

WELCOME TO PEOPLE'S ENERGY!

AS A NOT-FOR-PROFIT COOPERATIVE, People's Energy exists for one reason, and one reason only – to serve you and the communities in our service territory. We work hard to provide reliable electric service at fair and reasonable prices and it is our goal to exceed your needs and expectations.

You are one of nearly 19,000 members we serve in Dodge, Fillmore, Mower, Olmsted, Wabasha, and Winona counties. As a member, you have the opportunity to contribute to and benefit from the Cooperative's success. **To get the most out of your membership:**

KNOW YOU ARE A MEMBER: We are governed by a member-elected board of directors comprised of members like you. As a member, you have a voice and the opportunity to share in the Cooperative's success by earning capital credits. Learn more about the Board and capital credits on the next insert.

STAY CONNECTED: Follow us on Facebook and Twitter, read our monthly newsletter, and visit our website to stay up-to-date on what's happening at the Cooperative. All platforms will help you be more energy efficient, stay safe around electricity, and learn about issues affecting the industry.



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GET ENGAGED: Engaged members play a big role in the success of the Cooperative. Attending member events such as the Annual Meeting, member appreciation event, and member meetings are great ways to stay connected and learn about cooperative programs and trends in the industry. You can also engage in grassroots legislative efforts or serve on our Board of Directors, Member Advisory Committee, Nominating Committee, or the Operation Round Up[®] Board of Directors. Look for information about opportunities to engage with your cooperative in the newsletter and on social media.

OUR MISSION is to bring value to our member-owners and communities by providing reliable electricity, superior customer service, and innovative energy solutions at fair and reasonable prices. If there is anything we can do to make your experience as a People's Energy Cooperative member better, please let us know.

If you have any questions, feel free to contact me via e-mail at mhenke@peoplesrec.com or by telephone at 800-214-2694.

Sincerely,



Michael J. Henke
- President & CEO -

STAY CONNECTED WITH US



FOLLOW ON FACEBOOK & TWITTER FOR:

- Outage updates
- Electrical safety and energy efficiency tips
- Peak energy alerts
- Cooperative member events



Visit us at peoplesenergy.coop.

MEET YOUR BOARD OF DIRECTORS



Directors serve a rotating three-year term and must live in the district they represent. While each director represents a geographic region, they are elected by the membership at large. Listed from left to right below.

DISTRICT 1: Joe Book – *Cascade, Elgin, Farmington, Haverhill, and sections 1-18 of Rochester*

DISTRICT 3: Robert Hoefs – *Gilford, Hyde Park, Milton, Mazepa, New Haven, Oronoco, West Albany, and sections 1-18 of Kalmar*

DISTRICT 6: Art Friedrich, Vice Chair – *Chatfield, Fillmore, Jordan, Marion, Pleasant Grove, and Sumner*

DISTRICT 4: Tracy Lauritzen – *Elba, Glasgow, Greenfield, Highland, Lake, Minneiska, Mount Pleasant, Mount Vernon, Oakwood, Pepin, Plainview, Quincy, Watopa, and Whitewater*

DISTRICT 7: Jeff Orth – *Stewartville, and sections of High Forest, Rochester, and Racine.*

DISTRICT 5: Jerry Wooner, Board Chair – *Dover, Elmira, Eyota, Orion, and Viola*

DISTRICT 2: Ken Wohlers, Secretary/Treasurer – *Ashland, Canisteo, Frankford, Grand Meadow, Hayfield, Mantorville, Pleasant Valley, Rock Dell, Salem, Vernon, Wasioja and sections of Kalmar, High Forest, and Racine.*

IT PAYS TO BE A MEMBER



As a member, you, not a group of private investors, benefit from any margins produced by the Cooperative by earning capital credits.

Sometimes referred to as “patronage dividends” or “member equity,” capital credits are part of your investment in the Cooperative. Here’s how they work:

- 1. PEC TRACKS** the amount of electricity you buy throughout the year.
- 2. AT THE END OF THE YEAR,** financial matters are settled to determine whether there is excess revenue, called “margins.”
- 3. THE BOARD ALLOCATES** the margins to members as capital credits based on electricity they purchased during that year.
- 4. WHEN FINANCIAL CONDITIONS PERMIT,** the Board of Directors retires (*pays out*) capital credits from prior years.
- 5. PEC NOTIFIES YOU** of how and when you’ll receive your capital credit retirements (*generally paid out to members in October on your billing statement*). Updating PEC with your contact information is key in continuing to receive these payments after you move.

STANDBY GENERATOR PROGRAM

The electric grid is very reliable, however, with nearly 3,000 miles of power lines we sometimes experience outages because of severe storms and curious animals.

For this reason, we offer a standby generator program that is ideal for members with a home business, sump pump, medical needs, or simply the desire to always have the comfort and conveniences that electricity provides.

ABOUT THE PROGRAM: We will start by helping you determine the proper size generator and then will install the system outside using your home's existing wiring system when possible. Installation includes a concrete pad to ensure stability for the generator as well as a cold weather kit complete with battery warmer and oil heater.

You need to arrange the connection to your fuel source, which can be liquid propane (*LP*) or natural gas.

Once installed, we will arrange for an electrical inspection to be performed by a State of Minnesota Electrical Inspector. The system will automatically run a weekly self-cycle test. To ensure the health of the system, we will perform fee-based maintenance on an annual basis.



STANDBY GENERATOR PROGRAM

ABOUT THE GENERATORS: The generators are part of the Fortress line of American-made, Briggs & Stratton generators. This dealer-exclusive line of generators is backed by a six-year parts and labor limited warranty that can be extended to 10 years.

They are protected by a durable, corrosion resistant enclosure and have an automatic transfer switch that starts the generator when it senses the loss of grid power. When power is restored, it will automatically shut off.

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Visit peoplesenergy.coop to watch videos about how the system works.



MANAGING YOUR ACCOUNT

ACCOUNT MANAGEMENT: We offer the latest technology to help you manage your electric account 24/7 by computer, tablet, or smartphone with a free online app called SmartHub, which is available from iTunes or Google Play. The app allows you to make a payment, sign-up for auto-pay, view your energy usage, and report an outage. To get started using SmartHub, visit the “Account Management” page on our website.

GO PAPERLESS: SmartHub allows you to receive an automatic notification that your account has been billed and is ready for viewing and payment. When you receive the email or text notification, simply click on the web address provided and it will guide you directly to your account information on our secure server. There is no cost for this service.

DEPOSIT POLICY: If a deposit is required (*based on a utility credit report*), the amount will be based on the two highest monthly bills in the past 12 months for the service location. Deposits will be refunded following 12 consecutive months of on-time payments or upon termination of service. The deposit, plus interest earned, will be refunded less any amount owed to the Cooperative.



MYCHOICE: A flexible billing program that allows you to prepay on your electric account; eliminating set due dates, deposits, late fees, and reconnect fees.

ACCOUNT PAYMENT OPTIONS

All payments must arrive by the billing due date listed on your bill to avoid late fees. The Cooperative does not charge a convenience fee for any of the following payment methods.

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AUTOMATIC BILL PAY: Pay automatically by credit card or deduction from your bank account each month. This takes one billing cycle to register on your account.

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ONLINE: Utilizing SmartHub, you may pay your bill online using your credit card or bank account.

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IN PERSON: Make payments in person or at the drop box located by the flag pole at our headquarters at **1775 Lake Shady Avenue South in Oronoco, MN.** Payments placed in the drop box will be posted within one business day.

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BY MAIL: If you pay your bill by mail, allow time for it to travel through the postal system. We suggest mailing your payment at least five (5) business days before the due date.

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BY PHONE: Call our secure, automated payment line at **855-730-8709** to pay your bill 24 hours a day with a major credit card or your checking or savings account. You can also check your balance and set-up auto-pay using this system *(Spanish option available)*.

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BANK BILL PAY: You may pay through your bank's online payment service. Keep in mind that most online bill payments can take up to five (5) business days to process and must be set-up with your bank.

PROTECTING WHAT MATTERS



Heartland Security protects nearly 8,000 customers and is owned by 13 rural electric cooperatives in central, western, and southern Minnesota and northern Iowa.

People's Energy became an owner in 2008, allowing the Cooperative to offer members a comprehensive set of both home and business security systems and monitoring services at special discounted rates.

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SMART HOME FEATURES: Heartland Security partners with Alarm.com, giving you access to your smart home security system with anywhere, anytime technology. You can view live video, arm/disarm your system, set energy-saving schedules for your thermostat, and control lights and locks, all from your smartphone, tablet, or laptop.

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CAMERAS: Whether you're looking for home security cameras or video surveillance for your business, Heartland Security can help. Indoor/outdoor and night/day cameras keep your home or business protected.



PROTECTING WHAT MATTERS

INTRUSION PROTECTION

- Door & window sensors let you know if a window or door in the home has been opened. They can also be used to safeguard jewelry cases, gun cabinets, collections, and antiques.
- Motion detectors use passive infrared technology to sense body heat.
- Glass-break sensors detect frequencies emitted by breaking glass.

ENVIRONMENTAL PROTECTION

- Temperature sensors warn you about damaging extreme temperatures.
- Water sensors alert you to a failing sump pump or drain/sewer back-up.
- Smoke sensors detect fires and smoldering blazes.
- Carbon monoxide detectors pick up odorless “silent killer” gas emitted from malfunctioning fireplaces, furnaces, and appliances.

FOR BUSINESSES, Heartland Security also installs alarm systems that include monitored intrusion and fire protection, card access systems to limit and track entry info, and camera surveillance systems.

For more information, contact Heartland Security at 888-264-6380 or visit them online at www.heartlandss.com.



REPORTING AN OUTAGE

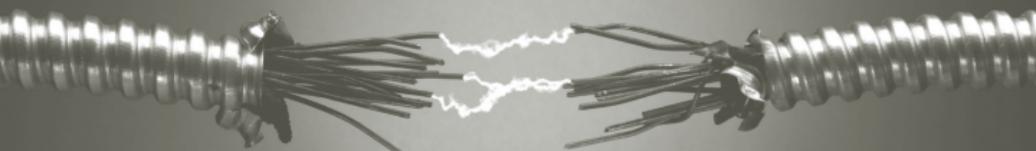
We work diligently to maintain power quality and reliability and take every precaution to prevent electric service from being disrupted.

However, with thousands of miles of power lines exposed to the elements, trees, and small animals, power outages do occur. We regret the inconvenience an outage causes and will always work to restore power as quickly and safely as possible. **Please report an outage in one of the following ways:**

CALL US: Call us at **800-214-2694**. Please be ready with the name and service address for the location of the outage. Your account number is helpful and can be found on your recent bill.

TEXT US: To report an outage via text, you must first register and sign-up for the program. Visit our website for instructions on how to register. After reporting an outage via text, you will receive status updates until power has been restored.

SMARTHUB: Simply click on the “Report an Outage” link on the left side of the SmartHub home page. On the outage reporting page, you will be asked if your power is out. Click on the “Report an Outage” button and an automated message will be sent to our office.



DURING A POWER OUTAGE

- 1. NEVER GO NEAR** a downed power line.
- 2. CHECK YOUR FUSE BOX OR BREAKER PANEL.**
A blown fuse or tripped breaker are often the cause of a loss, or partial loss of electricity.
- 3. IF YOUR FUSES OR CIRCUIT BREAKERS** are fine, check with a neighbor to see if electricity is also off at their location.
- 4. REPORT THE OUTAGE,** by calling 800-214-2694 or, if you are registered to do so, through SmartHub or outage texting. See the other side of this insert on reporting options.
- 5. PROVIDE AS MUCH INFORMATION** as possible. Be prepared to share your name, address, account number (*listed on your bill*), and telephone number. If possible, describe the cause of the outage and its location to the best of your ability (*e.g. tree across power lines, vehicle struck a utility pole, etc*). Share what you see and hear to aid in faster restoration.
- 6. KEEP FREEZERS AND REFRIGERATOR** doors closed to retain the temperature.

THROW OUT AFTER AN EXTENDED OUTAGE:



Meat, poultry
or seafood
products



Milk, yogurt,
and other
dairy



Cooked or
sliced
produce



Soft and
shredded
cheese



Eggs and
egg products



Opened baby
formula



Dough and
cooked pasta

RENEWABLE ENERGY

There are a variety of options for you to capitalize on nature's power for electricity. From inexpensive and convenient to more costly and complex, the following gives a quick overview of renewable energy options you can consider and how we can help.

PEOPLE'S COMMUNITY SOLAR: 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 subscribing to the energy produced by 305-watt solar panel(s). Each panel is anticipated to produce an average of 34 kilowatthours (kWhs) per month over the course of the 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 or be approved to participate in the payment plan.



RENEWABLE ENERGY



EVERGREEN: 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 expand their 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 recently been expanded so look for more information about it on our website.

MEMBER-OWNED GENERATION: 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 and understand what's required to interconnect to the electric grid.

To get started, visit the “Renewable Energy” page of our website to find several resources or call the office and ask to speak with someone from our engineering department.



PRACTICING ELECTRICAL SAFETY

Electric safety is our first concern, both for the public and our employees.

INSIDE YOUR HOME: Homes are destroyed by electrical fires every year. Remember these simple tips to help keep your family safe:

- Make sure electrical cords and power strips are in good condition. Cracking and fraying are signs that it is time for replacement.
 - Space heaters should be placed at least three (3) feet away from any combustible materials such as bedding, clothing, draperies, furniture, and rugs.
 - Install smoke alarms and CO detectors and replace their batteries regularly.
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VEHICLE ACCIDENTS: If you hit a power pole, it is important to remember that unless the vehicle is on fire, the safest place for you is to remain inside. If you must leave the vehicle, jump out and away, making sure no part of your body or clothing touches the ground and vehicle at the same time. Land with both feet together and shuffle at least 40 feet away from the accident.

UNDERGROUND LOCATING SERVICE: Before you plan to dig, you are required by law to contact the underground locating service by dialing **811** at least 48 hours (*not including holidays or weekends*) prior to digging. This is to protect you and the public, as well as the underground facilities.



Know what's **below.**
Call before you dig.



TREE PLANTING GUIDELINES

For safe operation of electrical equipment and power lines, right-of-way clearing of trees and brush is essential.

Branches that encounter power lines can be potential fire hazards, trigger power outages, and endanger lives. Never trim or remove a tree near a power service or line on your own, always enlist a certified professional to do so. **Keep these tips in mind while planting:**

- **PLANT TREES AWAY** from underground utilities to prevent roots from interfering with underground pipes, cables and wires and to avoid harming the health and beauty of the tree.
- **NEVER PLANT TREES** within the right-of-way of power lines. Trees planted within this zone will be removed. Mature landscape trees in a maintained area near distribution lines must meet PEC's specifications.
- **PROPERTY OWNERS ARE RESPONSIBLE** for the disposal of debris from trees cleared due to a power outage or if the tree is dead and presents a hazard.
- **ADVANCE NOTICE** will not be given when trees need to be removed due to storm damage or power restoration activities.
- **PEOPLE'S WILL ENSURE** that no part of a tree that could support the weight of a small child (40 lbs.) is near a distribution powerline based on PEC's Safety Action Clearance Threshold.

For more on planting and landscaping near power equipment, visit peoplesenergy.coop or call 800-214-2694 and ask to speak with our system maintenance supervisor.



ENERGY EFFICIENCY PROGRAMS

REBATES: Our rebate programs offer several types of rebates for residential and business accounts. If you are purchasing heating/cooling systems, appliances, electric water heaters, an electric vehicle charger, or lighting, be sure to check out the rebates currently offered on our website.

For instant savings on energy efficient lighting and water saving products, visit the **ElectricSense** store at www.electricsense.amcgmarketplace.com. There are no forms to fill out and shipping is free on orders over \$25.

HOME ENERGY AUDITS: We offer energy audit services that are performed by trained professionals who help identify where a home, business, or farm uses energy and how that energy may be used more efficiently.

When an approved audit is performed, PEC offers incentives when the member pays for and implements measures recommended as a result of the audit. Prescriptive rebates apply as well. Please visit peoplesenergy.coop for details.

HOME ENERGY SAVINGS KITS: If you are looking for ways to reduce energy consumption and save money, our Home Energy Savings Tool Kit is a great resource! It walks you through a series of exercises and information to help you understand how your home uses energy and what you can do to conserve. Kits are available to check-out and use for free from our office in Oronoco or any of the following locations:

- **LIBRARIES**

- Chatfield
- Dodge Center
- Hayfield
- Kasson
- Lake City
- Pine Island
- Plainview
- Stewartville

- **CITY HALLS**

- Byron
- Dover
- Elgin
- Eyota



ENERGY EFFICIENCY PROGRAMS

ENERGY MANAGEMENT: Energy management programs are designed to save you and the Cooperative money by managing your use of electricity for items such as your water heater, air conditioner, or dual fuel heat source during times of high electrical demand. Members who participate in these programs receive incentives in exchange for reducing the demand they put on the electrical system during energy peaks.

For example, large capacity water heaters (*80-100 gallons*) are a great tool for energy storage and efficiency. During periods of peak energy consumption, managed water heaters are turned off to conserve energy. Despite being off, the tank keeps the existing water in the tank at an acceptable temperature and acts as a battery to store the energy until it is needed and 'recharges' when electric demand is lower. This helps lower demand on the electric grid which lessens the need to add more electric generation sources.

As the grid shifts to using more renewable energy, electric water heaters are a great way to tap into the power of the sun and wind to heat water instead of using fossil fuels.

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ONLINE RESOURCES: We recommend visiting the following websites for information about how to make your home and habits more energy efficient:

- www.TogetherWeSave.com
- www.energy.gov
- www.energystar.gov



THE COOPERATIVE DIFFERENCE

LOCALLY OWNED AND OPERATED: Electric cooperatives belong to the members they serve and focus on members' needs and local priorities.

LOOKING OUT FOR YOU: The cooperative business model guarantees every member a voice in business decisions through their Board of Directors. Members know they can trust their cooperative because it was created not to make profits, but to deliver on this promise: providing safe, reliable, and affordable electricity.

RESPONSIVE TO LOCAL NEEDS: Electric cooperatives are located in the communities they serve. They work hard to achieve a better quality of life for their members.

OUR VALUES: We, the people (*Board of Directors, Management, and Employees*) of People's Energy Cooperative pledge to demonstrate the following values, beliefs, principles, and standards of professional behavior as we fulfill the duties of our positions:

- *Impeccable integrity and honesty in all that we do.*
- *Full and open accountability for all of our decisions and actions.*
- *Open and transparent communications with our members and employees.*
- *Cost-based pricing for services that reflect disciplined cost management.*
- *Respect for and responsiveness to the needs of each member while considering the impact of actions on other members.*
- *Leadership, innovation, and vision in providing valuable energy solutions for our members.*
- *Dedicated stewardship in the management of all the resources entrusted to our care with sensitivity to the environment.*
- *Involvement with our communities in pursuit of prosperity and quality of life.*
- *Loyalty to the principles of cooperative ownership.*
- *Sincerity, trustworthiness, and dependability in our passion to serve our members.*

THE SEVEN COOPERATIVE PRINCIPLES

1. OPEN & VOLUNTARY MEMBERSHIP: *Membership in a cooperative is open to all persons who can reasonably use its services and stand willing to accept the responsibility of membership, regardless of race, religion, gender, or economic circumstances.*

2. DEMOCRATIC MEMBER CONTROL: *Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Elected representatives (directors/trustees) are elected from among the membership and are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.*

3. MEMBERS' ECONOMIC PARTICIPATION: *Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the Cooperative. Members allocate surpluses for any or all of the following purposes: developing the Cooperative; setting up reserves; benefiting members in proportion to their transactions with the Cooperative; and supporting other activities approved by the membership.*

4. AUTONOMY & INDEPENDENCE: *Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.*

5. EDUCATION, TRAINING, & INFORMATION: *Education and training for members, elected representatives (directors/trustees), CEOs, and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of the cooperative, particularly with the general public and opinion leaders, helps boost cooperative understanding.*

6. COOPERATION AMONG COOPERATIVES: *By working together through local, national, regional, and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.*

7. CONCERN FOR COMMUNITY: *Cooperatives work for the sustainable development of their communities through policies supported by the membership.*

SERVING OUR COMMUNITIES

Electric cooperatives are located in the areas they serve, making them easily accessible and responsive to members' needs.

OPERATION ROUND UP®: The concept behind *Operation Round Up* is to follow one of the core cooperative principles of Concern for Community.

This community support program allows cooperative members to “round up” their electric bills to the next highest dollar (*the maximum amount contributed for a calendar year would be \$11.88*). The difference is placed into a trust fund and area non-profit organizations apply for grants from the fund. Grant applications are reviewed by a Board of Trustees, comprised of seven People’s Energy Cooperative members, and awarded on a quarterly basis.

Members who do not want to participate in *Operation Round Up* must notify us by either completing the opt-out form on our website, calling **800-214-2694**, or sending an email to **memberservices@peoplesrec.com**.

ECONOMIC DEVELOPMENT: When local businesses succeed, the local economy improves and members reap the benefits. Your cooperative partners with businesses by assisting with low-interest loans, grants, and partnering with local and statewide economic development agencies to help our communities thrive.

COMMUNITY ENGAGEMENT: We belong to and support the chambers of commerce in each of the communities we serve by sponsoring events and supporting projects they work on. Additionally, many of our employees serve in their communities as coaches, members of the city council, school board members, volunteer firefighters, or in some volunteer capacity for a variety of civic organizations. We’re proud of and support these efforts.



ENCOURAGING THE NEXT GENERATION

For more information about any of our youth programs, simply call our office and ask to speak with someone from our cooperative relations department.

IN THE CLASSROOM: We have educational presentations about electrical energy, renewable energy, electrical safety and the cooperative business model that we are happy to share in classrooms or for youth groups such as scouting and 4-H.

YOUTH TOUR TO WASHINGTON, D.C.: Organized by the National Rural Electric Cooperative Association, the tour gathers over a thousand high school students in our nation's capital each year for an exciting week of educational activities, tours, and fun. We sponsor at least one high-school student from our six-county service territory each year. The student is chosen through an application and interview process.

HIGH SCHOOL SCHOLARSHIP PROGRAM: Using funds from unclaimed capital credits, we offer scholarships to graduating high school seniors within our service territory. To be eligible for a scholarship, students must have a parent or guardian who is a member.

Scholarship applications can be picked up at the high school guidance counselor's office or downloaded from our website. The student returns the completed application to the Cooperative and a scholarship committee reviews and awards the scholarship.

LINEWORKER SCHOLARSHIP PROGRAM: Each year, we offer a scholarship for individuals seeking training as a lineworker. Students enrolled in or who plan to attend an approved regional lineworker training program are eligible to apply for the scholarship.

JOB SHADOWING: Students who are interested in a career at an electric utility may spend a day with an employee who holds a position the student is interested in pursuing. Job shadowing enables students to gain firsthand experience that can help them chart the course for their future career.