

INVESTING TODAY FOR A BRIGHTER TOMORROW



mission

Our mission is to provide reliable electricity to our members and communities with superior customer service and innovative energy solutions at fair and reasonable prices.

2014 BOARD OF DIRECTORS: COOPERATIVE MEMBERS REPRESENTING YOU





78th Annual Meeting Notice

April 21, 2015 • Cooperative Headquarters, Oronoco, MN

- MARK YOUR CALENDARS & SAVE THE DATE -

People's Energy Cooperative's Annual Meeting will be held Tuesday, April 21, 2015, at the Cooperative headquarters at 1775 Lake Shady Ave. S, Oronoco, Minnesota. Registration begins at 5:30 p.m. The one-hour business meeting will begin promptly at 7:00 p.m. with a light meal served before the meeting.

THE OFFICIAL ORDER OF BUSINESS AT THE ANNUAL MEETING:

Welcome, Announcements & Introductions	Gwen Stevens, Director of Member Relations
Invocation	Kenneth Wohlers, Secretary & Treasurer
Pledge of Allegiance	Kenneth Wohlers, Secretary & Treasurer
National Anthem	Honors Choirs of SE Minnesota
Announcement of Quorum	Jerome Wooner, <i>Board Chair</i>
Call to Order and Meeting Rules	Jerome Wooner, <i>Board Chair</i>
Approval of Annual Meeting Minutes	Kenneth Wohlers, Secretary & Treasurer
Financial Report	Kenneth Wohlers, Secretary & Treasurer
Board Chair Report	Jerome Wooner, <i>Board Chair</i>
President & CEO Report	
Introduction of Director Candidates	Elaine J. Garry, President & CEO
Guest Speaker	Gary W. Smith, <i>President – RAEDI</i>
Announcement of Director Election Results	Daniel E. Berndt, Attorney
Unfinished Business	Jerome Wooner, <i>Board Chair</i>
New Business	Jerome Wooner, <i>Board Chair</i>
Adjourn	Jerome Wooner, <i>Board Chair</i>
Questions from the Membership	

In need of a special accommodation? See back cover for details and directions.



Electric cooperatives are private, independent electric utilities, owned by the members they serve. As democratically governed businesses, electric cooperatives are organized under the Cooperative Principles, anchoring them firmly in the communities they serve and ensuring that they are closely regulated by their consumers.

From the outside, many cooperatives look like any other business, since a cooperative provides products and services like conventional businesses do. But it's what goes on behind the scenes that makes cooperatives different. They operate under the following seven guiding principles:

- 1. Open and Voluntary Membership
- 2. Democratic Member Control
- 3. Members' Economic Participation
- 4. Autonomy and Independence
- 5. Education, Training, and Information
- 6. Cooperation Among Cooperatives
- 7. Concern for Community

A BRIGHTER TOMORROW...





Our mission is to provide reliable electricity to our members and communities with superior customer service and innovative energy solutions at fair and reasonable prices. Every decision we make is made with our mission in mind not only for today's members, but for those to come in the near and distant future.

It is a pleasure to report that People's Energy Cooperative enjoyed a year marked with historic events, steady rates, and financial strength in 2014. Our persistent focus on reliability and rate stabilization has, and will continue to, set the stage for a strong cooperative well into the future.

As indicated, significant events took place in 2014; one is painful to remember while the others are major milestones for our future success.

- IN LATE FEBRUARY, our region experienced a significant snowstorm that caused over 4,000 members to be without power. The determination and teamwork demonstrated by the employees was outstanding and a testament to their dedication to you, the members.
- THE MORNING OF OUR 2014 ANNUAL MEETING we learned that 26-year old line worker Tim Rasmusson passed away from an aortic aneurism the night before. Tim's smile, sense of humor, and commitment to his profession are greatly missed. Please read more about Tim and the 'Timmay 5k Run/Walk' being held in his honor on Saturday, April 11 on page 15.
- IN APRIL, SOUTHERN MINNESOTA ENERGY COOPERATIVE (SMEC) and Alliant Energy filed an application with the Minnesota Public Utility Commission (MPUC) seeking approval of the proposed sale of Alliant Energy's Minnesota electric distribution territory. As we've said before, this is an once-in-a-lifetime opportunity for us to

2014: INVESTING TODAY in service territory, technology and relationships for a BRIGHTER TOMORROW that provides reliable and affordable energy through INNOVATIVE ENERGY SOLUTIONS and superior customer service.

gain 7,000 more members. While we anticipated that the acquisition would be finalized in 2014, we are confident we will receive MPUC approval in 2015.

- ON AUGUST 6, WE MADE HISTORY along with Freeborn-Mower Cooperative Services (Albert Lea) and Tri-County Electric Cooperative (Rushford) when we celebrated a ribbon-cutting ceremony for the 517 kilowatt (kW) solar array developed by our partnership called Minnesota Three, LLC. The solar array is located just north of our headquarters in Oronoco and stands as an example of the Cooperative Principle of "cooperation among cooperatives."
- THE COOPERATIVE DISTRIBUTED \$841,138 in capital credits back to members in 2014, which is the highest amount returned since 2007.

The announcement of no rate increase could probably be considered a major event last year, but we always hope for those to be more common place than an event. In a time when Alliant, Xcel, RPU, Minnesota Energy and others implemented rate increases, we were able to construct a work plan and budget that did not require one. We're excited that we're able to maintain rates again in 2015!

There are several factors that played into our financial strength in 2014; effective planning, weather and stable power supply costs are the major ones. Another factor that helped the Cooperative save money this past year, as well into the future, was the refinancing of \$10 million of long term debt at historically low interest rates. Lastly, through strategic financial engineering, we were able to take advantage of relatively high rate of return on our operating cash again this year. These factors propelled us to our second strong fiscal year in a row, positioning the Cooperative well as we move into 2015.

In an effort to continue to provide steady rates and financial strength we are working hard to stay in tune with what is happening legislatively in the state and in Washington D.C. because laws and policies have a big impact on electric rates.

We have made strides to have positive relationships with our state senators and representatives by keeping them informed of legislation that affects rural electric cooperatives and continually asking them for their support. We are fortunate that the majority of the representatives in our service territory understand the issues and support our views.

The critical issue we continue to face at the national level is the proposed EPA climate regulations. Thanks to engaged cooperative members, over one million comments were delivered to the EPA and they extended the comment period from October 16 to December 1. They heard us once, so we hope they hear us again in order to maintain an all-of-theabove energy strategy which includes continued use of coal generation, a resource that we are already heavily invested in.

On behalf of the employees and Board of Directors of People's Energy Cooperative, thank you for your continued trust in us as your electrical energy provider. We look forward to what lies ahead in 2015.

We are confident the hard work and wise investments we are engaged in today will ensure a very bright future for generations to come!

Jerome Wooner, Board Chair

jwooner@peoplesrec.com

Elaine J. Garry, President & CEO

egarry@peoplesrec.com





Planning for the future, developing strategies to meet member needs, implementing new technologies and complying with changing regulations is essential for our wholesale power supplier Dairyland Power Cooperative. As your representative on the Dairyland Board of Directors, I want to assure you that Dairyland staff is dedicated to providing a safe and reliable supply of electricity that remains affordable for members of People's Energy Cooperative.

I am pleased to report that Dairyland will not have a wholesale rate increase in 2015. Dairyland had a very good year financially in 2014. As a result, Dairyland is maintaining a stable rate for the coming year and is also paying down some future expenses. The following highlights changes, challenges and opportunities Dairyland faced in 2014:

CHANGE IN LEADERSHIP: After 25 years as President and CEO, Bill Berg retired from Dairyland. Knowing the importance of this transition, the Board worked with a national recruitment firm to find his successor and is pleased that Barb Nick joined the Cooperative on December 29. Barb has a diverse background spanning a 30-plus year career in the electric utility industry and is a well-positioned leader to carry on Dairyland's strong legacy.

RAIL PERFORMANCE IMPACTS FUEL SUPPLY:

One of the biggest challenges Dairyland has been facing is inconsistent and inadequate railroad delivery of coal that resulted in limited generation output and cost impacts. The largest concern was building a winter inventory at Dairyland's Genoa #3 coal-fired power plant in Wisconsin before the river froze. Coal is transported by train from the mines, and then barged to Genoa via the Mississippi River. Coal is transported directly by rail to the John P. Madgett Station in Alma, Wisconsin. Following a significant communications effort, the railroad initiated some improvements in late summer 2014.

POWER DELIVERY PROJECTS: Dairyland has always taken pride in the environmental record associated with the construction of its more than 3,000 miles of power lines. Every year, Dairyland constructs, upgrades, or rebuilds approximately 50 miles of 69 kV transmission lines to improve service and reliability. They also continue to rebuild their 161kV transmission network by focusing on its transmission line between Genoa and Alma.

Dairyland's Board made the decision to officially become a member of CapX2020 in 2013, and to participate in the regional Hampton-Rochester-La Crosse 345 kV line as an 11 percent owner. The line, currently under construction, will serve local load in the area, maintain regional reliability and provide access to generation including renewable resources. CapX 2020 is also rebuilding over 25 miles of line from Alma south to the Marshland area by the summer of 2015 which will be a significant cost savings for Dairyland's members.

EVOLVING GENERATION PORTFOLIO: While planning to meet members' growing energy requirements, Dairyland is making efforts to diversify its generating resources without stranding the assets and investments of members. Dairyland is considering a number of options including natural gas generation and additional renewable resources.

With regard to renewables, more than 12 percent of Dairyland's Class A retail sales came from renewable energy resources. This includes two major solar energy facilities that came online in summer 2014 providing Dairyland's members with more renewable energy.

Dairyland has power purchase agreements for all the energy produced at both locations. One is located adjacent to the headquarters of Dairyland member cooperative Vernon Electric, in Westby, Wisconsin and the other is the Minnesota Three Solar Array located north of People's in Oronoco. More information on the Minnesota array can be found on page 12.

LACBWR DECOMMISSIONING CONTINUES: The

La Crosse Boiling Water Reactor (LACBWR) has not operated since 1987; however, the used fuel had remained on-site until it was transferred to the Independent Spent Fuel Storage Installation (ISFSI) on the south end of the Genoa Site in 2012. Final decommissioning of the LACBWR facility is commencing.

You may recall Dairyland was successful in recovering \$37.6 million in costs previously incurred for its shutdown of the nuclear facility. The entire award is being returned to Dairyland's member cooperatives. One-half was returned to co-ops as a "Special Refund" in January 2013, while the rest is being returned to members via rate relief through 2021.

Dairyland is currently pursuing the recovery of additional costs incurred since 2006 totaling about \$85 million, including the cost of the Independent Spent Fuel Storage Installation (ISFSI) which was constructed to safely store the used fuel onsite. The federal suit, if successful, would cover a large percentage of costs associated with the project.

MAINTAINING FINANCIAL STRENGTH: Dairyland's management and staff have made tremendous efforts to reduce costs and increase efficiency. All areas of operations are continually evaluated and major steps have been taken in the past couple of years, including the decision to close the Alma Station. Staffing levels have also been reduced significantly due to efficiency

improvements and changes in operations.

Dairyland's power plants had excellent availability, which was financially positive. Many other efforts were made to contain costs and good fortune was also a factor in that we did not experience any significant storms to damage infrastructure.

Fuel to operate its generating facilities continues to be Dairyland's largest annual expense, with barge and rail transportation of coal constituting a significant portion of that cost. Dairyland's plants used about 2.4 million tons of coal in 2014 including its 30 percent share of the Weston 4 power plant.

(Director Report continues on page 6)



74th Annual Meeting WOULD YOU LIKE TO ATTEND IN 2015?

People's Energy Cooperative will be traveling to La Crosse, Wisconsin, on Wednesday, June 3, to participate in Dairyland Power Cooperative's 74th Annual Meeting. A chartered bus will leave People's Oronoco headquarters at 7:30 a.m. and return around 5:00 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 opportunity to learn more about Dairyland's services, major projects, renewable energy technologies, and energy conservation efforts. Lunch will be provided.

If you would like to attend, please contact the Cooperative office at 507-367-7000 or email qstevens@peoplesrec.com.

A COOPERATIVE RELATIONSHIP



PEOPLE'S ENERGY COOPERATIVE IS ONE OF 25 member distribution cooperatives that receive all of their power from Dairyland Power Cooperative, headquartered in La Crosse, Wisconsin. The Dairyland system serves over 255,000 meters across our region providing the benefits of electricity to nearly 600,000 consumers.

You can learn more at www.dairynet.com.

DAIRYLAND DIRECTOR REPORT: EUGENE J. MILLER (continued from page 3)

LOOKING FORWARD: Dairyland has been very successful maintaining stable rates the past few years. However, regulatory compliance and operational expenses continue to escalate and place upward pressure on wholesale rates, which in turn can impact People's Energy Cooperative's retail rates. Power suppliers continue to face the challenge of potential carbon legislation, growing state renewable energy standards, tougher

environmental regulations and challenging energy efficiency mandates. All of these are increasingly difficult to implement and costly. It is important that we, as members of our cooperative, understand the impacts.

Dairyland is positioned strong financially and operationally as we plan for the future under new leadership. I am pleased to report on this positive year and assure you that Dairyland staff will continue

to work to provide all of us the best energy value in the future.

Sincerely,

Eugene J. Miller

Eugene Miller, Dairyland **Board Representative** gmiller@peoplesrec.com



On Tuesday, April 15, 2014, Southern Minnesota Energy Cooperative (SMEC) and Alliant Energy filed an application with the Minnesota Public Utility Commission seeking approval of the proposed sale of Alliant Energy's Minnesota electric distribution territory.

AS FIRST ANNOUNCED IN SEPTEMBER 2013, SMEC is comprised of 12 rural electric cooperatives in southern Minnesota who partnered together to form an operating and acquisition entity with the purpose of acquiring Alliant Energy's Minnesota service territory.

The MPUC filing included information on the impact the sale will have on the affected Alliant Energy customers' rates with or without the proposed sale. In the filing, SMEC provided details of a five-year rate transition proposal to manage the affected Alliant Energy customer rates after the sale is completed.

Since filing with the MPUC, both SMEC and Alliant have provided additional information as part of the review process. As of the writing of this report, we are patiently waiting for the acquisition to be placed on the Commission's agenda.

This once-in-a-lifetime opportunity provides People's Energy Cooperative with more assets and income to absorb and spread the fixed costs of operating an electric utility across more member-owners.

Investing in Alliant's service territory today will position the Cooperative for a bright future as the region continues to grow through the Destination Medical Center and Journey to Growth plans unfold.



Proposed Amendments

FOR PEOPLE'S ENERGY COOPERATIVE'S BYLAWS

At its January 2015 meeting, the Board of Directors of the People's Energy Cooperative proposed amendments to the PEC Bylaws. Below are the proposed revisions, with the proposed changes in green. Please note the items under Article 1 are revisions and Section 2.8 – Arbitration has been added. On the Ballot, please mark "YES" if you approve of the amendments, or mark "No" if you do not approve of the amendments.

ARTICLE 1 - Section 1.2: Joint Membership

Two or more No more than two persons residing together may jointly become a member and their application for a joint membership may be accepted in accordance with the provisions of these bylaws. The joint membership shall be deemed to be one member by the Cooperative and shall be treated as one membership for all purposes. The two persons who have a joint membership may determine from time-to-time who which person shall have the right to vote.

ARTICLE 1 - Section 1.3: Conversion of Membership

(a) An existing single membership may be converted to a joint membership between no more than two or more persons residing together at the written request of the holder thereof and the agreement by such holder and the other person(s) seeking joint membership to comply with the requirements of Section 1.1 hereof. The membership shall be amended by adding the names of the two joint members, the capital credit account shall likewise be amended to add the names of the two joint members, and the pre-existing membership and capital credit account shall continue as a joint membership account.

(b) When a membership is held jointly by two people, upon the death of a joint member, such membership shall be deemed to be held solely by the survivor(s) with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint membership may be changed to the survivor(s); and upon the recording of such death on the books of the Cooperative, the surviving person(s) shall become the member, provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

ARTICLE 1 - Section 1.5: Well Services

In the event a well services more than one member, each up to two of the members serviced served by the well may jointly become members on the well service account.

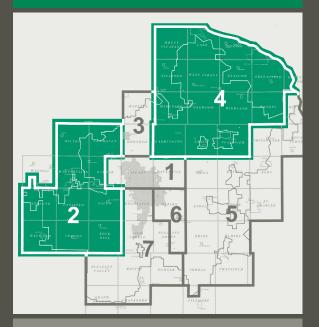
ARTICLE 2 - Section 2.8: Arbitration

Any and all disputes, claims or controversies arising from or related in any way to the Cooperative's provision of electricity or other services, or in its furnishing of any goods, or in the conduct of its operations, other than disputes or claims relating to the payment for electrical energy and/or other services provided by the Cooperative, that are not resolved by agreement of the parties, shall, at the request of either party, be resolved by binding arbitration. In the event the arbitration involves a sum in excess of \$100,000.00. there shall be three (3) arbitrators, one picked by each party and a third selected by the two (2) arbitrators selected by the parties. In the event the dispute involves less than \$100,000.00, there shall be one (1) arbitrator. If the parties cannot agree on an arbitrator, the determination shall be made by the Minnesota District Court in Olmsted County, Minnesota. The arbitration shall take place in Rochester, Minnesota, or as close to this location as possible, under and pursuant to the rules contained in chapter 572B of Minnesota Statutes, the Uniform Arbitration Act. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota, including, but not limited to, the Frye standard, and not the Daubert standard, with respect to expert testimony. The cost of the arbitrators and the filing fees shall be shared equally by the parties.

All disputes between the parties must be arbitrated individually, and not through a Class Action.

Each member of the Cooperative, by virtue of their membership, agrees to arbitrate any and all claims or controversies according to these bylaws and the regulations and policies prescribed by the Board of Directors. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative.

2015 **DISTRICTS 2 & 4** Director Elections



DISTRICT TWO INCLUDES THE FOLLOWING: Ashland. Canisteo, Hayfield, Kalmar (west half), Mantorville, Milton, New Haven, Rock Dell, Salem, Vernon and Wasioja.

DISTRICT FOUR INCLUDES THE FOLLOWING: Elgin, Farmington, Gillford, Glasgow, Highland, Hyde Park, Lake Pepin, Mount Pleasant, Oakwood, Plainview, Watopa and West Albany.

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

2014 BOARD CANDIDATES, DISTRICTS 2 & 4



District 2

Kenneth Wohlers, Incumbent By Nomination • Hayfield, MN Cooperative Member for 38 years

Ken was born and raised in Lake City, MN. He served in the United States Navy in the finance department and worked in the accounting field for many years. In 1997, he began farming the family farm near Hayfield, MN. Ken is a member of the Hayfield American Legion and is a past Commander. He is also a past member of the National Association of Accountants and the Hayfield School Board. Ken has served on the People's Energy Cooperative Board of Directors for 12 years; serving as secretary and treasurer for the past eight years.

What qualifications do you possess that make you feel you will be a good director? I am a graduate of Winona State University with a degree in Business Administration and a major in Accounting. My many years as an accountant and farmer have served me well as the Cooperative's finances have become more complex over the years. I have made a point to attend as many national, state and regional cooperative related meetings as I can in an effort to stay informed of the ever-changing energy environment. Part of my training included completing the requirements necessary to become a Credentialed Cooperative Director. I have positive relationships with the Cooperative's board and management staff that keeps our focus on accomplishing the Cooperative's mission of providing reliable electricity to our members and communities with superior customer service and innovative energy solutions at fair and reasonable prices.

What would be a priority goal for your next term as a director?

My primary goal for the next term is to complete the Alliant acquisition as soon as possible in 2015 and to ensure a smooth and welcoming transition for the Alliant customers into the Cooperative. Another major goal is to continue positive relations with our local legislators to ensure fair net metering. stray voltage, and FEMA reimbursement legislation.

What would be your long-range goal for the Cooperative?

Four long-range goals I still have are to ensure that we continue to: Develop and accomplish work plans that capitalize on our available budget and prepare us for success in the current year and years to come; Find ways that enable us to provide the best possible service to our members at the most fair and reasonable cost; Recognize Cooperative employees for their dedication, hard-work and contributions and continue to provide opportunities for them to grow and excel; Challenge Dairyland Power Cooperative, our wholesale power provider, to do what is necessary to compete in today's economic and electrical environments.



District 4

Eugene Miller, Incumbent By Nomination • Theilman, MN Cooperative Member for 53 years



District 4

Dennis Stelling By Nomination • Millville, MN Cooperative Member for 31 years

Gene is a retired dairy farmer, resident of Highland Township and long-time member of People's Energy Cooperative. He is an active member of Immaculate Conception Catholic Church, having served on the parish advisory board. Gene has served on the Plainview Creamery Board for a number of years and currently serves as supervisor for the Highland Township Board.

What qualifications do you possess that make you feel you will be a good director? I have been representing People's Energy Cooperative as a board director for District 4 since 1984 and have served as both vice-chair and chair. During my terms on the board, I have completed many Cooperativesponsored classes which qualify me as a Credentialed Cooperative Director. I continue to attend conferences and training sessions on a regular basis in order to stay in touch with changes in the electric utility world. I have also served as the Cooperative's representative on the Dairyland Power Cooperative Board since 1999 and served as vice-chair for three years.

What would be a priority goal for your next term as a director?

The ultimate goal I have is to ensure the Cooperative remains strong now and well into the future for generations yet to come and I believe the Alliant acquisition is critical to that future. The main goal for this term is to complete this once-in-a-lifetime opportunity to grow our member base in 2015. Then the goal becomes ensuring the Alliant customers experience a smooth transition into the Cooperative initially and as time goes on.

What would be your long-range goal for the Cooperative?

There are four areas that I believe can have a significant impact on the Cooperative and in turn, the rates we pay. Therefore I believe it is critical we: Work with legislators to ensure the Cooperative's collective voice is heard regarding environmental requirements and legislation that have a negative impact on the Cooperative; Seek ways to harness green energy in a way that ensures the affordability of electric rates for everyone; Pursue an equitable agreement with the City of Rochester regarding annexed service territory as the City continues to grow; Capitalize on the knowledge and talents of the Cooperative's employees and the efficiencies of technology to operate as efficiently as possible.

Dennis is a retired farmer and a third generation member of People's Energy Cooperative since 1984. His family was on the lines when they went up in the 1930's. He is an active member of Trinity Lutheran Church - Lincoln, where he currently serves as the Financial Secretary. He also has served as a delegate to the MN District WELS convention and to the WELS Synod convention. Dennis served as the president of the Wabasha County Dairy Herd Improvement Association Board and has participated in the Plainview Community Band for a number of years. Over the years, he has volunteered for a variety of organizations and most recently is volunteering for Cochlear™ Americas to raise awareness of hearing loss and Cochlear™ implants.

What qualifications do you possess that make you feel you will be a good director? After 31 years of running my own business I have a working knowledge of spreadsheets and accounting principles as well as leadership skills. As highlighted above, I have served on numerous boards and committees over the years and am not afraid to challenge ideas to make sure they are the best. Being retired affords me the time and flexibility to commit to fulfilling the responsibilities required of a board member as well as the time it will take to learn more about the challenges and opportunities the Cooperative is facing.

What would be a priority goal for your next term as a director?

First and foremost, it would be learning the electrical cooperative business in more detail and getting to know the current leadership of the Cooperative. After that, the most important goal would be to look at the current business and leadership structure to see if there are any obvious needs that only a fresh set of eyes may notice.

What would be your long-range goal for the Cooperative?

The long range goals of any business need to be economic sustainability. There needs to be sufficient ongoing programs to keep the Cooperative financially healthy, while promoting growth of membership and improvements in the infrastructure, from electrical production all the way to delivery. Technology moves very rapidly and the Cooperative must be in a position to utilize it in the most appropriate ways possible.

Engaged Members

ARE IMPORTANT TO THE SUCCESS OF ANY COOPERATIVE



Nominating, Credentials and Elections Committee

The Committee met on March 4, 2015, for the official meeting. During this meeting, three director candidates were nominated to be put on the election ballot (see pages 8-9).

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COMMITTEE FOR DISTRICT 2: Brad Schmidt, Veronica Stevens and David Swart

COMMITTEE FOR DISTRICT 4: James Dittrich, Sue Kennebeck, Jane Klassen, Kathy McFarland, Robert McGrath, Darvey Sloan and Cindy Stamschror. At PEC, there are many members who commit time and effort to help make the future bright for all Cooperative members. Thank you to the Member Advisory Committee and the Nominating, Credentials and Elections Committee for your contribution.

Member Advisory Committee

Formed in 2010, this committee is made up of 21 members, three from each of the seven districts, and former directors who serve one, three-year term. Committee members provide a sounding board for the People's Board of Directors as well as a direct link to communication with members.

Advisory Members from each District:

- 1: John Johnson, Josh Noser, Tom Schwalen
- 2: Allan Eastlee, Kurt Orning, David Rassel
- 3: Dave Kleiber, James McKeon, Bonnie Radke
- 4: Pete Hampe, Celene Holst, Steve McNallan
- 5: Don Andring, Dale Hinkley, Jim Nigon
- 6: Thomas Leonard, Joel Messmer, Nathan Redalen
- 7: Lori Feltis, Wavne Gunderson, Norman Olson
- Former Directors: Tony Ebert and Leo Lentz

EVERY CO-OP MEMBER HAS A VOICE.

As an electric co-op member you have a say in how the co-op is run. Isn't that nice to hear?

Learn more about the power of your co-op membership at **TOGETHERWESAVE.COM**

PROUDLY GIVING BACK TO LOCAL GRADUATES

People's Energy Cooperative is proud to provide scholarships to 20 area public and private high schools. Scholarships are funded by unclaimed Capital Credits, in accordance with state law for unclaimed property and recipients are chosen by their school.

2014 High School Scholarship Recipients

- Byron: Stephanie Bellrichard, Cole Schad, Hope Schuster, and Ian Thomason
- Chatfield: Hannah Armstrong, Jenn Hanson, and Emily Ferguson
- Dover-Eyota: Hannah Wahlstrom, Ben Huber, John Rowe, and Ashley Tiedemann
- Grand Meadow: Jason Freese
- Hayfield: Carter Pesch and Brandy Lindquist
- Kasson-Mantorville: Alexandra Ostfeld and Aubrey Postier
- Lake City: Carissa Balow
- Lourdes: Ian Torchia. Jillian Lacey, and Ellen Sheehan
- Rochester Century: Chris Captain and Anila Mehta

- Rochester John Marshall: Justin Anderson
- Rochester Mayo: Bethany Gibson
- Pine Island: Jordan Pin, Luke Schmidt, and Taylor Schaefer
- Plainview-Elgin-Millville: Emily Iverson, Thomas Miller, and Lucas Simonson
- Schaeffer Academy: Kaitlyn Shepherd
- St. Charles: Tyler Thoreson and John Paul Reisdorf
- Stewartville: Sam Edge and Stephanie Schmidt
- Triton: Samantha Haugen
- Victory Christian Academy: Lynsey Hall
- Wabasha-Kellogg: Jordan Meyer

A separate scholarship program has been established by People's Energy Cooperative to encourage individuals to seek training as line workers. Students enrolled in or who plan to attend an approved regional line worker training program are eligible to apply for a \$1,000 scholarship.

WASHINGTON! 2014 YOUTH TOUR WINNER



Marissa Breider, 2014 Rural Electric Youth Tour Winner

NRECA's Rural Electric Youth Tour has brought over 1,500 high school students to Washington, D.C., annually since the early 1960s. To date, nearly 50,000 students from rural areas and small towns across America have participated in this unique, once-in-a-lifetime program.

In 2014, People's Energy Cooperative sponsored Marissa Breider (daughter of Julie and Brian Breider) from Century High School. Marissa applied for and won an all-expense paid trip to experience a week in our nation's Capitol. Marissa had the opportunity to meet our Minnesota senators and representatives, learn about rural electrification on the local, state and national levels, and tour historical sites and landmarks. She also became friends with students from neighboring cooperatives that attended.



INVESTING TODAY FOR A BRIGHTER TOMORROW



MINNESOTA THREE LLC

THE POWER OF COOPERATION AMONG COOPERATIVES

Freeborn-Mower Cooperative Services (Albert Lea), People's Energy Cooperative (Oronoco) and Tri-County Electric Cooperative (Rushford) partnered to form Minnesota Three LLC in response to a request for proposal from Dairyland Power Cooperative for a 517-kW solar generator.

What makes the event historical is that the three cooperatives are selling power to their power supplier. At the time the array was built, there were only two known generation sites owned by distribution cooperatives selling power to a G&T. Dairyland will purchase all the power generated by 1,880-panel solar array for the next 10 years.

The project was also historic in that it received one of the largest grants from the USDA's Rural Energy for America Program (REAP). The \$385,000 grant was critical to the project that generates enough electricity to power about 60 homes a year.

ABOVE: History was made on Wednesday, August 6 when People's Energy Cooperative, along with two other Minnesota electric distribution cooperatives (Albert Lea and Rushford), celebrated a ribbon-cutting ceremony for the 517-kilowatt (kW) solar array developed by Minnesota Three LLC. The array is located just north of the Cooperative's headquarters in Oronoco.



Small Change Made a Big Difference!

\$60.379 DONATED TO LOCAL CHARITIES & ORGANIZATIONS

People's Energy Cooperative launched the Operation Round Up® program in 2004 and has aided several schools. community projects and other non-profit organizations in the communities we serve.

The program is designed to collect voluntary contributions from members who roundup their monthly electric bill to the next whole dollar. The average member contributes about \$6.00 per year and never more than \$11.88. Small change each month is having a BIG impact and leaving a legacy members can be proud of.

The following cooperative members make up the Operation Round Up® Trust Board:

District 1: Ben Hain, Board Chair

District 2: Beverly Johnson

District 3: Mark Williamson

District 4: Kathleen McFarland, Secretary

District 5: James Hobbs

District 6: Darlene Schmidt

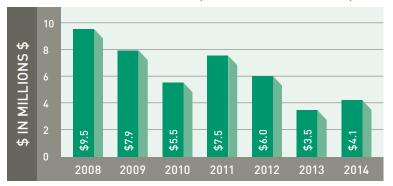
District 7: Judy Swenson, Vice Chair

Program guidelines and applications for donations are available at www.peoplesenergy.coop or by calling People's Energy Cooperative at 507-367-7000.

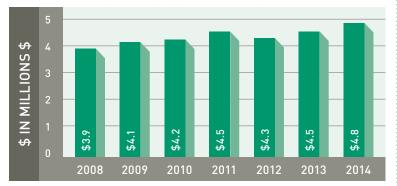
VALUABLE & POWERFUL **INVESTMENTS:**

Investing in our system is an investment in providing safe and reliable electricity. Electric plant investments ensure service availability. Investments in operations and maintenance are key to extending the life of the initial plant investment and ensuring reliability. Rightof-way clearing is critical in keeping trees away from and out of power lines, especially during severe weather.

INVESTMENT IN ELECTRIC PLANT (Transmission & Distribution)



INVESTMENT IN OPERATIONS & MAINTENANCE



INVESTMENT IN RIGHT-OF-WAY CLEARING



Everyday Value 2014 REBATES & INCENTIVES

In 2014, we gave rebates for 453 ENERGY STAR® appliances totaling \$11,325, and \$1,950 in rebates for recycling old appliances.

Rebates totaling \$24,736 were given for energy efficient lighting and \$65,155 in rebates were given to members who installed a high-efficient air conditioning system or a heat pump.

We provided \$8,900 to members who elected to put their electric water heater under control and \$2,564 to members who participated in a residential home energy audit.

Custom rebates for Agricultural, Commercial, and Industrial accounts in 2014 totaled **\$21,803**.

The rebate program helped the Cooperative reduce energy by over **2,270,061 kWh** in 2014.

POWER DOWN CAMPAIGN

During the months of June, July and August, our members were asked to reduce electric use between the hours of 11 a.m. and 7 p.m. during weekdays. By powering down together, members helped reduce wholesale power costs and kept electric rates affordable for all.



TOGETHERWESAVE

Minutes from the 77th Annual Meeting

PEOPLE'S ENERGY COOPERATIVE HEADQUARTERS, APRIL 10, 2014

The 77th Annual Meeting of the stockholders (hereinafter referred to as "members") of People's Energy Cooperative was held at the People's Energy Cooperative headquarters building in Oronoco, Minnesota, on April 10, 2014, pursuant to notice mailed to each and every member of the Cooperative at least fifteen (15) days prior to the holding of the meeting.

- Teresa Whitcome, director of member 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 and special quests in attendance were introduced.
- Secretary Kenneth Wohlers gave the invocation and led the membership in reciting the Pledge of Allegiance and the National Anthem was sung by Colleen Henckel, Annika Johnson, Marcus Krajewski and Donna Unseth, members of the Rochester Area Association of Christian Home Educators' (RAACHE) Arioso Choir.
- According to Article II, Section 5 of the By-Laws of the Cooperative, it was announced that there was a sufficient number of members present (411 registered members) to constitute a quorum and to transact any pertinent business that may come before the membership. Therefore, the meeting was officially called to order by Jerome Wooner, chair of the Board of Directors, at 11:10 a.m. A motion to accept the agenda was received along with a second. The motion carried.

- Kenneth Wohlers, secretary/ treasurer of the Board of Directors, read the Notice of Annual Meeting together with proof of the mailing to all members. The minutes of the Annual Meeting of May 21, 2013, 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 these minutes as they appeared in the Annual Report. The motion passed.
- Kenneth Wohlers, secretary/ treasurer of the Board of Directors, gave the financial report of the Cooperative. The annual report of the Highline Hi-Lites contained the results of the Cooperative's annual audit. A motion was made and seconded to approve the financial report as read. The motion passed.
- Chair of the Board, Jerome Wooner addressed the membership and provided an overview of the functions and responsibilities of the Board of Directors, the importance of director education to help Board members better understand the electrical industry, the Board's fiduciary responsibility, and the significance of capital credits.
- Elaine Garry, president & CEO, spoke to the membership about "the Cooperative's core purpose is to meet community needs." She discussed the successes of 2013, the progress of the Alliant acquisition project, the solar array being built by Minnesota Three LLC of which PEC is one of the three owner cooperatives, renewable energy and the economic development fund loan program. She also noted the cooperative business model works because of our member-owners who run to be elected to the Board of Directors or volunteer to be on the Member Advisory Committee and Operation Round-Up board because they have a sincere interest in the Cooperative and giving back to their community. Mrs. Garry recognized Cooperative employees Rick Wellick, Mark Hallam and Gary Koehe or 40, 30 and 25 years of service respectively.
- The Board of Directors, candidates running for election to the Board of Directors and the Nominating/Credentials Committee were introduced.
- · Guest speaker, Brian Rude, Dairyland Power Cooperative vice president of external and member relations, spoke about electric cooperatives that are proud of their

Minutes CONTINUED...

past, challenged today and are boldly facing the future. He talked about the creation of Dairyland Power Cooperative that is owned by 25 member cooperatives in four states and the difference between cooperatives and investor-owned utilities. He discussed renewable energy and the part it plays to power our communities. His parting thought was "Working together in our neighborhoods and our communities, we can have a better life in rural America..."

- Dan Berndt, attorney with the Dunlap & Seeger Law Firm, who oversaw the counting of the ballots, was called upon to announce the results of the director election. Elected to the Board of Directors for three-vear terms were Robert Hoefs District 3. Jerome Wooner - District 5 and Jefferv Orth - District 7.
- As the business meeting concluded, Mr. Wooner asked for any old, unfinished, or new business. There was none. He asked for new business. There was none.
- The 77th Annual Meeting of People's Energy Cooperative was adjourned at 11:58 a.m.
- Mr. Wooner opened the meeting to questions.
- Winning notices for \$50 bill credits and two coolers donated by Heartland Security were taped randomly to the bottom of twelve of the member's chairs.



The TIMMAY 5K IN HONOR OF TIM RASMUSSON

On April 9, 2014, 26-year old PEC line worker Tim Rasmusson passed away suddenly from an ascending aortic aneurism. That day we lost a genuine friend, dedicated co-worker and allaround great guy.

Tim graduated from Dakota County Technical College's Electrical Line Worker Program in 2010. Shortly after graduating, he began his career at People's as a temporary line worker from July to December. He was then hired full-time in May 2011 as an apprentice and was working to become a journeyman line worker when he passed away.

By donating his organs, Tim's legacy continues through the lives he saved and his gift of sight for two fortunate recipients. To honor Tim and bring more awareness to organ donation, Tim's family and friends have formed the Tim Rasmusson Foundation and are sponsoring the 'Timmay 5k Run/Walk' being held in his honor on Saturday, April 11. It is taking place around Silver Lake Park in Rochester.

The purpose of the Timmay 5k is to bring awareness to the incredible gifts organ donors give to others. The slogan is "Target Donor Awareness". The primary purpose of the Tim Rasmusson Foundation is to generate funds to be used for donations to charitable organizations with a cause, mission or connection to organ donation, and to make contributions to non-profit organizations that are consistent with these goals.

For more information or to register for the Timmay 5k Walk/ Run, visit http://timrasmusson.wix.com/tim-rasmusson. Pre-registration closes March 27th.



THE POWER TO PROTECT call: 888-264-6380 visit: heartlandss.com

2014 From The Treasurer:

Statement of Operations

FISCAL YEARS ENDED DEC. 31, 2014 & 2013

I am pleased to present the

The 2014 financial statements were audited by the accounting firm CliftonLarsonAllen LLP, who also audited the *Operation* Round Up® financial records reported on page 18 of this

In their opinion, the 2014 financial statements present fairly, in all material respects, the financial position and results of operation for People's Energy Cooperative accepted accounting principles.

Kenneth Wohlers. Secretary & Treasurer

OPERATING REVENUES	2014	2013
	\$33,337,015	\$32,329,108
OPERATING EXPENSES		
- Cost of Power	\$17,463,369	\$17,466,514
- Distribution Expense - Operations	\$1,953,153	\$1,785,610
- Distribution Expense - Maintenance	\$2,800,750	\$2,760,455
- Consumer Accounts Expense	\$1,276,251	\$1,155,018
- Sales Expense	\$54,174	\$75,023
- Administrative and General Expense	\$1,923,368	\$1,623,869
- Depreciation Expense	\$3,798,086	\$3,312,052
- Other Deductions	\$18,688	\$19,988
Total Operating Expenses	\$29,287,839	\$28,198,529
OPERATING MARGINS (before fixed charges)		
	\$4,049,176	\$4,130,579
INTEREST ON LONG-TERM DEBT		
	\$2,667,268	\$2,692,356
OPERATING MARGINS (after fixed charges)		
	\$1,381,908	\$1,438,223
GENERATION, TRANSMISSION AND OTHER CA	PITAL CREDITS	
	\$1,020,355	\$1,054,213
NET OPERATING MARGINS		
	\$2,402,263	\$2,492,436
NON-OPERATING MARGINS		
- Interest Income	\$297,350	\$344,480
- Other Non-Operating Margins	\$695,930	\$469,283
- Extraordinary Items	\$0	\$2,020,100
Total Non-Operating Margins	\$993,280	\$2,833,863
NET MARGINS		
	\$3,395,543	\$5,326,299

12,051 members

in over 14,922 homes and businesses

Balance Sheet ENDED DEC. 31, 2014 & 2013

assets:

what we own

equities: our net worth

liabilities:

what we owe

CORPORATE PROFILE

Incorporated on January 1, 1936, serves 12,051 members in over 14,922 homes and businesses miles in Olmsted, Dodge, Fillmore, Mower, Wabasha, and Winona 23 substations.

within the city limits of Byron, Chatfield, Dover, Elgin, Eyota, St. Charles, and Stewartville and all members within the and Viola.

ASSETS	2014	2013
UTILITY PLANT		
- Electric Plant in Service	\$111,721,350	\$107,780,857
- Construction Work in Progress	\$464,615	\$1,329,642
- Total	\$112,185,965	\$109,110,499
- Less Accumulated Provision for Depreciation	(-)\$25,576,097	(-)\$22,983,527
Net Utility Plant	\$86,609,868	\$86,126,972
OTHER PROPERTY AND INVESTMENTS		
- Investment in Associated Organizations	\$13,733,328	\$12,840,047
- Other Investments	\$3,031,126	\$3,085,899
Total Other Property and Investments	\$16,764,454	\$15,925,946
CURRENT ASSETS		
- Cash and Cash Equivalents	\$8,300,382	\$6,756,104
– Accounts Receivable, Net	\$3,306,009	\$3,051,522
- Other Accounts Receivable, Net	\$95,350	\$190,738
- Materials and Supplies Inventory	\$548,327	\$627,860
- Other Current and Accrued Assets	\$147,889	\$285,991
Total Current Assets	\$12,397,957	\$10,912,215
DEFERRED DEBITS		
	\$1,706,527	\$1,915,962
TOTAL ASSETS	\$117,478,806	\$114,881,095
EQUITIES & LIABILITIES	2014	2013
EQUITIES & LIABILITIES EQUITIES	2014	2013
	2014 \$24,699,181	2013 \$25,118,049
EQUITIES		
EQUITIES - Patronage Capital	\$24,699,181	\$25,118,049
EQUITIES - Patronage Capital - Other Equities	\$24,699,181 \$19,297,042	\$25,118,049 \$16,264,746
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins	\$24,699,181 \$19,297,042 (-)\$161,300	\$25,118,049 \$16,264,746 (-)\$131,900
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities	\$24,699,181 \$19,297,042 (-)\$161,300	\$25,118,049 \$16,264,746 (-)\$131,900
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923	\$25,118,049 \$16,264,746 (-]\$131,900 \$41,250,895
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities)	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923	\$25,118,049 \$16,264,746 (-]\$131,900 \$41,250,895
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES	\$24,699,181 \$19,297,042 (-)\$161,300 \$43,834,923 \$64,544,995	\$25,118,049 \$16,264,746 (-)\$131,900 \$41,250,895 \$63,630,055
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits	\$24,699,181 \$19,297,042 (-)\$161,300 \$43,834,923 \$64,544,995	\$25,118,049 \$16,264,746 (-)\$131,900 \$41,250,895 \$63,630,055
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES	\$24,699,181 \$19,297,042 (-)\$161,300 \$43,834,923 \$64,544,995 \$594,300	\$25,118,049 \$16,264,746 (-)\$131,900 \$41,250,895 \$63,630,055 \$543,100
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES - Current Maturities of Long-Term Debt	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923 \$64,544,995 \$594,300 \$3,642,000	\$25,118,049 \$16,264,746 (-)\$131,900 \$41,250,895 \$63,630,055 \$543,100 \$4,350,000
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES - Current Maturities of Long-Term Debt - Notes Payable	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923 \$64,544,995 \$594,300 \$3,642,000 \$0	\$25,118,049 \$16,264,746 [-]\$131,900 \$41,250,895 \$63,630,055 \$543,100 \$4,350,000 \$0
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES - Current Maturities of Long-Term Debt - Notes Payable - Accounts Payable	\$24,699,181 \$19,297,042 (-)\$161,300 \$43,834,923 \$64,544,995 \$594,300 \$3,642,000 \$0 \$2,532,576	\$25,118,049 \$16,264,746 (-)\$131,900 \$41,250,895 \$63,630,055 \$543,100 \$4,350,000 \$0 \$2,514,308
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES - Current Maturities of Long-Term Debt - Notes Payable - Accounts Payable - Consumer Deposits	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923 \$64,544,995 \$594,300 \$3,642,000 \$0 \$2,532,576 \$221,905	\$25,118,049 \$16,264,746 (-)\$131,900 \$41,250,895 \$63,630,055 \$543,100 \$4,350,000 \$0 \$2,514,308 \$196,185
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES - Current Maturities of Long-Term Debt - Notes Payable - Accounts Payable - Consumer Deposits - Other Current and Accrued Liabilities	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923 \$64,544,995 \$594,300 \$3,642,000 \$0 \$2,532,576 \$221,905 \$1,241,821	\$25,118,049 \$16,264,746 [-]\$131,900 \$41,250,895 \$63,630,055 \$543,100 \$4,350,000 \$0 \$2,514,308 \$196,185 \$1,165,149
EQUITIES - Patronage Capital - Other Equities - Accumulated Other Comprehensive Margins Total Equities LONG-TERM DEBT (less current maturities) OTHER NON CURRENT LIABILITIES - Accrued Post Retirement Benefits CURRENT LIABILITIES - Current Maturities of Long-Term Debt - Notes Payable - Accounts Payable - Consumer Deposits - Other Current and Accrued Liabilities Total Current Liabilities	\$24,699,181 \$19,297,042 [-]\$161,300 \$43,834,923 \$64,544,995 \$594,300 \$3,642,000 \$0 \$2,532,576 \$221,905 \$1,241,821	\$25,118,049 \$16,264,746 [-]\$131,900 \$41,250,895 \$63,630,055 \$543,100 \$4,350,000 \$0 \$2,514,308 \$196,185 \$1,165,149

2014

Financial Results (continued)

FINANCIAL DATA & FIVE-YEAR GROWTH COMPARISON					
FISCAL YEARS 2014-2010	2014	2013	2012	2011	2010
TOTAL UTILITY PLANT	\$112,185,965	\$109,110,499	\$107,533,551	\$101,344,478	\$91,893,616
TOTAL REVENUE	\$33,337,015	\$32,329,108	\$31,020,413	\$30,178,521	\$29,232,171
COST OF PURCHASED POWER	\$17,463,369	\$17,466,514	\$17,156,659	\$16,460,403	\$16,839,638
TOTAL MARGINS	\$3,395,543	\$5,326,299	\$2,511,180	\$2,577,548	\$2,337,453
EQUITY RATIO (Equity/Total Assets)	37.3%	35.9%	34.4%	35.5%	37.4%
INTEREST ON TOTAL DEBT	\$2,669,428	\$2,695,076	\$2,562,593	\$2,282,624	\$2,081,423
INTEREST COVERAGE (TIER)	2.27	2.98	1.99	2.14	2.20
SERVICE INTERRUPTIONS (avg hours)	5.70	6.23	5.26	7.73	4.95
FULL-TIME EMPLOYEES	49	46	50	52	52
SERVICES IN PLACE	15,979	15,859	15,760	15,617	16,571
TOTAL MILES OF LINE (incl transmission)	2,682	2,681	2,689	2,679	3,009
KWH SOLD	239,738,922	232,004,338	219,802,448	223,953,048	233,349,074
CAPITAL CREDITS RETIRED	\$841,138	\$799,369	\$807,410	\$790,736	\$774,201

Financial Operating Trends DOLLAR AMOUNT IN MILLIONS



Financial Report People's Energy Cooperative Trust FOR THE YEAR ENDED DECEMBER 31, 2014



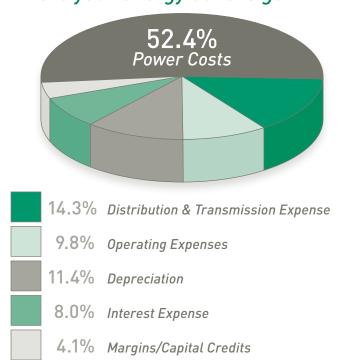


STATEMENT OF FINANCIAL POSITION: A	ASSETS
- Cash	\$29,613
– Account Receivable	\$5,560
Total Assets	\$35,173
STATEMENT OF ACTIVITIES	
REVENUE	
– Contributions	\$68,563
- Investment Income	\$19
Total Revenue	\$68,582
EXPENSES	
– Charitable Giving	\$68,280
- Change in Assets	\$302
NET ASSETS, BEGINNING	\$34,871
NET ASSETS, ENDING	\$35,173

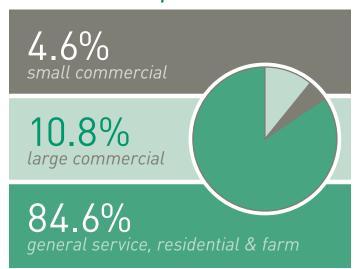
2014

Financial Results (continued)

Energy Dollars where your energy dollars go

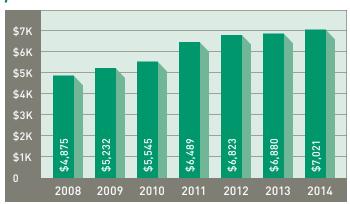


A Quick Glance at what makes up the revenue



Plant Investment

per service



over 14,922 homes & businesses served



Your Touchstone Energy® Cooperative



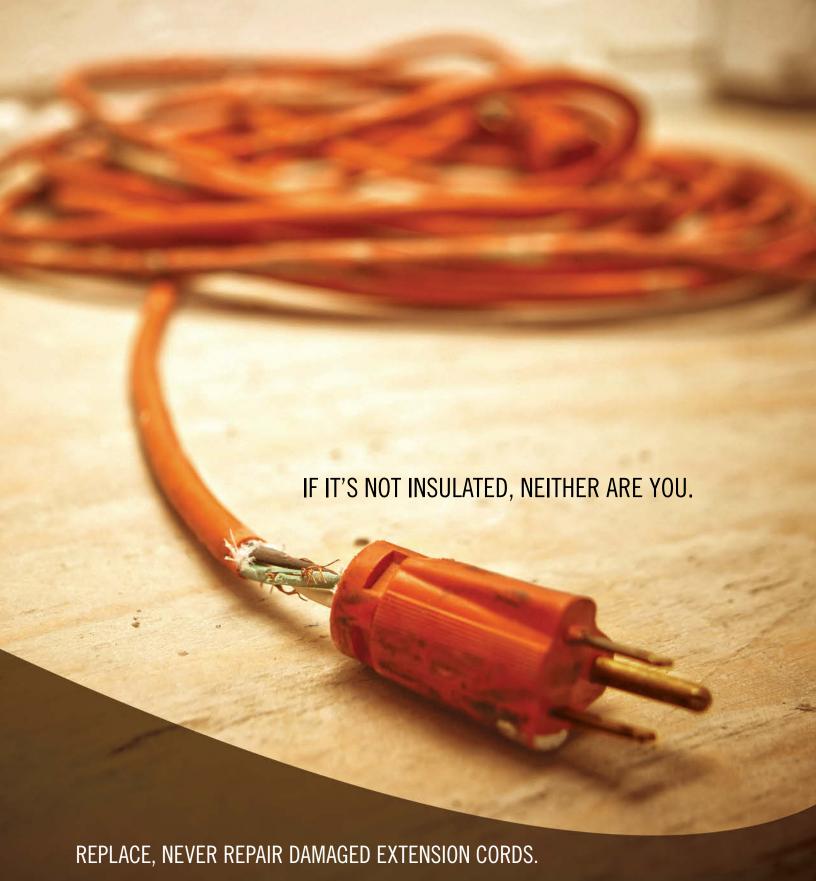
49 employees



THANK YOU FOR HELPING US INVEST IN A BRIGHTER TOMORROW.

vision

Our vision is that the members and communities of People's Energy Cooperative benefit from reliable electricity, superior customer service and leadership in the application of innovative energy solutions at fair and reasonable prices.



Helping members use electricity safely, that's the power of your co-op membership. Learn more from the experts themselves at *TogetherWeSave.com*.





1775 Lake Shady Avenue South Oronoco, Minnesota 55960

HIGHLINE HI-LITES • March 2015 • Vol. 79 • Issue 03

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

MANAGEMENT STAFF

Elaine J. Garry	President & CEO
Gary Fitterer	Director of Engineering
Mike Henke	Chief Financial Officer
Michelle Olson	Director of Member Services
Troy Swancutt	Director of Operations
Gwen Stevens	Director of Member &
	Community Relations

GENERAL INFORMATION

Office Hours	7:30 am – 4:00 pm, Mon – Fri
Telephone	507-367-7000
Toll-Free	800-214-2694
Web Address	www.peoplesenergy.coop
Gopher State One Call	1-800-252-1166
	(for diaging & line location)

FEELING SOCIAL?



Be sure to visit PEC on Facebook and Twitter for up-to-date news, events, and cost-saving tips and tricks!



1.800.252.1166

ANNUAL MEETING: TUESDAY, APRIL 21, 2015

Special Accommodations

If you have special needs of accessibility, sign language, translation or other assistance, we will do our very best to accommodate you if you make your request by April 3. Please contact People's Energy Cooperative at 507-367-7000 or email gstevens@peoplesrec.com.

FROM THE NORTH

- South on Highway 52
- Take the County Road 12 W/CR-112 exit (Exit 64)
- Right onto CR 12 (100 Street NW)

FROM THE SOUTH:

- North on Highway 52
- Take the County
 Road 12 W/CR-112 exit
 [Exit 64] toward Oronoco
- Left onto CR 12 (100 Street NW)

Please continue past the Cooperative and use the west entrance off of CR 12.

We look forward to seeing you!



Now it's faster and easier than ever to report your power outage with our new outage reporting text messaging service. The service was developed to be another convenient way to communicate with us!

For more information, call People's Energy Cooperative at 507-367-7000 and ask about this new service.