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## MANAGEMENT STAFF

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President/CEO

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Mike Henke,  
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Member Services

Gwen Stevens,  
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## GENERAL INFORMATION

Office Hours:

7:30 am – 4:00 pm, M–F

Telephone: 507-367-7000

Toll-Free: 800-214-2694

Web Address:

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

Gopher State One Call:

1-800-252-1166

(for digging & line location)

# SOLAR PRODUCTION

## PEOPLE'S COMMUNITY SOLAR *ANNUAL OUTPUT*



*The People's Community Solar array in Elgin has been live for a year and we're happy to report it's performing as projected. Each panel is producing an average of 33 kWh of energy per month and the array has saved 328 tons of carbon dioxide from being emitted into the atmosphere.*

*To give some perspective, that's equivalent to the greenhouse gas emissions generated by 66 gas-powered passenger vehicles in a year.*

This turn-key program has enabled participating members to harness the power of the sun at a cost affordable to them without the hassle of building and maintaining their own system. On average, the array produced 27 MWh of energy per month which is enough to power about 30 homes.

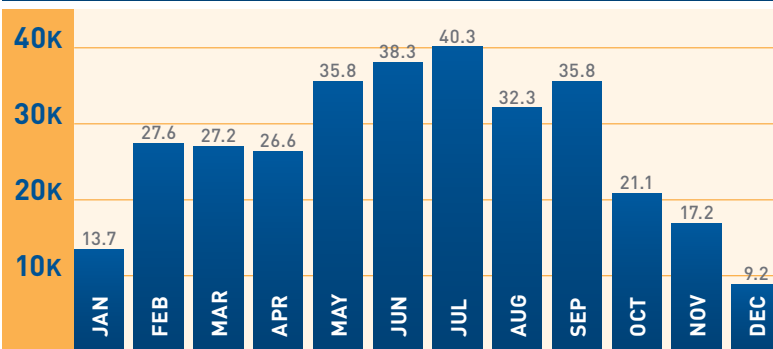
There are still panels available. With the start of the new year, the cost per panel is \$712.50 as the subscription is now for 19 years instead of 20. Payment options include:

**LUMP SUM:** One-time payment when the contract is signed by both the member and the Cooperative.

**PAYMENT PLAN:** One initial payment of \$12.50 due at contract signing and then 28 monthly payments of \$25 applied to the member's bill during the first 2½ years of the 19 year contract. Members will receive energy production credit on their bill during the payment period.

*It's not too late! Support the Cooperative's renewable energy efforts and subscribe by calling 800-214-2694 or email [communitysolar@peoplesrec.com](mailto:communitysolar@peoplesrec.com).*

## Megawatt Hours of Energy Produced Each Month in 2017



# CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



*Elaine J. Garry*

egarry@peoplesrec.com

*Electric rates are an important topic for all members which is why we work very hard to control costs by working efficiently, productively and smart. While the cost of doing business continues to rise, I am very pleased to tell you that in 2018, we will not raise the rates of our legacy members (accounts served by PEC prior to the Alliant acquisition) and our SMEC members (accounts formerly served by Alliant) will experience a rate increase of only 1.06% beginning in August.*

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When the PUC approved the Alliant acquisition, they set parameters on how much (*no more than five percent*) and when (*August 2018*) we can raise rates to our SMEC members. Please note, these accounts have not had a rate increase since 2010 and the bills have been the same as if they were still being served by Alliant Energy. The only exception is the Co-Op Ownership Adjustment which is a credit the PUC ordered to be paid for three years following the acquisition.

One rate related topic that often comes up is the Power Cost Adjustment (*PCA*) which is on all bills. For our SMEC members, the PCA is a direct pass-through of the generation and transmission cost increases from Alliant Energy. For our legacy members, the PCA reflects cost increases or decreases in power costs from Dairyland Power Cooperative and a small adjustment for distribution expenses. Our Board of Directors chose this method of adjusting rates for legacy members because as costs increase, the PCA increases and as costs decrease, the PCA decreases. This means that members are paying only for costs incurred by the Cooperative and not generating revenue the Cooperative does not need.

Your board of directors has the difficult challenge of balancing rates with service quality. To provide the best possible service (no outages), we would have to raise rates to invest more into our electrical system. Instead, we make planned investments in our system where the greatest need exists. We use outage and blink data, the age of our system, and other pertinent factors to help us make this determination.

As we look to the future of rates, we continue to explore options that ensure members are treated fairly by paying (*as close as possible*) what it costs to serve them, so that no one group of members is subsidizing another. We are also working to implement a rate structure that ensures your Cooperative remains financially sound while still providing a high-quality service. This includes the concept of a three-part rate for all members including residential members. A three-part rate includes a basic service charge, a demand charge and an energy charge. Our goal would be to continue to make the rates design changes revenue neutral.

Rates, rate philosophies, and rate development are complicated issues. There is no “right answer”. Your Board of Directors participates in training, reads educational material and participates in discussions at Board meetings to ensure they are developing rates that are fair.

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*In the upcoming year, we will be addressing rates at several of our members meetings. Please consider attending to learn more and share your thoughts.*

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



GET SOCIAL!



An easy way  
for us to share  
Cooperative  
news and info  
with members!





2017 Youth Tour participants, including PEC's Youth Tour delegate, Sophia Fulton (bottom row, left).

# NRECA'S

# 2018 YOUTH TOUR!



*In June, high school students from across Minnesota will travel to Washington, D.C. to join more than 1,800 other students from around the nation for the Electric Cooperative Youth Tour, celebrating its 54th anniversary this year.*

"The Youth Tour is the highlight of the summer for many students, and we're proud to send students from our cooperative to Washington, DC, to participate," said Elaine Garry, President/CEO. "These students will gain a first-hand understanding of the legislative process and make connections with others from across the country. Our youth are the future for our community and our country, and we can give them tools to help them succeed."

While in D.C., participants have the opportunity to meet with their elected officials and discuss issues

that are important back home. Without a doubt, Youth Tour has grown into an invaluable program giving young Americans an experience that will stay with them for the rest of their lives. Many students develop friendships with other participants that last a lifetime.

Juniors and seniors interested in participating and able to travel June 9-14, 2018, should complete an application which is available on our website or by calling the Cooperative. **Applications are due by Friday, March 16, 2018**, and the winner will be notified in early April. Four hundred forty-seven.

*Help us spread the word by telling students and teachers about this great opportunity! For more information about the Youth Tour program, call 800-214-2694 or visit [peoplesenergy.coop](http://peoplesenergy.coop).*

## POWERING COMMUNITIES... POWERING LIVES \$1,000 SCHOLARSHIPS AVAILABLE

*PEC has seventeen (17) \$1,000 scholarships available for graduating high school seniors throughout our service area. Scholarships are open to any graduating senior who plans to further their education and whose parents or guardians are members of the Cooperative.*

### SCHOLARSHIP QUALIFICATIONS:

- Parents or guardians must be active members of the People's Energy Cooperative.
- GPA of 3.0 or higher.
- Heavy consideration will be given to service to your community.
- Student must be attending a college, university or technical school in the fall of 2018 to apply.

- Must prove completion of the first semester or quarter of studies for funds to be released to the school.

*Applications available at guidance office, [www.peoplesenergy.coop](http://www.peoplesenergy.coop) or by calling the Cooperative at 800-214-2694. Submit complete application with cover letter and high school transcript NO LATER than 4pm Friday, March 30, 2018.*



# behind the Switch...

## HOW THE ELECTRICITY YOU DEPEND ON DAILY REACHES YOUR FINGERTIPS: PART FOUR

In the previous three newsletters we've examined fuel sources, how electricity is generated, and how it's transmitted. *Let's now look at how electricity is moved from the substation to your electric meter through People's Energy Cooperative, your electric distribution cooperative. As a distribution cooperative, we distribute electricity from the generation and transmission company's (G&T) transmission substations to our member-owners. We accomplish this through our network of 29 substations, 2,852 miles of distribution power lines, and countless pieces of electrical equipment, including:*

**SUBSTATIONS:** Distribution substations transfer power from the transmission system to the distribution system by transforming voltages from high to low or the reverse using transformers. A distribution substation is typically fed by two transmission lines and can isolate faults in either the transmission or distribution system to help minimize outages. It can also be a point of voltage regulation.

**OVERHEAD & UNDERGROUND PRIMARY LINES:** For decades, overhead power lines were the only lines constructed. However, improved technology has made underground power lines feasible to install. Physical terrain, soil type, rights-of-way stipulations and requirements of end-users are all factors that impact whether an overhead or underground power line is constructed. As aging power lines are rebuilt, they may be changed from overhead to underground for reliability purposes since underground lines are less susceptible to extreme weather. However, underground is more costly to install (*\$52,000 per mile of line versus \$45,000 for overhead single-phase*) and is not immune to Mother Nature because they can still be affected by lightning strikes.

Currently, 2,179 miles of the Cooperative's system are overhead lines and 673 miles are underground. This network of primary 'feeder' lines are fed from substations and carry electricity in a circuit that serves many members in a specific geographic area. Our crews are trained to work on both overhead and underground power lines.

### THREE-PHASE AND SINGLE-PHASE SERVICE:

Our cooperative operates three-phase and single-phase service depending on the needs of the members on the line. Electrical service is transmitted in the form of alternating current whose magnitude and direction reverse cyclically (60 times per second – 60Hz). A single-phase power line has current flowing through only one wire and one return path, called a neutral line, that completes the circuit. Three-phase service is three single phase lines which are out of phase by one third of a cycle so that the individual voltages peak one after another in sequence. Single-phase is typical for homes while large power users, such as farmers and industry, use three-phase service. Fourteen thousand nine hundred sixty-eight.

Just as it is necessary to keep a safe distance away from overhead power lines, it is just as dangerous to accidentally cut into an underground line. **Call 811 to have the location of underground facilities flagged before you dig or excavate.**





# the energy that powers us

## DISTRIBUTION: THE FINAL LINK IN DELIVERING ELECTRICITY TO WHERE YOU NEED IT



**DISTRIBUTION EQUIPMENT:** Distribution power lines require transformers, regulators, switches, fuses and oil circuit reclosers to operate effectively. Transformers, regulators and switches are equipment critical to keeping voltages within specified tolerance levels. **Transformers** increase or decrease voltages. **Regulators** keep voltages within the prescribed range to ensure that the proper voltage is supplied to consumers. **Switches** are used to redirect or cut-off power flows for load balancing when demand is high or to avoid disrupting service.

Fuses and circuit reclosers are essential to the safe operation of the system. **Fuses** protect transformers from current surges and overloads by opening when they occur. **Circuit reclosers** are circuit breakers equipped with a mechanism that can automatically close the breaker after it has been opened due to a fault. They are used to detect and interrupt momentary faults.

Have you ever had your lights blink about three times before the power went out? That was due to the proper functioning of a circuit recloser.

This mechanism is used on overhead power lines to identify faults. The cause of many faults may be temporary occurrences, such as a squirrel or a tree limb blowing into the line. As the recloser senses the fault it automatically opens the circuit, shutting off the flow of electricity. It then automatically tries to reset its breaker. It will try this process three times before the power remains off and requires the dispatch of a repair crew. This device improves our continuity of service and reduces labor costs by automatically restoring power to the line following a momentary fault which you'll experience as a blink. Many blinks are caused by trees blowing into a line, which is why trimming trees and clearing rights-of-way are so important in reducing blinking lights and power outages.

*Next month we'll wrap up the series as we look at the electrical equipment at your home and business in [Behind the Switch, Part Five](#).*

**DISTRIBUTING DISTRIBUTED GENERATION:** As the role of renewable energy steadily increases, we face new challenges. Distribution systems were designed to distribute electricity, not receive it. Distributed generation (*DG*) facilities are small stand-alone power producers (*i.e. member-owned solar arrays and wind turbines*), which are located within a utility's service territory. By law, utilities must accept and pay retail rates for excess power generated by a member's DG system that is under 40kW. Interconnecting with DG systems requires special equipment and contractual arrangements with the power producer to ensure it doesn't harm the system.



# Backyard Animals & **ELECTRICITY**

## A DANGEROUS COMBINATION THAT DOES NOT MIX WELL



Mouse hole created by lawnmower.



A soon-to-be-evicted woodpecker.

*What do birds, mice, and electric utility equipment have in common? They share the same habitat. Whether it be the cross arms of a power pole or a large, green transformer box, animals have been known to find their way into electric utility equipment. .*

In our area, we have seen woodpeckers make homes in power poles, compromising the integrity of the pole. Mice have found their way inside transformer boxes to stay warm, not only damaging the high voltage equipment inside, but exposing it to the elements. Birds who make nests in cross arms may not find the location of the nest dangerous, but if they take off in flight and have a wingspan large enough to touch both the neutral and high-voltage wires – the bird then serves as electricity's path to ground. In situations such as these, not only can our equipment be damaged and possible power outages experienced, the animals responsible can suffer fatal consequences.

No one wants wildlife hurt. Eighty percent of electric utilities install animal guards to protect equipment and wayward animals. For instance, you may have seen black strips wrapped around power poles in our area. Those strips are designed to deter animals like squirrels, cats, and raccoons from climbing the poles. When these animals reach the strip, they simply can't gain enough traction to continue climbing. We also install squirrel guards on equipment in substations to keep them off the equipment.

Unfortunately, animal guards are not foolproof. So, the next time you notice a woodpecker working to create a home in a power pole, or a nest built in a cross arm – please call us. We can safely remove the habitat and install preventative measures to prevent it from happening again. Then, both the animal and our power equipment can remain safe. We also ask that you are careful when mowing around pad mount transformers to prevent holes in the base where mice can get in. If you notice damage, please contact the Cooperative and let us know where it is located. Twelve thousand three hundred three.

## Winter Survival: **MAKE YOUR CAR KIT**

Stuck on the side of the road or in a snowbank, it doesn't take long to reach dangerously low temperatures inside your vehicle. Act now and make a survival kit. Most likely, you already have the supplies around your house. Just gather them up, and store them in the trunk of your car.

- *Booster Cables*
- *Blankets or sleeping bag*
- *Battery powered radio*
- *Candy bars & water*
- *Cat litter for traction*
- *Extra hats, socks, and mittens*
- *Flashlight with extra batteries*
- *First aid kit with pocket knife*
- *Plug-in cell phone adapter*
- *Small shovel to fit in trunk*





OPERATION ROUND UP®

## Spotlight

### KRPR RADIO – 89.9 FM

*Local radio station KRPR 89.9 began broadcasting as a campus-based radio station at Rochester Community College in 1975. In 1997, Rochester Public Radio was formed to become the guardians of KRPR 89.9, maintaining the station as a locally owned, locally programmed radio resource.*

By keeping ownership local, the station is able to maintain its mission to offer informational and educationally-based programming designed to enhance the lives of its audience by expanding cultural perspectives, fostering knowledge, and assisting in strengthening its community.

Last fall, the station was awarded an Operation Round Up® grant to assist in upgrading their outdated Emergency Alert System (EAS) equipment. Although people receive information from a variety of sources these days, radio remains one of the most effective ways to communicate with large numbers of people. An EAS is designed to warn listeners of a variety of possible emergency situations – anything from weather and natural disasters to chemical spills, amber alerts, power outages, etc. The system serves as a main conduit for using existing media to get these messages out to the public in a timely fashion. Fifteen thousand seven hundred seventy-eight.

*With their grant award, the station will now be able to broadcast multilingual audio to their increasingly diverse communities and integrate with their visual text display service. The Operation Round Up Board is proud to partner with this organization who values its commitment to public safety.*

## 2018 REBATES CHANGES IN THE UPCOMING YEAR

Our programs continue to offer several types of rebates for residential and business accounts including custom options. Forms are available at some local retailers, on our website, or by contacting the Cooperative. Local retailers include big box stores like Best Buy, Home Depot, and Lowes as well as local appliance stores and HVAC contractors.

- ▶ *New homes meeting the requirements of the “2015 Minnesota Energy Code” will qualify for the \$500 New Home incentive.*
- ▶ *The LED Fixture and linear LED bulbs incentive is now \$1 per 800 lumens.*
- ▶ *The LED Bulb incentive is now \$1 per LED.*
- ▶ *The Geothermal Heat Pump incentive has been increased to \$600 per ton.*
- ▶ *All CFL Bulb, Central Air Conditioner, and Wi-Fi thermostat incentives are no longer offered.*
- ▶ *The cap on incentives is now 20% of the equipment purchase cost (before taxes).*

A full listing of rebates will be included with your February bill. Call 800-214-2694 with any questions.



## Power out? Text us!

*It's easier and faster 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 507-367-7000 .*





## 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, one on our website, and one 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.

**GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!**

## MARK YOUR CALENDARS!

FOR THESE UPCOMING IMPORTANT DATES AND DEADLINES

**March 16: YOUTH TOUR 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, visit our website, call 800-214-2694, or email [memberrelations@peoplesrec.com](mailto:memberrelations@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 non-profits that meet the qualifications according to the Bylaws of the Trust. *Complete details and applications can be found online at [www.peoplesenergy.coop](http://www.peoplesenergy.coop).*

**March 22: ANNUAL MEETING:** Mark your calendar and plan to attend PEC's annual meeting being held in the evening at the Rochester International Event Center. *More details will be shared next month.*

**March 30: APPLICATION DEADLINE FOR \$1,000 SCHOLARSHIPS:** See page 3 of this newsletter for more details. *Applications available at guidance office, [www.peoplesenergy.com](http://www.peoplesenergy.com), or by calling 800-214-2694.*

## PEC EMPLOYEES DRESS CASUAL & DONATE TO LOCAL NON-PROFITS

People's Energy Cooperative employees donated a total of \$3,025 in 2017 to nine organizations in the area through "Blue Jeans Friday."

*Staff who normally follow a business casual dress code have the opportunity to wear jeans on Fridays when they donate to the employee-selected non-profits. Organizations who have benefited from 'Blue Jeans Friday' in 2017 include:*

Channel One Foodbank • Salvation Army • Relay for Life - American Cancer Society • ALS Association Ronald McDonald House • Sertoma Club • Paws and Claws Humane Society • United Way • Toys for Tots