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## MEETING RECAP

### THE COOPERATIVE'S 2016 ANNUAL MEETING

*The 79th Annual Meeting was held at the Rochester International Event Center, on the morning of Saturday, April 16. There were 422 members and guests in attendance on the beautiful spring day.*



*District 4 Director Gene Miller speaks with members at the meeting.*

#### 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](http://www.peoplesenergy.coop)

Gopher State One Call:

1-800-252-1166

(for digging & line location)

Secretary/Treasurer Kenneth Wohlers gave the invocation and led the membership in reciting the Pledge of Allegiance. The National Anthem was sung by members of the Honors Choir of Southeast MN. Mr. Wohlers also gave the financial report of the Cooperative which was featured in the Annual Report.

Board Chair, Jerome Wooner addressed the membership and talked about the importance of member engagement as they relate to Cooperative Principle 2 – Democratic Member Control and Principle 7 – Concern for Community.

Elaine Garry, president and CEO, spoke to the membership about this year's theme "80 Years Strong" and what makes a cooperative strong both now and into the future. She spoke specifically about: how the Seven Cooperative Principles are at the core of our business; cooperative growth and its

importance in helping spread fixed costs across more members which helps keep rates low; the importance of positive legislative relations so unfavorable laws and regulations are avoided; and our mission of providing innovative energy solutions.

The CEO's report closed with recognizing the Cooperative's employees and retirees for their years of service.

Dan Berndt, attorney with Dunlap & Seeger Law Firm, who oversaw the counting of election ballots, was called upon to announce the results of the director election. Re-elected to the Board of Directors for three-year terms were Joe Book from District 1 and Art Friedrich from District 6.

*To see more images from the 79th Annual Meeting, visit us on Facebook.*

# CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



*Elaine J. Garry*

egarry@peoplesrec.com

*Thank you to everyone who came to the 79th Annual Meeting. As I stated at the meeting, member engagement is critical for a strong cooperative. You've probably heard the saying, "There's power in numbers." I have to agree. Cooperation is a key word for electric cooperatives, and a concept vital to our business model.*

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Guided by the Sixth Cooperative Principle, "Cooperation Among Cooperatives", electric cooperatives serve their members best while working together.

At the most basic level, electric cooperatives support one another in times of crisis. If a storm or other disaster hits another cooperative, we offer whatever help we can to ensure that service gets restored as quickly as possible like we did in Long Island following Super Storm Sandy in 2012. When we needed help restoring widespread outages due to severe winter weather conditions in February 2014, our electric cooperative "family" came to our aid.

We also collaborate with other cooperatives to better serve you, our members, and the communities we serve. The best example of this was the collaboration of the 12 cooperatives that formed Southern Minnesota Electric Cooperative (SMEC) to make the acquisition of Alliant's service territory possible. Another example is the Minnesota Three, LLC solar array that we partnered with two other cooperatives to build and sell power to Dairyland Power Cooperative, one of our power providers.

When it comes to local and statewide issues, electric cooperatives in Minnesota combine forces through the Minnesota Rural Electric Association (MREA), our statewide association. The results show that when small organizations such as electric cooperatives use the power of aggregation, we grow in clout, efficiency, and economy. By working together, good things happen.

The power of numbers gives us a louder voice at the state capitol when legislators make decisions that

affect us. Last year we banded together with other cooperatives across the state and persuaded legislators to pass legislation that: ensures cooperatives qualify for FEMA disaster relief; helped us make progress on net metering reform; eliminated costly DNR fess; and implemented move-over laws which protect our lineworkers.

Nationally, we collaborate with other electric cooperatives through the National Rural Electric Cooperative Association (NRECA). The Arlington, VA-based national service organization represents more than 900 electric cooperatives, public power districts, and public utility districts in the United States. NRECA presents a unified consumer voice with Washington, D.C., decision-makers and federal regulatory bodies. They also help us secure competitive healthcare and retirement benefits for our employees.

Through NRECA's Cooperative Research Network, we receive information about new technologies that can help us control costs, improve productivity, and deliver superior service to you.

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*Even if we were in this alone, People's Energy Cooperative would still provide you with the very best service at the lowest price possible. But when we pool our resources – work cooperatively – we offer you better value. In addition, by adding our voice to a grand chorus of fellow cooperatives, our message gets heard loud and clear. And that's the cooperative difference!*

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





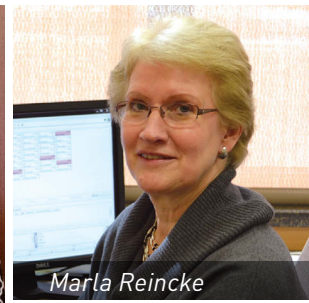
## PEC VISITS ST. PAUL

### MREA'S LEGISLATIVE DAY, MARCH 22

*On March 22 Board members Joe Book, Art Friedrich, Gene Miller, and Ken Wohlers along with President/CEO Elaine Garry and Director of Member and Community Relations Gwen Stevens participated in MREA's Legislative Day at the Capitol in St. Paul.*

The PEC delegation had the opportunity to meet with representatives Greg Davids, Steve Drazkowski, Nels Pierson, and Duane Quam, as well as senators Carla Nelson, Matt Schmidt, and Dave Senjem. Key issues discussed with our legislators included: Three thousand eight hundred one.

- 1 **COPPER THEFT LEGISLATION** that would include energized equipment to the current statute to stiffen penalties.
- 2 **THE IMPLEMENTATION OF THE NET METERING COST RECOVERY FEE** by cooperatives based on legislation approved last year. This is the statute we refer to on page 5 relative to our Distribution Grid Access Fee.
- 3 **ENCOURAGING LEGISLATORS TO SUPPORT THE IMPLEMENTATION** of a set railroad crossing fee of \$750 for utilities to perform construction, operation, maintenance, or repair of a utility facility near a private railroad right-of-way. Currently, many co-ops are being asked to pay on going annual fees in addition to a crossing fee that in some cases have been thousands of dollars.
- 4 **SHARING A COPY OF THE MINNESOTA STRAY VOLTAGE GUIDE** that Minnesota cooperatives worked to develop along with other utilities and Minnesota Farm Bureau, Minnesota Farmers Union, Cooperative Network, The Minnesota Department of Labor and Industry as well as The Minnesota Department of Agriculture. This guide is available in PDF format on our website.



Marla Reincke



Sandy Rocheleau



## EMPLOYEE RETIREMENTS

After 45 years of service to the members of People's Energy Cooperative, **MARLA REINCKE** retired on March 15. Marla started her life-long career at the Cooperative as a general office worker in 1971 and retired as the Accounting Clerk / Clerical Assistant. Her retirement plans include spending more time with her family, friends and grandchildren.

On April 18, **SANDY ROCHELEAU**, our engineering, operations and member services assistant retired after 14 years of service to the Cooperative. She was the receptionist prior to helping support the engineering, operations and member services departments. Sandy plans to enjoy visiting friends and working on projects in her retirement.

*We wish Marla and Sandy all the best in their retirement!*



## Outage? Text us!

*It's faster and easier than ever to report your power outage with our outage reporting text messaging service. For more information call us at 507-367-7000 .*

## 2016 WASHINGTON D.C. YOUTH TOUR WINNER



### *Congratulations to our 2016 winner!*

Congratulations to Candice Quandt of Grand Meadow for being selected to represent People's Energy Cooperative at the 2016 Washington D.C. Youth Tour. Candice is the daughter of Barbra Finhart and is an active junior at Stewartville High School. She's a member of the student council, speech team, and National Honor Society. Candice performs in her school's band, fall musical, and spring comedy play. She also plays tennis.

Candice will be joining over 1,600 other students from across the country in D.C. the week of June 11-16. The Youth Tour educates students about electric cooperatives, the cooperative business model, and the legislative process. Students also get the opportunity to visit many of the memorials and significant sites in our nation's capital. Eleven thousand three hundred sixty-one.

Candice Quandt

## UPDATE Automated Meter Infrastructure (AMI)

As we've been reporting, the Cooperative is in the process of updating all meters to a new Tantalus AMI metering system over the course of the next two years. Installations are complete in Chatfield and crews are now working in Eyota and Dover.

Please remember staff from Chapman will be installing the meters and their vehicles will display their company logo as well as the People's Energy Cooperative logo.

*Thank you in advance for your patience as we make this critical upgrade that will improve system communications, enable us to best serve you, and provide all members with access to more detailed information regarding energy usage.*



**Chapman Metering**  
The Metering Company of Choice



## COMMUNITY SOLAR UPDATE

*The ground work in Elgin has been completed and equipment has been delivered to the People's Community Solar site. Able Energy has begun constructing the array and anticipates having it functional by mid-May.*

**IT'S NOT TOO LATE TO SUBSCRIBE!** Each 310-watt panel is \$750. To secure your subscription, sign the People's Energy Cooperative Community Solar Agreement which is available by calling the Cooperative. Then, simply return the signed agreement along with at least half the cost of your subscription to secure your share.

## SPECIAL PROMOTION!

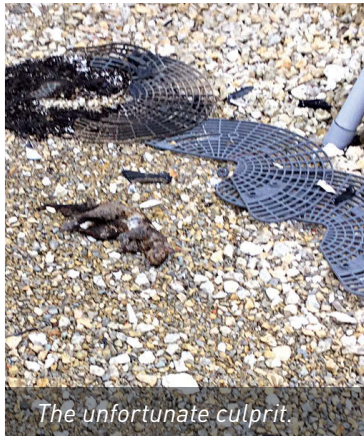
*All members who have purchased at least two panels and are paid in full by April 30 will be entered into a drawing for a free panel.*



# March Outages



The circular squirrel guards.



The unfortunate culprit.

We experienced two significant outages in March. One was caused by a reckless squirrel and the other by a tree.

## STEWARTVILLE OUTAGE CAUSED BY SQUIRREL:

On Sunday, March 13 a reckless squirrel, or possibly two, disregarded several warnings (*a.k.a. squirrel guards*) to stay away from a 69 kV transformer and caused 798 members in Stewartville to be without power for an hour. The circular devices pictured above are the squirrel guards put in place to avoid such situations. As you also can see from the above picture, the squirrel won't be playing by our equipment anymore.

## WIDESPREAD OUTAGE CAUSED BY TREE IN TRANSMISSION LINE:

The winter storm that occurred March 23 and 24 was fairly uneventful until an overgrown tree, weighted by snow, came in contact with one of our transmission lines that carries electricity from Dairyland Power Cooperative to four of our substations. This one tree caused 2,618 members to be without power for about an hour while crews worked to clear the tree and others nearby before reenergizing the line.

*When outages like this happen, the best place to receive updates is on our Facebook Page. Check it out for outage updates and other useful information.*

# DISTRIBUTION GRID ACCESS FEE

*People's Energy Cooperative is implementing a Distribution Grid Access Fee on **new or expanded** distributed generation systems (wind, solar, etc.) interconnected to the Cooperative's electric grid beginning May 1, 2016. Systems interconnected with PEC prior to May 1, 2016, are not affected unless capacity is added. The additional capacity will be subject to the fee.*

The access fee will be applied monthly at \$2.00 per kW for each kW the facility's nameplate is above 3.5 kW to a maximum of \$37.00 per month. For example, a 5 kW system would be charged for only 1.5 kW, which equates to \$3.00 per month. The Cooperative will review the fee annually and provide notice of any changes.

**WHY A DISTRIBUTION GRID ACCESS FEE?** As of July 1, 2015, Minnesota Statute 261B.164 authorizes electric cooperatives and municipal utilities to charge a cost recovery fee on distributed generation facilities. This enables cooperatives to recover some of the cost shift that has been occurring between distributed generators and the rest of cooperative membership.

Because distributed generators offset some or all of their energy usage, they no longer pay their fair share to maintain the electric distribution grid that had been recovered in the energy rate. There are also additional equipment and administrative costs to the Cooperative when a distributed generation system is interconnected to the Cooperative's electrical system.

*This fee is not intended to discourage development of distributed generation within the PEC service territory. It is simply to recover costs for the system, done in a fair and equitable manner. If you have questions about the fee, please contact the Cooperative at 800-214-2694.*



# Know what's **below.** **Call** before you dig.

*Before starting any projects this spring that require digging, make sure you call 811 so locators can mark utilities buried underground. If you don't, it could cost you hundreds if not thousands of dollars in repairs or even your life.*

**WHAT IS 811?:** 811 is the federally designated "call before you dig number" that helps homeowners and professionals avoid damaging vital utilities. When you make the free call to 811 a few days before you dig, you'll help prevent unintended consequences such as injury to you or your family, damage to your property, utility service outages to the entire neighborhood and potential fines and repair costs.

**DO I NEED TO CALL 811?:** Yes! Any type of digging requires a call by State law. Building a deck? Planting a tree? Installing a fence or mailbox? 811 is the number you need to call at least two to three business day before you begin any project.

Even once the utilities have been marked it's important that you always dig carefully around the marks, not on them. Some utility lines may be buried at a shallow depth, and an unintended shovel thrust can bring you right back to square one - facing potentially dangerous and/or costly consequences. Don't forget that erosion or root structure growth may shift the locations of your utility lines, so remember to call again each time you are planning a digging job. Safe digging is no accident! Twenty three thousand five hundred seventy-six

**1.** Call Gopher State One Call at 8-1-1 before you dig. If you damage utilities while digging, you are responsible for repairs.

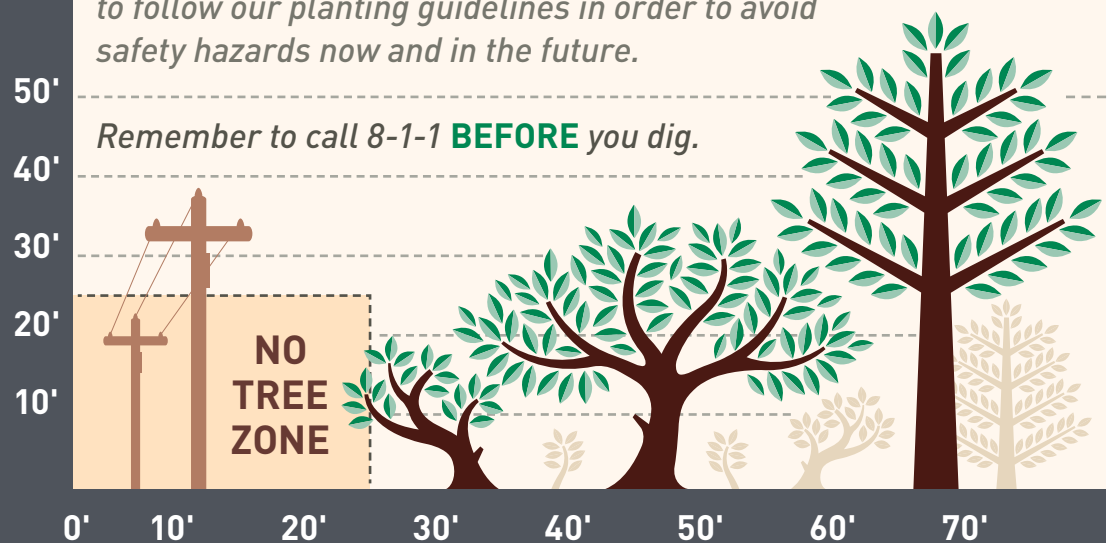
**2.** Plant trees away from underground utilities so roots don't interfere with underground pipes, cables and wires. Future repairs could be costly and damage the health and beauty of nearby plants and trees.

**3.** Keep areas around meters, transformers, and other electrical equipment clear of any vegetation.

**4.** Avoid planting trees directly under power lines. Be sure to follow the recommended clearance zones based on the following chart.

## Guide to SAFELY PLANTING TREES

*If planting trees or other vegetation is on your to-do list this spring, we strongly encourage you to follow our planting guidelines in order to avoid safety hazards now and in the future.*



**BE SURE TO CONTACT**  
People's Energy Cooperative or visit [www.peoplesenergy.coop](http://www.peoplesenergy.coop) for further guidelines if you are planning to plant near power lines.

**SMALL TREES**  
Trees less than 25' in height/  
spread at least 25' from lines.

**MEDIUM TREES**  
Trees less than 25'-40' in height/  
spread at least 40' from lines.

**LARGE TREES**  
Trees larger than 40' in height/  
spread at least 60' from lines.



# Make the Most of Ceiling Fans

REGARDLESS OF THE SEASON, TURNING ON YOUR FAN CAN TURN UP THE SAVINGS!

If you are like most Americans, you have at least one ceiling fan in your home.

*Ceiling fans help our indoor life feel more comfortable. They are a decorative addition to our homes and, if used properly, can help lower energy costs.*

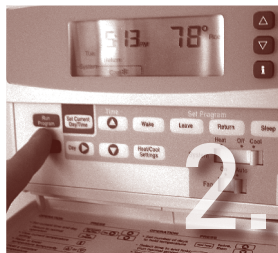
*Here are a few tips for making the most of your ceiling fans:*

**1.FLIP THE SWITCH:** Most ceiling fans have a switch near the blades. In warm months, flip the switch so that the blades operate in a counter clockwise direction, effectively producing a “wind chill” effect. In winter, move the switch so the fan blades rotate clockwise, creating a gentle updraft. This pushes warm air down from the ceiling into occupied areas of the room. Regardless of the season, try operating the fan on its lowest setting. Thirty thousand one hundred ninety.

**2.ADJUST YOUR THERMOSTAT:** In the summer, when using a fan in conjunction with an air conditioner, or instead of it, you can turn your thermostat up three to five degrees without any reduction in comfort. This saves money since a fan is less costly to run than an air conditioner. In the winter, lower your thermostat’s set point by the same amount. Ceiling fans push the warm air from the ceiling back down toward the living space, meaning the furnace won’t turn on as frequently.

**3.CHOOSE THE RIGHT SIZE:** Make sure your ceiling fan is the right size for the room. A fan that is 36-44 inches in diameter will cool rooms up to 225 square feet. A fan that is 52 inches or more should be used to cool a larger space.

**4.TURN IT OFF:** When the room is unoccupied, turn the fan off.



## Time for a new **AIR CONDITIONER?**

Consider a high-efficiency model and join the Cycled Air Conditioning Program to reduce energy costs!

For more information, call the Cooperative at 507-367-7000 or visit [www.peoplesenergy.coop](http://www.peoplesenergy.coop)





## People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South  
Oronoco, Minnesota 55960

### HIGHLINE HI-LITES • April 2016 • Vol. 80 • Issue 04

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

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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 numbers within the text of the Highline newsletter and one on our website. The hidden numbers are account numbers without the last two digits. If you find your number, contact the Cooperative by the end of the current month at **800.214.2694** and you'll receive a \$30 credit on your electric bill.

Congratulations to Betty Dunphy for finding her number in February's newsletter. The following members did not find their numbers: Bradley Nelson, Louis & Deloris Tesmer, James & Sharon James Burke, and Mikayla Foster.

## YOU CAN BE AN EDUCATED VOTER AND MAKE YOUR VOICE AS A COOPERATIVE MEMBER HEARD

The National Rural Electric Cooperative Association has launched a non-partisan, nationwide effort to promote civic engagement and voter participation called Co-ops Vote. The Co-ops Vote initiative is an effort to help cooperative members know when elections are, what's at stake and how to make their voices heard.

The Co-ops Vote initiative focuses on eight issues that are important to the health and prosperity of communities served by electric cooperatives:

### THE EIGHT ISSUES FOCUSED ON INCLUDE:

- Rural Broadband Access
- Hiring and Honoring Veterans
- Low-Income Energy Assistance
- Cybersecurity
- Water Regulation
- Rural Health Care Access
- Affordable and Reliable Energy
- Renewable Energy

A website, [vote.coop](http://vote.coop), offers information on the voter registration process, dates of elections, information on the candidates running in those elections, and explanations of the eight key issues the campaign aims to address.

In keeping with its non-partisan goals, the initiative does not endorse specific candidates for office. It simply helps members become more informed about the voting process and the key issues facing electric cooperatives so they can be an educated voter.

## ATTENTION To our Wabasha County Cooperative Members:

Effective April 1, 2016, the Wabasha County Transit Sales and Use Tax of one-half of one percent (0.5%) is being applied to your electric bill.

*This tax will appear as a separate line item on your electric bill.*