



2019: OUR YEAR IN REVIEW

THE COOPERATIVE TAKES A LOOK BACK *AS WE HEAD INTO 2020*



IT'S BEEN ANOTHER PRODUCTIVE and eventful year fulfilling the mission of the Cooperative of bringing value to our member-owners and communities by providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices. Below are highlights of a few accomplishments this year.

PROVIDING RELIABLE ELECTRICITY

for our members is the core reason People's Energy Cooperative exists. Sometimes that can be a challenge when the weather is extreme and 2019 had plenty of severe weather-related events.

Winter Storm Wesley hit hard on April 11 with freezing rain and high winds that damaged 169 poles causing 8,552 members to be without power. Although the storm was months ago, we're still working with FEMA to recoup costs associated with repairs totaling over \$1 million to date, and on mitigation projects in the affected areas.

Despite the wetter than normal weather in 2019, we replaced 459 poles and 32 miles of line, constructed 5 miles of new line, relocated 11 miles of line due to highway projects, made significant progress on converting the City of Chatfield to a different voltage to improve service reliability, and cleared and/or sprayed vegetation along 580 miles of overhead line.

SUPERIOR CUSTOMER SERVICE:

We believe that "customer service" isn't a department, but rather a state of mind and the responsibility of all employees. While the day-to-

day member service functions usually involve answering member questions and responding to member requests and outages, we do our best to provide experiences, services, and programs that enrich the lives and communities of our members.

In January, we launched our new website peoplesenergy.coop that is more informative, user friendly, and easier to navigate. It is especially user friendly for people with sight impairments who use software that reads online content to them or those who use Google Translator to read in their preferred language.

(continued on page 8)

inside:

Holiday Wishes
To You From
04. PEC Employees

Want To Serve
on PEC's Board
06. of Directors?

ORU Spotlight:
Brighter
07. Tomorrows

Space Heaters:
Stay Warm &
11. Safe This Winter

CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO



Michael J. Henke

mhenke@peoplesrec.com

When I was growing up, I can remember my parents telling me they were going to a cooperative meeting. They were members of both the electric and grain elevator cooperatives in my home town.

After the meeting, they would talk about neighbors and friends who were elected to the board. I didn't realize it at the time, but it was my first exposure to the concept of local governance. Democratic member control is a hallmark of the cooperative business model; a tenet that your electric cooperative has enjoyed since its founding in 1936.

The cooperative model has several advantages over other business models, but one of the most important is that members govern the Cooperative through a board of directors who are elected by the members.

Unlike boards of for-profit entities where the focus is on obtaining the highest return for shareholders, the role of your seven-member board of your not-for-profit cooperative is to represent your interests as member-owners. In fact, they are member-owners just like you who have been elected to serve. They provide oversight and strategic direction for the Cooperative to achieve our mission, which is featured in the cover article.

Your cooperative board members are your neighbors and local community members who take pride in representing you, the member, and being a part of the rural areas we serve. If you are interested in running for our board, please see page 6 and contact our Director of Cooperative Relations, Gwen Stevens.

Our employees also take pride in being part of the communities we serve and many of them are member-owners as well. From our linemen who restore power in treacherous weather to our office staff who are always looking for ways to create a positive member experience, cooperative employees are always working with you in mind and are dedicated to doing a great job. I am grateful for their hard work and dedication to the Cooperative.

During my daily drive into the office, I often reflect that our cooperative was built by and belongs to the communities we serve and is led by members like you.

*Thank you for allowing me to serve you.
Have a safe and happy holiday season!*

Sincerely,
Michael J. Henke,
President & CEO,
507-367-7000



GET SOCIAL!



A fast, easy way to share Cooperative news and info with members!

MONTHLY MEETING HIGHLIGHTS

highline

Vol. 83 • Issue 12

PEC's Board of Directors held its monthly meeting on November 21. During the meeting the following items were discussed: *Wooner's candidacy to represent Minnesota electric cooperatives on the Cooperative Network Board of Directors; the status of RPFs for the 5 MW solar project; the 50th Avenue transmission project; the HomeServe program; accounting for RPU mill payment revenue; cooperative Bylaws; an employee engagement survey; and Minnesota Rural Electric Association's call for 2020 resolutions. The Board also watched the video "What Boards Need to Consider in Setting Rates". A quorum of directors was present, and the following actions were taken:*

- ▶ **Members were appointed to the Nominating and Credentials Committee as follows:** *Scott Baertlein, Tom Schimek, and Mark Williamson for District 3; James Hobbs, and Justice Whitehorn for District 5; and Ed Hruska, Matt Kitmann, and Norm Olson for District 7.*
- ▶ **Ed Hruska was appointed to represent District 7 on the Member Advisory Committee.**
- ▶ **Barb Nicklay was appointed to represent District 5 on the Operation Round Up Board of Directors.**
- ▶ **Board members were also asked to review the Code of Ethics policy and sign an updated acknowledgement form. One thousand sixty-four.**

ask us!

QUESTION: "When Tesla Solar subscription arrives in Minnesota, will you be onboard? It seems to be something utilities need to opt into."

This question comes courtesy of Chris via Facebook

ANSWER: Thanks for your question Chris! If Tesla offers their solar subscription in Minnesota, we will explore whether "opting-in" is in the best interest of our members.

In the meantime, we already offer a subscription-based solar program through People's Community Solar. The 820 panel, 250 kW array was built in 2016 as a result of member interest in a cooperative-owned source of renewable energy. Our solar program is ideal for members who don't want to or can't install solar panels on their property and prefer to leave the responsibility of ownership and maintenance up to the Cooperative. More detailed information is available on our website.

DO YOU HAVE A QUESTION FOR THE COOPERATIVE?

Email memberrelations@peoplesrec.com or message us on Facebook. Your question may be highlighted online and in the next newsletter!

MANAGEMENT

Michael J. Henke,
President/CEO

Gary Fitterer,
Director of Engineering

Anthony Stern,
Chief Financial Officer

Michelle Olson,
Director of Member Services

Gwen Stevens,
Director of Cooperative Relations

Troy Swancutt,
Director of Operations

2019 BOARD OF DIRECTORS

DISTRICT 1:
Joe Book

DISTRICT 2:
Ken Wohlers,
Secretary/Treasurer

DISTRICT 3:
Robert Hoefs,
Vice Chair

DISTRICT 4:
Tracy Lauritzen

DISTRICT 5:
Jerry Wooner,
Board Chair

DISTRICT 6:
Art Friedrich

DISTRICT 7:
Jeff Orth

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

GENERAL INFO

Office Hours:
7:30 am – 4:00 pm, M–F
Telephone: 507-367-7000
Toll-Free: 800-214-2694

Web Address:
www.peoplesenergy.coop

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

Merry Christmas & Happy New Year!

FROM THE BOARD OF DIRECTORS & EMPLOYEES OF PEOPLE'S ENERGY COOPERATIVE!



PEC Board of Directors: Jerry, Bob, Ken, Jeff, Art, Tracy, Joe



Finance/IT: Geneva, Gretchen, Anthony, Jeff, Dave



Engineering: Kurt, Rick, Nathaniel, Gary, Tyler, Brian, Brian, Cody



Facilities & Warehouse: Josh, Shavonn, Rich, Gary, Gene



Member Services: (seated) Jackie, Lynn, Cristina (standing) Ashley, Jim, Mike, Adam, Pete, Michelle (not pictured, Carla)



Cooperative Relations: Susan, Gwen, Tara, Ashley

Looking forward to serving you in 2020!

FROM THE BOARD OF DIRECTORS & EMPLOYEES OF PEOPLE'S ENERGY COOPERATIVE!



Area 1 Oronoco: Nate, Kevin



Area 2 Plainview: Scott (np), Eric



Area 3 Eyota: Randy, Brian



Area 4 Stewartville: Mark



Area 5 Kasson: Jason, Ben



Area 6 Marion: Gary (np), Shawn



Oronoco Construction Crew: Jake, Nick, Shane, Chris, Jason, Rich, Dakota (np)



Chatfield Construction Crew: Tyler, Nick, Clayton, Shawn



Operations Leadership: Troy (np), Patrick, Jeff, Pat



Engineering & Operations Coordinators: Ben, Paulette



HERE'S OUR 2019 CHRISTMAS CARD DESIGN WINNERS!

THANK YOU TO THE FIFTH-GRADE STUDENTS AT CHATFIELD ELEMENTARY SCHOOL for helping us make our 2019 holiday greeting cards so festive! Each year, cooperative employees enjoy seeing such creativity from our young members. The winning designs were selected from more than 55 entries based on votes by cooperative employees. The artists were Savannah, Ethan, and Lexi. Their designs appear in order below, from left to right.



2020 ELECTIONS, DISTRICTS 3, 5, & 7

Interested in serving on the Cooperative's Board of Directors? Let us know!

The seats for Districts 3, 5, and 7 on the Cooperative Board of Directors are up for election in 2020. Based on the Cooperative's Bylaws, residential members are eligible to serve if they:

- ▶ **ARE A MEMBER OF AND RECEIVE ELECTRICAL** service from the Cooperative at their homestead (for tax purposes) located within the geographical area of District 3, 5, or 7 that include the cities and townships listed to the right.
- ▶ **ARE NOT EMPLOYED BY OR FINANCIALLY** interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative.
- ▶ **HAVE NOT BEEN EMPLOYED BY THE COOPERATIVE** in the five years prior to being elected. Twenty-three thousand five hundred twenty-seven.
- ▶ **ARE NOT A CLOSE RELATIVE OF AN INCUMBENT** director or an employee of the Cooperative at the time of election to the Board.

DISTRICT 3 INCLUDES: Gilford, Hyde Park, Milton, Mazeppa, New Haven, Oronoco, West Albany, and sections one through 18 of Kalmar

DISTRICT 5 INCLUDES: Dover, Elmira, Eyota, Orion, and Viola

DISTRICT 7 INCLUDES: Stewartville, Sections one through four, nine through 16, 21 through 28, and 33 through 36 of High Forest, sections 19 through 36 of Rochester, and sections one through three of Racine

To learn more about serving on the BOD and the election process, contact Gwen Stevens, Director of Cooperative Relations, at 507-367-7015 or at gstevens@peoplesrec.com. The Nominating Committee will make their official nominations in mid-January, so contact Gwen by January 10, if you'd like to be considered for nomination.

An offer of hope: Brighter Tomorrows

"My son, Will Canan, was diagnosed with a brain tumor at age six in March of 2004," Liz Canan explains. "Having your child diagnosed with cancer is completely devastating and can be very isolating. Our family tried so hard to get connected with other families on a similar journey for about a year after his diagnosis."

Canan says she soon realized the community lacked a support system or group to help families impacted by childhood cancer. In 2007, Canan and a few other moms who had children with cancer formed a group called Brighter Tomorrows. In addition to co-founding the organization, Canan also serves as the current president on its board of directors.

"The mission of Brighter Tomorrows is to provide emotional, spiritual, and educational support by listening to, understanding, and supporting families touched by childhood cancer," Canan explains. "We are excited about the direction in which the organization is headed, continuing to remain focused on supporting and welcoming all families, and identifying and responding to meet other unmet needs for childhood cancer families in the community."

People's Energy Cooperative's *Operation Round Up*® program recently awarded Brighter Tomorrows \$3,000 to help support the group's annual winter retreat which gives families time to relax and connect with others who are going through a similar experience. The *Operation Round Up*® donation will be used to treat 21 families (approximately 100 people) to an afternoon at the Mall of America (MOA) during the 2020 Winter Retreat planned at Great Wolf Lodge in Bloomington, Minnesota. Families will spend time at Nickelodeon Universe, Sea Life, and other activities offered at MOA.

As Canan explains it, the retreat offers a few days in which to 'escape' from the cancer journey. The shared activities and meals also provide an opportunity for families to meet and connect with other cancer families, some forming long-lasting friendships.



Brighter Tomorrows celebrates Flapdoodles Family Night Event.

In addition to the annual winter retreat, Brighter Tomorrows provides support to childhood cancer families through hospital visits, monthly gatherings, and quarterly social events. They also support bereaved families through a program called Tomorrow's Chapter.

During the group's monthly Family Gathering event, a new teen/young adult group was recently formed to support patients and their siblings. It started in August of 2019 and is facilitated by Sara Segner, a fourth year Mayo medical student and cancer survivor. Segner and her family were very active in Brighter Tomorrows during her time in treatment.

"Our organization provides families with a community that understands what they are going through. We offer a safe and sacred place to share honest emotions, as well as ideas on how to get through the tough times, what to expect from certain treatments, and how to make things a bit better. We offer a community in which no parent or child wants to or should ever have to be part of in life. We all share in the heartbreak, as well as the victories. Outcomes are measured in tears shed and laughter shared." – Liz Canan

To learn more about Brighter Tomorrows or how you can support the organization, visit: brightertomorrowshope.org. Thirty-one thousand three hundred sixty.

We also launched two new member programs this year. Our partnership with **HomeServe** was launched in January to offer home repair service plans that protect members against the expense and inconvenience of unexpected repairs by providing affordable coverage plans and quality service.

In May, we rolled out **Power Down**, a voluntary load reduction program that reminds participating members to reduce their use of electricity during times of peak demand. The goal of the program is to reduce demand to avoid the need for new sources of electric generation and help reduce the Cooperative's overall demand charges from our power providers which helps everyone by keeping rates stable.

We have lived out the Cooperative Principle of "Concern for Community" through service to the communities in our territory. For example, by the end of 2019, we will have visited six classrooms to educate our school-

aged members about energy efficiency, renewable energy, and electrical safety.

Through our Operation Round-Up Program, members contributed \$108,125 to non-profits, schools, and community programs in 2019. When combined with contributions made from the program's inception, members have contributed \$1,001,821 since 2003!

Another service we offer, with the help of the USDA, is gap financing to assist in business startups and expansions. We were excited to help Dr. Mark Westphal open Eyota Chiropractic this year through a loan from our revolving loan fund.

INNOVATIVE ENERGY SOLUTIONS:

As our industry evolves to include more renewable energy resources, one of our power providers, Dairyland Power Cooperative, enacted a new policy that allows us to generate more renewable energy for a portion of our load. Therefore,

we are currently in the process of evaluating responses to a request for proposals for up to five megawatts of solar projects. Contracts will only be awarded if the cost is lower or more cost effective than we are currently paying for power from our power providers.

We launched a material inventory barcoding system that enables all material inventory transactions to be processed using a barcoding application. The goal is to ensure accurate and efficient inventory procurement and management to help save time and money.

We have accomplished a lot this year and this doesn't even include other projects that have contributed to the efficiency and overall success of the Cooperative and the communities we serve. Our employees have worked hard and are appreciated for their commitment and effort.

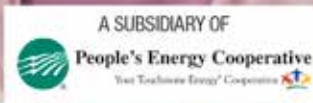
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REDUCING YOUR ENERGY DEMAND

Peak energy demands typically occur between 5 to 8 PM in the winter. To help reduce demand charges for the Cooperative, consider doing one or more of these small actions:

- **DELAY** washing or drying clothes.
- **DELAY** running the dishwasher.
- **TURN DOWN** your thermostat by four degrees.

The more members that take even the smallest steps to conserve, the greater the impact. Help us reduce demand charges by signing up for "Power Down" today! Visit peoplesenergy.coop/power-down-voluntary-load-reduction to get started.



IN THE MARKET FOR A NEW WATER HEATER?

We still have phenomenal rebates available for members who purchase a new water heater!

INSTALLED ON REGULAR RATE:

- Up to **\$500** for 50 to 79 gallon
- Up to **\$800** for 80 gallon or greater
(Energy management required, following off-peak schedule)

INSTALLED ON INCENTIVE RATE (DUAL FUEL OR OFF-PEAK):

- No Rebate for 50 to 79 gallon
- Up to **\$250** for 80 to 99 gallon
- Up to **\$400** for 100 gallon

To better understand the requirements for this program, please visit peoplesenergy.coop/content/water-heating-programs.



At People's Energy Cooperative, we value our members and are committed to providing safe and reliable electricity.

However, many homeowners aren't aware that the exterior electrical lines and certain components on their property are their responsibility, including weatherhead, insulator, riser, meter base, and service entrance conductor. If a breakdown to these items occurs, it's up to the member to find an electrician and pay the repair costs. People's Energy Cooperative has selected HomeServe to offer **optional** electrical Line Coverage for our members.

PLEASE NOTE: Cooperative Members who sign up for a repair service plan will work directly with HomeServe.



THE PLANS ARE OPTIONAL and are designed to protect homeowners against the expense and inconvenience of unexpected repairs by providing quality service and affordable coverage.

For more about this optional program, contact HomeServe directly at 833-334-1874 or visit them online at HomeServeUSA.com/PEC.

RESOLVE

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TO BE MORE ENERGY EFFICIENT IN 2020



Looking to save energy and lower your electric bill in the New Year? There are several ways you can reduce the electricity you use and save each month.

IF YOU WANT TO BE MORE ENERGY EFFICIENT, start by examining how you are using energy. As a PEC member, you have the option to access your account information with **SmartHub**. Through SmartHub, members can securely manage their account online, review energy usage patterns, receive important messages from the Cooperative, and report outages. Learn more by visiting peoplesenergy.com/smarthub.

ANOTHER VALUABLE PROGRAM FOR MEMBERS is **Power Down**. This voluntary load reduction program alerts participants when the Cooperative is experiencing an energy peak, so they can reduce their use of electricity. By adjusting the thermostat, turning off unnecessary items, and avoiding the use of certain appliances during energy peaks, members help reduce PEC's overall demand charges from its power providers. Since PEC is a not-for-profit utility, these savings are ultimately passed on to our members in the form of stable and affordable rates. Sign up for Power Down by visiting peoplesenergy.coop/power-down-voluntary-load-reduction. In order to sign up for this voluntary program, members are required to have a SmartHub account.

IN PARTNERSHIP with *Clean Energy Resource Teams*, *People's Energy Cooperative* collaborated with local food shelves to offer energy efficiency kits to area families. Kits include energy efficient light bulbs and information on what families can do to save energy at home.

ADDITIONAL WAYS YOU CAN SAVE ENERGY:

► **IF YOU ARE LOOKING TO PURCHASE LIGHT BULBS** and water saving products, check out your options at PEC's **ElectricSense** online store. Shop at electricsense.amcgmarketplace.com and your energy efficiency products will be delivered straight to your door.

► **ELECTRIC WATER HEATERS** are a popular choice because they are safe, durable, and easy to install. PEC offers rebates for electric water heaters along with energy management programs. Visit peoplesenergy.coop/content/water-heating-programs to learn more. Nineteen thousand six hundred eighty-nine.

► **PEC HAS PARTNERED** with several local libraries and city halls to provide **home energy savings kits** for you to check out for free. The kits walk you through simple tools you can use to evaluate your energy usage and identify ways to make improvements. Visit peoplesenergy.coop/home-energy-savings to learn more.

► **CONSIDER HAVING AN ENERGY AUDIT** conducted at your residence or business. An energy efficiency expert will evaluate the way your building uses energy and how that energy may be used more efficiently. Visit peoplesenergy.coop/energy-audits to get started.

space heater SAFETY

STAY SAFE WHILE KEEPING WARM THIS WINTER

Although useful for adding some extra warmth in your home when the cold wind blows outside, space heaters typically use a lot of energy and can be very dangerous if not used correctly.

“The U.S. Consumer Product Safety Commission estimates that more than 25,000 residential fires every year are associated with the use of space heaters, resulting in more than 300 deaths. Additionally, an estimated 6,000 people receive hospital emergency room care for burn injuries associated with contacting the hot surfaces of room heaters, mostly in non-fire situations,” according to the U.S. Department of Energy’s energy.gov website.

When purchasing a space heater, make sure to verify that it has been tested for safety. Look for the UL, ETL, or CSA safety certification mark (see below). Key features to look for include heating element guards and an automatic shut-off feature if the unit tips over or begins to overheat.



ALWAYS KEEP SAFETY A TOP CONSIDERATION:

- **CAREFULLY READ AND FOLLOW** all directions provided by the manufacturer.
- **REGULARLY EXAMINE THE UNIT** to make sure the space heater is clean, in good condition, and the electric cord isn’t showing any signs of cracking or fraying. Have all problems professionally repaired.
- **PLACE SPACE HEATERS** out of high-traffic areas on a level, hard, non-flammable floor surface. It is extremely unsafe to place them on carpeted surfaces or on top of furniture or countertops.
- **MAINTAIN A MINIMUM** of a three-foot distance between the space heater and any furniture, blankets, window treatments, clothing, or other flammable materials.
- **ALWAYS PLUG THE UNIT DIRECTLY** into a wall outlet. Do not use an extension cord.
- **KEEP CHILDREN AND PETS** away from space heaters.
- **DO NOT USE A SPACE HEATER** in a bathroom or other area where the unit could come in contact with water.
- **NEVER LEAVE SPACE HEATERS UNATTENDED.** Turn off your space heater and unplug it before leaving the room or going to bed.
- **WHILE USEFUL** in small areas, such as a study or living room, they are not meant to heat an entire home. If you need to keep large areas warm, your home heating system will do the job more efficiently.

See more on electrical safety at SafeElectricity.org.



People's Energy Cooperative

Your Touchstone Energy® Cooperative

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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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.

507.367.7000 or 800.214.2694

SPOT YOUR NUMBER

\$30

*Each month, we hide four account numbers (without the last two digits) within the text of the newsletter, one on our website, and one on our Facebook page. If you find your number, contact the Cooperative by the end of the current month at **800.214.2694** or **memberservices@peoplesrec.com** to receive a \$30 credit on your electric bill.*

GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!

MINNESOTA'S Cold Weather Rule

A REMINDER THAT MINNESOTA'S COLD WEATHER RULE IS IN EFFECT AND WILL REMAIN THROUGH APRIL 15, 2020.

Please note this rule does not prevent the Cooperative from shutting off your power for non-payment during winter months. If you receive a disconnection notice this winter, you must act promptly. Remember, disconnection notices are printed on your monthly billing statement. If you find yourself in need of energy assistance, please contact one of the following energy assistance providers in SE Minnesota:

- SEMCAC serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston and Steele. **800-944-3281 (toll-free)**
- Three Rivers Community Action, Inc. serves Olmsted and Wabasha counties. **507-732-7391 or 800-277-8418 (toll-free)**
- Rochester Salvation Army HeatShare **507 288-3663 or 800-842-7279 (Outside of Olmsted County)**
- First Call for Help at **211**

REBATE REMINDER!



Please submit your 2019 rebate materials so they are received by January 2, 2020.

This is important because some rebates offered in 2019 may be changing in 2020. Items must be purchased and/or installed in 2019 (Jan. 1 – Dec. 31, 2019).

Rebate forms are available at some local retailers, online at peoplesenergy.coop, or by visiting our office.

PEC WILL BE CLOSED

Tuesday, Dec. 24 and Wednesday, Dec. 25 for the Christmas holiday. The office will also be closed on Wednesday, Jan. 1, 2020 for the New Year holiday.