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# CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

Imagine you're planning a vacation. You don't book the first flight you see, or the first hotel that pops up in your search engine. You will do research, look at reviews, and consult with friends who have traveled to the same location. You use more than one tool to ensure you have the best trip for a reasonable price.

Much in the same way, cooperatives don't raise rates without utilizing tools to make sure that every dollar collected is working harder for you and delivers quality service. One of the tools we use when considering a rate change is a cost-of-service study.

Cost-of-service studies are used by utilities to evaluate and establish rates. They identify the cost of providing service based on member class (residential vs. commercial), type of service provided (single vs. three-phase), and energy load characteristics (the demand and capacity requirements a service puts on the system). They also provide guidance for allocating revenue requirements to ensure equity among members and help utilities design rates that recover adequate revenue to provide the service required by members.

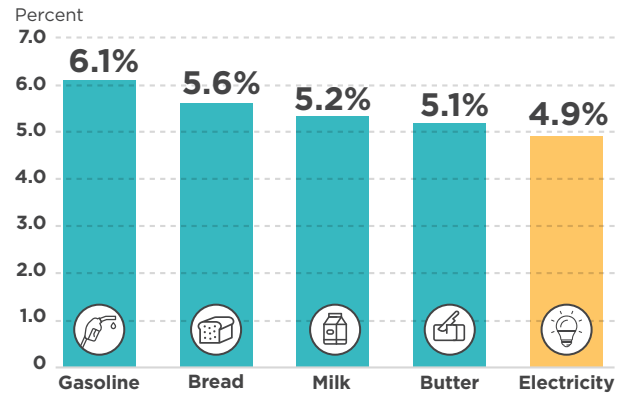
The cost-of-service study serves as an important resource used by the staff and Board to understand how best to structure our rates and ensure we have the resources needed to meet our revenue requirements to provide safe, reliable electric service to our members. With the help of a third-party rate consultant, we have recently completed a cost-of-service study to ensure our rates remain equitable.

Ultimately, your elected Board of Directors has the final approval of rate changes. The Board understands the ever-changing influences in our industry and strives to maintain a fair, equitable, and risk-rated balance between the collection of revenue and incurring of expenses between all

## ELECTRICITY REMAINS A GOOD VALUE

Although inflation has led to increasing costs in many areas of our lives, the cost of powering your home rises slowly when compared to other common goods. Looking at price increases over the last five years, electricity remains a good value.

### Average Annual Price Increase 2018-2023



revenue classes as stated in our policy. It's important to remember that as a not-for-profit entity, we only collect what we need to provide our services.

At the Board of Director's January meeting, they approved new rates to meet the required 2.5% increase in revenue for 2025. On Page 4, we have outlined what the rate increase will be for some of our most common rates. A complete list of rates affected by this increase is available on our website.

We understand that hearing news of a rate increase may be difficult for some. We will continue to communicate details of this rate increase through bill inserts and additional articles here in the Highline. As we navigate this change, please reach out with any questions that you may have.



Sincerely,

Michael J. Henke  
President & CEO  
(800) 214-2694

# MONTHLY MEETING HIGHLIGHTS

highline

Vol. 89 • Issue 2

PEC's Board of Directors held its monthly meeting on January 30. During the meeting, the following items were discussed: cost-of-service study results; corporate profile materials; Dairyland Directors Report; fourth quarter financials; a review of meetings attended; and governance training.

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

- ▶ Approved a PCA charge of 3.788 mills per kWh for Legacy members for January usage billed in February.
- ▶ Approved a PCA charge of 4.675 mills per kWh for SMEC members for January usage billed in February.
- ▶ Approved the 2025 Retail Rate Changes effective with May usage.
- ▶ Approved phasing out the Member Advisory Committee in 2025.
- ▶ Approved the RUS Loan Application Resolution.
- ▶ Approved edits to Policy 702 – Ethics Policy.

## MANAGEMENT

Michael J. Henke,  
*President/CEO*

Michelle Olson,  
*Director of  
Member Services*

Gwen Stevens,  
*Director of Cooperative  
Relations*

Dody Wubker, *CFO*

Nicholas Woetzel,  
*Director of Operations*

Jeff Holley,  
*Director of Engineering*

## BOARD OF DIRECTORS

### DISTRICT 1:

Jon Kroening, *Secretary*

### DISTRICT 2:

Jodie Tvedt, *Vice Chair*

### DISTRICT 3:

John Winter

### DISTRICT 4:

Tracy Lauritzen, *Treasurer*

### DISTRICT 5:

Jerry Wooner, *Board Chair*

### DISTRICT 6:

Art Friedrich,  
*Dairyland Director*

### DISTRICT 7:

Jeff Orth

Visit [peoplesenergy.coop](http://peoplesenergy.coop)  
for a listing of the areas  
covered by each district.

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

## VEGETATION MANAGEMENT REMINDER

During the months of March and April, New Age Tree Service will be working in the cities of Plainview and Elgin and portions of Marion, Pleasant Grove, and Orion townships. Carr's Tree Service will be working during this same time in portions of Pleasant Valley, Grand Meadow, Frankfort, Racine, Pleasant Grove, Sumner, and High Forest townships.



## UNCLAIMED OR UNCASHED CAPITAL CREDITS

Every year, after capital credit checks are distributed, the U.S. Postal Service returns some of those checks as undeliverable. Sometimes, these checks are never cashed.

To see a list of members whose checks have been returned as undeliverable or were uncashed, please visit our website at [www.peoplesenergy.coop/capital-credits](http://www.peoplesenergy.coop/capital-credits). People on this 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](mailto:jgoulson@peoplesenergy.coop).

# \$30 SPOT YOUR NUMBER

Each month, we hide four 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](mailto:memberservices@peoplesenergy.coop) to receive a \$30 credit on your bill.

## Good luck in finding your account number!

# 2025 Rate Increase

Over the last several years, historically high inflation has had a significant impact on the Cooperative. The increased cost of materials continues to place a heavy burden on our operations and budget. In December, the Board of Directors approved the 2025 budget, requiring a 2.5% increase in revenue.

## Who will be affected?

Beginning with February bills, reflecting January energy use, all members saw an increase in their bills through a power cost adjustment (PCA). The average residential consumer saw their bill increase by approximately \$3.25. This PCA will continue to be applied to energy use through April. Beginning with May 2025 energy use, a formal rate increase will go into effect. This change will be reflected on the June billing statement.

## What will the rate increase be?

We have outlined in the table below how rates will increase for the most common rates which encompass approximately 90% of PEC members. A full list of rates is available on our website. Please note that summer is June through August, and non-summer is September through May.

RESIDENTIAL

	BSC - NOW	BSC - May 1	Current Energy Rate	Energy Rate Effective May 1
<b>RURAL</b>	\$59.00/month	\$61.50/month ▲ \$2.50	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1270/kWh (Summer) ▲ \$0.003 \$0.1070/kWh (Non-Summer) ▲ \$0.003
<b>URBAN</b> (within incorporated city limits)	\$38.50/month	\$41.00/month ▲ \$2.50	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1270/kWh (Summer) ▲ \$0.003 \$0.1070/kWh (Non-Summer) ▲ \$0.003
<b>SHARED WELL AND SEPTIC</b> (2 or more services with shared transformer)	\$22.50/month	\$24.00/month ▲ \$1.50	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1270/kWh (Summer) ▲ \$0.003 \$0.1070/kWh (Non-Summer) ▲ \$0.003
<b>DUAL FUEL HEAT</b>	\$7.00	\$7.00	\$0.1040/kWh (Summer) \$0.0751/kWh (Non-Summer)	\$0.1070/kWh (Summer) ▲ \$0.003 \$0.0751/kWh (Non-Summer)

GENERAL/COMMERCIAL

	BSC - NOW	BSC - May 1	Current Energy Rate	Energy Rate Effective May 1
<b>SMALL GENERAL SERVICE &lt;25 KW</b>	\$59.00/month (single-phase)	\$61.50/month ▲ \$2.50	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1270/kWh (Summer) ▲ \$0.003 \$0.1070/kWh (Non-Summer) ▲ \$0.003
	\$123.00/month (three-phase)	\$125.00/month ▲ \$2.00	\$0.1240/kWh (Summer) \$0.1040/kWh (Non-Summer)	\$0.1270/kWh (Summer) ▲ \$0.003 \$0.1070/kWh (Non-Summer) ▲ \$0.003
<b>MEDIUM GENERAL DEMAND SERVICE &gt;25 KW</b>	\$64.00/month (single-phase)	\$65.00/month ▲ \$1.00	\$0.0630/kWh <b>Demand</b> \$17.00/kW (Summer) \$14.75/kW (Non-Summer)	<b>NO CHANGE</b> \$0.0630/kWh <b>Demand</b> \$17.00/kW (Summer) \$14.75/kW (Non-Summer)
	\$125.00/month (three-phase)	\$125.00/month <b>NO CHANGE</b>	\$0.0630/kWh <b>Demand</b> \$17.00/kW (Summer) \$14.75/kW (Non-Summer)	<b>NO CHANGE</b> \$0.0630/kWh <b>Demand</b> \$17.00/kW (Summer) \$14.75/kW (Non-Summer)

# Energy Efficiency

## AS ECONOMIC DEVELOPMENT

According to Economic Innovation Group, more than 50% of counties (and more than 70% of rural counties) rely on federal funding for 25% or more of their income. Included in this are things like Social Security, Medicare, VA Benefits, Unemployment Insurance, SNAP, etc. While these programs are vital to individual and community wellbeing, this money doesn't grow with additional jobs or economic activity.

"The counties in People's Energy Cooperative's service area get between 15% and 25% of their income from federal funding, with Olmsted being the lowest at 15%," reports PEC's Economic Development and Key Accounts Manager Marty Walsh.

He suggests the idea of thinking of energy efficiency as economic development. "If 500 households save \$10 per month in energy costs, that is \$60,000 a year in more disposable income in our community," he says. Twenty-two thousand five hundred eleven.

Purchasing energy-efficient items like heat pumps and Energy Star appliances are excellent examples of how this works. The savings they create end up circulating in the community like income, used to buy groceries, pay for home improvements, and increase economic vitality.

## Are you upgrading your HVAC equipment this year?

Upgrading your HVAC equipment can be expensive. If you plan to make changes this year, whether it's for a home or business, we have rebates you won't want to miss.

Heat Pump – Air Source & Mini Split	\$200/ton
Heat Pump – Commercial Air Source & PTHPs	\$200/ton
Heat Pump – Geothermal	\$400/ton
New Furnace with Efficient ECM Blower Motor	\$35/unit

These rebates don't include the federal tax credits and rebates you may qualify for! To learn more about how you can save, visit [www.peoplesenergy.coop/rebates](http://www.peoplesenergy.coop/rebates). We have information about our rebate program, along with links to information on federal tax credits and rebates.



# CELEBRATING

# 88

# YEARS OF SERVICE

Electric cooperatives play an essential role in the communities they serve by powering every home and business. In that role, People's Energy Cooperative's vision is to be a trusted energy resource for our members, an employer of choice, and a respected business partner with our communities. At this year's 88th Annual Meeting, we invite you to join us to hear how we've been living out that vision over the last year.

The main event will be held at the Rochester International Event Center and broadcast to the American Legion 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.

This year we will be recognizing the Cooperative's high school scholarship winners as part of the meeting, so it will be a little longer than in the past. Three thousand eight hundred seventeen.



Plainview American Legion



Rochester International Event Center

## Event Information

**Thursday, March 27, 2025**

5:00 p.m. – Doors Open

6:00 p.m. – Business Meeting

*A light dinner will be served.*

### **Rochester International Event Center**

7333 Airport View Dr. SW

Rochester, MN 55902

### **American Legion, Plainview**

215 3rd St. SW

Plainview, MN 55964

Please RSVP in advance by indicating on your ballot whether or not you will be attending the event. Indicate how many people will be attending and at which location.

# UPCOMING BOARD ELECTION

As a member of People's Energy Cooperative, you have a voice in how it is governed and who represents you on the Board of Directors.

Every year, two to three Board of Director seats are up for election. This year, those seats are in District 1 and 6. Currently, Jon Kroening (District 1) and Art Friedrich (District 6) serve in those roles. They are both running unopposed in the 2025 Board of Directors Election and your vote still matters. Each candidate must receive at least 50 votes to constitute a quorum for the election, so please be sure to vote!

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](mailto:noreply@directvote.net) with a direct link to cast their vote online. Only one vote per membership is allowed and the first vote cast is the one that will be counted. The voting link will be "live" and open for voting on February 24, 2025. Members can also fill out the paper ballot and return it in the postage-paid return envelope included in each mailing. Ballots, both online and mailed via USPS, must be received by March 26 at 10:00 a.m. CST.



## 2025 NOMINATING, CREDENTIALS, & 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. Members who are not nominated by the Committee may petition for nomination by securing signatures from at least 0.5 percent of the membership at the time of petition (which equates to approximately 100 member signatures).

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. Members from any district may serve on the Nominating Committee, regardless of which districts are up for election.

**We thank this year's committee comprised of:**

**District 1:** Ben Hain

**District 2:** Robert Scott-Hovland, Robert Kuhlman, Bill Pirkl

**District 3:** Mike Hintz, Mike Nevin

**District 4:** Mary Blair-Hoeft



# Operation Round Up<sup>®</sup>



## Grants \$17,800 to Local Organizations

People's Energy Cooperative's Operation Round Up<sup>®</sup> 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<sup>®</sup> Trust Board granted \$17,800 to the following local organizations:

**Bundles of Love** - \$500 to help purchase supplies for care packages to new mothers in need

**Byron Robotics STEAM Association** - \$1,000 to help purchase robot component parts

**Catholic Charities of Southern MN** - \$1,000 for the Mother and Child Assistance Fund

**City of Elgin** - \$2,000 to help with the purchase of a new emergency warning signal

**Deer Creek Longspurs (NWTF)** - \$200 in support of the National Wild Turkey Federation Youth Portal Shooting Range

**Dover-Eyota Theatre and Music** - \$500 toward the purchase of a new sound board for the auditorium

**Ironwood Springs Christian Ranch** - \$1,200 for the purchase of new energy-efficient lighting in Castner Riding Arena

**Kasson-Mantorville Community Education** - \$500 in support of expanding arts access

**Kasson-Mantorville Softball Booster Club** - \$500 to help with the purchase of new netting for the pitching warm-up area

**Mazeppa Senior Citizens** - \$300 in support of fellowship events for seniors

**Oronoco Food Shelf** - \$400 to help purchase technology and dry food storage upgrades

**Othello Cemetery** - \$1,000 to help with restoration and preservation of monuments

**Pine Island Senior Center** - \$700 to help with the installation of automatic swing doors

**Plainview Area Community and Youth Center** - \$2,000 in support of the kitchen remodel project

**Project Get Outdoors, Inc.** - \$500 to help print booklets for SE Minnesota Park Rx

**Rochester Risers Rotary Club** - \$500 in support of My Book Day

**RPS Varsity Robotics Team 2530** - \$500 to help with the purchase of robot replacement parts

**Stewartville Early Childhood Family Education (ECFE)** - \$500 in support of ECFE Infant Welcome Packets

**Stewartville High School** - \$1,000 to help purchase trash cans for the parking lot

**Stewartville Middle School** - \$1,000 to help with the purchase of Solar Suitcases equipment

**The Grace Foundation** - \$1,000 in support of RCLS Safe & Secure

**Triton Elementary School** - \$500 to help purchase supplies for 3D Pen Exploration

**Zumbro Valley Health Center** - \$500 to help purchase supplies for the Youth Support Hub

To be considered for second quarter grants in 2025, applications must be submitted no later than March 20, 2025. Program guidelines and applications for Operation Round Up<sup>®</sup> donations are available at [peoplesenergy.coop/operation-round-up](http://peoplesenergy.coop/operation-round-up) or by calling the Cooperative at (800) 214-2694.



## ROCHESTER ELECTRIFY EVERYTHING 2025



Receive step-by-step guidance on weatherization and electrification for a more comfortable, healthier, and safer home.

Join our **FREE Workshop Series:**

- ✓ **Get Amped: The Basics of Electrifying Your Home**  
Thursday, April 3, 6:00 p.m.–7:30 p.m.
- ✓ **Stay Cool, Stay Warm: Heat Pumps Demystified**  
Thursday, May 8, 6:00 p.m.–7:30 p.m.
- ✓ **Hot Stuff: Electrifying Water Heating, Cooking, and Clothes Drying**  
Thursday, June 12, 6:00 p.m.–7:30 p.m.



[www.electrifyeverythingmn.org](http://www.electrifyeverythingmn.org)

Electrify Everything MN is managed by Center for Energy and Environment and supported by the City of Rochester, Destination Medical Center, and other foundation and local government partners.

# Minnesota's Cold Weather Rule

Please remember that the Cold Weather Rule does not prevent the Cooperative from shutting off your power for non-payment during winter months. If you find yourself in need of energy assistance, we encourage you to contact one of these Energy Assistance Program (EAP) providers in southeast Minnesota:

### SEMCAAC

(800) 944-3281

Serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston, and Steele

### Three Rivers Community Action, Inc.

(800) 277-8418

Serves the counties of Olmsted and Wabasha

# It's Not Too Late to Apply!



Do you know a high school junior or senior interested in visiting our nation's capital? Do you know a student interested in the inner workings of Washington, D.C.? People's Energy is sending one high school junior or senior on a once-in-a-lifetime trip this summer. For more details about the trip, including how to apply, visit [www.peoplesenergy.coop/education-programs](http://www.peoplesenergy.coop/education-programs). **Applications are due Friday, March 7 at 4:00 p.m.**

# Is a Ductless Mini-Split System Right for Your Home?

How would you like a personalized comfort zone within your home? One where the temperature is customized to your liking and may be different than the temperature in the shared living areas or other rooms in the house. This flexibility and customization are precisely why mini-split systems, also known as ductless air-source heat pumps, and their energy efficiency aspects are so popular.

A mini-split system is a type of HVAC equipment used for heating and cooling, allowing you to control the temperature in individual rooms or spaces. Like central heating and cooling, mini-split systems have two main components — an outdoor compressor and an indoor air-handling unit(s). A narrow conduit links the indoor unit(s) to the outdoor compressor.

Mini-split systems are a popular option in home additions, or to supplement heating and cooling in a space that may be furthest away from the main living area, such as a finished attic or basement. In these instances, it may not be feasible to install or extend the ductwork required in traditional central cooling and heating systems. In contrast, mini-splits are relatively easy to install requiring a small hole for the conduit connecting the indoor and outdoor units. Most systems can handle up to four indoor rooms or zones connected to one outdoor unit. Each of the zones can be customized because each includes a thermostat that enables you to heat or cool the space as needed, saving energy and money over time. Twenty-nine thousand eight hundred ninety.

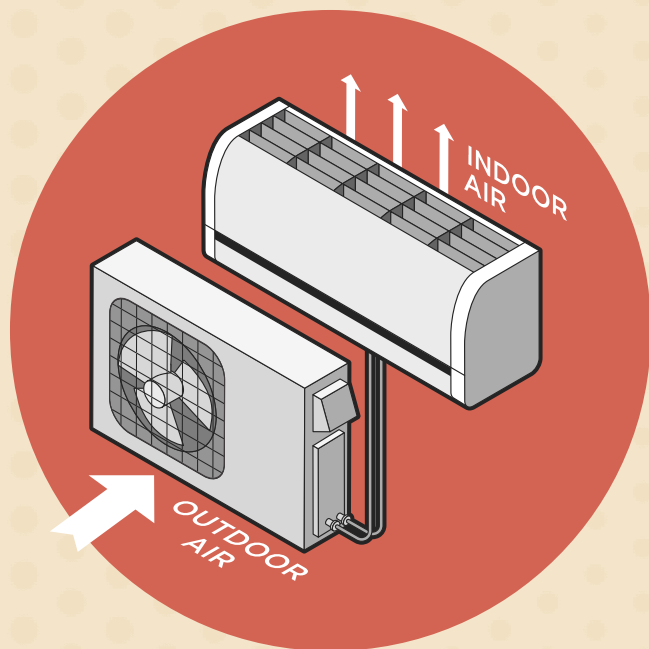


Mini-split systems bring additional benefits. They are quiet, improve indoor air quality, and are typically easy to install. Many come with remotes to make temperature control even easier, and because of their smaller size, mini-split systems have many placement options for indoor and outdoor units. One of the greatest benefits of mini-splits is that they typically have a higher SEER (seasonal energy efficiency ratio) rating than traditional central heating and cooling systems. The higher the unit's SEER rating, the more energy efficient it is.

It's important to note that, according to the Department of Energy, "mini-splits cost about \$1,500 to \$2,000 per ton of cooling capacity. That's about 30% more than central systems (not including ductwork) and may cost twice as much as window units of similar capacity."

While the technology is improving and evolving, because of our colder climate, members may need a fuel backup to run a mini-split system. Aesthetics are another factor to consider, as some homeowners don't like the appearance of the indoor units, which are more visible than central air conditioning vents.

If you're considering an upgrade or additional heating and cooling equipment, talk to a qualified technician to learn if a ductless mini-split system could work for your home.



# ENERGY SCAMS UNMASKED

Consumers with water, gas, and electricity connections have long been targets for utility scams. But in today's digital world, every swipe and click increases the risk of potential scams. We would like to share updates on some of the latest utility scams, as well as tips to help you stay safe from even the craftiest scammers.

## Recent Utility Scams

Scammers typically disguise themselves as utility employees to steal consumers' money or personal information. A common trick is to claim a consumer's bill is past due and threaten to disconnect service if payment isn't received immediately. Scammers approach consumers through a variety of means, including phone calls, text messages, emails, and even in-person visits. However, the digital line of attack is increasingly more common.

For example, disguising the caller ID or "spoofing" can make the phone number you see on caller ID appear to be from a trusted source. Spoofing makes it easier for scammers to deceive you because it's more difficult to immediately verify the call. Another recent scam uses fraudulent websites that are identical to a utility payment webpage--and what's worse, these pages are often promoted on search engines to trick consumers into clicking and making a payment.

## Spotting a Scam

There are several red flags you can watch for to identify an energy scam.

- ▶ Scammers often use high-pressure tactics to create a sense of urgency, like claiming your electricity or other services will be disconnected if a payment isn't made immediately.
- ▶ Scammers may ask for unusual payment methods such as gift cards or cryptocurrency. If someone is pushing for an unusual payment method, it's likely a scam.
- ▶ Many digital scams, like emails or text messages, include poor grammar, spelling errors, and odd email addresses. These are red flags, so when you see these dodgy forms of communication, consider it a potential scam.

## What PEC Will (and Won't) Do

People's Energy Cooperative will never demand an instant, immediate payment and threaten to disconnect your service without prior notice or warning. We will also never ask for your Social Security number or banking details over the phone or through email. Twenty-nine thousand nine hundred seventeen.

## Avoiding Scams

Whether in-person, over the phone, or online, always be suspicious of an unknown individual claiming to be a PEC employee requesting banking or other personal information. We will only send you text messages if you have opted in for important alerts (like outage updates) from SmartHub.

If you're ever in doubt about a potential energy scam, just give us a quick call at (800) 214-2694 so we can assist. We want to help protect you and our community against utility frauds. By notifying us about potential scams, you can create the first line of defense. We encourage you to report any potential scams so we can spread the word and prevent others in our community from falling victim.





**People's Energy Cooperative**

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South  
Oronoco, Minnesota 55960

# highline

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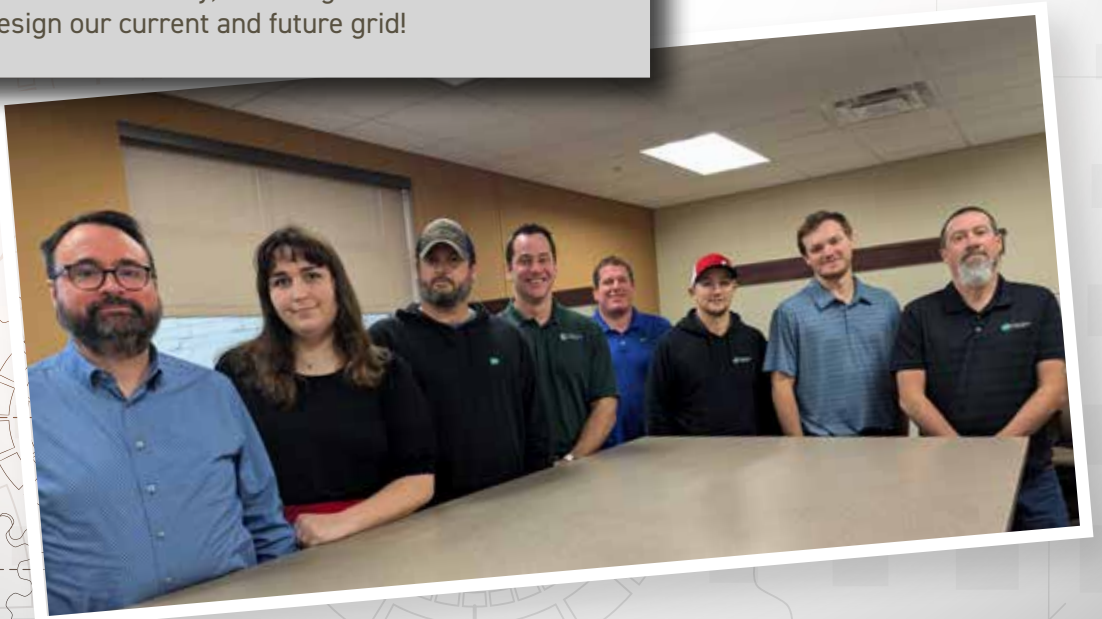
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Oronoco, Minnesota 55960

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

## Designing Our Future National Engineers Week is February 16 - 22

Our engineering department plays a crucial role in designing the future of our distribution electric system. The electrical engineers, staking engineers, and mapping technicians work together to ensure our system is not only sufficient now, but is ready to handle the demands of the future. During National Engineers Week in February, we recognized the hard work this team does in helping design our current and future grid!



# 24-HOUR OUTAGE NUMBER

### 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