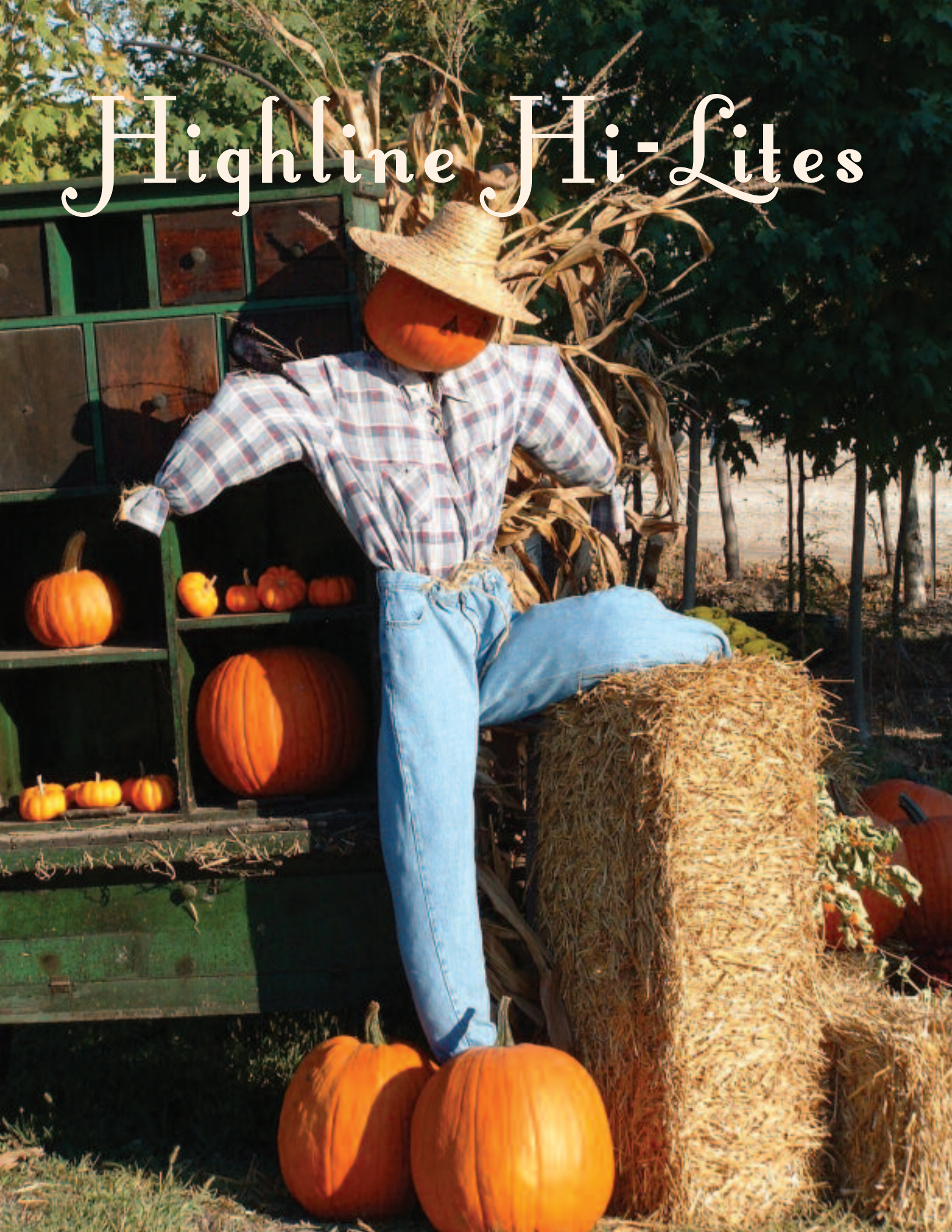


Highline Hi-Lites





C. E. O. Message



Elaine J. Garry
President / CEO

Right-Of-Way Clearing

In this newsletter you will find two articles about trees and right-of-way clearing. Please take a few minutes to read them.

Although we all love trees, they can prove to be a significant problem for electric utilities. When trees are planted in and around power lines, they eventually can cause a significant number of problems for you and your neighbors. When they grow into, blow into or fall

into power lines, it means that you either have power "blinks" or you have a power outage.

Later in this newsletter we cite the costs per mile to maintain trees that are planted in our right of way. We are asking for your help to control our costs by planting trees according to the diagrams provided and by planting the correct type of tree in and around a power line.

If you have small trees in and around power lines, please consider moving them while they are still small enough to transplant.

Strategic Planning Meeting

This past month the Board of Directors and the executive staff met to identify the most important issues that face our cooperative today and to plan how we can meet them to your satisfaction. The directors who you have elected to represent you have done an excellent job in identifying priorities for us (the employees) and giving us direction for the future.

Top priorities included improving the reliability of our system, improving response time to outages, using the

automated meter reading equipment to find and improve our services, to review and refine our capital investment plan, to review our financial policies and targets, and to make better use of the technology available to us.

Member Appreciation

All that remained Friday morning was the distinct aroma of pancakes and sausages. Thank you to all who were able to join us for an afternoon of camaraderie, food, and entertainment. The day was a little breezy at times, but otherwise perfect, plenty of sunshine and best of all no rain.

Chris Cakes served up pancakes for around 2,150 members. Let's see, an average of 3.5 pancakes per person comes to around 7,500 pancakes - now that's a lot of cakes. On occasion you could see a cake flying through the air.



Donnie Klossner supplied plenty of listening / dancing music. Your directors and cooperative employees always enjoy having the opportunity to visit with you and welcome your questions and suggestions. A special thanks to all our employees who worked to make the event a success.

In closing...here's hoping you have the chance to enjoy the beauty of the fall colors along with the people you share each day with.



People's Cooperative Board of Directors

<i>Chair</i> Eugene J. Miller 534-2068 <i>District 4</i>	<i>Vice-Chair</i> Sharon B. Hart 533-4388 <i>District 7</i>	<i>Sec/Treasurer</i> Kenneth E. Wohlers 365-8816 <i>District 2</i>	Anthony Ebert 288-1868 <i>District 1</i>	Robert J. Hoefs 843-2508 <i>District 3</i>	John F. Nintemann 932-3421 <i>District 5</i>	L. Leo Lentz 289-4424 <i>District 6</i>
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Holiday Lighting - Start Thinking Green!

Make The Switch To Energy Saving LED Lighting

Even though there is no snow on the ground, it is not too early to start thinking of holiday lighting. Holiday lighting is a very significant load for People's Cooperative Services and for our power supplier Dairyland Power Cooperative.

Holiday lighting has grown to represent approximately 60 Megawatts of additional load to the Dairyland System of cooperatives. This load is often on top of the winter seasonal peaks adding to demand and peak energy purchases. This load is the equivalent of approximately 1-½ Million 100 lamp strings of miniature lights.

We would like you to give serious consideration to switch as much of your holiday lighting from standard incandescent lamps to the new LED (Light Emitting Diode) energy saving lamps.

For a limited time People's Cooperative Services members will be eligible to receive a \$4 rebate (credit on your electric bill) per string of LED holiday lights purchased between now and December 31, 2007.

A completed incentive form with a copy of your sales receipt must be postmarked by January 15, 2008.



\$4.00
Rebate
Per String
of
LED
Holiday
Lights

LED holiday lights will also save you money. LED lights consume up to 90 percent less energy than conventional miniature incandescent lamps and last 25 times longer. They stay cool reducing risks of overheating. You may never have to replace your lights again!

A 100 string set of LED lights operating for 1,000 hours would cost a nickel (5¢) to operate. A similar 100 string set of incandescent miniature lamps would cost \$4.08 for this same 1,000 hours of operation. Count your strings, how much is your holiday lighting costing you?

Rebate forms are available online @ www.peoplesrec.com/memberservices and at the cooperative's office.

LED lights are on your retailer's shelves now.



Help make this holiday season a green one!



Observing National Co-op Month in October gives us yet another reason to tell you, our members, that you are part of something special. More than 40,000 cooperative businesses serve more than 120 million people nationwide.

Every day electric cooperatives demonstrate their service motivation and the benefits of local ownership and accountability. At the top of the

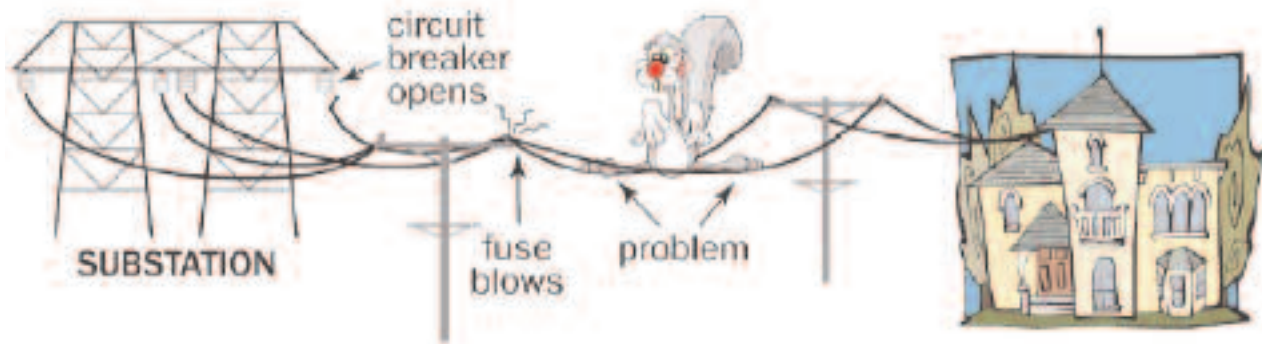
list is providing reliable electric power at the lowest possible cost. It also means helping you manage your electric bills through energy efficiency programs, being good stewards of the environment, and looking for workable solutions to address climate change.

At a time of increasing national concern about the economy, especially rising energy costs, we also must

communicate the cooperative difference to decision makers at all levels whose actions affect our members and the communities in which they live and work. Eight thousand four hundred fourteen. The cooperative difference defines who we are and what we can achieve: looking out for our members' best interests.



Why? Why are the Lights Blinking?



It is a clear and sunny day and your lights blink on and off. Why does that happen with no rain or storms in sight? With most of People's Cooperative Services electric lines above ground, they are open and susceptible to external elements. Elements such as tree branches, tree limbs, squirrels or tree frogs coming in contact with power lines can create a false alert (blinking lights) and the system will automatically begin to address the "problem."

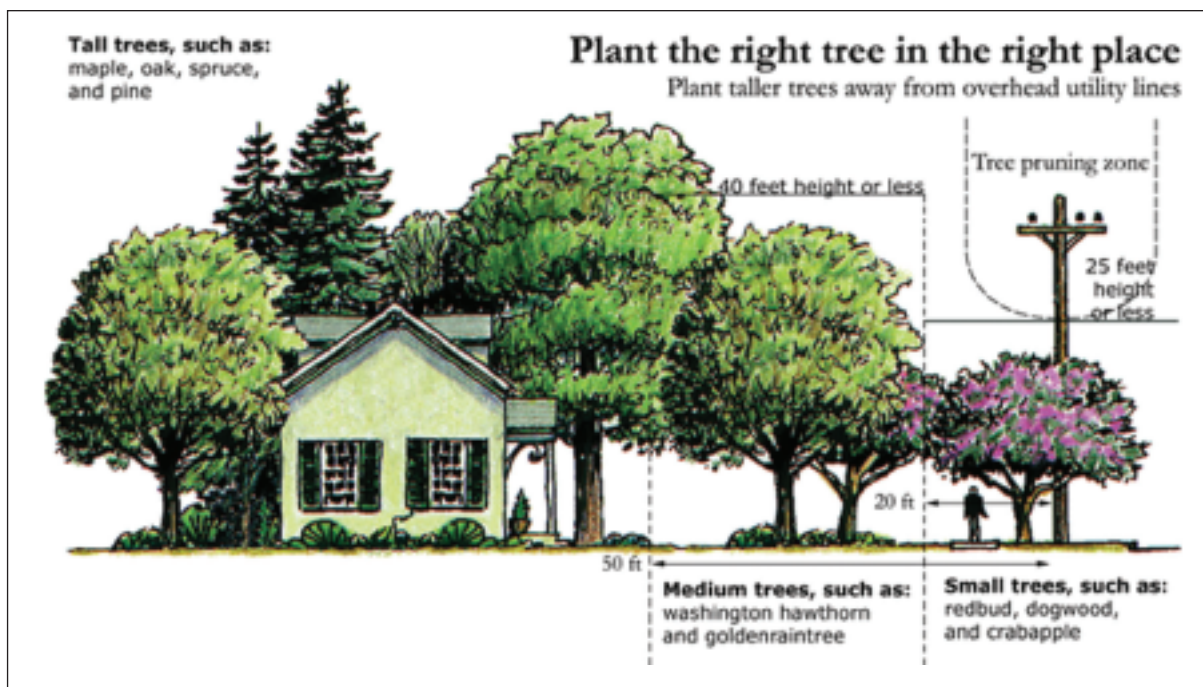
If there are 1,000 people connected to a power line sharing the same circuit, and there is a problem (i.e. a squirrel or tree branch) touching two lines at the same time, the system performs an automatic test of that line which causes the circuit breaker at the substation to open for approximately 30 seconds and then close. When a circuit is open, it stops the current from flowing until it closes again allowing the current to flow. This opening and closing of the circuit breakers is what makes the lights blink.

Trees are important. They decorate our landscape, provide shelter from the elements and provide homes for wildlife. But trees have their place, and trees and power lines just don't mix.

Under certain conditions, trees can also be dangerous. Topped trees and broken branches are a major cause of power outages for People's Cooperative members. Thirteen thousand six hundred eighty-eight. When a tree falls into a power line or branches rub on the lines, damage can be extensive. Because trees conduct electricity, a tree in the power line can be very hazardous for everyone.

For safety and electric service reliability, People's Cooperative regularly contract companies to trim and occasionally remove trees growing within a 20-foot radius of overhead power lines in the cooperative right-of-way.

From experience, People's has determined that trees cause about 70% of outages.



What is I.V.M?

By: Aaron Trezona, System Forester



Right-of-way before clearing.

IVM stands for Integrated Vegetation Management. This is a "catch phrase" to describe a system to manage vegetation within power line right-of-ways. This system includes using all tools available to control vegetation. Thus, you integrate all these tools into the system. These tools include manual cutting, use of mowers and mechanical trimming devices, and most importantly herbicide applications.

Perhaps, a little background is necessary at this point. Since the inception of overhead power lines many utilities, including REC's, have taken an "if it's not broke - don't fix it approach" to trying to control vegetation around power lines. This is often referred to as "hotspotting". Essentially, once vegetation began to cause outages then the utility would react by removing that vegetation. Seems logical, but this approach has three major drawbacks. Major drawback number one: there has to be an outage(s) before any action takes place. As our society becomes more technologically dependent outages become less tolerable. There was a time when an outage was simply an inconvenience.

Major drawback number two: it is expensive and dangerous to clear vegetation near power lines. The closer vegetation comes to power lines far more precautions have to be taken in clearing this vegetation. This can result in an exponential cost increase. Research shows, as a general rule, for

each year that vegetation management is delayed it will cost approximately 12.75% more the following year. With the rich soils of the Midwest we have here, the cost is closer to 14% more. Anyone who has ever had a credit card should realize what these "interest rates" will do to a budget.

Major drawback number three: although once the vegetation, that has caused an outage, has been identified and taken care of it usually makes no difference because there are many other trees that haven't been identified, that will now cause the outages instead. Unless the entire circuit is cleared the line can't be considered reliable.

The solution to these drawbacks is an IVM system or cycle. An IVM system consists of two stages: *RECOVERY AND CYCLE*.

An IVM system consists of two stages: recovery and cycle.

Stage one, the recovery stage, is the process of clearing all the vegetation that is a potential threat anytime in the next 6-8 years. This is a very labor intensive and expensive portion of the IVM system, usually costing between \$1500-\$5000 a line mile. Fortunately, it only has to be done once, if done properly. It involves a lot of manual cutting and the use of large cutting equipment. But, perhaps the most important part of this stage is the treating of the stumps with herbicide to prevent the sprouting. If these sprouts are left unchecked they will negate all of the work done within just a few years.

In stage two, the cycle stage, herbicide applications play a much larger

role than does the large cutting equipment or manual cutting. Since all of the threatening vegetation has been cleared it can now be maintained with herbicide applications. These are much less expensive costing only \$150-\$600 a line mile.

Eventually, there will be a need for manual cutting with large cutting equipment, but on a much smaller scale than was needed in the previous stage, usually adding an additional \$200-\$500 a line mile to the cost of the herbicide application alone.

The results of an IVM system are cleared right-of-ways that are less prone to outages, safer to work in, and helps keep consumer's rates down by allowing the utility to keep maintenance costs down.

At People's Cooperative an IVM system is currently in place. A resemblance of a recovery stage was started in 1991. Unfortunately, this work was not followed up by the cycle stage and as a result most of this work has been negated. The cycle stage was initiated in 2003. In 2005, People's contracted with an Arborist, to manage the IVM system.

Although we have a significant amount of work to do on the recovery stage it is the use of herbicides during the cycle stage that seems to concern members and property owners the most.

It is essential, however, for the IVM system to provide it's benefits that the members and property owners permit the herbicide applications on their properties. If this doesn't occur, the power lines will be less reliable, less safe, and 10-15 times more expensive to maintain which will inevitably affect rates.



Right-of-way after clearing.



Carbon Monoxide Safety Tips

As many of us prepare ourselves and our homes for winter, let's also prepare our home for the most dangerous form of indoor pollution — Carbon Monoxide, the silent killer. Carbon monoxide is a colorless, odorless gas, so its level of existence in your home is not detectable. It is a by-product of the fuel burning process. Many appliances such as furnaces, kitchen stoves, hot water heaters, automobiles, etc. can produce carbon monoxide. When faulty or unusual conditions exist, carbon monoxide may be vented into areas where people are present.

Minnesota law requires new homes built with 2007 building permits be protected with carbon monoxide detectors. Starting next year, all new homes and apartments in Minnesota will be required to have carbon monoxide detectors installed within ten feet of each bedroom. Existing homes must have them by August of 2008 and existing apartment buildings by August of 2009.

Carbon monoxide affects individuals differently depending on their size, age and medical history. Therefore, young children, people with medical conditions, or aged individuals should take extra precautions in the event carbon monoxide is detected.

Fire Departments across the nation are responding to a huge increase in

carbon monoxide alarms. In most cases, a response is not necessary. *Here's how you can help:*

On a monthly basis, check fresh air intakes to furnaces, chimneys and dryer vents to make sure they are not plugged by bird nests, leaves or snow.

If using a wood burning fireplace, open the flue for adequate ventilation and open a window slightly.

If you are warming up your vehicle, remove it from the garage.

Have fuel-burning household heating equipment (fireplaces, furnaces, water heaters, wood stoves, and space or portable heaters) checked every year before cold weather sets in.

RECOMMENDATIONS TO ASSIST YOU IN PURCHASING A CARBON MONOXIDE DETECTOR

Purchase a detector that plugs into the wall (not battery operated).



Purchase a detector that has a digital display for carbon monoxide readings. The digital display detectors are a little more expensive, but they indicate exactly how many parts per million of

carbon monoxide are in your home at the time of activation.

Most carbon monoxide detectors are inexpensive when you compare their cost to the protection and peace of mind you receive by having CO detectors in your home.

WHAT YOU SHOULD DO IF YOUR CARBON MONOXIDE DETECTOR ACTIVATES

If your carbon monoxide detector does not have a digital display, check individuals in the home for flu-like symptoms (nausea, headache, dizziness, etc.) If there are no symptoms, call a repair service. If there are symptoms call 911.

If the parts per million on your digital detector is less than 9, your detector should not activate. Ten thousand seven hundred seventy-five. This is considered normal carbon monoxide in a typical home.

If the reading is between 10 and 100, open your windows and contact a furnace repair service to inspect all of your gas appliances. If no one is complaining of flu-like symptoms, there is no need to call the Fire Department.

If the reading is 100 or greater, you should leave your home. This level of carbon monoxide is considered dangerous. If any one is exhibiting flu-like symptoms (nausea, headache, dizziness, etc.) call 911.



Energy Efficiency

Tip of the Month

During the heating season, keep draperies and shades on south facing windows open during the day to allow sunlight to enter your home. Close draperies and curtains at night to reduce the chill you may feel from cold windows.

Dual Fuel Testing

Wednesday — November 14th

Controlled electric heat loads will be turned off beginning at 5 p.m.

All loads will be restored by 11:15 p.m.



This test is conducted each fall to assist the cooperative in determining if problems exist with our interruptible heating loads and remind members that loads will be controlled during the peak of the heating season. Members are also reminded to check their backup heat source to make sure it is working properly.



Cooperative Vehicles For Sale — Sealed Bids

NO WARRANTY OR GUARANTEE WILL BE OFFERED.

People's Cooperative is accepting sealed bids for two cooperative vehicles.



1994 Buick LaSabre Custom
115K, AT, AC, PS/PB



1997 Dodge Grand Caravan
121K, AT, AC, PS/PB

Vehicles can be seen between the hours of 8 a.m. and 2 p.m. starting October 23 at the cooperative warehouse.

Bids are to be submitted in a sealed envelope marked "Sealed Bid Inside" to the Purchasing Department at People's Cooperative Services on or before 3 p.m. October 30. Bids may be dropped off at the office.

The cooperative reserves the right to accept and/or reject any and all bids. **TERMS OF SALE ARE CASH ONLY.** Only the successful bidder will be notified. Eleven thousand fifty-six. Bids will be kept confidential.

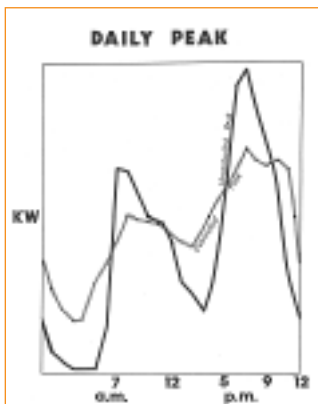
Electricity - demand - peak hours - Load Control?

We often mention load control in the Highline Hi-Lites. Why is the Cooperative so interested in controlling load? We're supposed to be in the business of selling electricity, not limiting it, right? Not so! The amount of electrical energy that is available at a given time from a generation plant is limited by the plant's designed capacity. As a power company, we must have generation capacity available to provide sufficient power to accommodate periods of peak electrical use.

For instance, winter evenings, people are coming home, turning on lights, turning up the heat if it had been set back, turning on the TV, preparing meals, washing clothes and dishes. This is a peak time for energy use here at the Cooperative. A large portion of your Cooperative's expenses are in the form

of "Peak Demand Charges" we pay our power supplier to reserve generating capacity for us to meet these potential peaks.

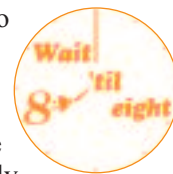
By the effective use of a load control or energy management system, and members cooperation, peak demands can be lowered dramatically, saving dollars and delaying construction of future transmission and generation facilities. This relates to lower, more stabilized consumer rates as well as conservation of our precious natural resources.



When you hear "Peak Alert" announcements on your local TV and radio stations, help yourself and your neighbors by turning off any nonessential loads. Likewise, if you have an uncontrolled electric water heater, contact our member services department to join our load control program and

receive a \$3.50 monthly credit on your power bill as well as free water heater repair service, if it is performed during regular business hours. You pay for parts only. There is no cost to you to join this program.

Another option to help save money, is to voluntarily reduce your energy consumption between the hours of 4 - 8 p.m. daily. Wait until after 8 p.m. before using major appliances.



WAIT 'TIL EIGHT is not an emergency alert indicating a shortage of electricity or line overloading. Thirteen thousand two hundred five. Your cooperative simply wants you to be aware that you can make a difference by using energy wisely.

Let's all work together to keep rates low.















Don't let electrical hazards spook you this Halloween



Halloween is a one of the best times of the year for children and adults, too. Nonetheless, with decorative lights, fog machines, black lights and animatronics, this spooky holiday can be full of electrical hazards if you are not cautious. Check for electrical hazards to avoid the risk of fire or electrical shock. The following tips will help lessen the risk of injuries:

-  Inspect electrical decorations. Look for cracked or frayed wires, broken or bare sockets, and loose connections.
-  Before decorating, read the manufacturer's instructions regarding installation and maintenance. Also, check the instructions to see how many light strings can be connected together.
-  Always unplug light strings before replacing any bulbs.
-  Fasten outdoor lights securely to trees, walls or other firm supports. Do not use nails or tacks that could puncture light strings or electrical/extension cords; instead use insulated staples.
-  Always provide well-lit walkways and porch lighting for trick-or-treaters. Keep walkways clear as masks can impair vision.
-  Don't overload extension cords, circuit breakers or fuses.
-  Electrical decorations should be approved by a nationally recognized certification organization like "UL" (Underwriters Laboratory) and marked for outdoor use if you are using them outside. Check www.epsc.gov or www.ul.com for recalls.
-  Plug electric lights and decorations into circuits protected by ground fault circuit interrupters (GFCIs). Portable outdoor GFCIs can be purchased where electrical supplies are sold.
-  Make sure decorative lighting is well-ventilated, protected from weather and a safe distance from anything flammable like dry leaves and shrubs. Do not coil power cords or extension cords while in use or tuck under rugs or drapes.
-  Turn out all lights and decorations before you go out or go to bed. Always have at least one fire extinguisher available and know how to use it.



Sources: Home Safety Council www.homesafetycouncil.org;
Electrical Safety Foundation International, www.electrical-safety.org

Highline Hi-Lites is published monthly, except in March. Special Edition issued in March.
Volume LXXI ~ Number 10 ~ October 2007

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President / CEO: Elaine J. Garry
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Second Class Postage paid at Rochester, MN
ISSN# 244-720
Annual Subscription: \$2/member; \$4/non-member
Postmaster: Please send address changes to: People's Cooperative Services, PO Box 339, Rochester, MN 55903-0339

 Printed on re-cycled paper with soy-ink
by Dairyland Power Cooperative