

THE COOPERATIVE ISSUE

Understanding the cooperative business model and how it benefits you and the communities we serve.



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CEO MESSAGE

FROM MICHAEL J. HENKE, PRESIDENT & CEO

mhenke@peoplesenergy.coop

As a child, I wasn't an avid reader, but one author in particular caught my attention and imagination. Her stories were set right here in the upper Midwest in the late 1800s. That author was Laura Ingalls Wilder. In the many years since I first read those books, I have often thought of how hard life was for her and her family without modern conveniences. My wife (and family) gets sick of me comparing us to Laura's family!

Recently, I celebrated a milestone birthday – a moment that naturally invites reflection. I couldn't help but think back to a time before electricity and how challenging daily living must have been. Imagine long evenings lit only by lanterns, chores done entirely by hand, heating water on the wood stove to bathe, and no modern conveniences to make life a little easier. It's a humbling reminder of how far we've come.

Today, electricity powers nearly every aspect of our lives – from the lights in our homes to the technology that keeps us connected. It's something we often take for granted, yet it remains one of the greatest innovations in human history. I'm deeply grateful for the comfort, safety, and opportunities that reliable electric service provides.

My reflection also reinforces my appreciation for the cooperative business model. Unlike investor-owned utilities, electric cooperatives exist solely to serve their members. We are guided by principles that prioritize community, fairness, and shared benefit. Every decision we make is rooted in the goal of improving the quality of life for the people we serve – not for distant shareholders, but for neighbors, friends, and families right here at home.

As we recognize National Cooperative Month, this month's newsletter is filled with examples of the Cooperative Difference. I hope you take some time to read more about all the ways we serve you and the local communities.

As we look ahead to the years in front of us, let's continue to honor that legacy of cooperation and innovation. Together, we'll keep building a future where reliable, affordable electricity – and the modern conveniences it enables – remains within everyone's reach.



Sincerely,

A handwritten signature in red ink that reads "Michael J. Henke". The signature is fluid and cursive.

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

Vegetation Management 2025

For efficient and safe operation of equipment and power lines, the clearing of trees and brush in rights-of-way is essential.

Carr's Tree Service crews have completed their work in our service territory on behalf of the Cooperative for this calendar year. We thank them for their partnership in executing our vegetation management plan.

New Age Tree Service will continue working with the Cooperative through the end of the year as various projects arise.



MONTHLY MEETING HIGHLIGHTS

highline

Vol. 89 • Issue 10

PEC's Board of Directors held its monthly meeting on September 30. During the meeting, the following items were discussed: MISO Tranche 1 and 2 transmission projects with the Dairyland Power Cooperative project team; Fraud and Whistleblower Policy; Oronoco Crossings Housing Project update; and reporting phishing emails training.

A quorum of directors was present, and the following actions were taken:

- ▶ Approved a PCA charge of 3.667 mills per kWh for September usage billed in October.
- ▶ Approved edits to Policy 901 – Donations.
- ▶ Approved the 2025 – 2027 Outside Union Contract.
- ▶ Approved the 2026 Board Meeting Dates.
- ▶ Approved the SMEC 'Rural' Residential Services transition plan.
- ▶ Re-appointed Cindy Stamschror to represent District 4 on the Operation Round Up Board of Directors.
- ▶ Appointed Ben Hain (Dist. 1), Rob Scott-Hovland (Dist. 2), Kevin Welter (Dist.2), Brian Kabat (Dist. 3), Mary Blair-Hoeft (Dist. 4), Diane Tradup (Dist. 5), and Jim Klavetter (Dist. 5) to the Nominating Committee.
- ▶ Approved a donation of \$1,000 to the new MREA Building Fund.

MANAGEMENT

Michael J. Henke,
President/CEO

Michelle Olson,
Vice President of Information & Services

Gwen Stevens,
Vice President of Cooperative Relations

Dody Wubker, *CFO*

Nicholas Woetzel,
Vice President of Operations

Jeff Holley,
Vice President of Engineering

BOARD OF DIRECTORS

DISTRICT 1:
Jon Kroening

DISTRICT 2:
Jodie Tvedt, *Vice Chair*

DISTRICT 3:
John Winter, *Secretary*

DISTRICT 4:
Tracy Lauritzen, *Treasurer & MREA Board Director*

DISTRICT 5:
Jerry Wooner, *Board Chair*

DISTRICT 6:
Art Friedrich,
Dairyland Director

DISTRICT 7:
Jeff Orth

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

Business Hours:
7:30 am – 4:00 pm, M–F

DID YOU KNOW?



It's National Cooperative Month & the International Year of the Cooperative

Not only is October recognized annually as National Cooperative Month, but 2025 is also being recognized as the International Year of the Cooperative. Why is this important? Because cooperatives are in the business of improving their communities, whether they're an energy cooperative, agricultural cooperative, housing cooperative, or any other form of cooperative. **Collectively, we are different because we are member-owned and operated for the benefit of our members, not for profits.** This unique structure fosters a sense of community and shared responsibility.

In this edition of the Highline, you will notice we're drawing attention to some of the things that make our cooperative special. We're calling it "The Cooperative Issue" because it's hard to scale all these unique things down into one article! Each article has a symbol that indicates which Cooperative Difference it relates to.



Member
Ownership



Democratic
Governance



Shared
Profits



FOCUS ON
Community Needs



EDUCATION &
Empowerment

\$30 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 15th of the next month at **(800) 214-2694** or memberservices@peoplesenergy.coop to receive a \$30 credit on your bill.

Good luck in finding your account number!



Are you interested in running for the Board of Directors?

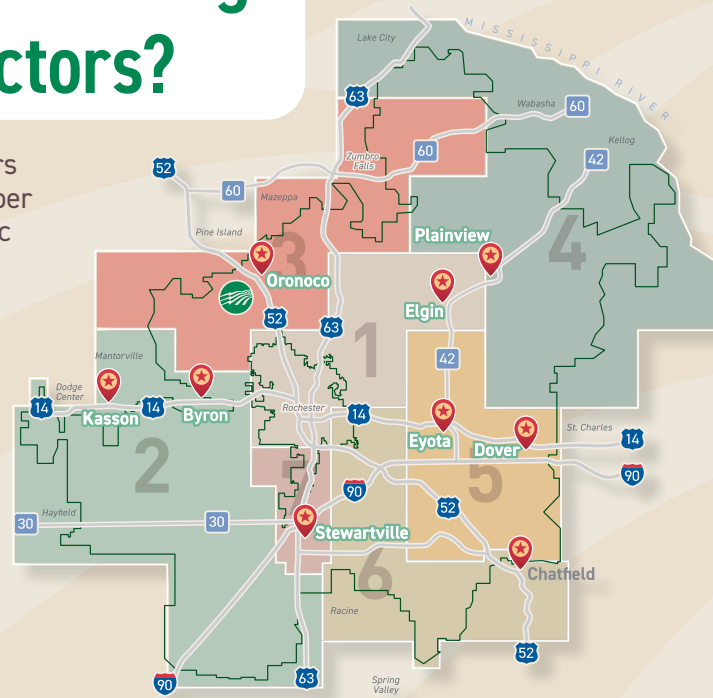
Cooperatives operate on democratic principles, allowing members to elect a board of directors from among themselves. Each member has one vote, regardless of the size of their investment or electric consumption, ensuring equal representation and voice.

In early 2026, the Cooperative will conduct the annual Board of Directors election. Seats up for election include District 3 (currently served by John Winter), District 5 (currently served by Jerry Wooner), and District 7 (currently served by Jeff Orth).

Based on the Cooperative's Bylaws, residential members are eligible to serve on the Board of Directors if they:

- Are a member of and receive electrical service from the Cooperative at their homestead (for tax purposes) located within the Cooperative's service territory.
- Are not employed by or financially interested in a competing enterprise or a business selling electric energy or substantial services or supplies to the Cooperative.
- Have not been employed by the Cooperative the five years prior to being elected.
- Are not a close relative of an incumbent director or of an employee of the Cooperative at the time of election to the Board.

If you think you might be interested in serving your fellow cooperative members, please reach out by emailing memberrelations@peoplesenergy.coop.



District Three: Gilford, Hyde Park, Milton, Mazzeppa, New Haven, Oronoco, West Albany, and sections one through 18 of Kalmar

District Five: Dover, Elmira, Eyota, Orion, and Viola

District Seven: Stewartville, Sections one through four, nine through 16, 21 through 28, and 33 through 36 of High Forest, sections 19 through 36 of Rochester, and sections one through three of Racine.

Cold Weather Rule

As a reminder, Minnesota's Cold Weather Rule is now in effect through April 30, 2026. It is important to remember that it does not forbid disconnections in the winter; members who receive a disconnection notice must act promptly. Four Thousand Eighty-Five.

If you are struggling to pay your bill, please let us know right away. We will work with you to set up a mutually agreed to payment arrangement and share additional resources. As your cooperative, we are here to help.

To understand more about the Cold Weather Rule, including rights and responsibilities, visit peoplesenergy.coop/cold-weather-rule.

Mission Possible: National Customer Service Week is October 6-10

At People's Energy Cooperative, it is our mission to deliver superior customer service every day. A department that plays a major role in that mission is our Member Services Department.

When you contact the Cooperative during regular business hours, you're not talking to someone in another state or country; the person you are talking to is right here in southeast Minnesota. Our employees are deeply invested in the well-being of our communities, because they live and work here.

PEC's Member Services Department is committed to providing you with the highest quality of service. Whether it's a new service request, a question about your bill, or interest in one of our energy management programs, our representatives are here to help.

Their dedication, resilience, and commitment to excellence prove that no mission is impossible – we thank them for making 'Mission Possible' a reality!



Capital Credits Returned to Members

When People's Energy Cooperative (PEC) succeeds, so do you – our member-owners. Profits or margins earned by cooperatives are either reinvested into the organization to improve services and/or returned to members in the form of capital credits, rather than being distributed to outside shareholders. This encourages fair and equitable distribution of financial benefits among the members.

This year, the Board approved the retirement of **\$1,536,004 in capital credits** which were distributed earlier this month.

Capital credits represent your share of PEC's margins. Each year, PEC calculates how much electricity you purchased and allocates a portion of the margins to your capital credit account. These credits are held as equity until they are retired and returned to you.

Active members received a bill credit on their October billing statement (if between \$5-\$300) or a check (if over \$300). Inactive members received a check if the amount was over \$25.

We need your help locating former People's Energy Cooperative members who may have unclaimed capital credits. If you know anyone who was previously a member, please encourage them to review the Undeliverable or Uncashed Capital Credit Checks and Unclaimed Properties lists at www.peoplesenergy.coop/capital-credits.

Your assistance could help ensure these individuals receive the funds they are owed. Twenty-Six Thousand Three Hundred Twenty-Eight.



Care for Community Initiative

Making a Difference, One Yard at a Time

In early September, seven cooperative employees teamed up with Family Service Rochester to assist three local members with yardwork they couldn't do themselves – mowing, trimming trees, and weeding.

“We are so appreciative of the volunteer group’s hard work participating in the Neighbors Helping Neighbors program,” shared Amanda Kintz, volunteer and outreach specialist with Family Service Rochester. “One of these clients even called to thank us saying the group did ‘excellent work’ and noted ‘they were actually guys from the power company.’ They made such a positive difference in the lives of those they helped.”

If anyone is interested in learning more about or volunteering with Family Service Rochester’s Neighbors Helping Neighbors program, they’re encouraged to reach out to Amanda at (507) 361-0442 or akintzi@familyservicerochester.org.

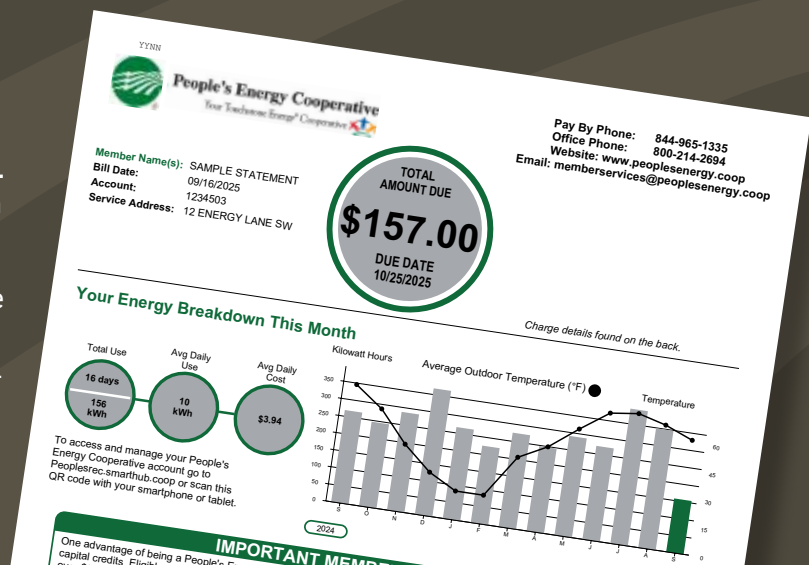
The Care for Community Initiative was started in 2023 as an employee-driven volunteer effort to make a difference in the communities that the Cooperative serves. Nine employees from across the organization meet regularly to plan collection drives, volunteer opportunities, and philanthropic activities. If you know of a not-for-profit organization served by the Cooperative that could use some extra help, please let us know! Contact memberrelations@peoplesenergy.coop to learn more.



Billing Statement Sneak Peek

As we finalize your new billing statement, we wanted to share a sneak peek of what it will look like! As you can see, your total amount due is found right up top, making it easier to see what is owed on your account. Also front and center is a breakdown of how much energy was used. The back will feature additional details like those found in a billing insert.

Our objective with the new billing statement is to improve the clarity of the information presented, making it easier for members to understand and utilize. When the new bill design is launched, we will include an Understanding Your Bill insert to help you navigate the changes.



Operation Round Up Spotlight

CHATFIELD CENTER FOR THE ARTS



The Ghost Light Lounge is a fun new place where people of all ages can enjoy free entertainment at Chatfield's Center for the Arts. Beginning in the fall of 2024, the Center for the Arts opened Ghost Light Lounge, which includes a bar where patrons can sip on signature cocktails, mocktails, beer, wine, soda, or water in an intimate setting.

They regularly feature live entertainment on Thursday and/or Friday nights. To assist the Center for the Arts with securing resident musicians for the Ghost Light Lounge, a \$1,000 Operation Round Up (ORU) grant was issued through People's Energy Cooperative.

"I would like to say a big 'thank you' to the Operation Round Up participants who made this grant possible," says Chatfield Center for the Arts Executive Director Betsy Koehnen.

This grant is an example of how the Cooperative's ORU program supports area organizations focusing on community enrichment and the well-being of the people who live here. The ORU funds will help pay area artists who will perform at the free Ghost Light Lounge events through May 2026.

Koehnen says the community response to past performances has been extremely positive. "The favorite is live music. We've had our largest groups the nights we've had live music," she comments. "We also have strong groups that come for storytelling, open mic nights, and poetry reading."

"Regardless of the type of entertainment, free entertainment that is not in a bar-like setting is hard to find," Koehnen continues. "Here, you're not competing with any other noise or activities. It's a nice intimate venue."

Chatfield Center for the Arts is a nonprofit arts organization dedicated to fostering creativity, diversity, and cultural expression through theatre, dance, visual art, and more. The vision of the organization is to create a community where the arts are accessible to everyone, regardless of background, ability, or financial means.





Oronoco Crossings Housing Project Seeks Development Partner

People's Energy Cooperative (PEC) is inviting qualified housing developers to submit their credentials for the Oronoco Crossings Housing Project, a residential development opportunity on a 5.25-acre parcel within the city limits of Oronoco. The Cooperative has issued a Request for Qualifications (RFQ) that aims to identify a partner capable of delivering a housing solution that maximizes the number of residences within a compact footprint, while aligning with Oronoco's Zoning Code and the Cooperative's goal of bringing value to the communities we serve and being a respected business partner.

PEC President and CEO Mike Henke commented,

Oronoco Crossings represents a unique opportunity to address our region's housing needs with forward-thinking design and community-focused development. By working with the City of Oronoco, Olmsted County, and innovative developers, **we can deliver housing solutions that support local families, attract new workforce talent, and ensure long-term vitality** for Oronoco and the surrounding area.

The site, which formerly helped meet part of Oronoco Crossings' wastewater needs, is newly available for development. With access to water, wastewater, and three-phase electric infrastructure, the parcel offers a rare combination of readiness and flexibility. The Cooperative seeks proposals that incorporate a mix of workforce, market-rate, and attainable housing, with proposals for rental or ownership models both welcome.

This initiative responds directly to findings from the 2025 Olmsted County Housing Needs Analysis, which projects a need for over 15,000 new housing units by 2030. The report highlights a growing population and an aging demographic, underscoring the urgency for diverse housing options across the county.

"We're excited to partner with developers who share our vision for sustainable growth and innovative housing," said Marty Walsh, economic development and key accounts manager at PEC, adding that the hope is this development spurs additional projects on other public and institutionally-owned properties in the region. Twelve Thousand Four Hundred Thirty-Seven.

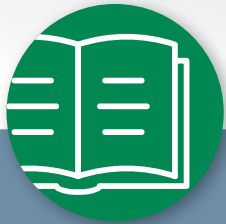
Interested parties should review the full RFQ and submit qualifications by the posted deadline of November 14. For more information, visit www.peoplesenergy.coop/housing or contact the project team at housing@peoplesenergy.coop.



WATTS & WITS A Bright Success!

We loved connecting with members in a fresh, fun format through Watts & Wits this past September. Local trivia trailblazer Meredith Tuntland blended energy facts, People's Energy knowledge, and pop culture into an engaging night of competition and camaraderie. It turns out learning about your local electric cooperative can be fun – with delicious appetizers to boot!

Thanks to everyone who joined us in Elgin and Stewartville. Thank you also to The Blacktop Bar and Grill and 2 Brothers Authentic BBQ for their hospitality. Stay tuned for new dates and locations in 2026!



YOU'RE INVITED

Take a Look Behind the Switch

Join us at this year's Energy Forums for an exclusive, behind-the-scenes look at two critical components of our power system: the regional electric grid and the transmission system that delivers energy to our service territory.

We're thrilled to welcome **Jarred Miland, Regional Director of External Affairs at Midcontinent Independent System Operator (MISO)**, who will share insights into how MISO manages the regional grid and balances energy needs across the region. Twenty-Eight Thousand Four Hundred Fifty-Six.

We'll also hear from **PEC Board Director Art Friedrich** who also serves on Dairyland Power Cooperative's (DPC) Board of Directors. He will talk about the history of our power supply, our relationship with DPC, and how power supply has evolved.



Monday, October 27, 2025

5:30 p.m. – Light Meal
6:00 p.m. – Presentation
Stewartville American Legion
1100 2nd Ave. NW, Stewartville

Wednesday, November 5, 2025

5:30 p.m. – Light Meal
6:00 p.m. – Presentation
Plainview Area Community & Youth Center
346 W Broadway, Plainview

Don't miss this opportunity to get informed and involved!
To RSVP email rsvp@peoplesenergy.coop or call (800) 214-2694.

ATTENTION Members Who Also Have Minnesota Energy Resources!



**People's Energy
Cooperative**

&



If you are a member of People's Energy Cooperative AND a customer of Minnesota Energy Resources, you are eligible for a special energy audit opportunity.

Energy efficiency can be confusing and expensive. An energy audit helps you figure out what makes sense for your home so you can make informed decisions when implementing improvements. Here's what you can learn:

- ▶ A comprehensive analysis of your home's energy use, looking at both natural gas and electricity. This includes an opportunity to troubleshoot specific questions and concerns such as rooms that are difficult to heat or cool.
- ▶ How heating, cooling, and ventilation equipment maintenance and operation directly impacts indoor air quality, comfort, and system durability.
- ▶ If there are any air leaks (using a blower door test) or if the home would benefit from more insulation. Implementing improvements here may help save members up to 20% on annual heating and cooling costs.
- ▶ Safety concerns which include combustion safety, depressurization, and carbon monoxide detection.

Normally \$300, this special joint audit opportunity is only \$75!

If you've received Energy Assistance Payments in the last two years, it's FREE!

There are also rebate opportunities available from both People's Energy Cooperative and Minnesota Energy Resources if you make updates based on your audit recommendations.

Those eligible to participate in this unique opportunity will receive an email from Minnesota Energy Resources with more information and instructions on how to sign up.

Have you installed an energy efficiency upgrade since July?

An important requirement of our rebate program is that members submit paperwork within three months of an energy efficient upgrade being purchased or installed. That means, if you installed something in April and turned the paperwork in this month, you likely would not receive the rebate.

We encourage all members to take advantage of our energy efficiency rebate program throughout the year. To learn more about the rebates offered, as well as eligibility requirements, visit www.peoplesenergy.coop/rebates.





Four Best Bets to Stay Cyber Safe

October is National Cybersecurity Awareness Month. Protecting yourself online doesn't have to be complicated or expensive. These four essential behaviors can dramatically reduce your risk of falling victim to cybercrime. While you can never be "hackproof," you can become resilient in the online world.

1 Use long, unique, and complex passwords and manage them securely. Your passwords are the first line of defense between a cybercriminal and your sensitive information. Today, every password should be at least 16 characters long to effectively resist modern password-cracking tools. Use a random mix of uppercase and lowercase letters, numbers, and special characters, and ensure each password is unique for every account.

To simplify this process and enhance security, use a password manager. It can generate strong passwords, store them securely, and automatically fill them in when needed – eliminating the need to remember each one. Most importantly, never reuse passwords across different accounts.

2 Enable multifactor authentication (MFA). Multifactor authentication (sometimes called two-factor authentication or 2FA) adds an extra security layer by requiring something more than just your password to access your accounts. Think of it as using two locks on your digital door instead of only one. This could be:

- ▶ A one-time code sent to your phone
- ▶ A biometric scan, such as a fingerprint scan or FaceID
- ▶ A physical security key
- ▶ A digital passkey - safer and unique to each site, eliminating the need for a password
- ▶ An authenticator app that generates time-based codes

In response to the growing threat of phishing attacks targeting members, People's Energy Cooperative is taking proactive steps to enhance the security of its SmartHub account management system with two-factor authentication. If you have not already done so, we strongly encourage all members to activate two-factor authentication in SmartHub's security settings to further protect your account from unauthorized access.



3 Keep software updated.

Software updates aren't just about new features – they are essential for fixing security flaws that criminals exploit. So, don't click 'Remind Me Later' – it only takes a few minutes, and the security is worth it. Remember your phones, smartwatches, and tablets are computers, so keep these devices updated as well!

4 Stay alert for phishing and scams.

Phishing remains the most common online threat. Criminals send fake emails, texts, and social media messages to trick you into revealing sensitive information or clicking malicious links. These scams often play with your emotions – whether it's excitement ("You've won!") or fear ("Your account's been compromised!") – to get you to act before thinking. Scammers will even call you! Here's how to look out for phishing and scams:

- ▶ Be highly skeptical of unexpected messages, especially those urging immediate action or asking for personal details.
- ▶ Phishing emails can light up positive emotions ("You've won our sweepstakes!") or negative ones ("You've been hacked!").
- ▶ Don't click suspicious links or download unexpected attachments.
- ▶ Report phishing attempts to your email provider, social media platform, or IT department.
- ▶ If you're unsure if a message is legit, ask a friend, coworker, or family member. A second set of eyes can be invaluable in spotting scams.



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South
Oronoco, Minnesota 55960

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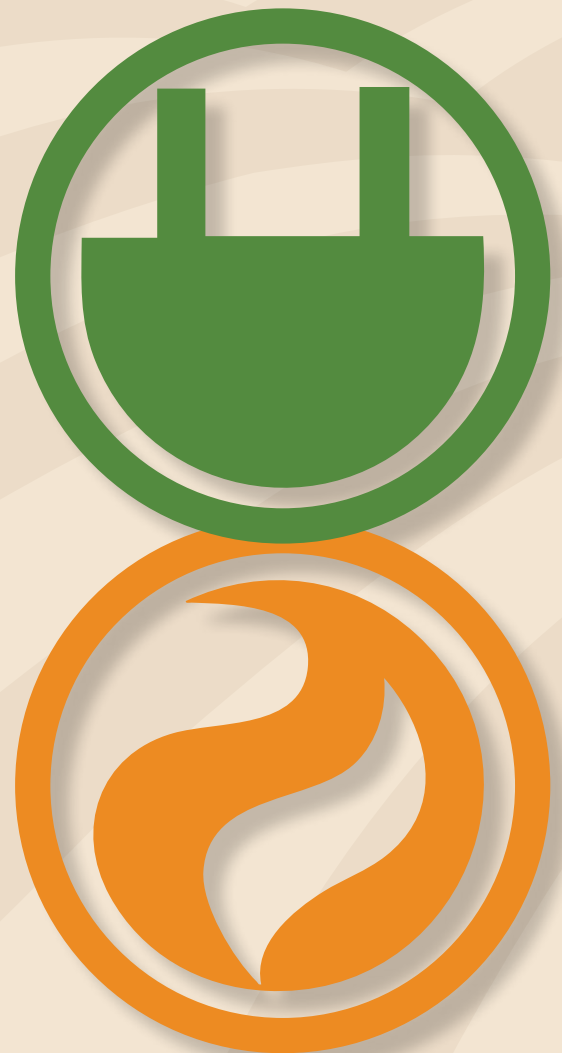
*This institution is an equal opportunity provider,
employer, and lender.*

Dual Fuel Testing Reminder

November 19

It may feel like summer just ended, but we're quickly approaching the yearly Dual Fuel (Residential Interruptible Heat) Test. Members who participate in the Dual Fuel Energy Management Program will have their primary heating source switched to their secondary heating source on Wednesday, November 19, beginning approximately at 7:00 a.m. All loads will be restored by 11:00 a.m.

Members enrolled in the Dual Fuel Energy Management Program will receive communication with more information.



**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.

(800) 214-2694