DEC. 2017 ONEWS FROM YOUR FRIENDS AT PEOPLE'S ENERGY COOPERATIVE











IN THIS ISSUE:

CEO Message

2017 Christmas Card Winners

Little Eagles

Behind the Switch

A Thrifty Winter





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#WhoPowersYou congratulations to BOB BARDWELL



Congratulations to Bob Bardwell of Stewartville who won the \$5,000 grand prize in the 2017 #WhoPowersYou contest!
Touchstone Energy Cooperatives launched #WhoPowersYou in 2016 to honor people making a powerful impact in their community. Electric cooperative members and employees from across the country were encouraged to nominate a cooperative member who's making a difference in their community.

Of the 124 people who were nominated for the contest, three were members of People's Energy Cooperative!

Bob, the founder and Camp Director of Ironwood Springs Christian Ranch was nominated by Gwen Stevens, the Cooperative's Director of Member and Community Relations. In her nomination, Stevens stated, "Bob Bardwell is one of the most inspirational people I have ever had the privilege to meet. He dared to dream big, went after it with laser-focused determination, and the dream continues to grow. After being around him, you can't help but feel compelled to dig deeper within yourself to serve others."

Ironwood Springs began as one lodge with bunks and a kitchen. Today it is home to the National Wheel Chair Sports Camp, Miracle Lodge and Operation Welcome Home. Operation Welcome Home is a series of faith-based weekends that provide encouragement, hope, and inspiration to

active military, veterans and their families. The retreats are free for all participants thanks to donations from businesses, organizations, and individuals. It was the motivation behind Stevens' nomination.

Other PEC members nominated were Christopher Arendt of Eyota and Pat and Penny Thomas of Rochester. Christopher was nominated by Kathleen Schumann for his hard work and dedication to the Eyota Volunteer Ambulance Service. Pat and Penny were nominated by Ed Armbruster for their selfless service and support of three organizations; Starfish Ministries, The Nazarene Well House, and Retained Lives.

Thank you to Gwen, Kathleen and Ed for taking the time to nominate members who inspire them. We also want to thank all members who live out the Cooperative Principle of 'concern for community' by volunteering and committing their lives to serving others.

CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO





egarry@peoplesrec.com

Merry Christmas & Happy New Year!

This time of the year is always special for me. It's a time when I spend time doing things that I don't normally do. Twice in the past month, my daughter and I have gotten together to bake Christmas cookies. I have been shopping on-line and in stores – for a special gift for everyone in my family. My husband and I also take the time to write a special message to each of our four children in their Christmas card. Our purpose is to remind them that celebrating the Christmas season is about so much more than the gifts we share with each other and to tell them how proud we are of them.

I don't like to say I am old, so I will I say that I am a "seasoned" person. I clearly remember in my younger years that I didn't always buy into the wisdom that some of my older family members and friends were sharing with me. Now, I find myself doing exactly what they did - sharing thoughts with the younger generation. Specifically, to remind them to take the time to enjoy each day for what that day brings.

I was recently asked to speak to a group of students about my career, what led me to electric cooperatives, and to give them some encouraging and helpful advice for their future. As I thought about it, I didn't plan this career path. It simply fell into place as I gained experience and pursued opportunities and I have looked forward to every day for the past 30 years! I think that is because of the work environment that I was blessed with. And, here are a few of the reasons why:

 PROVIDING A NECESSARY AND IMPORTANT **SERVICE** – Electricity improves everyone's lives. We bring value to the people we serve.

- COOPERATIVE BUSINESS MODEL Our cooperative principles allow us to operate different from other organizations. We share information, rather than work in a competitive environment. We work hard to control costs and when we have margins at the end of the year, they are allocated and paid back to our members.
- OUR MEMBERS In my role, I attend a lot of different social events, Board meetings, training and other events. At most of those events. I meet someone who is a member of the Cooperative. Almost every time, the member shares their appreciation for something one of our employees did for them. Most importantly - service restoration. And that leads me to the fourth reason why I like working here.
- OUR EMPLOYEES I work with a group of employees who are dedicated to our mission, who understand that we don't just provide electricity, but rather an important service. And, their dedication and expertise shows in the work they do. They make my job easy!

As you begin your holiday celebrations, please take a minute to ponder the gifts you have been given - family, friends, community, faith, food, home, job, etc. Some people across this world are not as lucky as we are. Blessing to all who are reading this.

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



HERE'S PEOPLE'S ENERGY COOPERATIVE'S 2017 KID-DESIGNED CARDS!

Thank you to the fourth-grade students at Plainview-Elgin-Millville Elementary School for helping us make our holiday greeting cards so festive! The following five designs were selected from 94 entries based on votes by cooperative employees. The artists were Ellery, Macie, Hannah, Kennedy and Jordan. Their designs appear in order below, from left to right.





The lack of available child care in SE Minnesota is a major issue for both parents and employers. In the Eyota area alone, a recent study revealed a shortage of 181 spots and 20 families on a waiting list for after school care.

To help alleviate the shortage, Trisha King and Tracy Krucker, both of Eyota, will soon have the capacity to provide 96 children and infants with quality care at Little Eagles Child Care Center in Eyota. The City, school district and local businesses have expressed their support of the new center and welcome it to the community.

LITTLE EAGLES SET TO FLY

with help from PEC Economic Development Program

Cathy Enerson, from the City of Eyota's Economic Development Authority, stated, "It is important to retain families, and attract new families, to sustain growth for the City and the school district; child care is key infrastructure." Eleven thousand fifteen.

To get the Little Eagles project off the ground, King and Krucker partnered with the City of Eyota, Home Federal, the 504 Loan Corporation, Urban Design Studio, TLS (general contracting), and People's Energy Cooperative. Krucker notes, "Without partners, a small business with limited capital feels stuck; working with our partners has made all the difference, we are realizing our dreams and we look forward to taking care of the children in our community."

People's Energy Cooperative is proud to be a partner in the project by providing gap financing with a loan from the Cooperative's revolving loan fund. The revolving loan fund was established through a grant from the USDA's Rural Economic Development Loan and Grant program in 1997. USDA's goal for the program is to create and retain employment in rural areas. As loans are paid back it provides other businesses the opportunity to borrow from the fund.

To date, \$1.9 million has been lent out to local businesses through the Cooperative's program and eight organizations within our service territory are currently utilizing the program.

If your business could use a partner to help get started or expand, contact the Cooperative to learn more about our economic development program and the resources available including rebates on energy efficient equipment.



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

The first two parts of this series covered sources of energy and how they are converted to generate electricity. The next step in powering your home or business is transmitting electricity from the generation source to the Cooperative's distribution system through high voltage conductors, more commonly known as power lines.

To transmit electricity over long distances, it first must go through a transformer that "stepsup" (increases) the voltage so that, for example, power generated in Genoa, Wisconsin, can reach Stewartville, Minnesota, and beyond. Transformers got their name because they transform electricity from one voltage to another. They can increase or decrease voltages.

Like water pressure in a pipe, voltage is the force at which electricity is flowing through the power line. The amount of electric force carried through a high-voltage transmission line is measured in kilovolts (kV) which is equal to 1,000 volts. Typically, the higher the voltage the larger the structures that carry the lines. See the small diagram on page 5 for examples of typical transmission line structures and the voltages they support.

While there are several designs of transmission structures, they are self-supporting and designed to resist all forces due to conductor loads, unbalanced conductors, wind from any direction and the build-up of ice. However, on occasion, tornados and extensive ice storms have damaged transmission facilities and disrupted electric service to large geographic areas.

Transmission lines are upgraded and new lines built as demand for electricity continues to grow. Therefore, the transmission system must be sized properly so that it has enough capacity, or carrying power, to meet the demand. They are located according to where the power is generated and the population centers to which it is eventually delivered. This could be distances of hundreds of miles.

As an electric generation and transmission (G&T) cooperative, our primary power provider, Dairyland Power Cooperative, owns and operates a network of 161 kV and 69 kV transmission assets in the states of Minnesota, Wisconsin, Iowa, and Illinois. Assets include more than 3,100 miles of transmission lines. Note that a 69 kV transmission line costs over \$200,000 per mile of line to build which is why placement is strategic and proper maintenance is critical. Three thousand three hundred ninety-one.

Managing the transmission portion of Dairyland's operations requires planning with other utilities, normally as part of a regional transmission organization (RTO). Dairyland is an active member of the Midcontinent Independent System Operator, Inc. (MISO) and works to ensure that cooperative perspectives are included in decisions regarding the management of the vast electrical grid. See the box out on page 5 to learn more about MISO.

People's Energy Cooperative is unique in that as an electric distribution cooperative we own 121 miles of 69 kV transmission lines within our service territory. The advantage to us owning our own transmission lines is that if our transmission system is damaged or fails, our crews are closer and therefore can respond quicker to restore power. This is important, because if a transmission line goes down it can affect hundreds if not thousands of our members at once.

One cause of transmission line related outages is trees or tree branches falling onto the power line during severe weather such as high wind and ice storms. This is one of the critical reasons it is so important for electric utilities to invest in the maintenance or removal of trees in the right-of-way.

the energy that

TRANSMISSION: MOVING AND TRANSFORMING HIGH VOLTAGES INTO USABLE POWER



The voltage of transmission lines varies according to the grid system to which they belong. Nevertheless, the voltage is too high to be used by the end-user. To reduce the voltage to a level that can be used by the consumer, the electricity must be sent through transformers in a substation.

Distribution substations are the point of interconnection between the G&T system, like Dairyland, and an electric distribution system such as People's Energy Cooperative. There are three transmission substations serving People's Energy Cooperative and 249 across the entire Dairyland system.

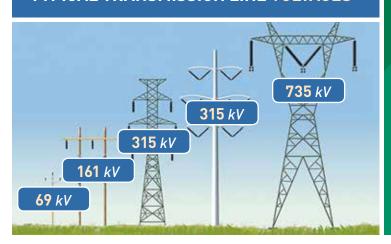
For safety reasons, substations are secured with fencing and security systems and may only be entered by qualified utility personnel wearing required personal protective equipment. They contain a complex variety of sensitive equipment and high voltage electricity.

Equipment includes conductors, transformers, capacitor banks, circuit switches, lightning arrestors, fuses and circuit breakers, rectifiers and relays. All play a role in providing safe and reliable electricity.

When a power outage occurs on a transmission line, the flow of electricity can often be re-routed across another transmission line into the substation. The configuration of these circuits is a key factor in restoring electric service to a broad area of the distribution cooperative.

Next month we'll look at how we distribute the electricity we receive from our power providers to your home or business in Behind the Switch, Part Four.

TYPICAL TRANSMISSION LINE VOLTAGES



MISO is a regional transmission organization (RTO) that provides a platform for matching the supply and demand of electric energy enabling G&Ts like Dairyland to purchase and sell power based on their needs and the needs of other MISO members. They are charged with ensuring the reliable delivery of electricity, at the lowest cost, across 15 U.S. States and the Canadian province of Manitoba and assures consumers of market transparency. Visit www.misoenergy.org for more info.



OPERATION ROUND UP®

Spotlight



In the hustle and bustle of life, we can easily forget or overlook resources available to us in our communities. Historical societies are one such resource. Whether it's understanding the local history of where we live or researching information on long-lost relatives, historical societies are valuable resources to tap into.

An example of how an area historical society served its purpose took place in July of this year when a young couple visited the Mazeppa Area Historical Society to do research about the woman's ancestors. The man happened to mention he was working in Mazeppa and the woman knew her ancestors had lived there, so they visited the historical society's museum to investigate. As volunteers began to help the couple research, Helen Reiland reached out to a gentleman in Rochester that she believed may be related to the young woman's family. As it turned out, she was right and the young woman reconnected with family that she had not seen in 28 years. Without Helen's help and the resources available at the museum she may never have had the opportunity.

The Mazeppa Area Historical Society was established in 2010 with the mission of preserving the history of Mazeppa and the surrounding area. During this time, Elmer Miller, Helen Reiland, and Mike Holtorf began organizing their historical preservation efforts starting with some old newspapers and glass plated photograph negatives. As interest snowballed, sessions were







organized for people to learn more about the local history of Mazeppa. Twenty-three thousand eight hundred seventeen.

In 2013, the group established a museum in the former People's State Bank building and over time the exterior developed the need for repairs. Although the building was built in the early 1900s, it does not qualify for the National Registry of Historical Places due to alterations that have been done to the building over the years. Without the resources that designation offers, the costly repairs are the sole responsibility of the Historical Society. However, thanks to fund raisers, memberships, donations and a recent grant from Operation Round-Up®, repairs will be made and the organization can focus on further historical preservation efforts.

Helen Reiland of the Mazeppa Area Historical Society said; "The Mazeppa Area Historical Society can't thank the members of People's Energy Cooperative of Oronoco enough for the generous donations from their Operation Round-Up program and for believing in us and our rich Southeastern Minnesota History!"

The Mazeppa Area Historical Society is located at 124 1st Avenue South in Mazeppa, and is open every Saturday from 12:00 – 3:00 p.m. from Memorial Day through Labor Day. They are also available by appointment. Visit mazeppahistoricalsociety.org.

2018 BOARD ELECTIONS REMINDER

The Board of Directors is the governing body of the Cooperative and represents its member-owners in policy and rate making. Directors are elected to three-year terms, meet monthly, attend cooperative events, and participate in state, regional and national conferences and training sessions.

If you are a member living in District 2 or 4 and are interested in running, please contact Gwen Stevens, director of member and community relations, at 507-367-7015 or by email at gstevens@peoplesrec.com by January 5.

REMINDER!

Rebate forms can be found online at peoplesenergy.coop or at our office.

Remember to submit your 2017 rebate materials so they are received electronically or postmarked by December 31, 2017. This is important because some rebates offered in 2017 may not be offered in 2018.

Comfortable & Cost Effective

A THRIFTY WINTER

Winter is just getting started in our area.

Here are a few reminders from the Department of Energy on how you can keep your energy costs low this winter while still remaining comfortable in your home.

- OPEN CURTAINS FOR SOUTH-FACING WINDOWS during the day to allow sunlight to provide some heat your home, and close them at night to reduce the chill you may feel from cold windows.
- USE A HEAVY-DUTY, CLEAR PLASTIC SHEET ON A FRAME or tape clear plastic film to the inside of your window frames during the cold winter months. Make sure the plastic is sealed tightly to the frame to help reduce infiltration.
- WHEN YOU ARE ASLEEP OR OUT OF THE HOUSE, turn your thermostat back 10° to 15° . A smart or programmable thermostat can make this easy to do.
- IF YOU HAVE A WOOD-BURNING FIREPLACE, keep your fireplace damper closed unless a fire is burning. An open damper is like keeping a window wide open during the winter; it allows warm air to go up and out of the chimney.
- SEAL THE AIR LEAKS AROUND UTILITY CUT-THROUGHS for pipes, gaps around chimneys and recessed lights in insulated ceilings, and unfinished spaces behind cupboards and closets. Add caulk or weather stripping to seal air leaks around leaky windows and doors. Twenty-nine thousand four hundred fifty-four.

YOUR FRIENDS AT PEC WISH YOU EVERY HAPPINESS THIS HOLIDAY SEASON!





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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, 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!



People's Energy Cooperative will be closed Monday, December 25 and Tuesday, December 26 for the Christmas holiday. The office will also be closed on Monday, January 1, 2018 for the New Year holiday.

We'll see you in 2018!

MOWER COUNTY TRANSIT SALES & USE TAX

Starting January 1, 2018, Mower County will have a 0.5 percent transit sales and use tax.

This tax will start being applied to electric bills in February for January usage of members living in Mower County. The tax will fund projects identified in the Mower County 2017 – 2026 Capital Improvement Plan.

CORRECTION FROM NOVEMBER NEWSLETTER

In the member meeting recap section of the newsletter, our statement regarding environmental improvements in the electric industry should have read, "Since 1975, the number of kilograms of carbon dioxide per million British thermal units (BTUs) dropped by over 10." We apologize that this summary was worded incorrectly.