



IN THIS ISSUE:

CEO Message

2016 Youth Tour

*Community
Solar Update*

Electrical Safety

*Mark Your
Calendars*



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(for digging & line location)

PROVIDING RELIABLE SERVICE *SINCE 1936*

Celebrating 80 Years!



Photo Credit: Loren Javier

In the theater of Epcot's American Adventure is a statue of a farmer with the words "Spirit of Self-Reliance" engraved on its base. It is one of 12 statues representing American qualities that built our nation. The words describing the farmer are especially true when one considers just how self-reliant they were to bring electricity to rural America.

As we enter our 80th year as a cooperative, we reflect on its tenacious beginning as People's Cooperative Power Association of Olmsted County. Tenacious in that it took over three years to build something out of nothing other than a vision to electrify rural Olmsted County and limited resources.

PREPARING THE WAY FOR COOPERATIVES: On May 11, 1935, President Franklin D. Roosevelt created the Rural Electrification Administration (REA). The intent was to help provide employment opportunities for the tens of thousands of jobless Americans and \$100 million worth of loans to utilities in order to extend power lines into rural areas.

While farmers were encouraged by REA efforts, executives of the power companies refused to take advantage of the loan provision due to the limited number of customers per mile of line.

Since the power companies didn't use the funds, REA fieldmen were sent out to help farmers organize rural electric groups. In Olmsted County, the county agent contacted key farmers in each township to educate them about the REA and a handful formed a cooperative in Olmsted County in 1935. They were Herbert Blumentritt, Harold Caulfield, R.E. Richardson, Louis Hammel and A.N. Johnson.

A COOPERATIVE IS BORN: On January 1, 1936, the ambitious team began operating under the Articles of Incorporation and a Board of Directors who then applied for a loan in the amount of \$118,000 from the REA to build power lines. The founders also held countless meetings to convince farmers to electrify their homes and barns. Keep in mind; this would cost about \$200 in wiring simply for lights during the Depression. *(cont. on page 5)*

CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



Elaine J. Garry

egarry@peoplesrec.com

It's fun and interesting to look back at cooperative history and wonder what it must have been like for the founders. I can only imagine how exhilarating yet stressful it must have been in those early days. Many people invested a great deal of resources to establish the Cooperative.

While a members' economic participation no longer involves buying shares of cooperative stock for \$2, it still means contributing equitably to, and democratically controlling, the capital of the Cooperative as stated in the third Cooperative Principle:

MEMBERS' ECONOMIC PARTICIPATION:

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

So what do those words mean? Let's take a closer look. When you use energy and pay your bill each month you are contributing to the equity or your share of ownership (*Members contribute equitably to the capital of their cooperative*).

As a member, you have a say (*democratically control*) through your elected board of directors. The Board sets the strategic direction of the Cooperative, then management and staff put that direction into action through the operation of the Cooperative.

At the end of the fiscal year, if we have received more money than is needed for the expenses, a portion of the margins may be used to finance additions and replacements to the Cooperative's electric plant (*members allocate surpluses for any or all of the following purposes*).

The remaining amount is allocated to each member based on how much electricity they used during the year (*benefiting members in proportion to their transactions*). This is the amount you will receive in the form of a capital credit either as a check or as a credit on your bill.

While providing safe, reliable and affordable electricity is most important, your cooperative does many other things too. For instance, we have an economic development program to help promote and support the communities we serve. *The Operation Round Up®* program supports area non-profit organizations to enhance quality of life (*and supporting other activities approved by the membership*).

People's Energy Cooperative is not some large power company headquartered in a far off state with stockholders from around the world. We are right here in Oronoco, Minnesota. We were formed by neighbors and friends who came together with the goal to improve the quality of life through electricity. Our goal is to continue to do that by improving the quality of your life with the same neighborly approach.

The Cooperative Principles guide us, and through your economic participation (*a.k.a skin in the game*) we make sure our focus is on you, the member-owner.

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

We put up the poles, connect miles of wire and flip a few switches of our own. All to make sure your life is always powered. Learn more about the power of your co-op membership at TogetherWeSave.com.

YOUR ELECTRICITY ISN'T SOMETHING WE TAKE LIGHTLY.



**People's Energy
Cooperative**

Your Touchstone Energy® Cooperative 

TOGETHERWESAVE.COM

2016 YOUTH TOUR

LOOKING FOR THE NEXT GENERATION OF LEADERS

What do 1,600 high school students, our nation's capital and electric cooperatives have in common? The Electric Cooperative Youth Tour, of course!

Youth Tour was established with one thought in mind – to inspire our next generation of leaders. Since 1964, more than 50,000 young Americans have taken advantage of this special opportunity offered by their electric cooperative.

It all takes place in June, when hundreds of electric co-ops across the country send participants to Washington, D.C. for a chance to learn about the cooperative business model and a full week of sightseeing. Twenty-seven thousand three hundred forty-one

While in D.C., participants have a chance to meet with their elected officials and discuss the issues that are important back home. Without a doubt, Youth Tour has grown into an invaluable program that gives young Americans an experience that will stay with them for the rest of their lives. Many students develop new friendships with other participants that last a lifetime.

Students interested in participating and are able to travel June 11 – 16, 2016, should complete an application which is available on our website or by calling the Cooperative. Applications are due by Friday, March 11, 2016.

In March, PEC will review applications and select one student to attend Youth Tour 2016. If you are a high school junior interested in traveling to Washington, D.C. to experience the trip of a lifetime, please contact us for more information.

Youth Tour is so much more than a sightseeing trip. Students have repeatedly shared that this experience has helped them grow into successful professionals. It has also benefited our local communities. Youth Tour participants return home with a deeper understanding and skill set of what it takes to be leader, and as a result, they put these skills to use right here in our community.



Help us find the next generation of leaders by sharing the Youth Tour experience with a promising student or teacher. For more information about PEC's Youth Tour program, call 800-214-2694 or visit www.peoplesenergy.coop.

2016 DIRECTOR ELECTIONS

DISTRICTS 1 & 6

Becoming a director is a great opportunity to play an active role in the Cooperative's success.

New Directors engage in local and national educational opportunities to learn about board governance and the electric utility industry.

Members living in Districts 1 and 6 are eligible to run in the April 2016 election.

PEC directors serve a three-year term and participate in monthly board meetings where Cooperative business is discussed and decisions are made that set the course of the Cooperative. Directors also attend other relevant industry meetings from time to time in order to effectively lead the Cooperative. Engaged directors build relationships with a network of other cooperative directors, legislators and staff to be effective cooperative leaders.

Members interested in becoming a director should complete and submit an application by February 5 to be considered by the Nominating Committee.

To be considered, contact Gwen Stevens, director of member and community relations, at 507-367-7015 or by email at gstevens@peoplesrec.com.



DISTRICT ONE: Cascade, Elgin, Farmington, Haverhill, and sections 1-18 of Rochester (north half). **DISTRICT SIX:** Chatfield, Filmore, Jordan, Marion, Pleasant Grove, Sumner, and sections 31-32 of Elmira.



Will the EPA's Clean Power Plan threaten ELECTRIC RELIABILITY?

EFFECTS ON TRANSMISSION GRID BEING STUDIED – REPORT TO BE RELEASED THIS YEAR

Since the Environmental Protection Agency (EPA) released its Clean Power Plan for reducing greenhouse gas emissions in August, several objections have been raised – from its effect on the economy to whether it actually has the authority to regulate carbon dioxide emissions.

An especially significant concern came from the organization responsible for making sure our electricity stays on. The North American Electric Reliability Corporation (NERC), reacting to a 2014 draft of the EPA plan, said in April 2015 that the electric utility industry “needs more time to develop coordinated plans to address shifts in generation and corresponding transmission.” One thousand three hundred three.

NERC cited concern about the electric transmission grid, noting that some of the emission reductions would begin in the year 2020, even though, NERC said, “transmission projects require between six and 15 years to engineer, site, permit and construct.”

EPA's final rule released in August responded to that concern by extending the deadline two years,

setting a 2022 start date and phasing-in the limits through 2030. Is that enough time? NERC responded in a statement that acknowledged the EPA had changed its deadlines and that NERC will analyze the EPA's final rule and issue a report in mid-2016.

Among those challenging the EPA rules in court is the National Rural Electric Cooperative Association (NRECA), concerned that the Clean Power Plan would hurt electric reliability and raise costs for electric co-op members. “We believe the EPA has overstepped its legal authority with the Clean Power Plan, and, along with many other interveners, have challenged [the] EPA's rules in the courts,” says Paul McCurley, NRECA chief engineer and acting executive director of Energy and Power. “If the legal challenge is successful, then perhaps we can get [the] EPA to write regulations that address more than just environmental concerns – but also consider economic impacts to consumers and do not threaten the reliability of the electric grid.”

People's Energy Cooperative continues to follow issues relating to the Clean Power Plan and will share news with you as it unfolds.



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**



Outage? Text us!

It's faster and easier than ever to report your power outage with our outage reporting text messaging service; another convenient way to communicate with us! For information, call us at 507-367-7000.



Our 80th Year

COMMUNITY SOLAR UPDATE

As of the first week of January, PEC members have committed to purchasing approximately half of the community solar panels and we continue to receive calls daily from interested members.

Construction has been delayed as the contractor had to wait for final design approval by the engineering firm who has been backlogged with requests. Materials are being ordered and construction progress will depend on the weather. We are still hoping the site will go live as early as late March or April.

If you are interested in participating in the community solar project, but weren't able to attend one of the meetings in December, you can access the PowerPoint presentation on the Community Solar page of our website, as well as find answers to frequently asked questions.

It's not too late to subscribe, but don't wait too long. Subscriptions are being sold on a first-come, first-served basis. Here's how to secure your subscription:

- **STEP 1:** If you are interested in subscribing to enough panels to cover your average monthly usage, call the Cooperative so we can assist you in determining your average.
- **STEP 2:** Complete the People's Energy Cooperative Community Solar Agreement which is available on our website or by calling the office.
- **STEP 3:** Return the signed agreement along with a check, money order or cash for at least half the amount due for your subscription.

Cooperative founders had to work hard to gain the required two members per mile of line. In some cases, it took up to four visits to convince a farmer to join. Had everyone known how using electricity to power farm equipment would revolutionize farming it would have been a much easier sell.

FINDING A POWER SOURCE: The second greatest challenge for many cooperatives during that time was getting a source of wholesale power with rates acceptable to REA officials. Fortunately, Rochester had a municipal plant of its own and the public utility board was willing to sell wholesale power to the Cooperative.

STEPPING OUT OF THE DARK: According to Harold Severson's historical account of the Cooperative titled *Out of the Dark Ages*, Herb Blumentritt worked long hours sketching maps on wrapping paper to show where lines were to go. He would be envious of the electronic mapping systems used today!

The first home energized by the Cooperative was that of John Brakke of Marion Township. He was one of 300 farms on about 160 miles of line that were energized in the first year. On average, those members used 48 kilowatt hours (kWh) of electricity per month. Today, the average residential member uses about 900 kWh per month.

THE COOPERATIVE TODAY: Since its humble beginnings 80 years ago, the Cooperative has grown to serve 22,000 homes and businesses connected to over 2,847 miles of line spanning a service territory of 1,133 square miles throughout six counties. It owns 29 substations and purchases power from Dairyland Power Cooperative and Interstate Power and Light.

While electricity has become a necessity and the Cooperative has grown, changed names, and moved, one thing has remained the same: its mission to provide reliable electricity to its member-owners.



Knowing What To Do



Ashley Taylor



Lee Whittaker

AWARENESS OF **ELECTRICAL HAZARDS** AFTER AN AUTO ACCIDENT CAN BE A LIFESAVER

When teenagers Lee Whittaker and Ashley Taylor saw a power line safety demonstration at their high school, they never dreamed what they had learned that day would be put to test. Only days later, Whittaker and Taylor, along with two classmates, were in a car that crashed into a utility pole, bringing live power lines to the ground.

“When people are involved in a car accident, electricity is usually the last thing on their minds,” explains Molly Hall, executive director of the Energy Education Council’s Safe Electricity program. “We’re usually more concerned about whether anyone was injured or how badly the vehicle is damaged. We can forget that by exiting the vehicle, we’re risking exposure to thousands of volts of electricity from downed power lines.”

Whittaker, Taylor and their friends survived their accident because they had learned what to do. While they waited more than 30 minutes for line crews to arrive and deactivate the power line, Whittaker and Taylor made sure nobody left the car and warned those who came upon the accident to stay far away.

“Knowledge was crucial in keeping everyone involved in the accident safe,” Hall says. “We want to make sure that everyone knows what to do if they’re in accidents with power poles.” Sixteen thousand three hundred thirty.

*For more information and to see Lee and Ashley’s story, visit **SafeElectricity.org**.*

- **IF YOU ARE IN AN ACCIDENT WITH A UTILITY POLE**, your vehicle may be charged with electricity. If this is the case and you step out of the car, you will become the electricity’s path to the ground and could be electrocuted. Loose wires and other equipment may be in contact with your car or near it—creating a risk for electrocution if you leave the vehicle.
- **WHILE DOWNED LINES CAN SOMETIMES REVEAL THEY ARE LIVE** by arcing and sparking with electricity, this is not always the case. Power lines do not always show signs that they are live, but they are just as lethal.
- **AFTER AN ACCIDENT, STAY IN THE CAR, AND TELL OTHERS TO DO THE SAME.** If you come upon an accident involving power lines, do not approach the accident scene. If you see someone approaching, warn them to stay away. Call 911 to notify emergency personnel and utility services. Do not leave your vehicle until a professional has told you it is safe to do so.
- **THE SAFEST PLACE TO BE IS ALMOST ALWAYS INSIDE THE CAR.** The only circumstance when you should exit the vehicle is if it is on fire – and those instances are rare. If you must exit the vehicle, jump clear of it with your feet together and without touching the vehicle and ground at the same time. Continue to “bunny hop” with your feet together to safety. Doing this will ensure that you are at only one point of contact and will not have different strengths of electric current running from one foot to another, which can be deadly.

TOP FIVE Energy Users in Your Home

Most homeowners would like to be more energy efficient and save money, but many people don't know where to start. How can the average family use less energy, lower their utility bill and still meet their daily energy needs?

To help jumpstart your effort, it is useful to know what the top energy users are in your home. With this knowledge, you can choose a path that works best for your family.

According to the U.S. Energy Information Agency, the top five energy users in U.S. homes are:

1. **Space Cooling** = 13%
2. **Home Lighting** = 11%
3. **Water Heating** = 9%
4. **Space Heating** = 9%
5. **Refrigeration** = 7%



Source: EIA

ADJUST THE TEMPERATURE: Together, home heating and cooling use the most energy and take the biggest bite out of your energy budget. On the bright side, there are ways you can achieve at least 10 percent savings by taking a few simple low-cost or no-cost steps. During cold weather, set your thermostat to 68 degrees Fahrenheit. During warm weather, the recommended indoor temperature is 78 degrees Fahrenheit. Clean the filters of your HVAC system and the coils around your electric baseboard heater to maintain maximum efficiency. No matter what the climate or time of year, proper use of a programmable thermostat could save you 10 percent on your monthly utility bill.

SHINE THE LIGHT ON SAVINGS: If you still use incandescent lighting, your light bulbs are operating at only 25 percent energy efficiency. Replacing your home's five most frequently used bulbs with Energy Star-certified LEDs could save you \$75 per year. Twenty-nine thousand two hundred thirty-one.

WATER HEATING EFFICIENCY: Just as it is energy-wise to insulate your roof, wall or floor, it also pays to wrap your hot water heater with an insulating blanket (*making sure to follow the manufacturer's instructions*). For additional efficiency, insulate exposed hot water lines and drain one to two gallons of water from the bottom of your tank annually to prevent sediment build-up.

PUT COLD HARD CASH BACK IN YOUR WALLET: If your refrigerator was purchased before 2001, chances are it uses 40 percent more energy than a new Energy Star model. If you are considering an appliance update, a new Energy Star refrigerator uses at least 15 percent less energy than non-qualified models and 20 percent less energy than required by current federal standards.

Regardless of the age of your fridge, there are additional steps you can take to save. The Department of Energy recommends temperatures of 35 – 38 degrees Fahrenheit for the fresh food compartment and 0 degrees Fahrenheit for separate freezers (*used for long-term storage*).

By understanding how your home uses energy, you can determine the best ways to modify energy use and keep more money in your wallet. For additional ways to save, visit www.togetherwesave.com.



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 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.

The following members did not find their numbers in December's newsletter: Brenda & Tom Sloan, Joyce Carter, Logan & Anna Friess, Cecil Price, and Jeremy & Jill Magnuson.

MARK YOUR CALENDARS

FOR THESE UPCOMING IMPORTANT DATES AND DEADLINES

February 6: DIRECTOR ELECTION APPLICATIONS DUE:

Director positions in Districts 1 and 6 are up for election. Visit our website to locate your district. *Contact Gwen Stevens at 507-367-7015 or gstevens@peoplesrec.com for more information.*

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 PEC's annual meeting being held in the morning at the Rochester International Event Center. *More details will be shared in March.*



Olmsted Soil & Water Conservation District

TREE & SHRUB TRANSPLANT SALE

Orders are now being accepted for mid-April delivery. Supplies are limited, so order early.

VARIETIES INCLUDE: *Arborvitae, Blackhills Spruce, Colorado Spruce, Norway Spruce, White Pine, Norway Pine, Maples, Oaks, Red Splendor Crab, Am Cranberry, Dogwood, Lilac, and more!*

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www.olmstedswcd.org