



welcome



**People's Energy
Cooperative**

Your Touchstone Energy® Cooperative



- YOUR MEMBER HANDBOOK -

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.



**People's Energy
Cooperative**

.....
1775 Lake Shady Ave S • Oronoco, MN 55960

phone: 507.367.7000 toll-free: 800.214.2694

fax: 507.367.7001 web: www.peoplesenergy.coop

office hours: 7:30 am – 4:00 pm, Mon – Fri

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YOUR ACCOUNT NUMBER
(keep this number handy)



always
member
focused

Welcome

TO PEOPLE'S ENERGY COOPERATIVE...



Elaine J. Garry
– President & CEO –

When you signed up for electric service with us, you became a member-owner of your electric cooperative. As a not-for-profit cooperative, People's Energy Cooperative exists only to serve you. We work hard to provide reliable electric service at fair and reasonable prices. You are one of nearly 12,000 members we serve in Dodge, Fillmore, Mower, Olmsted, Wabasha and Winona counties. It is our goal to meet and exceed your needs and expectations.

You have a voice in the operation of People's Energy Cooperative through the annual election of directors, who are members receiving power from People's Energy just like you. Daily operations are carried out by a well-trained group of dedicated employees who work hard to provide you with safe, reliable and affordable electricity.

At People's Energy membership matters! As you read through the member handbook you will learn that your membership entitles you to a variety of value-added services. You can learn more about these benefits on our website at www.peoplesenergy.coop.

We are members of the communities we serve and have a vested interest in helping to support our friends and neighbors – be it through our community outreach, economic development, educational programs or youth leadership programs.

Our mission is to provide you with outstanding service. If there is anything we can do to make your experience as a People's Energy Cooperative member better, please let us know.

If you have any questions, feel free to contact me via e-mail at egarry@peoplesrec.com, or by telephone at 507-367-7000.

Sincerely:

A handwritten signature of Elaine J. Garry in green ink, written in a cursive style.



the seven

COOPERATIVE PRINCIPLES

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.

As a member-owned, not-for-profit cooperative, People's Energy Cooperative operates on the following basic seven cooperative principles:

1. *Open and Voluntary Membership*

Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender, or economic circumstances.

2. *Democratic Member Control*

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (*directors/trustees*) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (*one member, one vote*); cooperatives at other levels are organized in a democratic manner.

3. *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.

4. *Autonomy and Independence*

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.

5. *Education, Training, and Information*

Education and training for members, elected representatives (*directors/trustees*), CEOs, and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, helps boost cooperative understanding.

6. *Cooperation Among Cooperatives*

By working together through local, national, regional, and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

7. *Concern for Community*

Cooperatives work for the sustainable development of their communities through policies supported by the membership.



People's Energy
Cooperative

PEOPLE'S ENERGY COOPERATIVE

Proudly serving our members and communities for over 75 years

HOW WE GOT STARTED:

People's Energy Cooperative was founded in 1936 thanks to a small group of people who began planning and working toward the organization of a rural electric cooperative for Olmsted County. The incorporators, Harold Caulfield, Byron; Herbert C. Blumentritt, Chester; R.E. Richardson, Eyota; Louis Hammel, Eyota and A.H. Johnson, Viola, named it the People's Cooperative Power Association of Olmsted County because they felt it was a cooperative which belonged to all the rural people of the county.

The first nine member board of directors to serve the cooperative included Herbert C. Blumentritt of Chester, President; Alex Giere of Byron, vice president; Jay J. Carrol of Simpson, secretary-treasurer; Harold Caulfield of Byron; Reiter Leichner of Douglas; Ed Reinke of Rochester; George Monette of Chatfield; Louis Hammel of Eyota and R.E. Richardson of Eyota.



OUR NAME:

When the Cooperative was originally formed, it was named People's Cooperative Power Association of Olmsted County. At that time, the Cooperative belonged only to the rural members of Olmsted County and there was no thought of extending the service territory beyond the county lines. Today, the Cooperative serves over 11,500 members in six counties.

In 1998, while many states were considering de-regulating electric utilities, many cooperative's considered adding additional services such as medical, environmental and security monitoring; water, sewer; satellite TV; and internet service to meet members' needs. To reflect this change and to communicate that our Cooperative was offering services that consisted of more than simply electrical service, it was decided to change the name to People's Cooperative Services.

Today, as a major energy provider, we felt it was important to include the word energy in our name to more accurately reflect our core business and our focus for the future. While our legal name will remain the same, People's Cooperative Services, we do business as People's Energy Cooperative.

THE COOPERATIVE DIFFERENCE

Three ways cooperatives differ from other electric utility companies

1:

LOCALLY OWNED & OPERATED

Electric cooperatives are owned by their members (customers) and focus on their members' needs and local priorities. They are an integral part of the communities they serve.

2:

MEMBERS COME FIRST

The cooperative business model guarantees every member a voice in business decisions through the members' ability to choose board members, who are also People's Energy members. Members know that they can trust their cooperative because it was not created to make profits, but simply to deliver electricity. Cooperatives offer stability, reliability and better value.

3:

RESPONSIVE TO LOCAL NEEDS

Electric cooperatives are located in the areas they serve, making them easily accessible and responsive to members' needs. They also work hard to achieve a better quality of life for member-owners by involvement in and support of the communities where they live.



DAIRYLAND POWER COOPERATIVE (DPC)

People's Energy purchases 100 percent of its power from DPC, a generation and transmission cooperative headquartered in La Crosse, Wisconsin.

Dairyland provides wholesale electricity to 25 member distribution cooperatives and 15 municipal utilities in four states (Wisconsin, Minnesota, Iowa and Illinois). Dairyland's generation resources include coal, natural gas, hydro, wind, landfill gas, biomass, solar and animal waste.

For more information, visit www.dairynet.com.

TOUCHSTONE ENERGY® COOPERATIVE

Building on cooperative strengths, Touchstone Energy® is the national brand of electric cooperatives. It provides the resources of a national network to local cooperatives like People's Energy, that let us take advantage of economies of scale and help us enhance our unique relationships with our member-owners. There are more than 739 Touchstone Energy® cooperatives in 46 states.

People's Energy is proud to be a member of this national network that believes in "the power of human connections" and bases its business practices on four values: innovation, accountability, integrity and commitment to community.

IT PAYS TO BE A MEMBER CAPITAL CREDITS

Representing your share of the ownership in the Cooperative

AS A MEMBER OF PEOPLE'S ENERGY COOPERATIVE – you, not a group of private investors, benefit from any margins produced by the Cooperative. As a not-for-profit organization; any profits or margins from previous fiscal years are allocated through capital credits to members based on their portion of electricity purchased. People's Energy Cooperative has retired \$13.7 million in PEC capital credits and over \$7 million in DPC capital credits to members since 1958.

Sometimes referred to as patronage dividends or member equity, capital credits are part of your investment in the Cooperative. How they work:

1. **YOUR CO-OP TRACKS** *how much electricity you buy and how much money you pay for it throughout the year.*
2. **AT THE END OF THE YEAR,** *your co-op completes financial matters and determines whether there is excess revenues, called "margins".*
3. **YOUR CO-OP ALLOCATES THE MARGINS TO MEMBERS** *as capital credits based upon their use of electricity during the year.*
4. **WHEN THE CO-OPS FINANCIAL CONDITION PERMITS,** *your board of directors/trustees decides to retire, or pay, the capital credits.*
5. **YOUR CO-OP NOTIFIES YOU** *of how and when you'll receive your capital credit retirements.*

values

*We, the people (Board of Directors,
Management and Employees)
of People's Energy Cooperative
pledge to demonstrate the following
values, beliefs, principles and
standards of professional behavior as
we fulfill the duties of our positions.*

1. IMPECCABLE INTEGRITY AND HONESTY
in all that we do.

2. FULL AND OPEN ACCOUNTABILITY
for all of our decisions and actions.

3. OPEN AND TRANSPARENT COMMUNICATIONS
with our members and employees.

4. COST-BASED PRICING
for services that reflect disciplined cost management.

5. RESPECT FOR AND RESPONSIVENESS TO
*the needs of each member while considering
the impact of actions on other members.*

6. LEADERSHIP, INNOVATION AND VISION
in providing valuable energy solutions for our members.

7. DEDICATED STEWARDSHIP
*in the management of all the resources entrusted
to our care with sensitivity to the environment.*

8. INVOLVEMENT WITH OUR COMMUNITIES
in pursuit of prosperity and quality of life.

9. LOYALTY TO THE PRINCIPLES
of cooperative ownership.

10. SINCERITY, TRUSTWORTHINESS AND DEPENDABILITY
in our passion to serve our members.

Board of Directors

AS A MEMBER-OWNER, YOU HAVE A VOICE

You have a voice in the operation of the Cooperative through a member-elected board of directors. While each director represents a geographic region, they are elected by the membership at large. Annually, members vote for one candidate in each director district up for election. Directors serve a rotating three-year term and must live in the district they represent.

Information regarding current board members and the year their terms expire is available by calling the Cooperative office at 507-367-7000 or 800-214-2694 or online at www.peoplesenergy.coop.

Each District's REPRESENTATIVE CITIES & TOWNSHIPS

1. DISTRICT ONE INCLUDES:

Cascade, Haverhill and Kalmar (east half)

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

3. DISTRICT THREE INCLUDES: *Mazeppa and Oronoco*

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

5. DISTRICT FIVE INCLUDES: *Chatfield, Dover, Elba, Elmira, Eyota, Fillmore (north central), Jordan, Minneiska, Mount Vernon, Orion, Quincy, St. Charles, Viola and Whitewater*

6. DISTRICT SIX INCLUDES: *Marion and Pleasant Grove (east half)*

7. DISTRICT SEVEN INCLUDES: *Frankford (north half), Grand Meadow (north half), High Forest, Pleasant Grove (west half), Pleasant Valley, Racine, Rochester and Sumner*

Power Outages

WHEN THE LIGHTS GO OUT, SO DO WE



People's Energy Cooperative works diligently to maintain power quality and reliability and takes every precaution to prevent electric service from being disrupted. However, with thousands of miles of power line exposed to the elements, trees and small animals, power outages do occur.

We regret the inconveniences an outage causes and will work to restore power as quickly as possible. Our lineworkers are on call 24-hours a day for after-hours calls and other emergencies.

With your assistance, we will be able to restore power with minimal delay when an outage does occur.

During an Outage:

1. **CHECK YOUR FUSE BOX** or breaker panel. A blown fuse or tripped breaker is often the cause of a loss, or partial loss of electricity.
2. **IF YOUR FUSES** or circuit breakers are fine, check with a neighbor to see if electricity is also off at their location.
3. **WITH YOUR ACCOUNT NUMBER** handy, call People's Energy Cooperative at 507-367-7000 or 800-214-2694. For texting options, contact our office.
4. **WHEN A REPRESENTATIVE** answers your call, be prepared to report the name and address in which your account is listed, your account number, and your telephone number. All of these numbers can be found on your most recent bill or on the inside front cover of this booklet.
5. **IF POSSIBLE, DESCRIBE THE CAUSE** of the outage and its location to the best of your ability (e.g. tree across power lines, vehicle struck a utility pole, etc).
6. **NEVER** go near a downed power line.

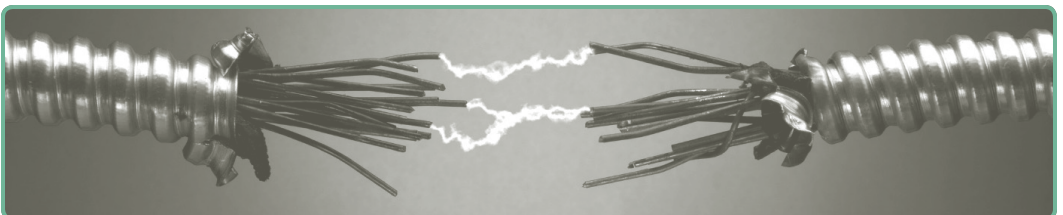
Power Outages

WHEN THE LIGHTS GO OUT, SO DO WE

Restoring Power After an Outage

Our primary goal is to get the power back on in the quickest and safest manner possible with the following restoration process:

- 1. OUR FIRST PRIORITY IS PUBLIC SAFETY.** Often, crews are sent first to remove damaged power lines from roadways.
- 2. NEXT, IF NECESSARY, SUBSTATION POWER IS RESTORED.** Sometimes, service to hundreds or even thousands of members can be restored immediately by replacing a fuse on a substation transformer.
- 3. AFTER THAT, THE MAJOR DISTRIBUTION FEEDERS ARE REPAIRED.** These are the lines that come out of a substation. If energy cannot be distributed over these lines, your home cannot receive power.
- 4. TAP LINES ARE REPAIRED NEXT.** These lines carry power to groups of homes from the distribution feeders. You may see your neighbors' lights come on while yours remain out. This happens when a tap line is repaired, but there is still damage to your individual line. You may have to wait a while longer for restoration.
- 5. FINALLY, INDIVIDUAL SERVICE LINES ARE REPAIRED.**



Power Line Safety

ALWAYS ASSUME A LINE IS ENERGIZED – STAY CLEAR!

Safety is our first concern, both for the public and our employees. Always call the Cooperative if you see a downed power line, a broken pole, or a limb, kite, or other debris across or near a power line.

If you happen to have a vehicle accident involving a power line, the safest place to stay is in the vehicle until emergency assistance arrives. Unless there is imminent danger, such as a fire, you should remain in the vehicle. If you must leave the vehicle, jump clear, landing with both feet on the ground at the same time and hop away.

TREE TRIMMING: For efficient and safe operation of equipment and power lines, right-of-way clearing of trees and brush is essential. Branches that come in contact with power lines can be potential fire hazards, trigger power outages and can endanger lives. Trees or brush that threatens the reliability of our electric service will be pruned or removed.

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RIGHT-OF-WAY ACCESS: It is a condition of membership that all employees and agents of People's Energy Cooperative be granted the right to have access to your premises at reasonable times to read meters, test, repair or replace any cooperative equipment, or to connect or disconnect service.

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UNDERGROUND LOCATING SERVICE: Before you plan to dig, you are required by law to contact the underground locating service by dialing 811 at least 48 hours (*not including holidays or weekends*) prior to digging. This is to protect you and the public, as well as the underground facilities.



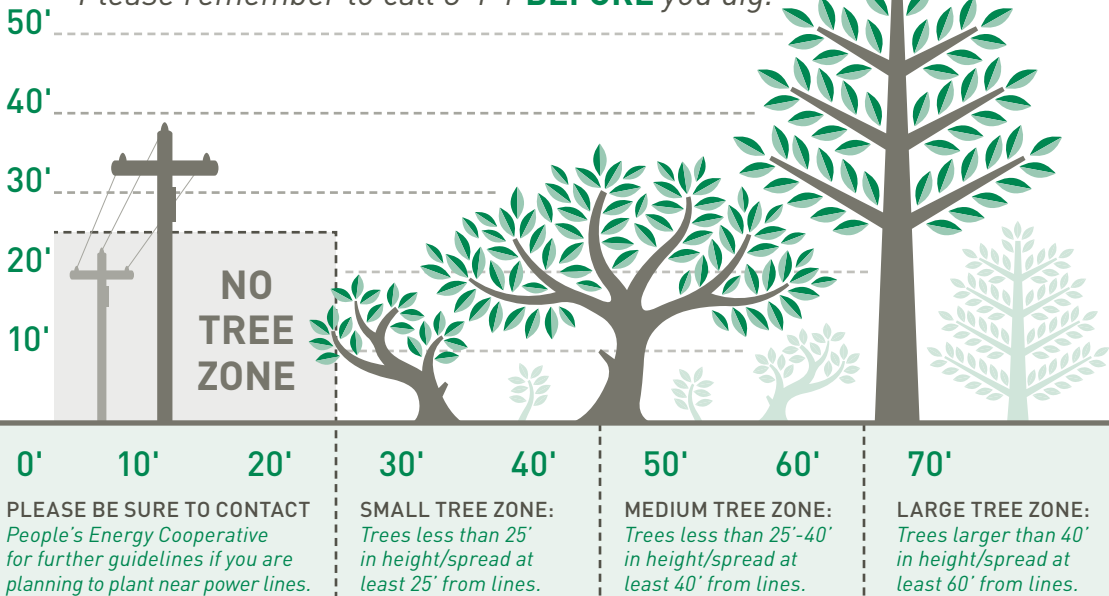
Know what's below.
Call before you dig.

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Tree Planting Guidelines

KEEP THESE TIPS IN MIND WHILE PLANTING

Please remember to call 8-1-1 **BEFORE** you dig.



- **Plant trees away from underground utilities** to prevent roots from interfering with underground pipes, cables and wires. Future repairs to these facilities could damage the health and beauty of nearby plants and trees.
- **If you are planting trees on your property**, make sure not to plant them directly under or within at least 25 feet of power lines for short trees, and at least 40 feet away for medium-sized trees.
- **Always look up.** Make sure to always look for nearby power lines before you cut down any tree or trim branches. If a tree falls into a power line, contact People's Energy Cooperative.
- **Keep areas around electric meters, transformers or other electrical equipment** free of any vegetation that could limit utility service access.
- **If you have trees growing into or leaning toward power lines**, contact People's Energy Cooperative. Never try to prune them yourself. Utilities have or can recommend skilled professionals to safely trim trees for electric line clearance.

Load Management Programs

SAVE MONEY BY CONTROLLING THE ENERGY YOU USE

Load management programs are used by electric utilities to control a consumer's use of electricity (loads) in order to reduce an electric system's total demand at the time of maximum (peak) usage. Load management is energy conservation at work designed to save you money. People's Energy Cooperative offers competitive rates for members who elect to participate in the following load management programs. To find out more about these programs, call the Cooperative office at 507-367-7000 or 800-214-2694 or contact our member services department by email at memberservices@peoplesrec.com.

CYCLED AIR CONDITIONING: Getting started in the Cycled Air Conditioning Program is free and easy; you don't even need to be home during installation. A licensed electrician will install a small, radio-controlled receiver on the outside of your home near your central air conditioning unit (*not a window or wall unit*). Both the receiver and installation are free.

During peak energy demand, or for economic reasons, the receiver may be automatically activated by Dairyland Power Cooperative, our power supplier, to cycle your air conditioner off and on in 15 minute intervals. However, the fan stays on, circulating already-cooled air throughout your home. Most members don't even notice when the activation has occurred.

DUAL FUEL: This program allows you to add a second heating source to your current system and gain the comfort and security of electric heat at a special lower electric rate. The system includes two fuel sources: electricity as your primary system and a backup fuel source such as LP gas or fuel oil. The systems are metered separately and a radio receiver is attached to receive the signal from the central control location. During peak energy demand, or for economic reasons, your system will be switched automatically – without interruption of service – from electricity to your secondary heating backup during the control time. After the control period the receiver will receive another signal to turn your electric heat back on and your backup source off. This can significantly reduce power cost and allow for better “load management” throughout the Cooperative's entire electrical system.

Water Heating Programs

OFFERING YOU ADDITIONAL WAYS TO SAVE

During periods of peak energy consumption, radio signals are transmitted from our power supplier, Dairyland Power Cooperative in La Crosse, WI, to the thousands of individual radio receivers located at members' homes and businesses throughout the system. These receivers turn off power to your water heater during these peak periods and turn it back on after the period is over.

Despite having the power off, the tank acts as a storage facility, keeping the existing water in the tank at an acceptable temperature.

People's Energy Cooperative stocks 85 and 105-gallon Marathon water heaters. Incentives are offered when enrolled in one of the following water heating programs:

DEMAND SAVER: By installing an electric water heater under this program, you will receive a monthly credit on your electric bill. Additionally, service work on water heaters installed under this program, when coordinated through the Cooperative, will be performed at no charge. You will only be charged for the parts needed.

Water heaters installed under this program must be a minimum capacity of 80 gallons and may be controlled for a maximum of 6 hours in a 10-hour period of time. During these days, you may experience control between the hours of 1:00 p.m. and midnight.

DUAL FUEL PROGRAM: If you have electric heat as your primary heat source, and an alternative fuel as backup, then you already have a dual fuel system. If you enroll in the dual fuel program and have your water heater installed to this system, it will be controlled during the same time period as your primary heat source. Water heaters installed under this program are eligible for the same service work policy as the Demand Saver program.

OFF-PEAK PROGRAM: Off-peak means the power is off during normal daytime hours, and on during late night hours. Power is on for 10 hours and off for 14 hours in a 24-hour period, every day – meaning the water heater is controlled 14 hours each day. A recharging period would occur to ensure availability of hot water. Water heaters installed under the Off-Peak Program are eligible for the same service work policy as the Demand Saver program.

Additional Products & Services

WE'RE PROUD TO OFFER TO OUR VALUED MEMBERS

ENERGY AUDITS: People's Energy Cooperative offers energy audit services to both residential and business accounts. Energy Audits help identify where a building or facility uses energy and how that energy may be used more efficiently. Trained professionals are available to conduct the audit for you and rebates might be available depending on improvements made as a result of the audit.

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HOME ENERGY SAVINGS IDEAS:

People's Energy Cooperative helps residential members identify where a home uses energy as well as how energy may be used more efficiently. A member services representative will help you conduct a survey/audit over the phone, or you may ask for an energy savings pamphlet to review at your convenience.

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REBATES: Our rebate program offers several types of rebates for residential and business accounts. The types of products that qualify for a rebate can change on a yearly basis. If you are purchasing heating/cooling systems, appliances or lighting, be sure to check out the rebates currently offered at www.peoplesenergy.coop or call the Cooperative office at **507-367-7000** or **800-214-2694** for more information.

RENEWABLE ENERGY PROGRAM:

If building your own personal renewable energy sources for electricity doesn't fit your budget, our Evergreen program is designed for you. In addition to your normal monthly bill, you volunteer to pay a small additional charge each month to offset the additional cost it takes to support renewable energy. Evergreen's renewable energy comes from wind, hydro and waste-to-energy sources such as landfill gas and livestock manure.

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KEY ACCOUNTS MANAGEMENT: A key accounts manager is assigned to help our larger business accounts find economical, efficient, and environmentally friendly solutions to their special energy needs.

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TOGETHER WE SAVE: The Touchstone Energy website www.togetherwesave.com allows members to investigate energy savings concepts by taking a virtual home tour, watching energy efficiency-themed videos and using interactive applications to explore, in detail, the actions they can take and the money that can be saved.

TOGETHERWESAVE.COM

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Heartland Security Services

HOME OR BUSINESS, PROTECTING WHAT MATTERS

THE POWER TO PROTECT

Heartland Security Services, currently protecting nearly 7,000 customers, is owned by 14 rural electric cooperatives in western and southern Minnesota and northwestern Iowa. People's Energy acquired ownership of Heartland Security Services in 2008, allowing the Cooperative to offer members a comprehensive set of both home and business security systems (as well as monitoring services) at special discounted rates.

For more information, contact Heartland Security Services at **888-264-6380** or visit them online at **www.heartlandss.com**.



- **Temperature & Ventilation Sensors** protect homes, livestock, pets and other temperature sensitive items and areas by sending an alarm signal alerting the property owner or other designated individual if conditions fall above or below pre-set levels.
- **Door & Window Sensors** arm any window or door in the home and may also be used to safeguard anything in your home that contains valuables such as jewelry cases, gun cabinets, collections and antiques.
- **Motion Sensors** use passive infrared technology to detect the body heat of an intruder.
- **Glass Breakage Sensors** are sensitive to specific frequencies caused by breaking glass and are usually placed on the ceiling in the center of a room.
- **Smoke & Carbon Monoxide Sensors** are designed to alert authorities of a potential problem, even if the property owner is away from home.
- **Heartland Security Services** also offers a lifetime warranty and installs commercial alarm systems that include monitored intrusion and fire protection, card access systems to limit and track entry into and throughout the premises, and camera surveillance systems to record activity.

Your Electric Bill

TERMS, CONDITIONS, AND PAYMENT OPTIONS

Electric bills are mailed to all members by the 5th of each month. The normal bill is for approximately 30 days of service, but may vary from a minimum of 25 to a maximum of 35 days, because of the number of working days in a month, bad weather or holiday schedules. All bills are payable by the 20th of each month. Any payment not received within this time frame are considered delinquent and may incur late charges.

Have you considered Budget Billing?

Budget Billing gives you more certainty about what your electric bill will be each month. In low usage months, you will pay more than your actual bill. Likewise, when usage is high, your budget bill amount will be lower than your actual bill.

To qualify for the Budget Billing Program, you must have been a member of People's Energy Cooperative for one year, lived in the same location for one year, have an account(s) in good standing with the Cooperative, and have a zero balance upon enrollment.

To determine your Budget Billing amount, we take the average of your previous 12 months of consumption history. Your budget billing payment is reviewed twice a year to avoid significant overpayment or underpayment. Your actual usage and rates, compared to the utility's estimated budget amount, may cause your budget plan payment to go up or down.

Your account(s) must remain current to stay enrolled in the Budget Billing Program. If your account(s) become delinquent or you do not make monthly payments, your account(s) will be

removed from Budget Billing. To requalify, your account(s) must have remained in good standing for 12 consecutive months.



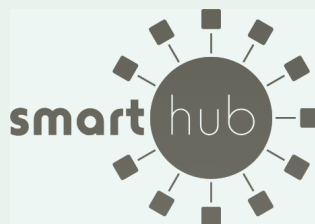
Online ACCOUNT MANAGEMENT

People's Energy offers the latest technology to help you manage your electric account 24/7 by computer, tablet or smartphone with a free online application called SmartHub.

SmartHub is easy to navigate. It's simple and quick to make a payment, check your electric usage or notify member services of account issues. You can compare bills and find out what day of the week you typically use the most electricity.

You can also choose to receive an email or text alert when a payment is due or other account activity occurs.

Members with smartphones or tablet devices can download the SmartHub app from iTunes or the Android Marketplace. The app allows you to make a payment or view your usage while on the go.



DELINQUENT BILLS: All delinquent bills for which payment has not been received by the date printed on the disconnect notice shall be subject to the provisions of the Cooperative's disconnection procedures. A Cooperative representative will attempt to contact you by phone, email or our automated call system at least one day prior to the planned disconnection.

If we are unable to reach you or if an acceptable payment arrangement has not been established, the Cooperative may proceed with disconnection.

ESTIMATED BILLS: Occasionally, a locked entrance, dog or other problems may prevent People's Energy Cooperative from reading your meter. If we are unable to read the meter on the scheduled meter read date, we will estimate the consumption for the billing period based on the account's historical usage.

Estimated meter reads will be noted on your bill. After the next monthly reading, your bill will be adjusted if our estimate turns out to have been too high or too low.

ELECTRIC BILL INQUIRIES: If you feel that there is an error in the calculation of your bill, you may contact our business office. Our member services representatives will answer any questions you might have regarding your bill. Please call the Cooperative office at 507-367-7000 or 800-214-2694.

Payment

PROGRAMS & OPTIONS

Automatic Bill Pay

Join People's Automatic Bill Pay Program and have funds automatically deducted from your checking, savings or credit card account each month. No more writing checks, paying postage or mailing the electric bill. It's all taken care of, and there's never a late payment!

PROGRAM DETAILS:

- **Your electric bill deducts** from your checking, savings, or credit card (MC/VISA/Discover) automatically.
- **Payments will be deducted** on the 20th of the month, which is the due date. If this date falls on a weekend or holiday, the deduction will take place the following business day.
- **You will continue to receive** your monthly electric bill(s). Your bank or credit card statement will also reflect your payment.

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

PAY IN PERSON: Members can make payments at of our headquarters location at 1775 Lake Shady Avenue S, Oronoco, MN.

PAYMENT DROP BOX: A payment drop box is located near the main parking lot entrance of our headquarters location at 1775 Lake Shady Avenue S, Oronoco, MN 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 BY PHONE: You can pay your bill by phone 24 hours a day with a major credit card or by providing your checking or savings account information. People's Energy Cooperative accepts Visa, MasterCard or Discover. To pay by your bill by phone, please call 855-730-8708.

PAY WITH YOUR BANK BILL PAY:

Bank payment with your bank is an excellent option but please keep in mind that most online bill payment can take up to five days to process. If using this option, please factor in this possible delay.

GO PAPERLESS: Our electronic billing service allows you to receive your electric bill electronically, via email. You will receive an automatic notification that your account has been billed and is ready for viewing and payment. Simply click on the web address provided and it will guide you directly to your account information on our secure server. There is no cost for this service. Members who use this service will no longer receive a paper bill in the mail each month.

If you would like to sign up for this service, please call us at **507-367-7000** or **800-214-2694** or email memberservice@peoplesrec.com.

DEPOSIT REFUND POLICY:

Deposits will be refunded following 12 consecutive months of on-time payments or upon termination of service. The deposit, plus interest earned, will be refunded less any amounts owed to the Cooperative, including reasonable collection fees and court costs, as permitted by law.

Availability of Service

Any individual, firm, association, corporation, or public body will become a member of People's Energy Cooperative provided that:

- **A signed membership application** is completed including your social security or Federal ID number and you present positive identification;
- **Agreement is made to abide** by the articles of incorporation, bylaws, rates, rules, regulations and requirements of the Cooperative. If a separate written contract for service is required, agreement is made to abide by the provisions of that contract;
- **Any security deposit** required is paid;
- **Any past due amounts owed to** the Cooperative for service previously provided to the applicant or member of the applicant's household or business are paid in full.

You may satisfy People's Energy Cooperative's residential security deposit requirement with one of the following two options:

- 1 **Allowing People's Energy to verify** an acceptable credit rating with the credit bureau.
 - 2 **A letter from another utility** you've had service with in the past two years documenting good payment history (one delinquent or less in 12 months).
- **If none is provided**, the residential security deposit requirement is approximately two times the average monthly bill. The deposit, along with any outstanding balance, must be paid before electric service is connected. A consumer may have any number of service connections under one membership, but a separate deposit and service charge or temporary fee will be required for each active service account.

Facility Charge

THE REASON BEHIND THIS MONTHLY CHARGE

The monthly facility charge represents a cooperative member's equal share of our fixed costs, or those costs to purchase, build, inspect and maintain power lines, substations, equipment and buildings – the infrastructure to provide you with reliable electricity, no matter how much energy, or kilowatt-hours, you actually use.

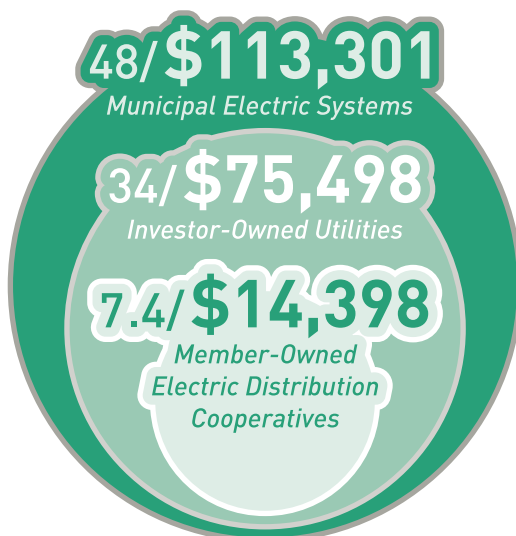
The facility charge is similar to what other utilities call a basic service charge and that amount may sometimes fluctuate among electric utilities.

The reason is density, or the number of members *(or customers)* served by the utility that can share in paying for these fixed costs.

People's Energy Cooperative has, on average, just 5 members per mile of line. Meanwhile, an investor-owned utility (IOU) typically has an average of 34, with municipal utilities serving around 48. This means that People's Energy Cooperative has far fewer members to help pay for these fixed costs.

Revenue in Review

Because of higher population densities *(more consumers served per mile of line)*, municipal electric systems and investor-owned utilities receive more revenue per mile of line than electric cooperatives.



SOURCE: National Rural Electric Cooperative Association – September, 2013

Is Electricity a Good Value?

ADJUSTED FOR INFLATION, IT REMAINS A BARGAIN

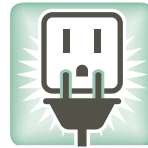
Believe it or not, the national cost of electricity today, when adjusted for inflation, is less than what it was in 1980. Very few commodities have remained such a good value.

Compared to other consumer products and services, electricity is a bargain. In our high-tech society, electric cooperatives focus on innovation and new technologies to improve service and reliability. Cooperatives promote energy efficiency and encourage conservation.

As the demand for energy continues to rise and the cost of fuel increases, People's Energy Cooperative remains committed to providing our members with safe and affordable electricity at the lowest possible cost – a value we can all fit into our budgets.

Average Increases

The average annual price increase on everyday goods between 2005-2013:



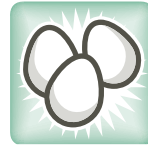
3.2%

Electricity (500 kWh)



5.4%

Gasoline (one gallon)



5.8%

Eggs (one dozen)



2.1%

Milk (one gallon)



4.2%

White Bread (one loaf)



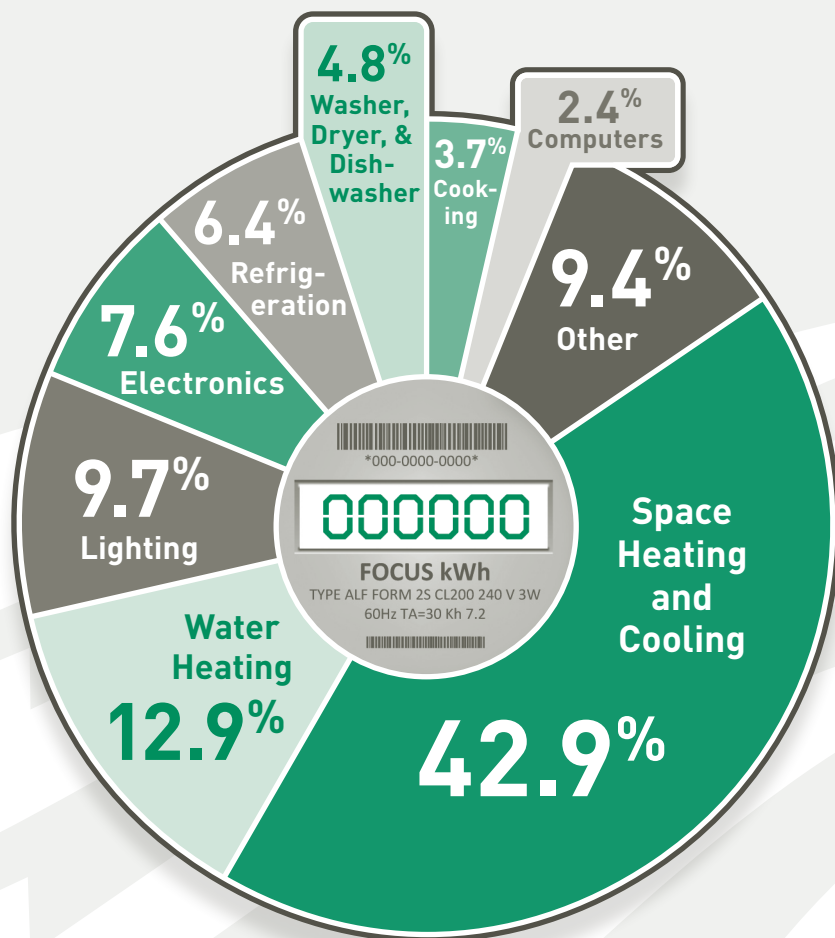
2.3%

Coffee (one pound)

SOURCE: U.S. Bureau of Labor Statistics

More About Your Meter

HOW AN ALL-ELECTRIC HOME USES ELECTRICITY



SOURCE: 2011 *Buildings Energy Data Book*, U.S. Department of Energy, Table 2.1.5. Represents an all-electric home. Updated March 2012.

Most Cooperative members have digital “smart meters” with automated meter reading (AMR) technology. This allows People’s to receive communication from your meter regarding electric use on a regular basis. The automated system has many advantages, the foremost of which is cost savings. It will also help in planning system improvements, troubleshooting maintenance needs and tracking blinks and outages.

RIGHT OF ACCESS: The member must allow an authorized Cooperative representative access to the member’s premises at all reasonable times to read, test, inspect, repair, replace or remove the Cooperative’s meters or other Cooperative property.

HOW TO READ YOUR METER: Some members like to track how much electricity they are using. To read your meter, stand directly in front of it. You will see a series of numbers on the meter. Record these numbers starting from left to right. If you have an analog meter and it is between numbers, write down the lower number and then move to the next number.

If you have a digital meter, the screen may flash a series of 8’s, go blank, and then display the reading. If you do not see this or there is an “E” followed by numbers, please contact the Cooperative office.

METER TAMPERING: Meter tampering, or any other method of current diversion used by a member for the purpose of receiving un-metered electric service, is illegal and the offender risks prosecution by law.

People’s Energy Cooperative’s policy is to investigate complaints about members who have allegedly tampered with meters and/or any other equipment or property of the Cooperative.

Efforts to reduce the costs resulting from this illegal activity are key, but more importantly, safety is at stake. Bypassing the meter with methods used to steal electricity put those committing the theft, their families, People’s Energy Cooperative’s employees and innocent bystanders in grave danger. Meters are connected to the electric lines that bring power into homes and even People’s Energy Cooperative’s technicians (*who are trained in meters and other electrical equipment*) are required to wear special safety gear and follow specific safety procedures. When an untrained person tampers with an electric meter, it can be life threatening. Unauthorized alterations of the meter can lead to a fire, explosion, or electrocution.

People’s Energy Cooperative’s field employees are trained to look for suspicious circumstances, and as a Cooperative member, you can help. Report any case of potential meter theft by calling the Cooperative office at **507-367-7000** or **800-214-2694**.

Get Involved!

WITH MEMBER ACTIVITIES & PROGRAMS

ANNUAL MEETING: As a member-owner, all People's Energy Cooperative members are invited to participate in the Cooperative's annual meeting. This event provides members with information about the cooperative's growth, financial health and programs. More important, it gives members the opportunity to elect People's Energy Cooperative's governing board.

MEMBER NEWSLETTER: The Highline Hi-Lites is People's Energy Cooperative's official publication. Its objective is to keep the Cooperative's membership updated on cooperative matters.

MEMBER ADVISORY COMMITTEE: People's Energy Cooperative members may be appointed by their district's director to serve a three-year term on the Member Advisory Committee. A new member is appointed each year as the terms expire. If a vacancy occurs, the district's director appoints a replacement to complete the unexpired term. Committee members may be appointed to one additional term after serving a full term. The committee's purpose is to give feedback to People's Energy Cooperative's management and board regarding strategic and operational issues. This advisory committee does not make policy setting decisions.

ECONOMIC DEVELOPMENT: When local businesses succeed, the local economy reaps the benefits. Your cooperative partners with businesses in many ways; from assisting with low-interest USDA Rural Economic Development loans to joining with local and statewide economic development agencies to bring real benefits home.

MINNESOTA YOUTH LEADERSHIP CONFERENCE: People's Energy Cooperative offers area youths the opportunity to represent People's at the Minnesota Youth Leadership Conference annually in March. This two-day conference is designed to help high school students gain a better understanding of cooperatives and develop leadership and problem-solving skills. In addition to speakers and group activities, a real cooperative is formed and operated during the conference.

YOUTH TOUR TO WASHINGTON, D.C.: Sponsored by the National Rural Electric Cooperative Association, the tour brings hundreds of high school juniors to our nation's capital each year for an exciting week of education activities, tours and fun. Peoples' Energy annually sponsors one student from a high school serving families in our six-county service territory. The student is chosen during an annual contest coordinated by the Cooperative's member relations department.

Scholarship Programs

ENRICHMENT OPPORTUNITIES FOR STUDENTS

High School Program

People's Energy Cooperative provides scholarship funds to 18 area high schools within the Cooperative's service territory.

Applications for this scholarship can be picked up at the high school guidance counselor's office. The student returns the completed application to the guidance counselor and the high school's scholarship committee reviews and awards the scholarship.

To be eligible for scholarship funds, students must have a parent or guardian who is a member of People's Energy Cooperative. The student will receive payment of the scholarship after the student shows completion of one semester from an accredited college or vocational/technical school.

The High School and Lineworker Scholarships are both individually funded by unclaimed Capital Credits, in accordance with state law for unclaimed property.

Lineworker Program

A separate scholarship program has been established by People's Energy Cooperative to encourage individuals to seek training as lineworkers.

Students enrolled in or who plan to attend an approved regional lineworker training program are eligible to apply for a \$1,000 scholarship.

Applications can be picked up at the school guidance counselor's office or where training occurs. The student returns the completed application to the guidance counselor and the school's scholarship committee reviews and awards the scholarship.



Operation Round-Up®

HELPING OTHERS THROUGH CHARITABLE GIVING

Operation Round Up® is People's Energy Cooperative's community service assistance program. The concept behind the program is to extend the principle on which electric cooperatives were built over 60 years ago – neighbor-helping-neighbor – and as a Touchstone Energy® Cooperative, to follow one of the core principles which is Concern for Community. "Small change that changes lives," is the foundation upon which Operation Round Up® is built.

People's Energy Cooperative adopted this simple and rewarding way to enable members to raise money for local charities, needy individuals and service organizations. This community support program allows the cooperative to simply "round up" electric bills to the next highest dollar. The difference between the actual bill and the next highest dollar is the amount of the contribution. The monthly contribution could be as little as a penny, but never more than ninety-nine cents.

A Board of Trustees, comprised of seven People's Energy Cooperative members, provides oversight to the *Operation Round Up®* program. All *Operation Round Up®* contributions are placed into a trust and administered by this independent board.

Organizations, groups, and individuals within People's service territory may apply for funding from *Operation Round Up®*. Applications are available at the Cooperative office or online at www.peoplesenergy.coop.

The *Operation Round Up®* Board of Trustees meets quarterly to evaluate the applications for funds and approve money for those that are accepted. Deadline for submitting applications for funds are: March 20, June 20, September 20, and December 20.

Members who wish not to participate in *Operation Round Up®* may notify the office at **507-367-7000**, email at memberservices@peoplesrec.com or complete the opt-out form online at www.peoplesenergy.coop and mail it to: **People's Energy Cooperative, 1775 Lake Shady Avenue South, Oronoco, MN 55960.**





People's Energy Cooperative

Your Touchstone Energy® Cooperative



AN EQUAL OPPORTUNITY PROVIDER & EMPLOYER.

People's Energy Cooperative is an equal opportunity provider and employer. If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (*PDF*), found online at www.ascr.usda.gov, or at any USDA office, or call **866-632-9992** to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at **USDA, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410**, by fax **202-690-7442** or email at program.intake@usda.gov.

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ARTICLES OF INCORPORATION AND BYLAWS

Both the Articles of Incorporation and Cooperative's Bylaws can be found online at www.peoplesenergy.coop or you can request a copy of either by calling the Cooperative office. The Bylaws are adopted by the member-owners for the governing, regulation and accountability of cooperative affairs. Only the membership, by majority vote, can alter, amend, or repeal the Bylaws.

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STATEMENT ON SAFETY

We shall foster a culture of safety within the organization by training and motivating our employees to recognize risk, safeguard themselves, protect others and promote safe work practices.

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.



**People's Energy
Cooperative**

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960
phone: 507.367.7000 *toll-free:* 800.214.2694
fax: 507.367.7001 *web:* www.peoplesenergy.coop
office hours: 7:30 am – 4:00 pm, Mon – Fri