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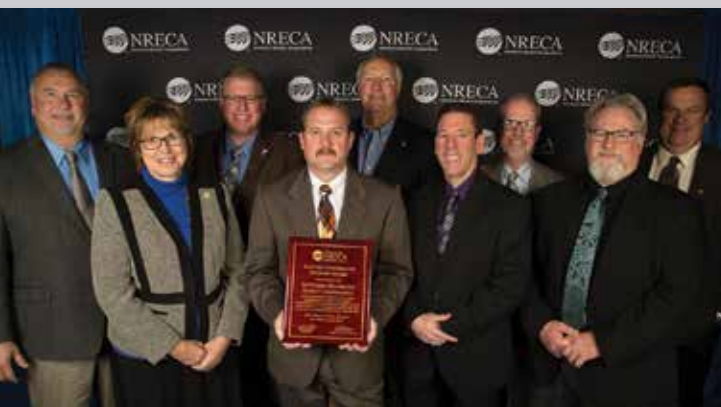
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A look back in time (photos below, left to right): SMEC members received the Cooperative Purpose Award by the NRECA in 2017; acquisition document signing in 2015; SMEC CEOs in 2015.



10 YEARS AFTER ALLIANT ACQUISITION

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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

August 1 marks the 10-year anniversary of the Cooperative's acquisition of Alliant Energy's service territory. It took many years, a lot of hard work, long days, and a great deal of cooperation among 12 cooperatives, but it was well worth it. The question I ask myself now is, did we deliver on our promise to members that it would bring long-term benefits not only to the existing members, but also new members we acquired in Chatfield, Dover, Elgin, Eyota, Plainview, and Stewartville?

I remember before this endeavor started in 2012, we had 11,540 members, \$98 million in total assets, and 52 employees. Our greatest concern was the loss of members as the growth of Rochester continued to erode our service territory. Our options and prospects for growth were limited. Then, conversations began with Alliant Energy. We knew that to ensure long-term financial stability for the organization and rate stability for members, we needed to jump on the opportunity.

By partnering with 11 other cooperatives in southern Minnesota to form Southern Minnesota Energy Cooperative (SMEC), we welcomed 7,000 new members to our Cooperative in August 2015. I encourage you to check out Page 6 for a more in-depth look at the process we went through.

We promised that everyone would benefit from this acquisition. It would bring economies of scale to the Cooperative. There would be more members to help pay for the fixed costs associated with delivering reliable energy. It would also enable us to replace members lost to annexation and set the stage for future growth. This was a significant positive action we could take to offset a portion of the cost pressures we were experiencing.

Bringing new members into the Cooperative was no small feat. Since 2015, we've invested over \$1.8 million in vegetation management efforts in the former Alliant territory to reduce power outages caused by trees and other vegetation. We've also made \$20 million in capital improvements to the former Alliant system to improve and maintain power reliability. There were also two different rate structures that needed to

be merged. This took some time, but after a five-year rate restructuring plan, all members are now charged equitably based on their use of the system.

As I look back at the last 10 years, we have delivered on the promise that the acquisition was beneficial to the existing members of the Cooperative as well as the new members. The pace at which we have had to adjust rates has slowed due to the greater economies of scale. Prior to 2015, a cost-of-service study indicated that the monthly basic service charge for our rural residential members was supposed to be around \$75. Today, when factoring inflation that would be \$110. Thanks to the acquisition, our current rural residential monthly basic service charge is only \$61.50. Our new members also experience a level of service that is unique to the cooperative business model. As member-owners, Cooperative consumers have a vested interest in the organization, a voice in its governance, and operating margins returned to them through Capital Credits. Service is also more personalized and community focused through programs and initiatives important to the membership.

What can members expect as we move forward? The Cooperative will begin purchasing all power from Dairyland Power Cooperative which in turn results in slight changes to the formatting on monthly bills for those we've been referring to as 'SMEC members.' For example, SMEC members will notice their billing statement change from blue to green. This is just a technical change and electric service itself will not change.

Thank you to all members for your patience, understanding, engagement, and enthusiasm for the Cooperative during this process. If you have any questions, please do not hesitate to reach out to me by email or by phone.



Sincerely,

A handwritten signature in red ink that reads "Michael J. Henke". The signature is fluid and cursive.

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

MONTHLY MEETING HIGHLIGHTS

PEC's Board of Directors held its monthly meeting on June 26. During the meeting, the following items were discussed: a revised Economic Development Plan; a Ten-year Financial Forecast; a presentation from Carr's Tree Service; upcoming member events; information from the Dairyland Power Cooperative Board meeting; information from the Minnesota Rural Electric Association Board meeting; and the upcoming Board self-assessment.

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

- ▶ Approved a PCA charge of 5.140 mills per kWh for Legacy members for June usage billed in July.
- ▶ Approved a concept for development of Outlot B in Oronoco Crossings.

ROCHESTER ⚡ ELECTRIFIED Home & Vehicle Show

Thank you to everyone who visited us at the Rochester Electrified Home & Vehicle Show on June 28. We appreciated the opportunity to share information about the Cooperative's energy management programs, rebates, and incentive rates. Electric vehicles, electric bikes, and battery-powered tool options were also on display.

This annual event is a great opportunity for everyone in our community to learn more about their options when it comes to electrification and sustainability projects. Area residents, experts, and vendors are all in one spot to help answer questions and talk about their areas of expertise in a low-pressure environment.

Thanks again for joining us! As your electric cooperative, we are proud to be your trusted energy resource.



highline

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MANAGEMENT

Michael J. Henke,
President/CEO

Michelle Olson,
*Vice President of
Information & Services*

Gwen Stevens,
*Vice President of
Cooperative Relations*

Dody Wubker, *CFO*

Nicholas Woetzel,
*Vice President of
Operations*

Jeff Holley,
*Vice President of
Engineering*

BOARD OF DIRECTORS

DISTRICT 1:

Jon Kroening

DISTRICT 2:

Jodie Tvedt, *Vice Chair*

DISTRICT 3:

John Winter, *Secretary*

DISTRICT 4:

Tracy Lauritzen, *Treasurer
& MREA Board Director*

DISTRICT 5:

Jerry Wooner, *Board Chair*

DISTRICT 6:

Art Friedrich,
Dairyland Director

DISTRICT 7:

Jeff Orth

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

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

\$30 SPOT YOUR NUMBER

Each month, we hide 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 to receive a \$30 credit on your bill.

Good luck in finding your account number!

Paperless Billing & ACH Payments

When We Save, You Save

By switching to paperless billing or ACH payments, you are helping the Cooperative save money on printing and postage. While it may seem like a small amount saved each month, having lots of members participate results in significant savings. As a not-for-profit cooperative, keeping the cost of business as low as possible translates into stable and affordable rates for our members.

Instructions on how to sign up for paperless billing and automatic bank draft payments can be found at peoplesenergy.coop/choose-paperless-or-ach.

Vegetation Management 2025

During the month of August, New Age Tree Service will be clearing trees in portions of Quincy, Elba, Dover, and Oakwood townships. They will also be spraying vegetation in portions of Canisteo, Vernon, Hayfield, Ashland, Mazeppa, Hyde Park, Dover, Eyota, and West Albany townships.



Free Private Well Test Kits

Available in SE Minnesota

In response to concerns about nitrate in groundwater, the Minnesota Department of Health (MDH), in partnership with TAP-IN Collaborative and the Southeast Minnesota Water Analysis Laboratory, is offering free water testing kits to private well owners and users in southeast Minnesota. This includes residents in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona counties, as well as the Prairie Island Indian Community.



This work is supported by the Clean Water Land and Legacy Amendment.

What will the water be tested for?

Each kit tests for the MDH's five recommended contaminants to test for: arsenic, coliform bacteria, lead, manganese, and nitrate.

What do eligible participants receive?

If you qualify, you'll receive a free water test kit delivered to your home. The kit includes testing instructions, sample bottles, and prepaid return shipping.

Where do you sign up?

Either scan the QR code provided or visit www.health.state.mn.us/nitratesemn. If you need help filling out the form email health.privatewells@state.mn.us or call (651) 201-5594.



Have you tested your well water?



Every year:

- ✓ Coliform Bacteria
- ✓ Nitrate

At least once:

- ✓ Arsenic
- ✓ Lead
- ✓ Manganese

**Free well testing
available in southeast
Minnesota!**



Although we can't reuse or recycle electricity, we can reduce energy use. Any amount of reduced energy helps add to the Cooperative's efforts to reduce demand on the regional grid, especially during periods of high demand.

Participating in Power Down is one way members can help the Cooperative reduce demand during a peak energy period. When alerted, members are asked to reduce energy use in ways such as delaying a load of laundry, adjusting the thermostat, or turning off unnecessary items. Members can opt into these text and/or email notifications at peoplesenergy.coop/power-down-voluntary-load-reduction.



Medical Alert Form Reminder

Does anyone in your household need oxygen or other life-sustaining medical equipment that requires electricity?

If so, please complete a Medical Alert Priority Form, so the Cooperative is aware of this need when servicing your account and restoring power after an outage. Forms need to be signed by a doctor and resubmitted annually. It is important to keep your information up to date so we can contact you regarding your account.

To access the form, visit www.peoplesenergy.coop and click on the 'Account Forms' button on the homepage.



Have you signed up to receive POWER OUTAGE NOTIFICATIONS?

With our new Outage Notification Service, you can receive real-time information by text or email when power outages are in your area. When an outage is detected by our automated outage management system, you will receive a text (or email) alert. Once power has been restored, you will receive another notification.

To sign up for this service, there are no forms to complete or phone calls needed. Simply log into SmartHub, our account management platform, and navigate to *Contact Methods* to ensure your contact information is up to date. Then, navigate to *Manage Notifications* and expand the *Service* window to select who receives each notification. You need to select 'Power Outage' if you want to know when power is out and 'Power Outage Restored' if you want to receive notifications when power is restored. Eighteen thousand five hundred twenty-seven.



For more detailed information, including step-by-step instructions, visit www.peoplesenergy.coop/outage-notification-service or scan the QR code here.



Alliant Acquisition: 10 Years Later

For over 13 years, members of People's Energy Cooperative (PEC) have been on a journey bringing together thousands of residents in southeast Minnesota. Let's take a look back at how we got here.

September 3, 2013

PEC announced it was one of 12 electric cooperatives forming Southern Minnesota Energy Cooperative (SMEC) which had signed a Definitive Agreement to acquire Alliant Energy's Minnesota electric distribution service territory that included over 43,000 accounts.

April 15, 2014

SMEC and Alliant Energy filed an application with the Minnesota Public Utilities Commission (MPUC) seeking approval of the proposed sale of Alliant Energy's Minnesota territory.

2014 - 2015

The MPUC held hearings and asked questions of all entities involved regarding the sale of the service territory. This included review, consideration, and input by government agencies, consumer interest groups, and the public.

April 30, 2015

The MPUC took action to approve the sale of Alliant's Minnesota service territory to SMEC. This was a major milestone for both parties.

August 1, 2015

PEC officially welcomed almost 7,000 former Alliant Energy customers in and surrounding the communities of Chatfield, Dover, Elgin, Eyota, Plainview, and Stewartville.

August 1, 2018

Due to stipulations associated with the sale, PEC had to wait three years before working to align the two sets of rate structures. The Board of Directors took a measured approach and embarked on a five-year rate restructuring plan.

August 1, 2025

Beginning August 1, the final step will be taken as all members will be served by a single power supplier. Dairyland Power Cooperative will now be the single power supplier for our cooperative. Members will experience no difference in the reliable power they have come to know and expect.

There is one thing former SMEC members will notice!

Beginning with August bills, SMEC members will notice their billing statement change from blue to green. There will be some language adjustments so that everyone's statements look the same, but there will be no new charges associated with the change.

Powering Community Connections

We value the opportunity to connect with you! Below are a few upcoming events we hope you'll be able to attend.

Watts & Wits Trivia Night

How much do you know about energy? What about regional history? Do you just love a good trivia night? Join us and Meredith Tuntland for one of two exciting nights of trivia! We'll bring the snacks; you brush up on your trivia facts.



**Thursday,
September 4, 2025**

6:00 p.m.

The Blacktop Bar & Grill
30 Main St. E, Elgin

**Thursday,
September 18, 2025**

6:00 p.m.

2 Brothers Bar & Grill
101 10th St. NW, Stewartville

2025 Energy Forums

Two years ago, we took a look behind the switch—understanding our regional electric grid, beneficial electrification, and the legislative impact on energy policy. This year, we'd like to once again take a look behind the switch to understand the complexities of how energy reaches our homes and businesses.



**Monday,
October 27, 2025**

5:30 p.m. – Light Meal

6:00 p.m. – Presentation

Stewartville American Legion
1100 2nd Ave. NW, Stewartville

**Wednesday,
November 5, 2025**

5:30 p.m. – Light Meal

6:00 p.m. – Presentation

Plainview Area Community
& Youth Center
346 W Broadway, Plainview

We'll share more details about both events in next month's newsletter.

People's Energy Cooperative Trust **OPERATION ROUND UP SPOTLIGHT**

Othello Cemetery Association seeks to keep the region's history alive by honoring those who've lived in the rural community. By working to restore and preserve grave markers throughout the cemetery, they are protecting an important link to the past.

Back in 2020, Othello Cemetery Association received a \$750 grant to help cover the cost of restoring monuments, which includes repairing and power washing them to remove moss and lichens. That grant, along with others in the years to follow, was made possible by People's Energy Cooperative's Operation Round Up (ORU) program. This year, the association received an additional \$1,000 to continue its restoration work.

"We usually make an appointment with Olson Monuments & Memorials and go out to the cemetery together. We look at different monuments that we think we can restore and also check to see if any new foundations need to be poured," explains Judy Jacobsen, secretary/treasurer of the cemetery association.

Members of the association are a variety of ages and are all descendants of people who are buried in the cemetery. Many are third and fourth generations of families buried there. "My great-grandparents are buried there. My grandparents are buried there," Jacobsen remarks, "so I've gone to the cemetery since I was a girl."

Prior to the association beginning its restoration work at the cemetery, she says it was noticeably run down. In a few instances, stones had completely sunk into the ground and needed to be brought up. With the cemetery board having limited funds, the ORU grant money was essential for getting these grave markers restored. Twenty-six thousand five hundred ninety.

Jacobsen estimates the grants have enabled them to restore approximately 40 stones over the past five years. "Without the support of People's Energy Cooperative's Operation Round Up program, this would never have been feasible for us to have completed and restored as many monuments as we have," she says.

As a result of the restoration and preservation work at Othello Cemetery, the association has begun receiving requests for plots in the cemetery. Jacobsen says she also hears people commenting on how nice the cemetery looks and how well kept it is.

"Our board so appreciates the grant funds because they have helped restore many of these stones that have no living relatives," she continues. "We value this because we are honoring the people who lived in the rural Byron area years ago. We are keeping our history and our heritage vibrant."



MANAGE YOUR Home & Security System

In today's fast-paced world, managing your home efficiently and securely is more important than ever. Heartland Security offers a comprehensive home management system that integrates various aspects of your household into one platform. From security to energy management, they provide tools that not only protect your home but help you run it more efficiently.

WITH



Centralized Control with a Single App

You no longer need multiple apps to manage your home and security system. Heartland partners with Alarm.com so you can control your security system, smart locks, lights, thermostats, and more — all from a single, user-friendly app. This centralized approach ensures managing your home is both convenient and efficient.

Smart Arming: Arm or disarm your security system based on your schedule or specific triggers, such as motion detection. This reduces the chances of false alarms and ensures your home is always protected when it needs to be.

Lighting Automation: Control your lights to create the perfect ambiance or enhance security. Set *Scenes* that adjust multiple devices simultaneously; for instance, a "Good Night" scene that turns off indoor lights and turns on the outside lights.

Temperature Control: Adjust your home's temperature remotely or set schedules to optimize comfort and energy efficiency.

Personalized Automation with Scenes:

Alarm.com's *Scenes* feature allows you to create customized settings that control multiple devices with a single command. For example, a "Leaving Home" scene can lock doors, turn off lights, adjust the thermostat, and arm the security system — all at once. Eight thousand two hundred twenty-six.

Heartland Security's partnership with Alarm.com's home management system offers an easy and smart way to control and monitor your home. By integrating security, energy management, and automation into one platform, it helps provide peace of mind and more efficient home management.

Who is Heartland Security?

Heartland Security is owned by People's Energy Cooperative and 12 other rural electric cooperatives in central, western, and southern Minnesota as well as northern Iowa. Heartland Security serves and protects more than 8,000 families and businesses in the Midwest with home and business security systems as well as medical alert systems.

To learn more about Heartland Security, we encourage you to visit www.heartlandss.com or scan the QR code on this page.



Stay Cool this Summer with a Heat Pump

Is your central air conditioner (AC) struggling to keep your home as cool as it used to? Are you looking to replace an outdated unit? If so, consider the benefits of installing a heat pump instead.

Heat pumps use electricity to transfer heat between your home and the outdoors. As an all-in-one cooling and heating system, they are capable of both heating a home in the winter and cooling it in the summer. New technologies make heat pumps an attractive option even in cold climates like Minnesota. With the rebates and incentives currently available, energy-efficient heat pumps are now more affordable than ever.

On its energy.gov website, the U.S. Department of Energy highlights the following heat pump benefits:

- ▶ **Combined Cooling and Heating** – During the summer, a central heat pump works the same as a central AC, cooling your home by moving heat from the inside to the outside. Unlike central ACs, heat pumps can run in reverse to heat your home in the winter. These all-in-one systems cool and heat your home using the same ductwork as your current central AC or furnace, so no additional renovations or electrical upgrades are required for installation.
- ▶ **Energy Bill Savings** – When used for cooling, heat pumps can be even more efficient than central ACs. Replacing your older central AC with an ENERGY STAR certified heat pump could save you nearly \$600 over the life of the product, on cooling costs alone. In the winter, these efficiency and savings benefits are even greater.
- ▶ **Year-Round Comfort** – Don't be confused by the name—heat pumps provide exceptional cooling to meet your comfort needs even on the hottest summer days. Heat pumps also dehumidify the air more efficiently than standard central ACs, providing added cooling benefits with less energy.
- ▶ **Cleaner Air** – By eliminating or reducing on-site fossil fuel combustion to heat your home, heat pumps can improve indoor and outdoor air quality while also reducing greenhouse gas emissions.

DON'T FORGET ABOUT REBATES!

When making energy efficient upgrades to your home or business, don't forget about our robust rebate program.

Air Source & Mini Split or
Commercial Air Source & PTHPs
Rebate Amount \$200/ton

Geothermal Heat Pump
Rebate Amount \$400/ton



For other available rebates, visit
www.peoplesenergy.coop/rebates.



Keep Food Safe When the Power Goes Out

Severe winds, lightning, and even squirrels can temporarily cause the power to go out. We understand power outages of any length can be frustrating, especially when your fridge is stocked with perishable foods.

Extended power outages are rare, but when they occur, it's important to understand food safety measures to take to avoid illness.

Before an Outage

A good rule of thumb is to keep an emergency supply kit on hand. Be sure to include nonperishable food items like bottled water, powdered milk, canned goods, cereal, and protein bars.

If you have advance warning that an outage is possible, fill a cooler with ice – just in case the outage spans several hours. Having a cooler ready to go can buy extra time for your refrigerated, perishable items.

During an Outage

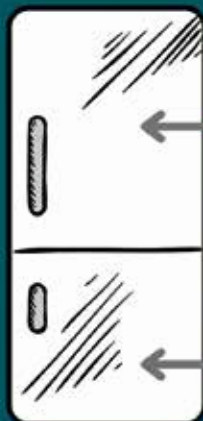
If an outage occurs, do not open the refrigerator or freezer unless absolutely necessary. If it looks like the power outage will last longer than four hours, move your important perishable items to an ice-filled cooler. Thirty-one thousand three hundred twelve.

After an Outage

If refrigerated foods have been exposed to temperatures higher than 40 degrees for more than two hours, the American Red Cross recommends discarding the items. If any food has an unusual color, odor, or texture, it should be thrown away. Remember - when in doubt, throw it out!

Keep Food Safe During and After a Power Outage

Refrigerated or frozen foods may not be safe to eat after a power outage. Use these tips to minimize food loss and reduce risk of illness.



4

Refrigerated food will last four hours. After four hours, place refrigerated foods in a cooler with ice.

24 OR 48

Food in a half-full freezer will last 24 hours. Food in a full freezer will last 48 hours.

Food Safety Tips


1. Keep refrigerator and freezer doors closed as much as possible.
2. Throw out any food with an unusual odor, color or texture.
3. Throw out perishable food in your refrigerator after four hours without power or a cold source (like a cooler with ice).

When in doubt, throw it out!





People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

highline

July 2025
Vol. 89 • Issue 7

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.*

Unclaimed Capital Credits

As a cooperative, PEC returns operating margins to members as capital credits. A member's capital credit account, similar to a savings account, is the accumulation of margins which have been allocated to that member each year based on energy use. Each year, the Board of Directors determines if capital credits will be retired and how much.

When capital credits are distributed, there are checks that are returned to the Cooperative as 'undeliverable'. After attempts to locate the owner, these uncashed capital credit checks become unclaimed property. To see if you or someone you know has unclaimed capital credits visit our website at peoplesenergy.coop/capital-credits to view a list of unclaimed capital credits and obtain instructions on how to make a claim.

Eventually, unclaimed capital credit funds are used to fund scholarships for graduating high school seniors whose parents or guardians are members of the Cooperative. These are the unclaimed capital credit dollars that, according to Minnesota state law for unclaimed property, would otherwise be forfeited to the State.



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