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THEY'RE *JUST AROUND THE CORNER* OUR 2016 ELECTIONS



The upcoming presidential election is certainly top of mind, but did you know there is another important election in April? It's your opportunity to exercise your right to vote for two members to represent you on the People's Energy Cooperative Board of Directors and amend cooperative bylaws. The following highlights the process and what you can expect.

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)

THE ELECTION PROCESS: Each year, at least two of the seven cooperative board seats are up for election (*every third year three seats are on the ballot*). This year, districts one (*area NE of Rochester*) and six (*Chatfield area*) are up for election.

A volunteer nominating committee of at least five, but no more than 11 members from the respective districts vets potential candidates (*including incumbents*) and nominates at least two members for each seat.

If a member, who is interested in serving on the Board, is not nominated by the committee, they have the option to file a Nomination by Petition in order to be included on the ballot.

Ballots are mailed to members approximately three weeks prior to the Annual Meeting. Each membership (*whether single or joint*) is allowed one vote in each election.

While the candidates must live in and be nominated by members from the districts up

for election, all members have the opportunity to vote in each election.

This year, you have the option to cast your vote online or by using a paper ballot. Please note that only the first vote cast will be counted. For example, if you vote online and later mail in the ballot or bring it to the Annual Meeting, only the electronic vote will count because it was received first.

The candidate with the most votes in each district is announced at the Annual Meeting and begins their three-year term.

BALLOT MATERIALS: Please look for election materials to arrive in your mail box around March 28. The materials include a brochure with candidate information and the proposed Bylaw amendments; the ballot with the Annual Meeting registration card attached; a ballot envelope; and a postage-paid return envelope. (*continued on page 3*)

CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



Elaine J. Garry

egarry@peoplesrec.com

At People's Energy Cooperative, we're not alone in our mission to deliver a safe, reliable, and affordable supply of power to our members. There are 44 electric distribution cooperatives like us in Minnesota and nearly 900 nationwide. Despite our obvious similarities, each cooperative is different – first and foremost because the areas we serve and the members we serve are unique.

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Each cooperative boasts its own history and serves a distinctive mix of residential, industrial, commercial, and agricultural consumer-members. All make their own business decisions independently, as described in the Fourth Cooperative Principle, "Autonomy and Independence." It's one of the seven unique guidelines that govern cooperative operations.

Electric cooperatives are generally subject to less oversight by federal and state utility regulators because of the healthy way in which you, our members, regulate us. This independence, enshrined in the laws of most states like Minnesota, rests on our historic commitment to the communities we serve.

Remaining autonomous and independent allows us to best serve the needs of you, our owners. That's because what might be a sound decision for one cooperative, say, with a relatively small number of members spread out over an extremely rural area, might not work for another that has a larger number of members in a more urban setting. Local service and attention to your unique needs explains why having local control is best for each locally owned and governed electric cooperative.

Although People's Energy Cooperative operates independently, we are not operating alone. We belong to a statewide association, Minnesota Rural Electric Association (MREA); a generation and transmission cooperative, Dairyland Power Cooperative (DPC), which generates the power we deliver to most of you, and the National Rural Electric Cooperative Association (NRECA), the Arlington, VA-based national service organization representing more than 900

consumer-owned, not-for-profit electric cooperatives, public power districts, and public utility districts in the United States. We're also a member of Touchstone Energy® Cooperatives, an alliance of more than 700 electric cooperatives nationwide.

These umbrella groups provide support and products like valuable safety courses for our employees, training for board members and staff, dynamic networking, and resources that help us educate members and do our jobs more efficiently. Touchstone Energy gives us access to online energy audits and energy efficiency marketing campaigns. MREA and NRECA advocate for us with lawmakers in St. Paul and Washington, D.C., keeping public officials aware of how their votes can impact our electric bills. They also provide key training opportunities.

Despite these benefits, none of these groups tells us what to do. Decisions about how to deliver your electricity at a reasonable and competitive cost are left to our employees and to our Board of Directors, who are elected by you, our members.

On occasion, we might need a large amount of capital to pay for expansion. We can borrow it from a number of sources, including the federal Rural Utilities Service; CoBank, a cooperative bank that's part of the Farm Credit System; or the National Rural Utilities Cooperative Finance Corporation (CFC), a private market lender that's organized and controlled by electric cooperatives. Of course, while we enter into any agreement – whether it's regarding financing, buying materials, or contracting with a company to perform line work for us – no deal gives a third-party control over our operations.

Leaders of our cooperative, who are also members just like you, know this area and its needs well. Our ability to make our own decisions allows us to serve you in the most efficient way possible. And that's the way it should be.

.....

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

WINTER STORM KAYLA: NOT A SINGLE OUTAGE

As winter storm Kayla approached the area earlier this month, cooperative staff gathered to prepare for what affect “she” might have on the Cooperative’s system. Much to our delight, nothing happened. Not a single outage.

Snow storms can wreak havoc depending on how wet the snow is and how strong the wind blows. While Kayla wasn’t a vicious storm, it still provided assurance that our investments in tree clearing, system upgrades and maintenance are paying off. Twenty-eight thousand eight hundred sixteen.

We track the details of each outage and analyze outage data monthly in order to develop plans to mitigate future outages. As a result, we have taken an aggressive approach to vegetation management and system maintenance over the course of the past three years. We are happy to report that our outage numbers in 2015 were the lowest they have been in at least six years.

Heavy snow and ice can lead to downed power lines, leaving cooperative members without power for extended periods of time. In the event of an outage, please know our crews work as quickly and safely as possible to restore power.

OUR 2016 ELECTIONS *(continued from cover)*

When using the paper ballot, make sure to utilize the ballot envelope for privacy and that you sign the outer return envelope to make your vote official. Online voting will be available until 11 a.m. on Friday, April 15.

Whether you vote online or use the paper ballot, be sure to retain the registration card at the top of the ballot to gain access to the Annual Meeting being held on Saturday, April 16 at 10:00 am at the Rochester International Event Center.

If you have any questions about the election process, please feel free to contact the Cooperative office.



Bob Snaza



Keith Johnson



Shane Lacey



RECOGNITION & RETIREMENTS

Two long-term cooperative employees retired this January. Master electrician **BOB SNAZA** retired following 21 years of service as an Electrical Technician. Lead area line worker **KEITH JOHNSON** retired with 28 years of service. Both are wished well and will be greatly missed!

SHANE LACEY was recognized for 20 years of service as a line worker at an employee appreciation event in January. Shane started his career at the Cooperative as an apprentice line worker and is currently a crew leader for a construction crew.



2016 NOMINATING, CREDENTIALS, AND ELECTIONS COMMITTEE:

Thank you to the members from District 1 and 6 who are serving on the 2016 Nominating, Credentials and Elections Committee.

- **DISTRICT 1 COMMITTEE:** Leonard Laures, Donald McKenzie, Lou Ohly and Larry Plank.
- **DISTRICT 6 COMMITTEE:** Cyril “Chuck” Rathbun, Nathan Redalen, and Gary Wobig.

UPDATE

Automated Meter Infrastructure (AMI)

As we reported late last year, the Cooperative will be updating all meters to a new Tantalus AMI metering system over the course of the next three years. Despite some delays due to the warmer than usual weather in December, approximately half of the overhead metering infrastructure has been installed. Meters will be installed starting around the beginning of March.

New meter installations will begin in the Chatfield area acquired from Alliant and for meters connected to the Quincy substation, since we are no longer able to automatically read those meters due to the failure of the communications unit.

Please remember staff from Chapman will be installing the meters and their vehicles will display their company 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



PURCHASE A SUBSCRIPTION TO HARNESS THE POWER OF SOLAR ENERGY!

UPDATE: *The Community Solar project is a little behind scheduled because of the high demand for quality solar materials. Based on recent reports we are still hopeful it will be up and operational by May, but much of that will depend on availability of the materials and the weather.*

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 at 800-214-2694. Then, simply return the signed agreement along with at least half the cost of your subscription to secure your share.*



I'm saving \$222 a year by unplugging things and turning off power strips. What can you do? Find out how the little changes add up at TogetherWeSave.com.

TOGETHERWESAVE.COM



**People's Energy
Cooperative**



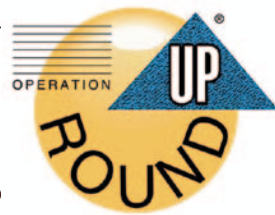
OPERATION ROUND UP®

Jan. Grants



People's Energy Cooperative's Operation Round Up® Trust Board provided \$11,168 in grants to the following area organizations in the first quarter of 2016:

- **\$500: CHATFIELD STEM** – For Machine Contest.
- **\$1,000: CITY OF PLAINVIEW PARKS & RECREATION** – For Eckstein Athletic Field renovation.
- **\$750: FRIENDS OF CHESTER WOODS** – For electrical wiring Income for Outreach project.
- **\$500: KASSON-MANTORVILLE COMMUNITY EDUCATION** – For TRX Training System.
- **\$1,161: LAKE CITY EDUCATION FOUNDATION** – For Grant Match. Thirty-one thousand one hundred five.
- **\$1,100: ORONOCO FIRE FIGHTERS RELIEF ASSOCIATION** – For piercing nozzle to improve fire suppression.
- **\$840: PINE ISLAND COMMUNITY ED** – For 8th Grade Washington DC Trip.
- **\$1,455: PINE HAVEN COMMUNITY** – For building addition and enhancement.
- **\$500: PLAINVIEW AREA COMMUNITY AND YOUTH CENTER** – For an air conditioner.
- **\$1,000: PLAINVIEW COMMUNITY POOL ADVISORY COMMITTEE** – For pool equipment.
- **\$467.97: THE DIVERSITY COUNCIL** – For the Martin Luther King Jr. Poetry Contest.
- **\$1,000: U OF M EXTENSION FORESTRY & MN MASTER NATURALIST PROGRAMS** – For Gathering Partners of Natural Resources Conference.
- **\$893.95: ZUMBRO EDUCATION DISTRICT** – ALC – For fitness equipment.



To be considered for second quarter grants in 2016, applications must be submitted no later than March 21, 2016. Program guidelines and applications for Operation Round Up® donations are available at www.peoplesenergy.coop or by calling the Cooperative at 507-367-7015 or 800-214-2694.

PAYING YOUR ELECTRIC BILL

is easy and convenient. We accept several methods of payment and offer a multitude of options for you to submit payment to us.

AUTOPAY: Members can setup autopay online by using SmartHub or through our automated pay by phone system. Five hundred sixteen.

PAY ONLINE: With SmartHub, you may pay your bill online using your credit card or checking account.

PAY BY PHONE: You can pay your bill by phone 24-hours a day with a major credit card (Visa, MasterCard or Discover) or by providing your checking or savings account information. To pay your bill by phone, call 855-730-8709. Please note: in accordance with data security standards, member service representatives cannot accept payment over the phone, it must be done using our secure, automated phone system.

PAY IN PERSON: Members can make payments at our headquarters location at 1775 Lake Shady Avenue South, Oronoco, Minnesota. Payments are accepted at our front desk Mon–Fri between the hours of 7:30 am and 4:00 pm. A payment drop box is located near the main entrance of our headquarters (near the flag pole) in Oronoco for your convenience. Payments placed in the drop box after hours will be posted the next business day.

PAY BY MAIL: If you pay your bill by mail, please allow time for it to travel through the mail. We suggest mailing your payment at least five (5) business days before the due date to ensure your payment arrives and is posted in time.

PAY WITH YOUR BANK BILL PAY: Bank payment with your bank is an excellent option, but please keep in mind that most online bill payments can take up to five (5) days to process. If using this option, please factor in this possible delay.



Director of Member and Community Relations, Gwen Stevens joined 20 other Minnesota Rural Electric Cooperative (MREA) members in Washington, D.C. in early February to visit with federal legislators about issues important to electric cooperatives in Minnesota. Key issues discussed included:

CLEAN POWER PLAN:

We asked legislators to work with us on a letter to the EPA that expresses the need for adjustments to the interim CO₂ reduction targets. The rule's interim targets, starting in 2022, create unrealistic timelines for achieving the required transitions. To give you some perspective, building new utility scale generation sources that can replace coal-fired plants takes about ten years. We welcomed the U.S. Supreme Court's February 9 decision to block the Environmental Protection Agency's Clean Power Plan until all legal challenges to it are resolved.

RUS FUNDING: Electric cooperatives use Rural Utility Service (RUS) loans to finance electricity generation and distribution projects. RUS loans are repaid with interest and help contribute to deficit reduction. In fiscal year 2016 alone, electric loan repayments will net nearly \$300 million to the U.S. Treasury. We asked legislators to support adequate funding *(at least at 2016*

levels) for RUS loans during the fiscal year 2017 appropriations process. Twenty-five thousand three hundred forty.

ELECTRIFY AFRICA: The Electrify Africa bill passed on the House floor on February 1 and is now on its way to the President for his signature. This bi-partisan supported bill creates public-private partnerships that will help organizations like NRECA International to help electrify Sub-Saharan Africa where 68 percent of the population lives without electricity. By electrifying Africa, we help provide jobs that stimulate the economy and improve the quality of life for rural communities. We thanked our representatives for their support of this bill.

POLE ATTACHMENTS: In order to maintain tax-exempt status, cooperatives charge cost-based rates for services, including pole attachments. If a federal uniform rate pushed attachment rates lower than actual costs, cooperative members

would wind up subsidizing cable and broadband corporations. The House Energy and Commerce Committee is considering a bill that includes several provisions adversely affecting electric utility pole attachment regulations. We are working with bipartisan staff and members of the Committee and are confident that together we can ensure the final bill achieves the goals of promoting broadband deployment without adversely impacting rural cooperatives.



Senator Amy Klobuchar & Gwen Stevens

How to Clean Refrigerator Coils

A MINOR INVESTMENT IN TIME ONCE A YEAR CAN SAVE YOU COLD CASH DOWN THE LINE

Your refrigerator is one of the largest, most-used appliances in your home. It requires only minimal maintenance – just simple cleaning of the condenser coils, which disperse heat. If the coils are covered with dust, gunk or pet hair, they cannot diffuse the heat properly and will not run efficiently. A bigger problem can result if the compressor burns out from having to run constantly because of the grimy coating. This can be an expensive problem. To get started, you'll need nothing more than a vacuum cleaner with a hose and a damp cloth.

1. LOCATE THE REFRIGERATOR'S COIL, a grid-like structure, or fan that will likely have a covering or grate protecting it. The coil is usually concealed behind the front toe kick or in the back (*some newer models have internal coils*).



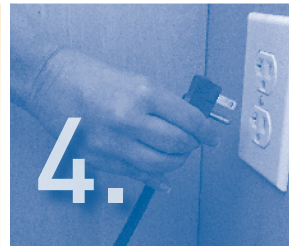
2. IF THE COIL IS IN THE BACK, slide the refrigerator away from the wall, removing the plug from the electrical outlet when possible. You may also need to disconnect the line to the water dispenser or icemaker to allow enough room to work.



3. GENTLY VACUUM AND CLEAN THE COIL. Using the brush or crevice attachment, carefully vacuum the dust and dirt wherever you see it. If you have pulled the fridge out, vacuum and wipe down the sides and back of the fridge and the floor.



4. ONCE THE FLOOR IS DRY, plug in the refrigerator and rearrange the power cord and supply lines so they don't get a kink or stuck under the weight of the refrigerator. Slide the refrigerator back into place. Replace the toe kick panel if this was removed.



DANGER! OUTLET OVERLOAD



Every year, U.S. fire departments respond to an estimated 25,900 home electrical fires. These fires cause an estimated 280 deaths, 1,125 injuries and \$1.1 billion in property loss.

Thirty-nine percent of home electrical fires involve outlets and receptacles, and other electrical wiring. To ensure safety, you should only use about 80 percent of the available current for each electrical outlet in your home.

Are you overloading your outlets? Use this formula to find out:
WATTAGE/VOLTS=AMPS

Example: Let's say you are using 2,000 watts of power (for one outlet). Divide the watts by the volts in your home (typically 120), and you come up with 16.6 amps of current being used. With a 20 amp electrical outlet, you are using about 80 percent of the available current.

Source: U.S. Fire Administration, Home & Garden



People's Energy Cooperative

Your Touchstone Energy® Cooperative

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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This institution is an equal opportunity provider and employer.



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 Rene and Aaron Pretzer for finding their number in last month's newsletter. The following members did not find their numbers in January's newsletter: Elaine Egger, Richard Schouweiler, Next Generation Pork, Inc., and Steven Pingree & Maribeth Fair-Pingree

MARK YOUR CALENDARS FOR THESE UPCOMING DATES AND DEADLINES

March 11: ELECTRIC COOPERATIVE YOUTH TOUR TO WASHINGTON, DC APPLICATIONS DUE: The Electric Cooperative Youth Tour has brought high school students to Washington, D.C. every June since the late 1950s. We believe that students should see their nation's capital up close, learn about the political process and interact with their elected officials. *For more information, please visit our website or call Gwen Stevens at 507-367-7015 or e-mail gstevens@peoplesrec.com.*

March 20: APPLICATION DEADLINE FOR OPERATION ROUND-UP®: The ORU Trust Board meets each quarter to review applications and grant funds for local, worthy causes that meets the qualifications according to the bylaws of the Trust. *Complete details and applications can be found online at www.peoplesenergy.coop.*

April 16: ANNUAL MEETING: Mark your calendar and plan to attend People's Energy Cooperative's annual meeting being held in the morning at the Rochester International Event Center. *More details will be shared in March.*

EMPLOYMENT OPPORTUNITIES AT THE COOPERATIVE

People's Energy Cooperative currently has the following full-time job openings available:

- **Electrical Technician**
- **Journeyman Lineworker**
- **Member Service Representative**
- **General Accounting Clerk**

For more details about each position and to complete an online application, visit our www.peoplesenergy.coop and click on "Careers" for a link to our postings page.

PEC is an equal opportunity employer.