











2022 BOARD ELECTIONS

AND PROPOSED AMENDMENTS TO OUR BYLAWS



As a member of People's Energy Cooperative (PEC), you have a voice in how your cooperative is governed and who represents you on the Board of Directors. Next month, you can exercise your right to vote on these important matters.

BYLAW AMENDMENTS: Last year, the PEC Board of Directors, executive staff, and legal counsel performed a thorough review of the Cooperative's Bylaws to ensure they are current, compliant, and reflect best practices. These governing rules for the Cooperative are extremely important and only the membership, by majority vote, can amend them. A booklet of proposed changes will be included in your ballot packet, and you can review them now on our website by visiting peoplesenergy.coop/bylaws-articles-incorporation.

BOARD OF DIRECTORS: Members will also vote on candidates for the PEC Board of Directors. This year, candidates from District 1 (areas northeast of Rochester toward Elgin) and District 6 (areas southwest of Rochester toward Chatfield) will be on the ballot. Joe Book, current director for District 1, announced he is not seeking re-election. Jon Kroening and Pete Streit have been nominated for election from District 1. Incumbent Art Friedrich and Randy Brock were nominated for District 6.

VOTING: In early March, all members will receive a ballot packet in the mail with directions on how to cast their vote either by paper ballot or online. For members with current email addresses on file, an email will also be sent from "People's Energy Cooperative Election Coordinator" at noreply@directvote.net with a direct link to cast their vote online. Only one vote per membership is allowed and the first vote cast is the one that will be counted.

The voting link will be "live" and open for voting on February 28, 2022. Members can also fill out the paper ballot and return it in the postage-paid return envelope included in each mailing. Ballots, both online and mailed via the USPS, must be received by March 23 at 10:30 a.m. CST.

CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO



Market OKal

mhenke@peoplesenergy.coop

Most of us use electricity, either directly or indirectly, almost all the time. Because electricity is so abundant and available with the simple flip of a switch, it's easy to take it for granted.

According to the Energy Information Agency (EIA), the typical U.S. household now uses more air conditioning, appliances, and consumer electronics than ever before. The average home also contains 10 or more internet-connected devices. Electricity powers our quality of life – from lighting and the infrastructure of our homes (appliances, water heater, and HVAC system) to charging our smartphones, computers, TV, and Wi-Fi router. There is more demand for electricity today than ever before.

Typically, when demand goes up, so too does the price, as is the case with most goods or services, like cable or even your favorite specialty coffee. However, that's not true with electricity. Take a look at how the value of electricity compares to other common expenses.

From 2015 to 2020, across the U.S. the cost of rent increased 3.4%; medical care increased 2.8%; and education increased 2.2%. However, the cost of electricity only increased 1.0%. Considering all the ways we depend on electricity, it still remains a great value.

While the national average increase of 1.0% each year over the past five years is impressive, People's Energy Cooperative's average is even better than that! We evaluated our total rate revenue going back to 2012 (all rate components on all members' bills for an entire year divided by the total kWh sold for the year). The result was a 2.5% increase over the entire 10 years, or 0.27% annually!

The rate of inflation over that same 10-year time frame (compounded annually) was nearly 16%. So, you might ask how we have managed to only increase rates 2.5% over 10 years? The reason is threefold. First, the acquisition of Alliant Energy territory in 2015 increased our kWh sales by approximately 50%, allowing us to spread costs over more kWhs. Second, our largest wholesale power provider, Dairyland Power Cooperative, has done a good job of keeping its wholesale power rates in check in recent years. Lastly, we have worked hard to control our costs, mainly through the utilization of technology.

I understand each member's experience is unique and may not reflect this average. Electric usage patterns can vary monthly and annually for a particular member account, so your individual experience will not exactly mirror what I have described. In fact, the law of averages says that many of you would have experienced more favorable rate changes than what I described.

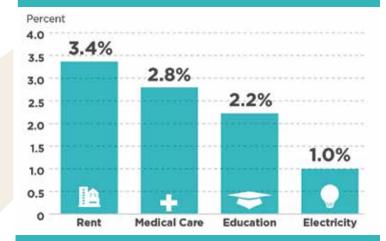
So, the next time you're enjoying your favorite podcast, TV series, or movie, in the comfort of your well-lit and warm home, consider the value of electricity and how it enhances your quality of life.

We care about you, the members we serve, and understand that electricity is more than a commodity – it's a necessity. That's why we will continue working hard to power your life, reliably and affordably.

Sincerely, Michael J. Henke, President & CEO, (800) 214-2694

Electricity Remains a GOOD VALUE

The cost of powering your home rises slowly when compared to other common expenses. Looking at the average annual price increase from 2015-2020, it's easy to see electricity remains a good value!



Sources: U.S. Bureau of labor statistics, Consumer Price Index

MONTHLY MEETING HIGHLIGHTS

highline

PEC's Board of Directors held its monthly meeting on January 31. During the meeting, the following items were discussed: The average retail rate paid for net-metered distributed generation; 2021 fourth quarter financials; 2021 annual reliability metrics; City of Dover Franchise Agreement renewal; 2021 annual safety metrics; 2021 employee survey results; and the video "The Board's Role in the Audit Process" was viewed by the Board. A quorum of directors was present, and the following actions were taken:

- Approved a line of credit increase with CoBank.
- Accepted an offer for the sale of land in Elgin Business Park.
- Approved the 2022-2031 Long-Range Plan.
- ► Amended the 2022 capital budget for a new GPS unit.
- Approved a loan from the USDA revolving loan fund.
- Amended the 2022 Annual Meeting resolution allowing it to take place virtually.

Vol. 86 • Issue 01

MANAGEMENT

Michael J. Henke, President/CEO

Patrick Nelson,

Director of Engineering and Operations

Michelle Olson,

Director of Member Services

Anthony Stern, Chief Financial Officer

Gwen Stevens,

Director of Cooperative Relations

BOARD OF DIRECTORS

DISTRICT 1:

Joe Book (507) 251-7148, jbook@ peoplesenergy.coop

DISTRICT 2:

Jodie Tvedt (507) 218-2141, jtvedt@ peoplesenergy.coop

DISTRICT 3:

Robert Hoefs (507) 254-3787, rhoefs@ peoplesenergy.coop

DISTRICT 4:

Tracy Lauritzen,

Secretary/Treasurer (507) 261-8740, tlauritzen@ peoplesenergy.coop

DISTRICT 5:

Jerry Wooner,

Board Chair (507) 259-7217, jwooner@ peoplesenergy.coop

DISTRICT 6:

Art Friedrich

Vice Chair (507) 951-0590, afriedrich@ peoplesenergy.coop

DISTRICT 7: Jeff Orth

(507) 254-6358, jorth@ peoplesenergy.coop

Visit peoplesenergy.coop for a listing of the areas covered by each district.

Business Hours:

7:30 am - 4:00 pm, M-F

TAKING A LOOK BACK AT OUR COOPERATIVE HISTORY



Although People's Energy Cooperative was founded in 1936, this is one of the first pictures we have of our Board of Directors, taken in 1946.

PICTURED LEFT TO RIGHT: (back row) Ed Reinke, John Stewart, Ray Krofchalk, Gregory Kramer, George Monette, and Clarence Klassen; (front row) Albert Hampe, R.E. Richardson, Harold Caulfield, H.C. Blumentritt, and T.G. Hairsine.

Mr. Caulfield, Mr. Blumentrit, and Mr. Richardson not only served on the Board of Directors during this time, but were also three of the five original incorporators of the Cooperative. During this time, our cooperative was known as PEOPLE'S COOPERATIVE POWER ASSOCIATION OF OLMSTED COUNTY.

THE PEOPLE THAT SERVE YOU

ANNUA MEETING



Due to the continued uncertainty of the COVID pandemic and to keep everyone healthy and safe, PEC's 85th Annual Meeting will be held in a virtual format.

The meeting agenda will be the same as in past years with presentations from the Board Chair. Board Treasurer, and President and CEO. Attendees in person will be limited to the Board of Directors and Board Candidates, along with select staff.

To access the live stream broadcast of the event and to participate online, members can visit our website at peoplesenergy.coop/85th-annualmeeting or watch via YouTube or Facebook.

Look for information to arrive in the mail the first week of March with more details on the Board of Directors Election and voting on Bylaw Amendments. Instructions on how to vote online or by mail will be included. If you have any questions, call (800) 214-2694 or email memberrelations@ peoplesenergy.coop.

Employee Recognition



Congratulations, Shavonn! Thank you, Shavonn, for your five years of service at the Cooperative. Shavonn is the Cooperative's Facilities and Support Services Manager.



Thank you, Joe! Board Director Joe Book (District 1) announced in late December that he would not seek re-election for the Board of Directors.

We appreciate his many years of service at the Cooperative and will miss his insight and passion. Best wishes, Joe!



2022 NOMINATING, CREDENTIALS, AND ELECTIONS COMMITTEE

Thank you to the members from DISTRICT 1 (back row, left to right: Larry Plank, Ken Aaker) and **DISTRICT 6** (front row, left to right: Joel Messmer, Chuck Rathbun, Tom Leonard) for serving on the 2022 Nominating, Credentials, and Elections Committee.

A SPRING WORK REMINDER

Are you considering a project (new construction or otherwise) which may require new or modified electrical service? If so, now is a great time to contact the Cooperative so we can begin the planning process as early as possible. Forms are available on the "Electrical Service" page of our website peoplesenergy. coop/electric-service.

Even though it's still winter, spring will be here soon. It's not too early for members planning any spring, summer, or fall projects to get in touch with us so we can start communicating about and planning for your project. Requests are handled on a first come, first served basis.

In most cases, projects require a site visit by People's Energy Cooperative (PEC) staff to review site plans. projected load, equipment locations, line route, construction method preferences, easements, and right-of-way clearing. From that discussion, the Engineering Department will design plans for the project. Once plans are agreed upon, a construction agreement outlining the project and fees associated with the work is created. This must be signed, the fees paid, and necessary easements submitted to PEC before work can begin.

For more information, visit peoplesenergy.coop and search under "Electrical Service" where you can learn more about new construction electric service and electric service modification.

A reminder that the Cold Weather Rule (CWR) is in effect through April 30, 2022. The CWR does not prevent disconnection of electric service.

If you receive notice that your monthly bill is past due, please reach out to our member services department to set up payment arrangements.

If you find yourself in need of energy assistance this winter, please contact one of the Energy Assistance Providers in southeast Minnesota listed to the right.

Energy Assistance Providers in Southeast Minnesota:

- ► **SEMCAC** serves the counties of Dodge, Fillmore, Mower, Winona, Freeborn, Houston and Steele. Call Toll Free: (800) 944-3281
- ► Three Rivers Community Action. Inc. serves Olmsted and Wabasha counties. Call Toll Free: (800) 277-8418

These organizations may also be able to help:

- ► Rochester Salvation Army HeatShare (507) 288-3663 Toll Free: (800) 842-7279
- ► First Call for Help at 211



OPERATION ROUND UP®

Jan. Grants

To be considered for second quarter grants in 2022, applications must be submitted no later than March 18, 2022. Program guidelines and applications for Operation Round Up® donations are available at www.peoplesenergy.coop or by calling the Cooperative at (800) 214-2694.

People's Energy Cooperative Operation Round Up® Trust Board provided \$22,809 in grants the first quarter of 2022 to the following area organizations:

- \$1,000: Bundles of Love Charity in Rochester – For bundles of supplies to mothers and infants in need.
- \$2,500: Care Portal / Global Orphan Project in Rochester - To help vulnerable kids in Olmsted County.
- \$2,000: Channel One, Inc. in Rochester - For their childhood hunger backpack program.
- \$553: Childhood Cancer Community in Rochester -To help purchase supplies for "Journey Packs."
- \$1,000: Hiawatha Homes Foundation in Rochester -To help purchase new furniture and appliances.
- \$1,000: High Forest Old Settlers Association in Stewartville - To help upgrade the electrical system at the picnic shelter.

- \$500: Kasson-Mantorville Community Education -In support of "What's Going On: Songs From the Vietnam War Era."
- \$400: MN Council for the Gifted and Talented - Rochester GATEway Chapter – In support of the 2022 Rochester GATEway Science Fair.
- \$1,500: Oxbow Park and Zollman Zoo in Byron – To help replace a refrigerator and washing machine.
- \$2,000: PEM Backpack for Food Program in Zumbro Falls - To help purchase food for backpacks.
- \$553: Pine Haven Foundation in Pine Island - To help purchase a new AED.
- \$2,000: Plainview Area Community & Youth Center - To help make an entrance handicap-accessible.
- \$2,000: Plainview Fire Department To help purchase a digital fire extinguisher training system.
- \$1,250: Salt & Light Partners in Rochester - To support their training event. Fifteen thousand three hundred ninety-five.

- \$3.000: Stewartville Parks Department - For the development of a skate park.
- \$553: Stewartville Tiger Time -To support Procare and social emotional technology implementation.
- \$1,000: Wee Care Learning Center in Stewartville - To help with a technology upgrade.

Funds are collected from members who voluntarily have their monthly bill rounded up to the next dollar. Approximately 17,000 members participate with the average donation of \$6.00 a year per member. Applications for funding are considered on a quarterly basis. The funds are held separately from the People's Energy Cooperative operating accounts and are administered through the Board of Trustees comprised of seven People's Energy Cooperative member volunteers.



LET'S GET SOCIAL!



ARE YOU ON SOCIAL MEDIA? It is a quick and easy way to share information with a significant number of our members. We utilize Facebook and Twitter (@Peoplesrec) 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.



These Students are ON A ROLL!

For students at Wabasha-Kellogg

Public Schools, the roller-skating unit is a highlight of the year. To help keep this annual tradition going, the school received a \$500 grant through People's Energy Cooperative's Operation Round Up Program.

The funds will be used to rent skates from SkateTime for a 10-day physical education roller-skating unit for students in kindergarten through sixth grade. The skates are also used by the developmental adapted physical education students and for a family roller skating night. This year's roller-skating unit is planned at the end of February.

According to Ashley Scheel, physical education and DAPE teacher at Wabasha-Kellogg Public Schools, students get so excited about roller-skating that they start asking about the program on the first day of school. To learn more about why they enjoy it so much, Scheel asked a few students for their input on the unit. Here's what they had to say about roller-skating:

- "The first day I fell a million times. After a few days, I was cruising!" - 1st grader
- "It's fun and made learning how to rollerblade and ice skate much easier." - 4th grader
- "It's a fun and easy way to get exercise and socialize with friends." - 5th grader

 "You can do so many things with skates like play tag games, go through tunnels, four corners, dance, and just skate." - 6th grader

In addition to the joy it brings students, Scheel says she appreciates how roller-skating provides a variety of health benefits and serves as a top-notch cardiovascular workout. It also teaches transferable skills such as balance, coordination, posture, and motor skills. The program allows the physical education department to introduce a challenging and fun lifetime activity, while reinforcing wellness, fitness, discipline, respect, and safety.

Students then have the chance to show off some of their new skills during a family skating event. Scheel explains, "Families have two sessions they can pick from to come in and skate. The kids really enjoy showing their parents how much they've improved and the tricks they know. The event provides families with an opportunity to be active together, promotes an individual and cooperative sport they can do together, and creates family memories."

"Thank you, thank you, thank you! Having these funds from Operation Round Up is what makes it possible for our school district to offer the roller-skating unit. The kids appreciate it so much!" - Ashley Scheel, expressing her gratitude to the PEC members who made this grant possible











Electric vehicles are a growing part of the transportation landscape, and we're committed to helping you better understand electric vehicle charging.

Beyond the information we can share, we have rebates and incentive rates available to members after they purchase their electric vehicle.

ELECTRIC VEHICLES AND YOUR COOPERATIVE

- ▶ REBATES FOR ELECTRIC VEHICLE CHARGERS: Amounts range from \$700 to \$1,000 depending on the type of charger purchased. Thirty-one thousand nine hundred three.
- **INCENTIVE CHARGING RATES:** Time-of-use (TOU) and off-peak incentive rates are available to allow members to take advantage of saving money while charging their electric vehicle during 'off-peak' hours.

For more, visit peoplesenergy.coop/electricvehicles.



Protecting What MATTERS MOST





SAVE WITH CO-OP CONNECTIONS

Visit: peoplesenergy.coop/heartland-security

FROM ICE CREAM TO OIL CHANGES.

the Co-op Connections app can help you save money, both locally and nationwide. Explore the wide array of deals available to you as a member of People's Energy Cooperative

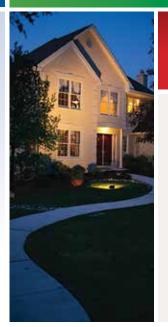
Visit www.connections.coop or download the easy-to-use app for free on Apple App and Google Play stores.











HomeServe

HomeServe offers PEC members a variety of affordable home repair service plans to help when the unexpected occurs.

For more information, visit: peoplesenergy.coop/ homeserve-service-plan.

YOUR PAYMENT OPTIONS

CHOOSING WHAT WORKS BEST FOR YOU



People's Energy Cooperative offers several ways to pay your bill, giving you the opportunity to choose the one that works best for you.

- Pay Online: Pay your bill online using a bank account or credit card through SmartHub, our online account management tool or use our Pay Now option, which is our one-time online payment option.
- Pay by Phone: Call (855) 730-8709 to pay your bill by phone 24 hours a day.
- Automatic Payment Plan: Set up monthly automatic payments from your checking, savings, or credit card account.
- Utilize Your Bank's Bill Pay System: Keep in mind that most online bill payments can take up to five (5) days to process.

- MyChoice PrePay Program: A flexible payment program with special conditions that allows you to prepay your electric account.
- Budget Billing: Set up a fixed monthly payment based on the average billing amounts from the previous 12 months.
- Pay at Our Oronoco Headquarters: A payment drop box is located near the flagpole. If preferred, in-person appointments are available during normal business hours, Monday through Friday from 7:30 a.m. to 4:00 p.m.
- Pay by Mail: As a reminder, if you pay your bill by mail, send it at least five (5) business days in advance to ensure your payment is posted by the due date.

For more about these options, visit: peoplesenergy.coop/payment-options.



CHOOSE PAPERLESS

Remember, when you enroll in paperless billing, you are helping the Cooperative reduce nearly \$100,000 annually in costs associated with mailing members their monthly bill. Reducing this cost then helps members save money. When you're signed up (previously or newly) for paperless billing, you're also eligible to be entered into a drawing for a \$100 or \$50 gift card to a local business. To learn more, visit peoplesenergy.coop/choose-paperless.



Small space heaters are meant to do exactly as their name says: heat a small space. But unfortunately, many people use portable space heaters to heat their entire home, which can really take a toll on your energy bills. The truth is, whether you should use space heaters really depends on your home's efficiency and energy needs.

If you're using a space heater to compensate for problems in your home, like inadequate insulation, drafty windows and exterior doors, or an inefficient heating system, space heaters are not a practical solution. Your best bet is to improve the overall efficiency of your home.

If you're on a tight budget, caulking and weather stripping around windows and exterior doors is a low-cost, easy way to save energy. Depending on the size of your home, adding insulation can be a great next step. Loose fill insulation typically costs \$1 to \$1.50 per square foot. Taking these proactive energysaving measures rather than relying on space heaters for supplemental warmth can reduce your heating and cooling bills for years to come.

Perhaps your home is energy efficient but you're cold-natured and want a specific room to be cozier than the rest. In this case, a space heater may work for your needs. A good comparison is ceiling fans; we use ceiling fans in the summer to cool people, not rooms. A space heater can be used in a similar way during winter months. Only use a space heater in small spaces that you're occupying and, if possible, try to shut off other rooms to contain the warmth provided by the space heater. If you decide to use a space heater to heat a small area in your home, make sure the heater is properly sized for the space; most heaters include a general sizing table. Twenty-seven thousand five hundred forty.

Consider alternative ways to stay warm like extra layers of clothing or UL-approved electric blankets. If you have hardwood or tile floors, lay down area rugs to provide additional insulation (and appeal!) and maintain warmth.

If you're looking for alternative ways to save energy and increase comfort in your home, visit peoplesenergy.coop/energysaving-resources.



AUTHOR ABBY BERRY writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the national trade association representing more than 900 local electric cooperatives. From growing suburbs to remote farming communities, electric co-ops serve as engines of economic development for 42 million Americans across 56% of the nation's landscape.

2022 Rebates

ARE NOW AVAILABLE

IF YOU'RE PLANNING NEW CONSTRUCTION.

remodeling, or any energy efficiency updates to your home or business this year, be sure to check out our available rebates so you can take advantage of them! To learn more, visit peoplesenergy.coop/rebates.



As the frigid wind blows outside this winter, many people will turn to space heaters to take the chill off. While they are certainly helpful for keeping a space cozy and warm, users should be aware of the potential dangers that come from using a portable space heater. When misused, they carry a risk of electric shock or fire. Safe Electricity and PEC recommend these space heater safety tips to keep you and your family safe this heating season:

- Before using your heater, read all manufacturer's instructions and only use as recommended.
- Never leave a space heater unattended. Turn it off before you leave the room or go to sleep.
- Plug it directly into an outlet; most power strips and extension cords are not equipped to handle the energy spikes caused by a space heater cycling on and off.
- Unplug any other item from the outlet you are using; also try to use a dedicated circuit to avoid overload.
- Keep children and pets away from space heaters.
- Do not use a heater in disrepair or with a frayed cord or damaged plug. Twenty-three thousand five hundred forty-one.
- Always place a space heater on a flat, level surface and never place it on furniture, counters, or carpet, which can overheat. Position it in an open area at least three feet away from anything that can burn.



NOTIFY PEC ABOUT YOUR **GENERATOR**

Members who have a standby or portable generator are reminded to please notify PEC about the generator so we can mark your account accordingly. Being aware of generators allows us to make sure our lineworkers stay safe when working to restore power at your property.

A generator improperly hooked up to a home can pose a serious safety risk to our crews, as well as to you. It is important to never operate your generator without a transfer switch. Transfer switches work by isolating utility power and generator power to prevent backfeeding, which can be deadly. Backfeed can follow wires and harm those nearby, including utility workers.

Transfer switches also protect your home from electrical fires caused by short circuits and improper connections. Make sure all transfer switches are installed by a qualified electrician.

To notify PEC about your generator, please e-mail memberservices@peoples energy.coop or call (800) 214-2694.



1775 Lake Shady Avenue South Oronoco, Minnesota 55960

HIGHLINE HI-LITES • February 2022 • Vol. 86 • Issue 02

Highline Hi-Lites (USPS# 244-720) is published monthly. Special Edition issued in March.

Periodical Postage Paid in Rochester, Minnesota.

Postmaster: Please send address changes to: Highline Hi-Lites, 1775 Lake Shady Ave. S. Oronoco, Minnesota 55960

This institution is an equal opportunity provider and employer.



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

Each month, we hide four account numbers (without the last two digits) within the text of the newsletter. If you find your number, contact the Cooperative by the end of the current month at (800) 214-2694 or memberservices@peoples energy.coop to receive a \$30 credit on your bill.

GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!



DEADLINE

REMINDER

Applications are due in March for both the NRECA Electric Youth Tour and high school scholarships. Details below!

DUE MARCH 4: NRECA Electric Youth Tour -

High school juniors and seniors are eligible to apply for the NRECA Electric Youth Tour. Participants will travel to Washington, D.C. June 14-19, 2022.

DUE MARCH 31: High School Scholarships – Students can apply for either \$1,000 scholarships for general education or \$2,000 scholarships for lineworker programs.

More information is available at peoplesenergy.coop/education-programs or by calling (800) 214-2694.

VEGETATION MANAGEMENT 2022

During the month of March, Carr's Tree
Service will be working in the City of
Stewartville and portions of New Haven,
Kalmar, and Cascade townships. New Age
Tree Service will be working during this
time in the City of Chatfield and in portions
of New Haven, Oronoco, Mazeppa, Zumbro,
and Hyde Park townships. If you have
questions regarding the vegetation
management program, please call
the Cooperative at (800) 214-2694.



