

# highline

MARCH 2025

NEWS AND INFORMATION FOR MEMBERS OF PEOPLE'S ENERGY COOPERATIVE

## - 2024 ANNUAL REPORT -



**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 2024 PEC BOARD OF DIRECTORS **SERVING YOU**



Jon Kroening  
DISTRICT 1  
*Secretary*

Arthur Friedrich  
DISTRICT 6

Tracy Lauritzen  
DISTRICT 4  
*Treasurer*

Jeffery Orth  
DISTRICT 7

Jodie Tvedt  
DISTRICT 2  
*Vice Chair*

John Winter  
DISTRICT 3

Jerome Wooner  
DISTRICT 5  
*Board Chair*



# People's Energy Cooperative

Your Touchstone Energy® Cooperative 

## 88<sup>th</sup> Annual Meeting Notice

March 27, 2025 • 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 27, 2025, from the Rochester International Event Center at 7333 Airport View Drive SW, Rochester, Minnesota. Members may also attend at the Plainview American Legion (215 3rd St SW) where the meeting will be broadcast live.

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 an hour and 15 minutes.

### THE OFFICIAL ORDER OF BUSINESS AT THE ANNUAL MEETING:

|   |   |
|---|---|
| Welcome, Announcements, and Introductions ..... | Gwen Stevens, VP of Cooperative Relations |
| 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 87th Annual Meeting Minutes .....   | Jerome Wooner, Board Chair                |
| Financial Report .....                          | Tracy Lauritzen, Treasurer                |
| Leadership Remarks                              |   |
| More Than Your Power Provider .....             | Jerome Wooner, Board Chair                |
| A Firm Foundation .....                         | Mike Henke, President/CEO                 |
| Introduction of Director Candidates .....       | Mike Henke, President/CEO                 |
| Announce Director Election .....                | Mike Hintz, Nominating Committee Chair    |
| Director Oath of Office .....                   | Mike Hintz, Nominating Committee Chair    |
| Unfinished Business .....                       | Jerome Wooner, Board Chair                |
| New Business .....                              | Jerome Wooner, Board Chair                |
| High School Scholarship Awards .....            | Gwen Stevens, VP of Cooperative Relations |
| 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](mailto:memberrelations@peoplesenergy.coop).*

# Joint Board Chair and CEO Message

FROM JEROME WOONER & MICHAEL J. HENKE

Reflecting on 2024 stirs up a sense of pride and accomplishment. Staff improved our safety metrics, surpassed electric service reliability goals, and received high member survey scores for exceptional service. Staff also went above and beyond to serve locally, nationally, and globally. We completed one strategic plan, developed the next, and had another strong financial year, as detailed on Pages 12 and 13 of this report. It's been a great year!

## SAFETY FIRST

Our safety value states, "We foster a culture of safety by training and motivating people to recognize risk, safeguard themselves, protect others, and promote safe work practices."

Once again, our staff safely delivered on our mission by looking out for one another and following a multitude of safety standards. It's always our goal to have zero incidences of injury or property damage. We've been fortunate that our incidences have been relatively minor and with limited costs. We're happy to report we had no lost time incidents in 2024! As a matter of fact, when we compare our injury severity rate average of 10.35 for the past eight years to others, you can see we're doing much better than most.

| PEC   | Top Performers | State | Region | Nation |
|-------|----------------|-------|--------|--------|
| 10.35 | 17.35          | 32.01 | 34.98  | 37.89  |

Severity rate is calculated by dividing the total number of lost workdays by the total number of recordable incidents. This rate impacts what we pay for workers' compensation insurance, so having a low severity rate helps save money on insurance costs.

## RELIABILITY

As an electric utility, our purpose is to provide safe and reliable electric service. Thanks to sound operational plans, hard work, and favorable weather, our service reliability metrics for 2024 exceeded our goals! We utilize multiple metrics to measure reliability. The following explains three of the metrics and how well we did in 2024 based on normalized numbers that don't account for events which are out of our control (i.e. transmission disruptions, or extreme storms) and planned outages for maintenance.

**System Average Interruption Duration Index (SAIDI)** - the average outage duration for each consumer served. On average, any one member was without power for only 43.3 minutes in 2024, our goal is less than 80 minutes.

**System Average Interruption Frequency Index (SAIFI)** - the number of non-momentary electric interruptions, per year, the average consumer experienced. Members saw an average of 0.35 power outages in 2024. That's less than one outage every 3 years! Our goal is less than 0.70 outages per member per year and our 2024 average is the best we've done based on the records we have.

**Average Service Availability Index (ASAI)** - the ratio of the total number of consumer hours that service was available during a given period to the total consumer hours demanded. Of the 8,760 hours in the year, we delivered electric service 8,759.21 hours which equates to 99.991% of the time. Our goal is to be equal to or greater than 99.980%.

## SERVICE WITH A SMILE AND HEART

As a not-for-profit organization we value service. Our service value states, "Through servant leadership, we humbly put others first and work with a spirit of service to best serve our members, colleagues, and partners." Our employees live this out every day, and it is evident in a variety of ways. First, we receive far more compliments than complaints. Additionally, the results from our member survey in April 2024 show that on a scale of one to five, members surveyed rated PEC employees 4.51 on average for being friendly and courteous and 4.45 for being highly trained and knowledgeable.

If you read our monthly newsletter, you've seen how our staff-driven Care for Community Initiative Team has led efforts to collect food for local food shelves and capitalized on a \$5,000 grant from one of our vendors to host a turkey give away in early December for members. They also collected over 160 toys for Toys for Tots. Many of these same staff members and others participated in Dairyland Power Cooperative's Day of Service at Oxbow Park and Zollman Zoo. Employees also visited several schools to talk about electrical safety, energy efficiency, and career opportunities in the electric utility industry.

Not only did employees care for our local community but elsewhere as well. One of our lineworkers joined 13 others from cooperatives in Minnesota and Iowa to travel to Guatemala to help bring electricity to the remote village of Las Peñas in June. In September, five of our lineworkers went

to help Broad River Electric Cooperative in Cowpens, South Carolina, to help restore power in the devastating aftermath of Hurricane Helene.

As you can see, our staff works with a spirit of service to best serve others, and we couldn't be prouder. They are what make People's Energy Cooperative (PEC) a great place to work! Speaking of great places to work, PEC was recognized as a 'Best Places to Work in SE Minnesota' by Workforce Development for the third year in a row!

## STRATEGIES FOR SUCCESS

We wrapped up our 2022 – 2024 Strategic Plan which has helped set the stage for continued success. The goals in that plan were to:

- ▶ Enhance member-owner satisfaction while leveraging the cooperative business model.
- ▶ Attract and maintain a safe, highly motivated, engaged, skilled, and healthy workforce.
- ▶ Provide safe and reliable electric service to our members.
- ▶ Be a respected business partner and drive positive economic impact to our members and community.

Each of these goals had several initiatives and tasks associated with them. Many of the tasks have been woven into our day-to-day operations or rolled forward into the new plan.

In December we adopted our 2025 – 2027 Strategic Plan and the goals of that plan are to:

- ▶ Identify and mitigate organizational risk.
- ▶ Establish technology roadmaps that ensure operational efficiencies, security of systems, and reliability.
- ▶ Establish a strategic workforce plan to ensure we have the roles we need, filled by people who are properly trained, and in the right organizational structure.
- ▶ Establish a reliability roadmap to address growth, equipment replacement, and system maintenance.
- ▶ Establish growth priorities that help establish parameters/thresholds to be used as guidelines when considering strategic investments.

We've already jumped in and are working on these goals so look for updates in future newsletters and at member events.

*We hope as you read through this annual report you will be filled with a sense of pride in all that your cooperative has accomplished in the past year. We also hope it invokes a level of confidence in your member-elected board of directors and excellent staff that all work hard to deliver on our mission of bringing “value to our member-owners and communities by safely providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices.” You can be assured that we will continue to strive to achieve our vision “to be a trusted energy resource for our members, an employer of choice, and a respected business partner with our communities.”*



A handwritten signature in black ink that reads "Jerome H. Wooner".

Jerome Wooner  
Board Chair  
jwooner@peoplesenergy.coop



A handwritten signature in black ink that reads "Michael J. Henke".

Michael J. Henke  
President & CEO  
mhenke@peoplesenergy.coop

# Dairyland Director Report

FROM ARTHUR FRIEDRICH



*I am proud to be our cooperative's representative on the Dairyland Power Cooperative Board of Directors. Dairyland is the generation and transmission (G&T) cooperative that provides the power required by People's Energy Cooperative's members 24/7/365.*

*Safety is Dairyland's top priority. If employees do not work safely, the delivery of reliable and cost-competitive electricity cannot happen. Employees are authorized to stop work and speak up if something is unclear or they have questions about the best way to proceed.*

## A New ERA

Dairyland's decarbonization goal includes diversifying the sources used to generate electricity. Last year was a banner year as Dairyland was awarded more than \$600 million in grants through programs created by the Inflation Reduction Act and the bipartisan Infrastructure Investment and Jobs Act. The grant projects will help reduce Dairyland's carbon footprint and add resiliency to the grid through more than 1,000 MW of renewable energy projects and battery storage, as well as upgrades and rebuilds to existing transmission infrastructure.

In September, U.S. President Joe Biden and U.S. Department of Agriculture (USDA) secretary Tom Vilsack visited Vernon Electric Cooperative (Westby, WI). There, Biden announced a \$595 million Empowering Rural America (New ERA) grant for Dairyland. The grant will support the development of more than 1,000 MW of renewable energy projects and critical transmission system upgrades. New ERA projects are expected to result in more than a 70 percent decrease in CO2 emissions, and create career opportunities and sources of tax revenue for local communities.

In alignment with our statewide association - Minnesota Rural Electric Association - and the National Rural Electric Cooperative Association (NRECA) in Arlington, VA, Dairyland works with elected officials, regardless of party affiliation, to advocate for policies benefitting electric cooperatives. With a new federal administration, Dairyland, our statewide association, and the NRECA are monitoring developments

and advocating for co-op priorities that support growth and development in the rural communities we serve.

As part of its overall sustainable power supply plan, Dairyland continues to explore small modular nuclear reactors. Nuclear will drive the clean energy transition by providing reliable baseload, carbon-free power to support economic growth and the integration of wind and solar.

## No Transition Without Transmission

People's Energy Cooperative and Dairyland are part of the Midcontinent Independent System Operator (MISO), which is like an air traffic controller for reliable and cost-effective electricity in a 15-state region plus the province of Manitoba, Canada.

One critical aspect of reliably powering the lives of more than 40 million people in the MISO footprint is building new power generation facilities; the other is efficiently delivering electricity to where it is needed. In September 2024, the 102-mile, 345 kilovolt (kV) Cardinal-Hickory Creek transmission line was energized between Dubuque, Iowa, and Middleton, Wisconsin. Dairyland is a 9 percent owner of the line with ATC and ITC Midwest. By the time Cardinal-Hickory Creek was placed in service, there were 160 renewable generation projects totaling 24.5 gigawatts dependent upon the line.

At the end of 2024, MISO announced Tranche 2.1 of its long-range transmission plan (LRTP) totaling \$21.8 billion for 24 projects and 323 facilities in planned transmission line upgrades and construction investments. The result will be a transmission backbone of more than 3,600 miles of 765 kV and 345 kV transmission lines. With these large projects, costs are spread among the entire MISO footprint. MISO estimates that, in addition to maintaining reliability and enabling load growth, the project will result in \$1.80 to \$3.50 of benefit per \$1 spent.

Dairyland passes along the financial benefits from its investments to its member cooperatives in the form of stable rates that are among the lowest in the region. Dairyland holds credit ratings of "A3" with a stable outlook from Moody's Investors Service and A+ with a stable outlook from Standard and Poor's (S&P).

Although Dairyland is on a path to decarbonization, it is taking a measured approach that ensures reliability. President & CEO Brent Ridge has consistently reiterated that Dairyland will not sacrifice safety and reliability in meeting its members' energy needs. Last year, as a result of new economic development opportunities, Dairyland's member cooperatives collectively attracted 27 projects totaling 20.4 MW of new load in 2024.

Dairyland's John P. Madgett (JPM) Generating Station, RockGen Energy Center, and Elk Mound Combustion Turbines continue to provide stable and reliable power to the region. Their places in Dairyland's generation portfolio are vital and valuable to members – keeping the lights on when electricity is in highest demand and most expensive.

## Community

In October, Dairyland donated \$1,000 to the Kasson Fire Department through Dairyland's Cooperative Contributions program. This organization is vital to the health and well-being of the Kasson area, and we are proud to support their efforts.

On Oct. 2, about 200 volunteers from Dairyland and 10 electric cooperatives converged on six community service project sites to make a difference in our local communities. I'm proud to share that PEC employees and directors participated at Oxbow Park and Zollman Zoo in Byron to help with winterization projects like adding new mulch, cleaning out exhibits/flowerbeds, trimming vegetation, wood splitting and stacking, shop cleaning, painting, and washing windows, as well as sorting pallets and scrap metal. It is a very visible demonstration of our Cooperative Principles of Cooperation Among Cooperatives and Concern for Community.

The future is exciting, and I am proud to serve as People's representative on Dairyland's Board of Directors. The Cooperative Business Model is unique, and it positions all of us to make decisions in the best interests of our members and communities. Thank you for your membership!



Arthur Friedrich,  
Dairyland Board Representative  
afriedrich@peoplesenergy.coop

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 People's Energy Cooperative, and 27 municipal utilities throughout Illinois, Iowa, Minnesota, and Wisconsin.

Just as directors are elected from our membership to govern People's, the same applies to Dairyland's Board of Directors. I've had the privilege of being a director at People's for 12 years and have been proud to serve as your representative on the Dairyland Board for four 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](http://www.DairylandPower.com). Also, follow Dairyland on Facebook, LinkedIn and YouTube.*

# Southern Minnesota Energy Cooperative

FROM RICHARD G. BURUD



It is my pleasure to report that Southern Minnesota Energy Cooperative (SMEC) successfully completed its ninth year of operation. SMEC was formed to provide an entity to purchase the Alliant Energy system in Minnesota and provide power supply for its members through 2025. After which, People's will receive all its wholesale power from Dairyland Power Cooperative.

In 2024, we completed all the compliance requirements of the Minnesota Public Utilities Commission (MNPUC). This included compliance with the state standards for renewable energy as a portion of our power supply as well as documenting and submitting an outage report for each cooperative. Once again, we met all the requirements and will meet and exceed the renewable energy standard for the state in 2025.

Rates are always a major concern of our member cooperatives, which in turn affects their member's retail rates. If projections are correct, it appears that wholesale rates to People's and other SMEC members will be stable except for transmission service in 2025. Of course, these are projections and the SMEC Board ultimately sets the SMEC wholesale rates.

2025 will be the last year of supplying wholesale power via our power contract with Alliant Energy as agreed upon in the 2015 purchase contract. It is amazing how fast 10 years have gone by! In August 2025 the SMEC agreement ends and all wholesale power requirements for People's will transfer to Dairyland Power Cooperative.

SMEC has met all its financial policies as outlined by the Board of Directors. Therefore, the Board was able to approve the repayment of the 2022 SMEC capital credits to our members in the first quarter of 2025. I thank Mike Henke for serving on our Board of Directors.

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

Richard G. Burud,  
SMEC General Manager

## LIVING OUT THE COOPERATIVE PRINCIPLE OF "CONCERN FOR COMMUNITY"



**\$86,871**

Awarded by the  
Operation Round Up Board



**\$50,000**

High School Scholarships Awarded  
From Unclaimed Capital Credits



**7**  
CURRENT  
LOANS  
totalling:

**\$752,800**

Economic Development  
Loans For Area Businesses





# People's Energy Cooperative

# Minutes of the 87<sup>th</sup> Annual Meeting

MARCH 21, 2024

*The 87th Annual Meeting of the members of People's Energy Cooperative was held in person at the International Event Center in Rochester, Minnesota, on Thursday, March 21, 2024, 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 live through YouTube to two satellite locations in Plainview and Kasson, as well as Facebook for online viewing.*

Gwen Stevens, Director 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.

Secretary/Treasurer Tracy Lauritzen gave the invocation and led the membership in reciting the Pledge of Allegiance.

Chair of the Board Jerome Wooner announced there were sufficient members (225) present to constitute a quorum and the meeting was officially called to order at 6:07 p.m. A motion to accept the agenda was received along with a second. The motion carried.

The minutes of the March 23, 2023, 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.

Tracy Lauritzen, secretary/treasurer of the Board of Directors, gave the financial report. The Highline Hi-Lites Annual Report contained the results of the Cooperative's annual audit.

Board Chair Jerome Wooner addressed the membership and talked about the importance of member engagement. He encouraged members to support the Cooperative by serving on the Membership Advisory Committee or Nominating Committee or by simply engaging in member events like the Annual Meeting or Energy Forums. Members were also encouraged to engage by responding to cooperative surveys and participating in cooperative programs.

President & CEO Mike Henke then addressed the membership and talked about the Cooperative Difference by highlighting how the Cooperative lives out the Cooperative Principles of Democratic Member Control, Members' Economic Participation, Cooperation Among Cooperatives, and Concern for Community. He recognized employees with milestone anniversaries and the Nominating Committee for their work in identifying candidates to run for the Board of Directors.

Pederson, who oversaw the election process, announced the results of the director elections. Elected to the Board of Directors for three-year terms were Jodie Tvedt from District 2 with 1576 votes (uncontested) and Tracy Lauritzen from District 4 with 931 votes (Brent McNallan had 743 votes).

Pederson 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 87th Annual Meeting of People's Energy Cooperative was adjourned at 6:52 p.m.

Mr. Wooner opened the meeting to questions.

*Tracy Lauritzen*

**Tracy Lauritzen, Secretary/Treasurer**

# 2025 Districts Up For Election

## DISTRICTS 1 AND 6

Election materials for the 2025 Board Elections were mailed on February 24. 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.

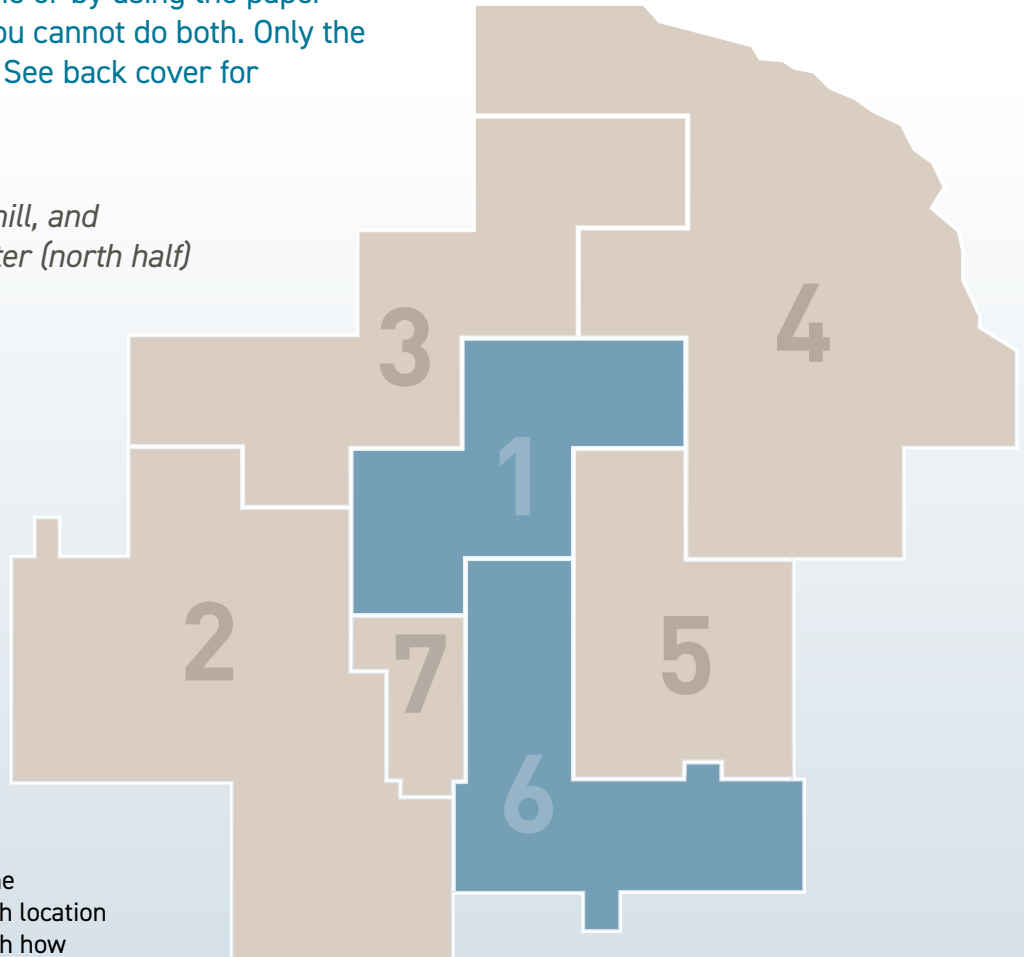
### DISTRICT 1:

*Cascade, Elgin, Farmington, Haverhill, and sections one through 18 of Rochester (north half)*

### DISTRICT 6:

*Chatfield, Filmore, Jordan, Marion, Pleasant Grove, and Sumner*

*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

This year we are asking members to RSVP for the Annual Meeting taking place on Thursday, March 27 to help save on costs. This can be done as part of the voting process either online or using the paper ballot. We ask that you indicate which location you plan to attend the meeting at along with how many will be attending.



# 1

## Jonathan (Jon) Kroening – District 1 Nominee

Incumbent · By Nomination · Rochester, MN  
*Cooperative Member for 16 years*



# 6

## Arthur (Art) Friedrich – District 6 Nominee

Incumbent · By Nomination · Chatfield, MN  
*Cooperative Member for 41 years*

# PROUDLY SERVING **20,228 Members**

A LOOK AT PEOPLE'S ENERGY COOPERATIVE BY THE NUMBERS



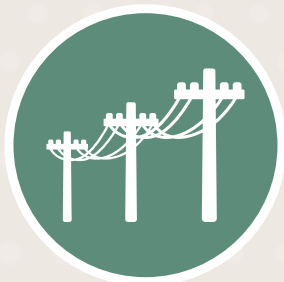
## our PEOPLE

**7**  
**Board Members**  
*governing the Cooperative*

**7**  
**Operation Round Up**  
*Board Members*

**66**  
**PEC Employees**  
*serving you, the member*

**30**  
**Member Advisory**  
*Committee Members*



## our SYSTEM

**1,144** Square Miles  
*of service territory in six counties*

**8.4** Consumers  
*per each mile of line*

**\$203** Million  
*in total utility plant*

**43,303**  
**Poles**

**2,910** Miles of Line  
*2,053 overhead • 857 underground*

**28**  
**Substations**

**333** Member-Owned  
**Renewable Systems**  
*325 Solar • 8 Wind*

**13,382**  
**Transformers**



## our SERVICE

**359** Million  
*kilowatt hours sold*

**24,345**  
**Services in Place**

**6,230**  
**Poles Inspected**

**143,336**  
**Hours Worked**

**725**  
**Work Orders Completed**

**8,412**  
**Rebates Issued**

# 2024

From The Treasurer:

I am pleased to present the 2024 financial results for People's Energy Cooperative.

The 2024 financial statements were audited by the accounting firm Brady Martz & Associates, P.C., who also audited the *Operation Round Up*® financial records reported on page 14 of this annual report.

In their opinion, the 2024 financial statements present fairly, in all material respects, the financial position and results of operation for People's Energy Cooperative in conformity with generally accepted accounting principles.

Sincerely,



Tracy Lauritzen,  
Treasurer

## 2024 FINANCIAL RESULTS

# Statement of Operations

FISCAL YEARS ENDED DEC. 31, 2024 & 2023

| OPERATING REVENUES  | 2024         | 2023         |
|---|--------------|--------------|
|   | \$56,404,006 | \$53,794,420 |
| <b>OPERATING EXPENSES</b>                                 |              |              |
| Cost of Power   | \$30,541,104 | \$31,210,702 |
| Distribution Expense - Operations                         | \$3,552,061  | \$3,419,024  |
| Distribution Expense - Maintenance                        | \$3,927,319  | \$3,623,709  |
| Consumer Accounts Expense                                 | \$2,273,218  | \$2,224,474  |
| Sales Expense   | \$108,366    | \$111,245    |
| Administrative and General Expense                        | \$3,747,168  | \$3,018,532  |
| Depreciation Expense                                      | \$5,852,326  | \$5,593,119  |
| Other Deductions  | \$50,583     | \$167,170    |
| Total Operating Expenses                                  | \$50,052,145 | \$49,367,975 |
| <b>OPERATING MARGINS (before fixed charges)</b>           |              |              |
|   | \$6,351,861  | \$4,426,445  |
| <b>INTEREST ON LONG-TERM DEBT</b>                         |              |              |
|   | \$3,571,857  | \$3,019,246  |
| <b>OPERATING MARGINS (after fixed charges)</b>            |              |              |
|   | \$2,780,004  | \$1,407,199  |
| <b>GENERATION, TRANSMISSION AND OTHER CAPITAL CREDITS</b> |              |              |
|   | \$1,533,666  | \$1,521,869  |
| <b>NET OPERATING MARGINS</b>                              |              |              |
|   | \$4,313,670  | \$2,929,068  |
| <b>NON-OPERATING MARGINS</b>                              |              |              |
| Interest Income   | \$121,597    | \$89,794     |
| Income Tax Expense  |              |              |
| Other Non-Operating Margins                               | \$344,683    | \$292,878    |
| Extraordinary Items                                       | \$0          | \$0          |
| Total Non-Operating Margins                               | \$466,280    | \$382,672    |
| <b>NET MARGINS</b>  |              |              |
|   | \$4,779,950  | \$3,311,740  |

# Balance Sheet

ENDED DEC. 31, 2024 & 2023

**assets:**  
what we own

**equities:**  
our net worth

**liabilities:**  
what we owe

## Corporate Profile

Incorporated on January 1, 1936, People's Energy Cooperative serves 20,228 members through 2,910 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  | 2024                 | 2023                 |
|---|----------------------|----------------------|
| UTILITY PLANT                                 |                      |                      |
| - Electric Plant in Service                   | \$199,963,954        | \$190,310,490        |
| - Construction Work in Progress               | \$2,949,138          | \$2,404,774          |
| Total   | \$202,913,092        | \$192,715,264        |
| - Less Accumulated Provision for Depreciation | [-] \$43,590,293     | [-] \$41,201,768     |
| Net Utility Plant                             | \$159,322,799        | \$151,513,496        |
| OTHER PROPERTY AND INVESTMENTS                |                      |                      |
| Investment in Associated Organizations        | \$21,291,548         | \$20,329,298         |
| Other Investments                             | \$1,330,838          | \$1,384,925          |
| Total Other Property and Investments          | \$22,622,386         | \$21,714,223         |
| CURRENT ASSETS                                |                      |                      |
| - Cash and Cash Equivalents                   | \$1,656,322          | \$1,651,367          |
| - Accounts Receivable, Net                    | \$5,337,736          | \$4,823,506          |
| - Other Accounts Receivable, Net              | \$108,716            | \$207,663            |
| - Materials and Supplies Inventory            | \$2,869,921          | \$3,223,351          |
| - Other Current and Accrued Assets            | \$15,462             | \$11,894             |
| Total Current Assets                          | \$9,988,157          | \$9,917,781          |
| DEFERRED DEBITS                               |                      |                      |
|   | \$149,280            | \$182,046            |
| <b>TOTAL ASSETS</b>                           | <b>\$192,082,622</b> | <b>\$183,327,546</b> |

| EQUITIES & LIABILITIES                    | 2024                 | 2023                 |
|---|----------------------|----------------------|
| EQUITIES                                  |                      |                      |
| - Patronage Capital                       | \$40,398,369         | \$37,704,818         |
| - Other Equities                          | \$31,404,128         | \$30,622,332         |
| - Accumulated Other Comprehensive Margins | [-] \$104,465        | [-] \$76,392         |
| Total Equities                            | \$71,698,032         | \$68,250,758         |
| LONG-TERM DEBT (less current maturities)  |                      |                      |
|   | \$107,026,505        | \$100,566,782        |
| OTHER NON CURRENT LIABILITIES             |                      |                      |
| - Accrued Post Retirement Benefits        | \$727,426            | \$693,959            |
| CURRENT LIABILITIES                       |                      |                      |
| - Current Maturities of Long-Term Debt    | \$4,610,340          | \$4,435,869          |
| - Notes Payable                           | 0                    | \$1,000,000          |
| - Accounts Payable                        | \$3,290,909          | \$3,146,419          |
| - Consumer Deposits                       | \$460,520            | \$479,822            |
| - Other Current and Accrued Liabilities   | \$2,684,031          | \$2,412,676          |
| Total Current Liabilities                 | \$11,045,800         | \$11,474,786         |
| DEFERRED CREDITS                          |                      |                      |
|   | \$1,584,859          | \$2,341,261          |
| <b>TOTAL EQUITIES AND LIABILITIES</b>     | <b>\$192,082,622</b> | <b>\$183,327,546</b> |

# 2024 Financial Results (continued)

| FINANCIAL DATA & FIVE-YEAR COMPARISON |               |               |               |               |               |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| FISCAL YEARS 2024-2020                | 2024          | 2023          | 2022          | 2021          | 2020          |
| Total Utility Plant                   | \$202,913,092 | \$192,715,264 | \$182,664,606 | \$187,538,186 | \$177,835,648 |
| Total Revenue                         | \$56,404,006  | \$53,794,420  | \$54,703,554  | \$50,506,832  | \$49,670,839  |
| Cost of Purchased Power               | \$30,541,104  | \$31,210,702  | \$31,234,285  | \$28,339,653  | \$27,876,705  |
| Total Margins                         | \$4,779,950   | \$3,311,740   | \$6,331,449   | \$3,599,103   | \$2,737,710   |
| Equity Ratio (equity/total assets)    | 37.33%        | 37.2%         | 37.3%         | 34.3%         | 33.8%         |
| Total Interest Expense                | \$3,616,802   | \$3,173,523   | \$3,115,364   | \$3,135,792   | \$3,193,445   |
| Interest Coverage (TIER)              | 2.34          | 2.10          | 3.15          | 2.16          | 1.86          |
| Service Interruptions (average hours) | 2.19          | 1.49          | 2.44          | 7.83          | 1.23          |
| Full-time Employees                   | 66            | 65            | 65            | 65            | 62            |
| Services in Place                     | 24,345        | 24,159        | 24,060        | 23,878        | 23,639        |
| Total Miles of Line                   | 2,910         | 2,906         | 2,897         | 3,004         | 2,990         |
| Kwh Sold                              | 359,492,760   | 360,649,807   | 368,193,567   | 362,606,593   | 357,724,157   |
| Capital Credits Retired               | \$1,381,438   | \$1,409,840   | \$1,284,094   | \$1,140,509   | \$1,084,271   |



## 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, 2024

| STATEMENT OF FINANCIAL POSITION: NET ASSETS |             |
|---|-------------|
| - Cash                                      | \$49,997    |
| - Accounts Receivable                       | \$7,348     |
| - Accounts Payable                          | [-] \$4,005 |
| Net Assets                                  | \$53,340    |
| STATEMENT OF ACTIVITIES                     |             |
| REVENUE                                     |             |
| - Contributions                             | \$89,710    |
| EXPENSES                                    |             |
| - Charitable Giving*                        | \$89,943    |
| - Operating Expenses                        | \$4,520     |
| - Bank Fees                                 | \$144       |
| Total Expenses                              | \$94,607    |
| Change In Assets                            | [-] \$4,897 |

\* Charitable Giving is what was paid out in 2024 and includes grants awarded in 2023.



# 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, gender identity (including gender expression), sexual orientation, 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 responsible Agency or USDA's TARGET Center at (202) 720-2600

(voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. 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](http://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 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  
Washington, D.C. 20250-9410**
- (2) fax: **(202) 690-7442**
- (3) email: **[program.intake@usda.gov](mailto: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

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

### MANAGEMENT STAFF

- Michael J. Henke ..... *President & CEO*
- Michelle Olson ..... *Vice President of Information & Services*
- Gwen Stevens ..... *Vice President of Cooperative Relations*
- Dody Wubker..... *CFO*
- Jeff Holley .....*Vice President of Engineering*
- 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 26.**
- ▶ Online votes will be accepted until **10:30 AM on Wednesday, March 26.**
- ▶ 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

# ATTEND THE ANNUAL MEETING IN 2025

People's Energy Cooperative will be traveling to La Crosse, Wisconsin, on Wednesday, June 4, to participate in Dairyland Power Cooperative's 2025 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.

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