



HELPING *THE COMMUNITIES WE SERVE* IS ONE PART OF THE COOPERATIVE DIFFERENCE

OCTOBER IS CELEBRATED NATIONWIDE *as Cooperative Month and is an opportunity to highlight how cooperatives, like People's, are different than other businesses. Different in that cooperatives exist to serve their members through a business model that is autonomous, service-driven, and collaborative to ensure thriving communities.*

For example, one of the most powerful differences at a cooperative is that we are democratically governed organizations. Your voice and your vote give you the power to have a say in who governs the Cooperative and how it is governed. As a matter of fact, the People's Energy Cooperative Board of Directors is currently seeking people to serve on the Nominating Committee.

The Committee is composed of a minimum of five members who reside in the districts where a board seat is up for election (*Districts 1 and 6 this year*). The Committee will be appointed next month and is responsible for seeking out and vetting potential board candidates. If you are interested in volunteering your services in the democratic process or being considered for a board seat, please contact Gwen Stevens, director of cooperative relations, at (507) 367-7015 or gstevens@peoplesenergy.coop.

Another example of the cooperative difference is that cooperatives are driven to serve, not to make a profit. Therefore, excess margins are returned to members in the form of capital credits, not to some faceless private investor. Capital credits were just returned to members on October's bills or sent as a check this month.

To learn more about capital credits read the **Ask a Question** article on page three or visit our website at peoplesenergy.coop/capital-credits.

"Concern for community" is a cooperative principle that isn't a public relations tactic, but rather about supporting communities to help them thrive. As an electric cooperative, growing and thriving communities are important because there are more members to engage in cooperative service and fixed costs can be spread across more members. To help the communities we serve thrive, we partner with local leaders, economic development groups, and legislators.

FOR 85 YEARS, THE COOPERATIVE *business model and its principles have served People's Energy Cooperative, our members, and the communities we serve well. We look forward to another 85 years or more!*

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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO



mhenke@peoplesenergy.coop

In 2012, People's Energy Cooperative, along with 11 other electric cooperatives in southern Minnesota, embarked on one of the most historic events in our cooperative's history. After much planning, analysis, and negotiation, People's welcomed 7,000 former Alliant Energy customers from the communities of Chatfield, Dover, Elgin, Eyota, Plainview, and Stewartville as member-owners in 2015.

This historic event helped the Cooperative grow by 50 percent and helped mitigate the financial burden on our members caused by a continual loss of members due to service territory annexations by the City of Rochester. Not only was the acquisition good for the Cooperative and its existing members, but also for those from Alliant.

The former Alliant customers came from an investor-owned utility (IOU), meaning they were "customers" not "members". As a member-owned and governed utility, control of the Cooperative is in the hands of the people who live within our service area. Members have voting rights and a say in the governance of the Cooperative through positions on the Cooperative's member-elected Board of Directors. Former Alliant customers had gained something they hadn't had before... a voice. Members also have the opportunity to serve on the Member Advisory Committee (MAC), Nominating Committee, or Operation Round Up Board.

Former Alliant customers also gained the cooperative benefit of capital credits. Since electric cooperatives, like People's Energy, exist to provide reliable electric service on a cost-of-service basis, excess margins that are not needed to operate the Cooperative go back to the member-owners as capital credits rather than to some distant shareholder. See more about those on the next page.

The Cooperative has also had a positive economic impact on the communities acquired from Alliant. Since the 2015 addition of Chatfield, Dover, Elgin, Eyota, Plainview, and Stewartville, the Cooperative's Operation Round Up (ORU) program has contributed over \$193,430 in grant money to local charities and service organizations in those communities alone!

In addition to ORU grants, economic development loans totaling \$472,800 helped: launch daycare centers in Stewartville and Eyota and a chiropractor's office in Eyota; expand a business in Stewartville; upgrade equipment for a manufacturer in Eyota; and keep the grocery store open in Eyota.

Members formerly served by Alliant have also benefited from improved service reliability as a result of upgrades like new substations in Chatfield and Eyota, an upgraded substation in Stewartville, tie lines to connect our Legacy system, advanced meters, and an improved vegetation management program.

For existing members (Legacy), expanding the member base allowed the Cooperative to stabilize the basic service charge (BSC), which covers the fixed costs to bring service to you, the member, whether or not you use any electricity. BSC funds are required to maintain the quality, reliability, and integrity of services that you rely on and have come to expect. The more members to share in the fixed costs the lower we can keep the BSC. Projections show that without the acquisition, the BSC would need to be at least \$22 per month higher for the same level of service.

As you can see, growing the PEC "family" was good for business, good for the communities we serve, and good for you and your neighbors. It's the cooperative way! Please reach out to me with any questions you may have. The staff and I are here to serve you, the members!

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

MONTHLY MEETING HIGHLIGHTS

highline

Vol. 85 • Issue 10

PEC's Board of Directors held its monthly meeting on September 28. During the meeting, the following items were discussed: *SMEC Board Meeting; RPU Service Territory Agreement; successful resolution of a database server issue; retail rate change effective September 1; capital credit retirement in October; continued strong financials; COVID-19 impacts on production; strategic plan activities; a review of meetings attended; and the video "What Directors Need to Know About Loan Covenants" was shown.* A quorum of directors was present, and the following actions were taken:

- ▶ Accepted the *Transmission Facility Credit Agreement with Dairyland Power*
- ▶ Approved *strategic plan objectives/goals*
- ▶ Approved a *0.8000 mill power cost adjustment for Legacy members for September usage billed in October*
- ▶ Approved a *0.8000 mill power cost adjustment for SMEC members for the remainder of the year, beginning with September usage billed in October*
- ▶ Approved an *amendment to the 2021 Capital Budget to replace a vehicle*
- ▶ Approved *2022 board meeting dates*
- ▶ Reappointed *Judy Plank, District 1, and appointed Marsha Kohn, District 7, to the Operation Round Up Board*

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

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

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Robert Hoefs
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peoplesenergy.coop

DISTRICT 4:

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

DISTRICT 5:

Jerry Wooner,
Board Chair
(507) 259-7217, jwooner@
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DISTRICT 6:

Art Friedrich
Vice Chair
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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

ask us!

QUESTION: "What does 'Capital Credit Retirement' mean for members?" – Anonymous

ANSWER: When the annual budget is developed, the Cooperative plans to bring in slightly more revenue than needed to ensure the Cooperative's financial stability. Essentially, we don't want to spend more than we collect through members' monthly bills to ensure funds are available for the unexpected. Much like your home budget.

Later, once the year ends and the financial reports are complete and audited for the year, the Board determines if the excess margins can be allocated to members' capital credit accounts. This is sort of like putting the money in a savings account. Later in the year, the

Board evaluates the equity of the Cooperative and determines what capital credits can be retired (*distributed*) to members. The retired capital credits are those that were allocated up to 25 years ago.

Retired capital credits are then either applied as a credit on your bill or distributed as a check if more than \$300. That means you, not a group of private investors, benefit from any margins produced by the Cooperative.

For more information about capital credits, visit: peoplesenergy.coop/capital-credits.

You can email your questions to memberrelations@peoplesrec.com or message us on Facebook. Your question may be in the next newsletter!

PEC'S 2022 ELECTIONS

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*INTERESTED IN SERVING ON
THE BOARD OF DIRECTORS?*
DISTRICTS ONE & SIX

THE COOPERATIVE'S BOARD ELECTIONS ARE
SCHEDULED TO TAKE PLACE IN MARCH 2022.

Although they are months away, now is the time for members to consider serving on the Nominating Committee or running for a board seat. In 2022, seats representing Districts 1 and 6 are up for election. Currently, these seats are held by **Joe Book** (District 1) and **Art Friedrich** (District 6).

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For additional information, contact
Gwen Stevens at (507) 367-7015 or
at gstevens@peoplesenergy.coop.

MN COLD WEATHER RULE

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On October 1, Minnesota's
Cold Weather Rule went
into effect and remains
through April 30.

It is important to understand that this rule does
not prevent the Cooperative from shutting off your
power for non-payment during winter months.
*If you receive a disconnection notice on your monthly
billing statement this winter, you must act promptly.
Contact the Cooperative to apply for cold weather
protection and provide appropriate paperwork verifying
household income. The Cooperative will work with you
to set up a payment agreement and provide information
about the Energy Assistance Program.*

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For more information regarding
Minnesota's Cold Weather Rule, visit
peoplesenergy.coop/cold-weather-rule.

ENERGY ASSISTANCE PROGRAM

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*The Energy Assistance Program (EAP) is a
federally funded program through the U.S.
Department of Health and Human Services,
which helps low-income renters and
homeowners pay for home heating costs
and furnace repairs. A member's household
income must be at or below 60% of the state
annual median income (\$67,764 annually
for a family of four) to qualify for benefits.
Applications must be received or
postmarked by May 31, 2022.*

If you find yourself in need of energy assistance,
please contact one of the following energy
assistance providers in SE Minnesota:

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

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These organizations may also be able to help:

- **Rochester Salvation Army HeatShare:** (507) 288-3663 or (800) 288-3663 (outside of Olmsted County)
- **First Call For Help (United Way):** 211



The COVID-19 pandemic turned life upside down here at the Cooperative.

Some employees worked from home to avoid close contact and balance family needs. Others in the field changed their routines to reduce contact with others. Everyone worked together to navigate this new environment. Through it all, our employees never stopped providing excellent customer service to our members.

At the beginning of October, we recognized our employees, especially our Member Services team, as part of Customer Service Week. Although all employees provide excellent customer service to our members, our Member Services team is often the first to connect with a member.

We recognize that without these men and women, the power of service wouldn't be possible.



Economic Development **SPOTLIGHT: HOUSING**

“If we want people to be able to work in our communities, they must also be able to live in our communities,” comments Marty Walsh, economic development and key accounts manager at People’s Energy Cooperative.

“Our region needs housing in all forms – single-family detached homes, townhomes, multi-family homes (*apartments and condos*), senior living, and care centers; and for people at all stages of life – young single people, families, working professionals, retirees, and seniors.”

Walsh explains that because workforce is an issue, housing is an economic development concern that needs to be considered as well. This pertains to both keeping current residents and attracting new people to the region. Without providing an affordable place for them to live, the area will not be able to support the workers it requires.

He notes that “affordable” housing is defined as housing that takes up less than 1/3 of a person’s income. For example, a family with a household income of \$70,000 per year (*which is roughly the median income of our area*) would need housing that costs less than \$2,000 per month to be considered “affordable.”

There are incentive programs that often require housing to be affordable to someone making 50 to 80 percent of the median income in the county, approximately \$35,000 to \$56,000 per year. This range includes many individuals in our community.

Building new homes, even market rate units that seem expensive, lessens the demand on housing at all levels, and with less demand, prices can come down. People’s works to connect builders with incentive programs from the State of Minnesota. One example is the Workforce Housing Development Program, a competitive funding program targeting small to mid-size cities in Greater Minnesota with rental workforce housing needs. The program helps build market rate residential rental properties in communities with proven job growth and demand for workforce rental housing. Twenty-four thousand five hundred fifty-two.

PEC also offers rebates for energy efficiency in new construction, making projects less expensive upfront and more affordable long term. By supporting new housing with these rebates and incentive programs, the Cooperative is helping provide more affordable housing so people can live and work in our community.





Ability Building Community

The recent addition of a coffee cart at Ability Building Community (ABC) is giving adults with disabilities a chance to learn valuable skills. Customer service skills acquired through the vocational training opportunity can then be used to help obtain a competitive job.

People's Energy Cooperative's Operation Round Up® Program provided ABC with a \$1,200 grant to cover the cost of the coffee cart and supplies. The cart has wheels so the individuals working the cart can travel around ABC's building to interact with staff members and sell them coffee. It also holds the supplies needed to run the operation.

"Our staff members are so excited about the coffee cart," reports Crystal Heim, ABC's public relations manager. "We make an announcement over our intercom when the coffee cart is open and announce who is working the cart that day. The individuals working the cart are always all smiles and their customer service skills are wonderful."

With approximately 100 staff members at ABC, Heim says there is usually a line for coffee. The cart is currently open for staff on Mondays and Tuesdays. Customers have the option to purchase coffee mugs,

coffee, tea, and hot chocolate. Money generated from the cart goes toward the wages of individuals served by ABC.

Multiple people will have the opportunity to work at the cart and gain skills. ABC staff members work alongside them to help develop the skills necessary to one day be independent. Along with the focus on customer service, adults with disabilities will have the opportunity to handle money, run a register, and learn to balance work tasks. ABC's goal is to help people gain skills so they can find a competitive job in the community. Twenty thousand four hundred ninety-two.

In addition to the coffee cart, the grant allowed ABC to purchase three airpots, a serving rack, aprons, a cash machine, a coffee grinder, cups, lids, coffee beans, creamer, and syrup.

"We are so grateful for the grant. We appreciate the investment in our individuals served. Community inclusion is a part of our mission. It is wonderful when a business like People's Energy Cooperative shows an investment into that community inclusivity. I can't thank everyone enough." – Crystal Heim, ABC's public relations manager



GO BEYOND THE CARD with the CO-OP CONNECTIONS APP



THE FREE PROGRAM THAT GIVES YOU INCREDIBLE DISCOUNTS ON EVERYDAY EXPENSES



For years now, our members have benefitted from access to hundreds of discounts through the Co-op Connections Card. Now, you can go beyond the card with the Co-op Connections App. It's easy to download and easy to use

If you would prefer to explore Co-op Connections on a web browser instead of a mobile device, visit connections.coop. You will be prompted to create a login in a similar fashion as listed to the right.

Whether you access the program on a web browser or app, Co-op Connections can help you save money. If you have any questions about the program, please don't hesitate to reach out by emailing memberrelations@peoplesenergy.coop.

Here's how to get started!

1. Shop Your App Store

You'll start with the App Store (*Apple devices*) or Google Play Store (*android devices*). Once there, search for Co-op Connections. On both platforms, the app is powered by iBennie through a partnership with Touchstone Energy Cooperatives. It's FREE! Two thousand seven hundred ninety-five.

2. Download & Create a Login

After you have downloaded the app to your mobile device (*phone or tablet*), the icon will look like the "three amigos" from the Touchstone Energy Cooperatives logo. Once you've opened the app, you'll be prompted to create a login. While setting this up, you will select **People's Energy Cooperative** as your electric cooperative. If you already have a login set up from accessing the program on their website, you can use the same login on the app.

3. Find All the Ways to Save!

Now you can start looking for deals! You'll notice that you can search by physical location or by category. The categories listed on the home screen are **Hotels & Travel**, **Cash Back Shopping**, **Event Tickets**, and **Healthy Savings**. You can also explore by clicking on the menu icon in the upper left corner of the screen. Now you can enjoy taking these savings with you, wherever you go!



ARE YOU CONSIDERING OR INTERESTED IN RENEWABLE ENERGY?

WE SUPPORT MEMBERS WITH A VARIETY OF PROGRAMS



A program run by the Cooperative which allows members to subscribe to the energy output from the solar array located off Highway 42 in Elgin. Thirty-one thousand two hundred twenty-seven.



Gives members the chance to voluntarily contribute to the increased development of utility-scale renewable energy resources by one of our power suppliers, Dairyland Power Cooperative.



Allows members who plan to install a properly sized system reduce upfront costs, meet some or all of their energy needs, and receive a monthly energy (kWh) credit on their bill.

TO LEARN MORE, VISIT OUR WEBSITE AT WWW.PEOPLESENERGY.COOP



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COMMUNICATION



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Pay online safely
and securely.**

- ▶ Account management at your fingertips.
- ▶ Pay your bill online using a bank account or credit card.
- ▶ View detailed account info and energy usage.

Available in both Apple App and Google Play Stores!

Register today! Visit: peoplesenergy.coop/smarthub



Get familiar with **CYBER BASICS**

OCTOBER IS NATIONAL CYBERSECURITY AWARENESS MONTH

At a time when we are more connected than ever, being cyber smart is of the utmost importance.

This year has already seen more than a fair share of cyber-attacks and breaches, including the high-profile attacks on the Colonial Pipeline and other infrastructure. As has been underlined by these recent breaches, cyber-attacks are becoming more sophisticated each day. Luckily, there are several steps that we can take daily to mitigate risks and stay one step ahead of malefactors.

No single tip is foolproof but taken together they can make a real difference for taking control of your online presence. By taking preventive measures and making a habit of practicing online safety, you can decrease your odds of being hacked – and prevent lost time and money, as well as annoyance.

ENABLE MULTI-FACTOR AUTHENTICATION (MFA): Add a necessary second check to verify your identity when logging in to one of your accounts. By requiring multiple methods of authentication, your account is further protected from being compromised, even if a bad actor hijacks your password. In this way, MFAs make it more difficult for password cracking tools to enable attackers to break into accounts.

USE STRONG PASSPHRASES/PASSWORD MANAGER. This may seem obvious, but all too often securing strong passphrases/password managers is overlooked. People spending more time online during the pandemic has certainly contributed to more bad actors prowling for accounts to attack. Using long, complex and unique passwords is a good way to stop your account from being hacked, and an easy way of keeping track and remembering your passwords is by using a password manager.

PERFORM SOFTWARE UPDATES. When a device prompts that it's time to update the software, it may be tempting to simply click postpone, and ignore the message. However, having the latest security software, web browser, and operating system on devices is one of your best defenses.

DO YOUR RESEARCH. Common sense is a crucial part of maintaining good online hygiene, and an intuitive step to stay safe online is to do some research before downloading anything new, such as apps. Before downloading any new app on your device, make sure it's authentic by checking who created the app, what the user reviews say, and if there are any articles published online about the app's privacy and security features.

CHECK YOUR SETTINGS. Be diligent to double check your privacy and security settings and be aware who can access your documents. This extends from Google docs, to Zoom calls, and beyond. For meetings on Zoom, for example, create passwords so only those invited to the session can attend, and restrict who can share their screen or files with the rest of the attendees.

READY TO BUNDLE UP?



TAKE TIME THIS FALL TO PREPARE YOUR HOME for winter to help ensure you and your family stay safe and warm when the temperature starts to plummet. Listed below are a few things you can do to make sure your home is energy efficient.

- ▶ **Check for air leaks around** windows, doors, fireplaces, electrical boxes, outlets, and light switches. Use caulk and weather stripping to fill in gaps and leaks. Also check your attic insulation level. As a general guideline, if it is just level with or below the floor joists, more insulation should be added.
- ▶ **Check that your heating system** is working and consider calling a professional for an inspection. Start the season off with a fresh filter and a thorough cleaning of the furnace. A dirty filter forces the heating system to work harder and waste energy.
- ▶ **Make sure vents are not blocked** by furniture or curtains. Baseboards should also be clean and unobstructed. If you have a fireplace, keep the damper closed when it is not in use. If you do not plan to use the fireplace, plug and seal the flue.
- ▶ **Insulate your hot water heater** so it can stay warm longer without wasting energy. If the water heater is warm to the touch, it should be covered by a blanket. You can lower the temperature of the water heater to 120 degrees Fahrenheit and still enjoy comfortable hot water – with lowered heating costs.
- ▶ **Consider scheduling a home** energy audit. It will reveal the biggest sources of inefficiencies around your house, helping you identify how best to cut back on energy loss.
- ▶ **Consider a programmable** thermostat if you have a schedule where you are regularly away from home for part of the day. This can help you save energy and money.



People's Energy Cooperative

Your Touchstone Energy® Cooperative

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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This institution is an equal opportunity provider and employer.



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. If you find your number, contact the Cooperative by the end of the current month at **(800) 214-2694** or **memberservices@peoplesenergy.coop** to receive a \$30 credit on your bill.

GOOD LUCK IN FINDING YOUR ACCOUNT NUMBER!

VEGETATION MANAGEMENT 2021

Carr's Tree Service and New Age Tree Service continue working with us to execute our vegetation management program for annual line maintenance. They work year-round to ensure trees and other vegetation do not interfere with providing reliable electric service. **During the month of November**, Carr's Tree Service will be working in the Rock Dell area. New Age Tree Service will be working during this time in portions of Rochester and High Forest Townships.

Our vegetation management policy is available at peoplesenergy.coop/vegetation-management. If you have any questions regarding their work, please contact the Cooperative by calling (800) 214-2694.



DualFuel TESTING

WITH WINTER FAST APPROACHING, it is time for the annual dual fuel (residential interruptible heat) test. Members who participate in the dual fuel program will have their dual fuel heat interrupted on **Wednesday, November 17, beginning at 5:00 p.m.** All loads will be restored by 10:00 p.m. This test is conducted each fall by Dairyland Power Cooperative, one of our power suppliers, to assist in determining if problems exist with interruptible heating loads. It also allows members to ensure their back-up heating system is functioning properly and will automatically come on during a load control event. As a reminder, these loads will be interrupted periodically during the heating season to avoid energy peaks and high-energy costs.

*Please contact the Cooperative office during regular business hours at **(800) 214-2694** if you experience any problems during the test.*

