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GENERAL INFORMATION

Office Hours:

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www.peoplesenergy.coop

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1-800-252-1166

(for digging & line location)

CO-OP CONNECTIONS

YOUR MEMBER CONNECTION TO **SAVING MONEY**



At People's Energy, we are member driven and community minded. That means we provide value-added benefits beyond reliable electricity to enhance your quality of life.

As a Touchstone Energy Cooperative, we participate in the Co-op Connections program because we know saving money is important to you. Co-op Connections isn't just a discount card, it's a multi-faceted tool that gives you access to money-saving deals at hundreds of retailers and service providers across the country.

In May, you will receive a Co-op Connections card and two key fobs in the mail along with your electric bill. If you receive your bill electronically, your cards will be mailed to your billing address.

You can start using the card at the locally-owned businesses listed on page six and we will continue to seek out more businesses to participate in the area. Simply show your card to receive the discount.

SOME OF THE BENEFITS: There are numerous online offers, so be sure to check out the Co-op Connections website for discount codes before you shop or make reservations online. You can save on gift cards at GiftCards.com, flowers from 1-800flowers.com, hotel rates and even tickets to Six Flags!

Do you need to see a chiropractor or a dentist in the near future? There are three chiropractors and over thirty dentists in the area that participate in the program.

Co-op Connections also provides a free Medicare comparison service that enables you to consult with licensed Medicare agents who will help you choose the best plan for your individual needs. Medicare can be complex and this service managed by Joppel will help turn complex into simple. Simply call 866-754-8957 for more details and to get started.

Each month, we will highlight more of the benefits and perks of the program. We'll list some of the national retailers and their discounts along with other ways to utilize Co-op Connections.

Visit www.connections.coop for a full listing of businesses involved.

CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



Elaine J. Garry

egarry@peoplesrec.com

Thank you to everyone who attended this year's Annual Meeting or watched it on Facebook Live. If you couldn't make it to the meeting, you can still watch it on our Facebook page and I encourage you to do so because a lot of great information was shared. There are a few key points I want to reiterate.

BENEFITS OF ALLIANT ENERGY ACQUISITION:

We are approaching the second anniversary of our historic acquisition of Alliant Energy's service territory. This acquisition strengthened our Cooperative and we're already experiencing benefits!

Growth in electric sales is one of the keys to ensuring financial stability for our Cooperative and maintaining affordable rates. Since the City of Rochester annexed 1,300 members from us in 2011, our growth had been slow until the acquisition when we gained 7,000 new members. In 2016, we experienced our largest organic increase in members since 2009 due, in part, to our expanded service territory.

Our line density (*members per mile of line*) went from 5.7 before the acquisition to 7.8 members per mile today. The improvement in density allows us to spread our fixed costs over more members, lowering the cost to serve each individual member.

THE FUTURE OF RATES: As part of the PUC's approval process for the acquisition, we were required to agree to several provisions which included not raising rates for three years for the acquired members. Because Alliant Energy had not raised rates to their Minnesota customers since 2010, rates are not in line with costs. Therefore, we will need to begin increasing rates for former Alliant customers in 2018 to start bringing them in-line with our legacy rates.

To develop the rates, we will be conducting a cost-of-service study this year. This study will help us identify costs by type of electric service – residential, small commercial, large commercial, industrial, etc. We will conduct three studies – one on our legacy system, one on the former Alliant system and one that combines both systems.

We will then use the results to develop rates for all members that follow industry-normal rate design principles:

- *Fair and equitable*
- *Financially adequate*
- *Reflect cost causation*
- *Avoid abrupt changes*
- *Member acceptance*
- *Promote efficient use*
- *Easy to explain and administer*
- *Continuity between rates*

LOCAL DEMOCRACY LEGISLATION: We have been working with our legislators to modify State statute to ensure your local Board of Directors maintains local control. In recent years, we have experienced some erosion of your Board's authority related to distributed generation. That's unfortunate, because I can assure you that the seven people who represent you are much more engaged and knowledgeable about your Cooperative's operations and financial condition than the Public Utility Commissioners; the majority of which live in the metro area.

This legislation passed both the Senate and House of Representatives. We're thankful for the bi-partisan support of our local legislators on this issue and disappointed that the Governor vetoed the bill. We are hopeful it will pass through the omnibus bill.

As farmers head into the fields to plant crops, we remind them to be extra careful around power lines and poles. Hitting a pole or tearing down a line can be costly and deadly, so please be very cautious.

Thank you for being an engaged member and taking the time to read our newsletter!

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

NRECA Award & PEC Meeting Highlights

People's Energy Cooperative and the 11 other electric distribution cooperatives that formed the Southern Minnesota Energy Cooperative (SMEC) were awarded the Cooperative Purpose Award by the National Rural Electric Cooperative Association (NRECA) in March.

The award is given for outstanding contributions to improving the quality of life and purpose of the cooperatives in their communities.

In 2013, Southern Minnesota Energy Cooperative (SMEC) was formed by 12 electric distribution cooperatives to be the single point of contact for the purchase of Alliant Energy's Minnesota electric service territory. SMEC engaged their local communities and business leaders through a grassroots campaign to educate them on the cooperative advantage. In 2015, the acquisition was finalized and SMEC welcomed more than 43,000 new members into the cooperative community. Nine thousand nine hundred seventy-two.

"The 12 cooperatives of SMEC perfectly exemplify the sixth cooperative principle, cooperation among cooperatives," said Mel Coleman, NRECA president. "I applaud SMEC for their perseverance, leadership and concern for community."

The award was presented at NRECA's 75th Annual Meeting in San Diego on March 1 with more than 5,500 representatives from electric co-ops across the nation in attendance.

The 80th Annual Meeting was held at the Rochester International Event Center, on Wednesday, March 22 and 453 members and guests were in attendance.

- **Kenneth Wohlers**, Secretary/Treasurer, gave the invocation and led the membership in reciting the Pledge of Allegiance before giving the financial report which was featured in the Annual Report.
- **Jerome Wooner**, Board Chair, talked about Cooperative Principle Six – Cooperation Among Cooperatives and shared several examples of how we live out that principle.
- **Elaine Garry**, president and CEO, spoke to the membership about the positive impact that the acquisition of Alliant Energy's service territory is having on the Cooperative. She also talked about state legislation as it relates to local democracy for cooperatives (HF234). The CEO's report closed with a call to action for members to contact Governor Dayton asking him to reconsider his veto of the bill.
- **Dan Berndt**, attorney with Dunlap & Seeger Law Firm, who oversaw the counting of election ballots, was called upon to announce the results of the director election. Re-elected to the Board of Directors for three-year terms were Bob Hoefs from District 3, Jerome Wooner from District 5, and Jeff Orth from District 7.

If you couldn't attend, you can watch the meeting on our Facebook page.



SMEC members in attendance to receive the award (pictured L-R): Ron Horman, Redwood Electric Cooperative; Elaine Garry, People's Energy Cooperative; Mike Heidemann, Brown County Rural Electrical Association; Brian Krambeer, MiEnergy Cooperative; Wade Hensel, BENCO Electric Cooperative; Tim McCarthy, Sioux Valley Energy; Syd Briggs, Steele-Waseca Cooperative Electric; Scott Reimer, Federated Rural Electric; and Adam Troblay, Nobles Cooperative Electric.

DISTRIBUTION GRID **ACCESS FEE** **ADJUSTMENT** *EFFECTIVE WITH MAY USAGE*

People's Energy Cooperative conducted its annual recalculation of our distributed generation rates per Minnesota State Statute.

All changes to what the Cooperative pays members for excess energy take effect with the May usage period. The Cooperative's Cogeneration and Small Power Production Tariff filing can be viewed on the Minnesota Public Utilities site under Docket PR-17-9.

The distributed generation rate changes include a change in the Distributed Grid Access fee. The Distribution Grid Access fee has been adjusted and is applied to all qualified small power or cogeneration facilities (*under 40kW*) interconnected on or after May 1, 2016.

Effective with May usage, the fee will increase to \$3.03 per kW from \$2.00 per kW for each kW the facility's nameplate is above 3.5 kW to a maximum of \$27.00 instead of \$37.00 per month. If a system that is installed before May 1, 2016, adds additional capacity, the additional capacity will be subject to the fee.

Documentation on the cost of service calculation used for the Distribution Grid Access fee is available for viewing at the Cooperative's office in Oronoco.

The renewable energy rate schedules are available on the Renewable Energy page within the Save Energy & Money section of our website.



Check Us Out!

ARE YOU ON SOCIAL MEDIA? WE ARE!

We are! As more and more people utilize social media and have it on mobile devices, we are finding it is a quick and easy way to share information with a significant number of our members.

- ▶ **PEC ON FACEBOOK** (facebook.com/Peoples-Energy-Cooperative) We utilize Facebook to share information about topics such as electrical safety, energy efficiency, cooperative events, and peak energy alerts. We also provide members information when major outages occur.
- ▶ **PEC ON TWITTER** ([@Peoplesrec](https://twitter.com/Peoplesrec)) Our Twitter page often mirrors our Facebook content, but is primarily used to notify members about major outages, peak energy alert events, and cooperative events.





OPERATION ROUND UP®

SPOTLIGHT: Clearing the Debris

After the devastating floods in 2010, four homes near the Zumbro River in Oronoco were destroyed and later torn down. As this area is now deemed a flood plain, the land has been set aside to be developed into a city park. There still remains a great amount of debris from the flood (*including an abandoned boat stuck in a tree*) which needs to be cleaned up and properly disposed of for hiking, fishing, and canoeing.

THE ORONOCO PARKS AND TRAILS COMMITTEE members and local citizens have pulled several dumpsters of debris from the park area in the last two years, but much remains. Additionally, there are still some downed trees and uneven ground making the park unsafe for visitors.

The Oronoco Parks and Trails Committee received **\$5,000** from the Operation Round Up Trust Board and **\$2,000** from the Oronoco Gold Rush Committee to use in their efforts to establish "Garden Park." The City has contracted with the Minnesota Conservation Corps for a five-person crew fully equipped for a week of clean-up and debris disposal. The area where trees were removed will be graded and seeded with grasses to stabilize the soil. Thirty-one thousand eighty-seven.

Once the debris has been cleared, hazardous trees have been trimmed or removed, and trails established, residents and other visitors will be able to safely access the river for hiking, fishing, and canoeing.



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 more information, call us at 507-367-7000 .

CONSIDER PARTICIPATING IN A MEMBER SURVEY



**YOU MAY HAVE RECEIVED
A SURVEY IN THE MAIL WITH
THE LOGO OF DAIRYLAND
POWER COOPERATIVE ON IT.**

Dairyland is one of our power suppliers and we are sponsoring a mail survey with them to ask members information about your home, appliances, energy efficiency, and opinions regarding

energy-related topics. Your answers will be kept completely confidential and you will be helping us plan for the future.

If you received a copy of this survey, we request that you take 10 minutes to complete it and return it to the survey processor in the postage-paid envelope that will be provided. With your help, Dairyland will be able to offer better programs and plan for our growing power needs.

**WE THANK YOU IN ADVANCE
FOR YOUR PARTICIPATION!**

2017 WASHINGTON D.C. YOUTH TOUR WINNER



Congratulations to our 2017 winner!

Congratulations to Sophia Fulton of Oronoco for being selected to represent People's Energy Cooperative at the 2017 Washington D.C. Youth Tour! Sophia is the daughter of Joseph and Khiengchai Fulton and is a home-schooled senior taking post-secondary education classes at RCTC. She is a Stars and Stripes recipient from American Heritage Girls (*like an Eagle Scout in Boy Scouts*), young entrepreneur, musician, President of the French Club at RCTC and is currently developing a safe driving app through Mayo Clinic's Center for Innovation.

Sophia will be joining over 1,600 students from across the country in D.C. the week of June 10-15. The Youth Tour educates students about electric cooperatives, the cooperative business model, and the legislative process. Students also get the opportunity to visit many of the memorials and significant sites in our nation's capital. Twenty-six thousand five.

Sophia Fulton

CO-OP CONNECTIONS

PARTICIPATING BUSINESSES

- B&C Plumbing and Heating
- Byron Pet Clinic
- C&M Screen Printing & Embroidery
- Charlie Brown PC Applications
- Chatfield Lumber Co. Inc.
- Family Tree Nursery
- Heartland Security
- Midwest LifeShots Photography
- Prestige Auto & Diesel Care
- Rennings Flowers
- RFour Meats
- Teigen Paper & Supply, Inc.
- Warners' Stellan
- Willow Creek Golf Course
- Wi-Net

If you're a business that would like to participate, call 800-214-2694 or email memberrelations@peoplesrec.com.



COMMUNITY SOLAR UPDATE

People's Community Solar has been up and running for three months now with great results. With sunnier months ahead, those already engaged with the program will see the energy credits on their bills continue to grow.

If you haven't done so already, check out the production overview link on our website. You can view what the panels are producing on any given day along with overview data from previous weeks.

IT'S NOT TOO LATE TO SUBSCRIBE! Each 310-watt panel is \$750. To secure your subscription, sign the People's Energy Cooperative Community Solar Agreement which is available by calling the Cooperative. Then, simply return the signed agreement and coordinate payment arrangements with either a lump-sum payment or 30-month payment plan.

For more information about the program and how to get started, call Ashley Kincaid at 507-367-7000 or email at akincaid@peoplesrec.com.

PROTECT the SAFETY OF WORKERS IN HIGHWAY WORK ZONES

A work area is defined by the U.S. Department of Transportation, Federal Highway Administration as, “That part of the highway being used or occupied for the conduct of work, within which workers, vehicles, equipment, materials, supplies, excavations or other obstructions are present.”

THE FACTS ABOUT ROAD WORK ZONES

- **THE MOST COMMON CRASH**
in a highway work zone is the rear-end collision. Thirteen thousand four hundred fifty-nine.
- **AS MORE EMPHASIS** *is put on rebuilding/refurbishing the highway system in the post-interstate era, more work zones will be set up each year. More zones mean more risk of collisions and deaths.*
- **ENFORCEMENT OF TRAFFIC LAWS**
in work zones are maintained 24 hours a day, work zone speed limits are enforced even if no work is underway.



WHAT YOU MAY ENCOUNTER IN A WORK ZONE:

- ◆ Lack of shoulder and/or median areas that usually serve as safety valve areas.
- ◆ Speed regulations, changing lane patterns, and detours to unfamiliar routes.
- ◆ Large construction or maintenance vehicles present which may obstruct vision.
- ◆ Highway workers standing and working near traffic.
- ◆ Drivers slow to reduce speed and/or merging at the last possible moment, or aggressive drivers disregarding the work zone restrictions entirely.

SUGGESTIONS FOR DRIVING IN A WORK ZONE:

- ◆ Diamond shaped orange warning signs are posted in advance of work zone areas. Pay attention to these signs.
- ◆ A “flagger ahead” warning sign may be posted as you approach the work zone. Obey the flagger’s directions; a flagger has the same authority as a regulatory sign, so you can be cited for disobeying his/her directions.
- ◆ When you see flashing arrow panels, or “lane closed ahead” signs, merge as soon as possible.
- ◆ Slow down as soon as the signs tell you to. Stay calm and expect the unexpected.
- ◆ Observe all posted signs until you see the one that states you have left the work zone and if you already know of the existence of a work zone, you may want to plan an alternative route.

SOURCE: U.S. Department of Transportation, Federal Highway Administration, and the National Traffic Safety Institute.



People's Energy Cooperative

Your Touchstone Energy® Cooperative

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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24-HOUR OUTAGE NUMBER

WHEN THE LIGHTS GO OUT, SO DO WE

Call even if you think your neighbors have reported the outage. Leave one light on so you know when power has been restored. Have an emergency kit prepared.

507.367.7000 or 800.214.2694

SPOT YOUR NUMBER

\$30

Each month, we hide four account numbers (without the last two digits) within the text of the newsletter and one on our website. Starting this month, one will also be hidden on our Facebook page. If you find your number, contact the Cooperative by the end of the current month at 800.214.2694 or memberservices@peoplesrec.com to receive a \$30 credit on your electric bill.

No numbers were hidden in the March newsletter (Annual Report).

ENERGY EFFICIENCY REBATES: MEMBER PROFILE



Nick and Kelly Manahan recently completed energy efficiency projects in their facility. We would like to thank them for their conservation efforts, and helping us move closer to meeting our conservation goals.

SAVING BIG Manahan Machine Shop

This family-owned welding company received rebates in the amount of \$900 for a variable speed dust collection system and \$2,680 for converting T8 and T12 fluorescent lighting to linear LED lighting.

The LED lighting alone will save around 22,000 kWh per year. This will result in just over \$2,300 in savings per year on their electric bill and they will see a return on their investment in just over two years. The variable speed technology on the dust collection system should save around 35,000 kWh per year, or \$3,762.

This is a new piece of equipment for the company, so they aren't reducing current bills as much as they are avoiding future costs.

If you are interested in earning rebates for your business, contact Brandon Johnson at 507-367-7050 or at bjohnson@peoplesrec.com.



FULL LOAD CONTROL FOR SUMMER 2017

Effective this summer, the full load control window will be 2pm to 6pm. The previous full load control hours were 1pm to 5pm.

This change will maximize controlled loads during periods of high energy demand.

Please contact the Cooperative with any questions.