMENT STAFF

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*

GENERAL INFORMATION

Business Hours *7:30 am – 4:00 pm, Mon – Fri*

Toll-Free *(800) 214-2694*

Web Address *www.peoplesenergy.coop*

Gopher State One Call *1-800-252-1166
(for digging & line location)*

Remember to Vote

- ▶ Ballots should be mailed to ensure they are received by **Wednesday, March 25.**
- ▶ Online votes will be accepted until **10:30 AM on Wednesday, March 25.**
- ▶ Ballots will be accepted in the ballot box until **5:45 PM** at the Annual Meeting.
- ▶ Results **announced live** during the Annual Meeting.



DAIRYLAND POWER COOPERATIVE

People's Energy Cooperative will be traveling to La Crosse, Wisconsin, on Tuesday, June 2, to participate in Dairyland Power Cooperative's 2026 Annual Meeting. A chartered bus will leave People's Oronoco headquarters at 7:00 a.m. and return around 3:00 p.m. Limited seating is available to members interested in serving as People's delegates at the meeting. If you have not attended before, we encourage you to consider this unique opportunity. Lunch will be provided.

ATTEND THE ANNUAL MEETING IN 2026

If you would like to attend, please contact the Cooperative office at (800) 214-2694 or email memberrelations@peoplesenergy.coop.