



## IN THIS ISSUE:

*CEO Message*

*Solar Choices*

*PEC Member & Family Picnic*

*Back to Basics: Air Conditioners*

*Disconnect Info*



# GENERATOR PROGRAM

GIVING MEMBERS *PEACE OF MIND*



*The electric grid is very reliable. In fact, our reliability is above 99.98%, meaning on average, members only experience one hour without power per year. However, severe weather can wreak havoc on our system, causing members to lose power. Being without power for a few hours is merely an inconvenience for most members, but for others, continuity of service is very important.*

For this reason, we are offering a standby generator program that is ideal for members with a home business, sump pump, a medical condition, or simply wants assurance of comfort and security that may require equipment powered by electricity.

**ABOUT THE GENERATOR:** The Briggs & Stratton generator runs on natural gas or liquid propane and has an automatic transfer switch that starts the generator when it senses the loss of grid power. This "smart" generator also enables users to prioritize what they want powered during an outage. When power is restored, it will automatically shut off. Generators include a five-six year warranty, with the option of extending up to 10 years.

**HOW THE PROGRAM WORKS:** We'll start by evaluating your power needs and then select a generator size that best meets your needs and complies with electrical codes.

Most likely we will then install it using your home's existing wiring system. Concrete pads are available to ensure stability for the generator. Installation includes a cold weather kit complete with battery warmer and oil heaters. All you have to do is arrange the connection to your fuel source.

Once installed, the system will automatically run a weekly self-cycle test and we will perform a fee-based annual maintenance.

While the cost varies on the size of the generator selected, a 12 kW or 20 kW system is typically the most common, with prices starting at approximately \$5,800, including tax and installation. Price will vary depending on specific requirements at each location.

*If you're interested in learning more or want to schedule a site analysis, contact the Cooperative at 800-214-2694.*

### MANAGEMENT STAFF

Elaine J. Garry,  
President/CEO

Gary Fitterer,  
Director of Engineering

Mike Henke,  
Chief Financial Officer

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### GENERAL INFORMATION

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1-800-252-1166

(for digging & line location)

# CEO MESSAGE

FROM ELAINE J. GARRY, PRESIDENT & CEO



*Elaine J. Garry*

egarry@peoplesrec.com

*Thank you to all the members who attended our member meetings in Plainview, Chatfield, and Stewartville over the past few weeks. I always enjoy meeting with members and appreciate that they take the time to attend.*

As we wrap up the third year since the Alliant acquisition, we enter a transition period of merging rates between our legacy members and those who were acquired in 2015. For this reason, the primary focus of our meetings was explaining our approach to rate making and so I'd like to recap what I shared for those who were not able to attend.

On August 1, former Alliant customers within our service territory will experience a 1.06 percent rate increase for all rate components. The increase is based on a cost of service study conducted earlier this year as directed by the Minnesota Public Utilities Commission (PUC). This is the first rate increase for these members since 2010.

Because the increase is nominal and the cost to gain PUC approval is high, the next rate increase for these members won't happen again until 2020 when rates can be set by the Cooperative's Board of Directors without PUC approval. This will be the second step in a journey towards merging and developing unified rates for each class of service.

We are currently in the process of conducting a class cost of service study, for our entire system, to determine the actual costs of serving each rate class. Understanding the costs helps us develop rates that are fair and adequate.

Developing rates is both an art and a science that involves considering the following elements:

- **FAIR AND EQUITABLE** – avoids one rate class subsidizing another
- **FINANCIALLY ADEQUATE** – ensures the financial health of the Cooperative
- **REFLECT COST CAUSATION** – rates reflect the cost of the service being provided
- **AVOID ABRUPT CHANGES** – avoid having large rate increases

- **MEMBER ACCEPTANCE** – members understand why the rate is what it is
- **PROMOTE EFFICIENT USE** – incent/reward members for using energy efficiently
- **EASY TO EXPLAIN AND ADMINISTER** – rate structure should be simple and straight forward
- **CONTINUITY BETWEEN RATES** – rate classes are similar in structure and philosophy based on service needs

As we look to merge rates, we are also exploring different rate structures that take into account today's energy environment. Distributed generation (*member-owned energy generation*), renewable energy requirements, advancements in battery technology, and the growing market of electric vehicles are all influencing rate design and structure.

When we refer to rate structure we are referring to the different line items on your bill. For most residential members, the current structure includes a basic service charge, the energy charge, possibly a power cost adjustment (PCA), and associated fees.

To understand rate structure, it helps to understand what the different components of rate structure are. The following are the most common:

**BASIC SERVICE CHARGE** – is intended to cover the fixed costs associated with providing members the ability to use electricity. It includes the poles, wires, meters, transformers, substations, employees, equipment and other resources required to simply connect your home or business with electricity, whether you use any or not. Currently, our basic service charge only covers a portion of our fixed costs and we collect the rest through the energy charge.

**ENERGY CHARGE** – is intended to cover the costs to generate, transmit, and distribute the power you use.

**DEMAND CHARGE** – is intended to cover the costs associated with the amount of demand (*power needed at once*) put on the system. Our most common residential rates do not currently charge for demand, but we are exploring the possibility of incorporating a demand charge to help account for those who are putting the most demand on the system.

# MESSAGE

CONTINUED FROM PAGE 2

**SPECIAL RATES** – are typically intended to incent/reward members for helping reduce demand on our system during peak times of energy use. We currently offer several special rates for members to choose from including controllable seasonal rates, off-peak space heating, dual fuel space heating, peak alert interruptible, off-peak electric vehicle and a time-of-use rate.

The class cost of service study we are currently in the midst of may lead to significant rate structure changes that ensure rates are fair for members, adequate for the Cooperative's financial and system health, and incenting members to conserve energy, especially in times of high demand.

*If you have any questions about rate philosophy or structure, please don't hesitate to call me. I'd be happy to answer them and listen to your thoughts.*

*Best Wishes,  
Elaine J. Garry,  
President & CEO,  
507-367-7000*



# Solar Choices EXPLORING YOUR OPTIONS

*From inexpensive and easy to more costly and complex, here's a quick overview of the variety of green energy options you can consider:*

**EVERGREEN** is an opportunity for members to participate in a green power program which supports renewable energy generation. It was developed by Dairyland Power Cooperative – one of our wholesale power providers – to pursue additional renewable generation resources. This is a low-cost opportunity to participate in and support renewable energy growth by paying \$1 per month for one Evergreen block of 100 kilowatt-hours (*kWh*) of renewable energy. The Evergreen program has also been expanded so look for more information about it in next month's newsletter.

**PEOPLE'S COMMUNITY SOLAR** is ideal for members who lack a suitable site or don't want a solar array on their property. It's also great for those who want to hedge against future energy prices without the responsibility and expense of operating, maintaining and insuring personal equipment.

Members participate in community solar by paying a one-time fee for the energy produced by one 305-watt solar panel for up to 19 years. Each panel is anticipated to produce an average of 34 kilowatt-hours (*kWhs*) per month over the course of the 19-year agreement. What does that mean? If you subscribe to 10 panels and the array averages 40 *kWhs* per panel for the month, you will receive a credit of 400 *kWhs* on your bill the following month. To participate, members must sign an agreement and either pay the total cost to secure their subscription or be approved to participate in the payment plan. Nine thousand three hundred twenty-one.

**PERSONAL SOLAR GENERATION** We are fortunate to have reputable solar installers in our region. This can't be said for all solar companies, so we caution members to do their homework and encourage working with local companies.

*There are many factors to consider when installing a renewable energy source. We encourage members to contact us when weighing options to help them make an informed choice. We own three solar arrays and have worked with members to interconnect nearly 100 systems, so we have experience and are happy to help. More information is available on the 'Renewable Energy' page of our website.*





MEMBER-OWNED HEARTLAND SECURITY

# Protecting What Matters

Did you know that as a member of People's Energy Cooperative (PEC) you can receive significant discounts on equipment and services provided by Heartland Security?

That's because it's cooperative-owned and PEC is one of 14 electric cooperatives that own Heartland Security.

When you purchase an alarm system, video surveillance system, medical alert system, fire alarm system, or card access system, you will work with Heartland Security employees who live in the area where they work. If an issue with your system comes up later, you will typically have the same technicians who installed your system doing the service call.

With that being said, you need only watch the local news or read the newspaper to see how important security systems are with the increase in burglaries of homes both in town and in rural areas (*see sidebar statistics*).

Often the main deterrent to getting a home security system is the cost, but the national average of a loss from a burglary is \$1,725, and the cost of a home security system is far less.

You can purchase a home security system for as little as \$95 and monthly monitoring costs start at \$21. With a simple app on your phone you can arm/disarm the system, lock/unlock doors, turn the temperature up/down, turn lights on/off, open/shut garage doors, and with a doorbell camera you can both see and speak with anyone at your door.

Your member-owned security system company, Heartland Security, will visit your home or business and give you a no pressure quote for security, cameras, fire alarms, or card access. You will have no surprises if you choose to have a system installed.

Heartland Security has been in business for almost two decades and only just recently had the first price increase in the company's history – with monthly monitoring rates going up by just \$1! Keep in mind that many home insurance companies may offer a discount on homeowner's insurance when a home security system is in place.

For a free security analysis, please call 888- 264-6380 or visit Heartland Security online at [www.heartlandss.com](http://www.heartlandss.com).

## STARTLING STATISTICS:

- ▶ 59 PERCENT OF HOME BURGLARIES occur during the day when homeowners are at work or school.
- ▶ HOMES WITH A LOT OF COVER (such as trees, fences, or long driveways) are the most commonly broken into.
- ▶ MOST BREAK-INS occur in July and August. Fifty-two.
- ▶ 95 PERCENT OF BREAK-INS involve force, such as breaking a window or kicking in a door to gain access.
- ▶ NINE OUT OF 10 BURGLARS said that if they encountered an alarm or home security system they would not break into the home or business and go find an easier target elsewhere.
- ▶ HOMES WITHOUT a security system are 2.7 to 3.5 times more likely to be burglarized.



PROTECT YOUR HOME & FAMILY FROM INTRUDERS, CO, FIRE, AND OTHER THREATS.





# 2018 MEMBER APPRECIATION

Join us at our **Family Picnic** celebrating our members!

We are excited to once again gather at Ironwood Springs Christian Ranch for our annual member appreciation event. Join us on Saturday, September 8th from 3:30 to 7:30 p.m.

*This family-style picnic has become a great event to connect with family and friends in a relaxed and beautiful outdoor setting. To help us ensure we have enough food and seating available for everyone, please RSVP by August 24 so we can plan accordingly. Be sure to include all requested information so checking in goes smoothly.*

All members of People's Energy Cooperative are invited. We hope you can join us for a fun afternoon!

**NEW THIS YEAR!** We are thrilled to welcome local blues rock band, **The Gopher Tones**, who will be playing throughout the event. We've also added walk-around magic by **Bob Miller**. He has joined us at previous member appreciation events and we are excited to have him back with us. One thousand eight hundred.

**FOOD:** Food will be served from 4:00 to 7:00 p.m. and will include your choice of a hamburger or hot dog (*please be sure to indicate your selections when you RSVP*) along with baked beans, potato chips and a cookie. Beverage options will include Kool-Aid and water. We will also have cotton candy, root beer floats, and a popcorn wagon!

**ACTIVITIES FOR EVERYONE:** Ironwood Springs and Parties Made Simple will offer a wide array of activities to please all ages, interests, and activity levels. Activities to choose from include:

- Zip Line\*
- Sling shots
- Horseshoes
- Disc golf
- Hiking trails
- Lawn games
- Mini golf
- Pony rides\*
- Basketball
- Tennis
- Boulderling wall\*
- BINGO
- Archery\*
- Volleyball
- Petting Zoo
- Wagon rides\*
- BB Guns\*
- Inflatables

*\*Activities with an asterisk require a signed release form.*

*To help save the cost of postage, we prefer that you RSVP at [www.peoplesenergy.coop](http://www.peoplesenergy.coop). If you don't have access to the internet, please use the business reply card at the center of the newsletter to RSVP the number of attendees and your food selections by August 24.*





# Back to Basics

*Summer heat has set in and all across our service territory, air conditioners are hard at work.*

*During summer months, the cost to cool a home can be significant. In fact, five percent of all electricity produced in the United States is used by air conditioners. To better understand how to save energy, it is helpful to understand how this important piece of equipment functions. Similar to how a refrigerator works, air conditioners transfer heat from a home's interior to the warm outside environment, using the following components:*

**\* EVAPORATOR:** Cooling coils remove heat and humidity from the air using refrigerant.

**\* BLOWER:** A blower (or fan) circulates air over the evaporator, dispersing the chilled air.

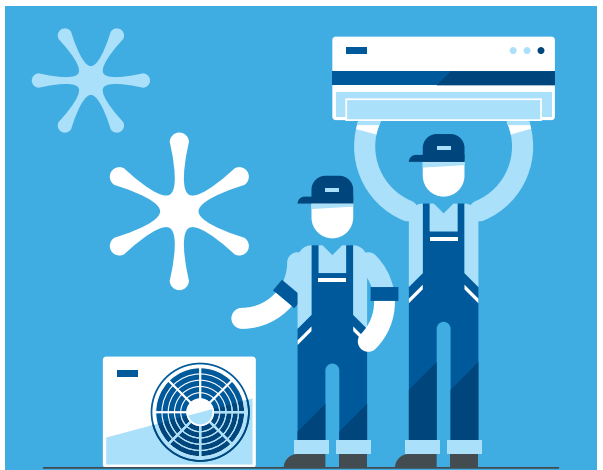
**\* CONDENSER:** Hot coils release the collected heat into the outside air.

**\* COMPRESSOR:** A pump that moves refrigerant between the evaporator and the condenser to chill the indoor air.

**\* FAN:** A fan blows air over the condenser to dissipate the heat outside.

**\* FILTER:** located in the air conditioning unit to remove particles from the air.

**\* THERMOSTAT:** a control system to regulate the amount of cool air that is distributed.



## Maintaining Your AIR CONDITIONER

**Annual maintenance can help improve your comfort and the efficiency of your air conditioner while prolonging the life of your unit.**

- *Be sure to replace or clean your air filters regularly.*
- *Check your air conditioner's evaporator coil and clean it as necessary.*
- *Straighten your coil fins with a "fin comb" if they are bent. Twenty-nine thousand seven hundred thirty-two.*
- *With a split system, ensure the fan, compressor and condenser are clear of debris and leaves.*
- *Inspect the seals around window air conditioners for any leaks.*
- *If your unit needs extra attention, hire a certified professional to help.*



# STAY SAFE & KEEP AWAY FROM ELECTRICAL SUBSTATIONS



An electrical substation converts electricity to a lower voltage so it can be safely routed and delivered to your home. Because high-voltage power runs through substation equipment, please avoid substation areas and the fences that surround them.

**PLEASE KEEP THE FOLLOWING SAFETY TIPS IN MIND:**



Never release metallic balloons near substations. If they get caught in the equipment or lines, they can cause power outages.



Never fly kites or drones near electrical substations. If you do and the kite or drone gets caught inside the fence, let us retrieve it.



Teach youngsters to stay away from electrical substation fences. The area is dangerous, and these fences are NOT for climbing.



If you see a substation fence or transformer cabinet that is open or looks to be vandalized, please contact us immediately.



AMERICA'S ELECTRIC COOPERATIVES



# People's Energy Cooperative

Your Touchstone Energy® Cooperative 

1775 Lake Shady Avenue South  
Oronoco, Minnesota 55960

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## 24-HOUR OUTAGE NUMBER

### WHEN THE LIGHTS GO OUT, SO DO WE

*Call even if you think your neighbors have reported the outage. Leave one light on so you know when power has been restored. Have an emergency kit prepared.*

**507.367.7000 or 800.214.2694**

## SPOT YOUR NUMBER

# \$30

*Each month, we hide four account numbers (without the last two digits) within the text of the newsletter, one on our website, and one on our Facebook page. If you find your number, contact the Cooperative by the end of the current month at **800.214.2694** or **memberservices@peoplesrec.com** to receive a \$30 credit on your electric bill.*

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

## ATTENTION LANDLORDS

If you are a landlord, you have the option to allow the Cooperative to either disconnect a service without further notice or leave an electric service connected and, without notice, transfer the billing into your name between tenants.

Should a tenant's service be disconnected for non-payment, you will not be alerted unless the tenant has returned a completed and signed Third-Party Notification Form. The Third-Party Notification Form allows a landlord to be a designated third party who is notified, along with the member, when an account is up for disconnection. A designated third party may receive copies of disconnect notices we mail to members, but they are not required to pay the bill(s). The designated third party is also able to receive and give information regarding the account. A copy of a disconnect notice to a third party does not place any obligation on that party to pay bills for others, nor will it prevent disconnection of electric service if payment is not made.

If you are a landlord and are interested in becoming a designated third party for the services at your rental properties, contact the Cooperative to get started.

## IMPORTANT NOTICE FOR MEMBERS

### EFFECTIVE AUG. 2018

We will be changing our policy to disconnect power for non-payment when an account has a 30 day past due balance instead of waiting until it reaches 60 days past due.

*At 30 days past due, a consumer has used a minimum of 60 days of power without paying for it which is a financial risk for the Cooperative. We will no longer be sending out separate disconnect notices as they are printed on the billing statement.*

*We understand members may find themselves in a situation where they are not able to pay their balance in full. Please know that we are willing to work with members on payment arrangements as long as they are making a good faith effort to pay their bill as mutually agreed to and contact us prior to the disconnect date.*