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AUG. 2015 NEWS FROM YOUR FRIENDS AT PEOPLE'S ENERGY COOPERATIVE



IN THIS ISSUE:

CEO Message

Voting District Changes

PEC Member Relations Team

ORU Grants

Upcoming Events



MANAGEMENT STAFF

Elaine J. Garry,
President/CEO

Gary Fitterer,
Director of Engineering

Mike Henke,
Chief Financial Officer

Michelle Olson,
Director of
Member Services

Gwen Stevens,
Director of Member &
Community Relations

Troy Swancutt,
Director of Operations

GENERAL INFORMATION

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

(for digging & line location)

WELCOME TO ALL *NEW MEMBERS!*



People's Energy Cooperative is excited to finally welcome 7,000 former Alliant Energy customers in and surrounding the communities of Chatfield, Dover, Elgin, Eyota, Plainview and Stewartville as new member-owners. The journey to this point has spanned nearly three years and required a significant effort to ensure a smooth transition for all involved.

With the exception of the Cooperative's humble incorporation and the installation of the first power lines in 1936, this acquisition ranks as one of the most significant events in the Cooperative's 79-year history.

A transaction of this nature and magnitude is very complex. It has required a great deal of time, cooperation, persistence, and patience. The following recaps the milestones of the sale process.

The first visit with Alliant Energy occurred in March 2012. In February 2013, People's Energy Cooperative (PEC) joined together with 11 other cooperatives to create a new cooperative called Southern Minnesota Energy Cooperative (SMEC) for the sole purpose of negotiating with Alliant Energy. PEC President/CEO, Elaine Garry served on the SMEC executive board and worked diligently to ensure the Cooperative's best interests were represented.

On September 3, 2013, SMEC and Alliant Energy reached an agreement and made a public announcement. On April 16, 2014, SMEC and Alliant filed an application with the Minnesota Public Utilities Commission (MPUC)

seeking approval of the proposed sale. In the months to follow, staff at each cooperative worked hard to ensure information requested by the MPUC was detailed and accurate to support the acquisition.

While SMEC leaders worked out the details of the sale, staff from each cooperative worked through the arduous details of financing the project and transitioning accounts, electric plant and equipment into each individual cooperative. The end goal was, and continues to be, to ensure a smooth transition for our new member-owners.

The biggest hurdle was crossed on April 30, 2015, when the MPUC approved the sale. Within a couple of months, the Iowa Utilities Board and Federal Energy Regulatory Commission (FERC) also approved the sale and it was finalized on July 31.

While the road has been long and bumpy, it is a journey that will serve the Cooperative and its members well, long into the future.

CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



Elaine J. Garry

egarry@peoplesrec.com

Welcome New Members!

At midnight on July 31, People's Energy officially took ownership of a portion of Alliant Energy's Minnesota service area and customer accounts. It is a monumental occasion for the Cooperative and will benefit members for years to come.

This acquisition is the first time in our nation's history that 12 cooperatives have joined together to acquire electric service territory in a single transaction. Other cooperatives have accomplished this, but not with such a large partnership. It speaks volumes about the culture of electric cooperatives which were founded in the spirit of cooperation to bring a vital service to rural communities.

For Alliant Energy, the transaction was very logical. Their customer base was small, but covered a large geographical area that is adjacent to or woven into each of the 12 SMEC cooperatives' service areas. The SMEC cooperatives were the ideal buyers for Alliant Energy.

Some of you may ask why this is such a big deal for People's Energy Cooperative.

Electric cooperatives were established nearly 80 years ago by rural farmers because investor owned utilities (IOU) refused to bring service to rural areas due to long distances and low energy use. So, farmers did it themselves.

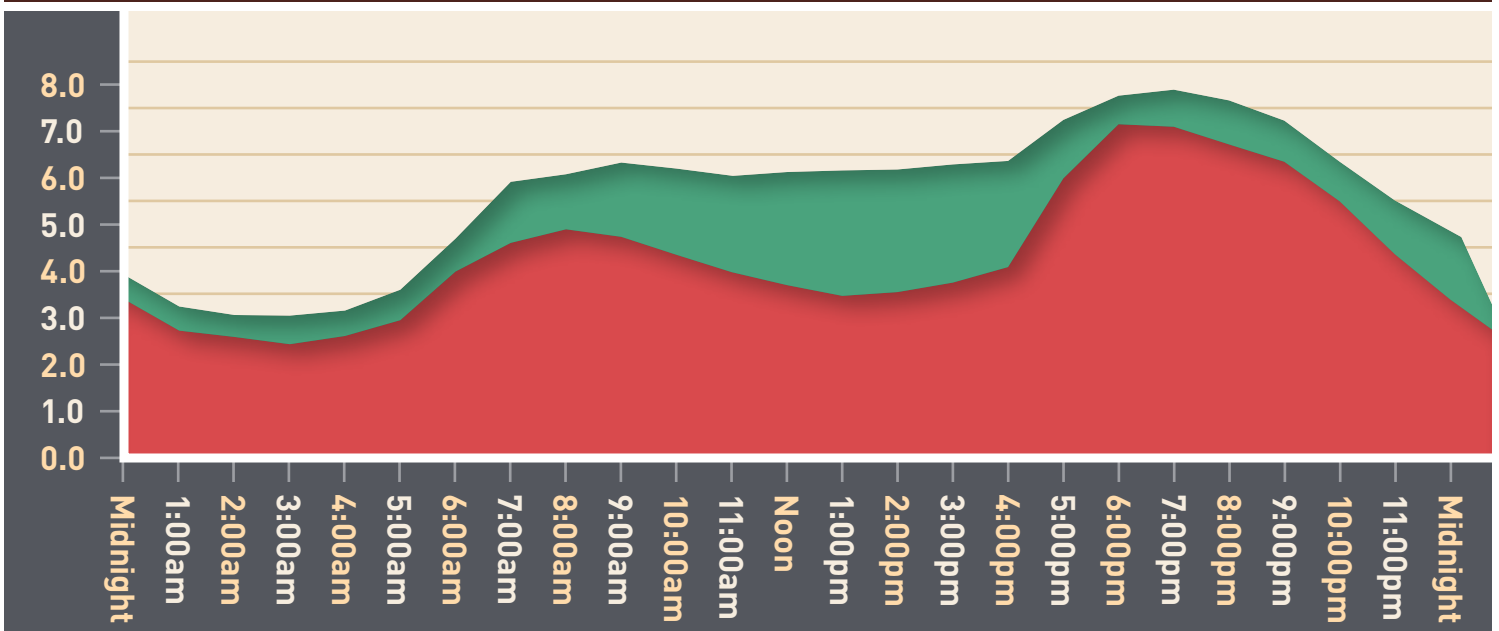
Typically, electric rates are higher at Cooperatives than at the other two types of utilities (IOU's and municipals) because member density is low per mile of line. Additionally, rural cooperatives generally have a much greater portion of residential members than commercial and industrial (C&I) accounts. This customer mix and density requires more electric plant (i.e. substations, poles and lines), but results in less energy sales.

With this acquisition, People's Energy will improve both member density and diversity in the type of members that we serve. Long term, these changes will improve our load curve and benefit all members. The following chart shows our pre-acquisition load curve and how adding more C&I accounts will help smooth out the curve. A flatter load curve means we are utilizing capacity more effectively and therefore more economically. *(continues on page 3)*

TYPICAL DAILY LOAD CURVE

With Legacy

With C&I



CEO MESSAGE

For our new members, there is value too. Electric cooperatives are independent utility businesses established to provide at-cost electric service to their member-owners. They are owned by the members they serve and governed by a board of directors elected by and from the membership. Therefore, members have voting rights and the benefit of local leadership and service.

Because electric cooperatives exist to provide high-quality, reliable electric service on a cost-of-service basis, all margins not needed to operate the Cooperative go back to the member-owners as capital credits rather than to some distant shareholder.

Additionally, all members have the opportunity to actively engage with the Cooperative through participation with the Member Advisory Committee, Nominating Committee, *Operation Round Up*® Board, grass roots political efforts and other cooperative events. You have a voice and we'd like to hear it!

This project was difficult, time-consuming, hard work and very rewarding. I am so proud to be a part of this Cooperative, but even more importantly, I am proud of my coworkers at PEC. They have worked tirelessly to ensure that we will provide high-quality, reliable service to all of you – our current members and new members.

And, last, but not least, I am proud of the Board of Directors – your elected leaders of the Cooperative. The Board members recognized the value of this acquisition and the long term positive potential it brings to the Cooperative. I am confident that their leadership and support will continue as we move forward to integrate our service areas and welcome new members.

Stay safe and enjoy the rest of your summer!

Sincerely,
Elaine J. Garry,
President & CEO,
507-367-7000

WELCOME PACKETS FOR OUR NEW MEMBERS

Those who became members as a result of the acquisition should have received a welcome packet in the mail that looks like the image shown below.

In the packet is important information for members to keep on hand in order to take full advantage of their membership. It also contains key items that are important to know or actions to take to ensure a smooth transition. Eighteen thousand sixty-one.

Most important is that members review the [Statement of Membership](#) and complete the [Account Update Form](#).



If you did not receive a welcome packet, please contact the Cooperative office at 800-214-2694 or 507-367-7000.

Voting District Boundary Changes

Adding more members through the Alliant acquisition made it necessary to redraw the boundary lines of the Cooperative's seven districts so each district has a similar number of members. The new districts are explained below and shown on the map. Eight thousand one hundred thirty-six.

DISTRICT ONE: Cascade, Elgin, Farmington, Haverhill, and sections 1-18 of Rochester (north half).

DISTRICT TWO: Ashland, Canisteo, Frankford, Grand Meadow, Hayfield, Mantorville, Pleasant Valley, Rock Dell, Salem, Vernon, Wasioja, and sections 19-36 of Kalmar, 5-8, 17-20 and 29-32 of High Forest, and sections 4-36 of Racine

DISTRICT THREE: Gilford, Hyde Park, Milton, Mazeppa, New Haven, Oronoco, West Albany, and sections 1-18 of Kalmar.

DISTRICT FOUR: Elba, Glasgow, Greenfield, Highland, Lake, Minneiska, Mount Pleasant, Mount Vernon, Oakwood, Pepin, Plainview, Quincy, Watopa, and Whitewater.

DISTRICT FIVE: Dover, Eyota, Orion, Viola, and sections 1-30 and 33-36 of Elmira.

DISTRICT SIX: Chatfield, Filmore, Jordan, Marion, Pleasant Grove, Sumner, and sections 31-32 of Elmira.

DISTRICT SEVEN: Sections 1-4, 9-16, 21-28, and 33-36 of High Forest, sections 19-36 of Rochester and sections 1-3 of Racine.



ATTENTION! Landlords & Renters:

If you haven't already done so, please contact People's Energy Cooperative to let us know if you are a landlord or renter. It's important for the Cooperative to know when property is under a rental agreement in order to ensure continuity of electrical service for current and future renters.

Landlords are encouraged to complete a Landlord Agreement Form to let us know whether or not they want to be contacted when electricity is going to be disconnected to a rental property. In some cases, landlords can elect to have electric service automatically transferred to their name when service is going to be disconnected. This can help save on reconnection fees.

Renters, if you have not notified us who your landlord is, please contact the Cooperative office at 800-214-2694 or memberservices@peoplesrec.com.



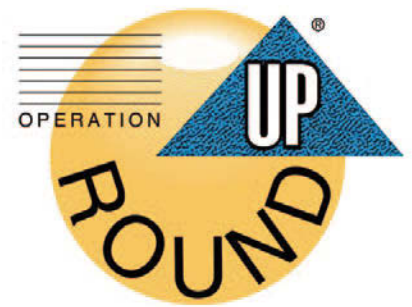
OPERATION ROUND UP®

July Grants

To be considered for fourth quarter grants in 2015, applications must be submitted no later than Sept. 21, 2015. Program guidelines and applications for Operation Round Up® donations are available at www.peoplesenergy.coop or by calling the Cooperative at 800-214-2694.

People's Energy Cooperative's Operation Round Up® Trust Board has provided \$14,140 in grants to the following organizations:

- **\$1,000: American Heart Association** – For health screenings at the 2016 Go Red for Women Luncheon.
- **\$500: American Red Cross** – For Home Fire Program.
- **\$1,000: Bear Creek Services** – For an EZ Lift Stand.
- **\$1,000: Eyota Kids Korner** – For bathroom updates.
- **\$500: Faith in Action** – For volunteer transportation costs.
- **\$1,000: Families First of Minnesota Crisis Nursery** – For the child abuse prevention and family support program.
- **\$500: Gift of Life Transplant House** – For added surveillance.
- **\$500: Great River Homes, Inc.** – For meals.
- **\$465.88: Kasson-Mantorville Community Ed - Preschool** – For S.M.A.R.T. Equipment.
- **\$500: Pine Island Image Committee** – For Community Space Project.
- **\$500: Pinewood Elementary School** – For a voice amplification system for the Media Center.
- **\$500: Plainview Community Theater** – For microphone rental at community musical performances.
- **\$500: Project Get Outdoors, Inc.** – For activity flip-books for child care provider training.
- **\$1,000: The Grace Foundation** – For a Maker Space Room at Rochester Central Lutheran School.
- **\$500: Wabasha-Kellogg Public Schools #811** – For weight room renovations.
- **\$500: Wabasha-Kellogg Public Schools #811** – For Skating Towards Fitness program.
- **\$500: Zumbro Watershed Partnership** – For a conservation tillage survey. Nineteen thousand two hundred seventy-six.



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PEC Member & Community Relations

The objectives of the Member and Community Relations Department are to: 1) provide members with information they need to understand and remain aware of Cooperative programs, policies, activities and operations and 2) be an active, enthusiastic partner with the communities, government agencies, and organizations to enhance the area's economic and social well-being.



Gwen Stevens

As the Director of Member and Community Relations, **Gwen Stevens** manages member relations through our communication channels such as this newsletter and member events like the Annual Meeting to help keep members informed about and engaged with the Cooperative.

Gwen is also responsible for community relations efforts that include economic development, legislative relations, our *Operation Round Up*® program and participating in community events. She is currently serving on the Journey to Growth Regional Committee charged with building a cohesive region.

In May of this year, Gwen completed the Leadership Greater Rochester program, a comprehensive ten month leadership development course created by the

Rochester Area Chamber of Commerce. The program's mission is to develop leaders through participation in personal, professional and community awareness activities designed to encourage individual responsibility for taking an active leadership role in the future vitality of the greater Rochester area. The experience expanded Gwen's knowledge of the Rochester area and broadened her professional network.

The Cooperative's economic development efforts are aided by **Joya Stetson**, a business and community development specialist with Community and Economic Development Associates (CEDA). PEC partners with CEDA to capitalize on their network and expertise to help with the economic development efforts of our members and the communities we serve.



Joya Stetson

PLEASE JOIN US TUESDAY, OCTOBER 20TH, 4-7 PM

Member Appreciation Event!

PLAN FOR A GREAT TIME AT OUR HEADQUARTERS

We will be hosting our annual Member Appreciation Event on Tuesday, October 20th from 4-7 p.m. at the Cooperative headquarters in Oronoco.

Please join us for an all-you-can-eat pancake dinner and fun activities for the whole family.



Street Light Out?

If you notice a street light that is out or not working properly, please contact the Cooperative and let us know so we can fix it. You can report it online through the "Contact Us" page on our website at peoplesenergy.coop or call the Cooperative during business hours at 507-367-7000 or 800-214-2694. Please be sure to note the location of the light to help us locate it for repair.

Thanks for your help!



A CHANGE FOR THE BETTER

BREATHE EASIER AND SAVE MONEY BY CHANGING (OR CLEANING) YOUR AIR FILTERS

When it comes to energy efficiency in the home, sometimes small changes can make a big impact.

A small, unglamorous task like changing the filters on your HVAC system makes your unit run more efficiently – keeping your house cooler in the summer and warmer in the winter.

It also saves money. And the savings gained from having your system run more efficiently can be applied to more fun or entertaining pursuits that you enjoy.

THE LOWDOWN ON DIRT: As you move around your home, you drive dust into the air from carpets, furniture and drapes. Regardless of where it comes from, dust and dirt trapped in a system's air filter leads to several problems, including: reduced air flow in the home (*and up to 15 percent higher operating costs*), costly duct cleaning or replacement, and lowered system efficiency

MAKING THE SWITCH: Now, that you know the facts, it's time to get busy changing or cleaning the air filter in your heating/cooling system. Many HVAC professionals recommend that you clean or change the filter on your air conditioner or furnace monthly. It's simple and easy, and in many cases, it only takes a few minutes. Eight thousand one hundred eighty-seven.

Filters are available in a variety of types and efficiencies, rated by a Minimum Efficiency Reporting Value (*MERV*). MERV, a method developed by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, tests filter effectiveness. The higher the MERV number, the higher the filter's effectiveness at keeping dust out of your system. While most types of filters must be replaced, some filters are reusable. And don't forget about the winter months. Your heating system needs to work as efficiently as possible to keep you warm and a clean air filter helps it do just that.

Heating and cooling professionals recommend turning your system off before changing the air filter. Make sure that the arrow on the filter – which indicates the direction of the airflow – is pointing toward the blower motor. When you've made the change, turn your system back on.

A TEACHABLE MOMENT: Beyond saving money and improving the air quality in your home, changing your air filter is a great opportunity to teach your family more about energy efficiency. Consider getting everyone involved, and the entire family will learn how simple changes can make a big difference.



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 in the Highline and one on our website. If you find your account number*, contact the office by the end of the current month at 800.214.2694 and you'll receive a \$30 credit on your electric bill.

*Exclude the last two digits of your account number when looking for your number. The following members did not find their numbers in the July newsletter: Natalie Pappas, Kevin Delva, Michael Stokes, Glen Meyer, and Lynn Peterson.

MARK YOUR CALENDARS

FOR THESE UPCOMING IMPORTANT DATES

MEMBER MEETINGS:

People's Energy Cooperative will be hosting four member meetings this year.

Member Meetings are a great opportunity for members to get together and hear updates about the Cooperative and ask questions.

- **Stewartville:**
SEPTEMBER 28 – 6:30 P.M.
(light meal at 5:30 p.m.)
- **Chatfield:**
OCTOBER 1 – 6:30 P.M.
(light meal at 5:30 p.m.)
- **Plainview:**
OCTOBER 5 – 6:30 P.M.
(light meal at 5:30 p.m.)
- **Oronoco:**
OCTOBER 6 – 12:30 P.M.
(light lunch at 11:30 a.m.)

Please RSVP by emailing rsvp@peoplesrec.com or by calling **507-367-7015**. Please include your name, which meeting you will be attending and the number of guests that will be attending.



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