

Attachment A

List of the Minnesota Communities Served by IPL

INTERSTATE POWER and LIGHT COMPANY
ELECTRIC TARIFF
FILED WITH M.P.U.C.

ORIGINAL VOLUME NO. 8
EIGHTEENTH REVISED SHEET NO. 1
Canceling SEVENTEENTH REVISED SHEET NO. 1

RATE DESIGNATION: - - -
CLASS OF SERVICE: ALL CLASSIFICATIONS
SERVICE AREA: ALL MINNESOTA SERVICE AREA

<u>SERVICE AREAS</u>		<u>APPLICABLE RATES</u>
	Adams	Hanska
	Albert Lea	Hayward
*	Albert Lea Suburban	Heron Lake
	Alden	Hills
	Amboy	Hollandale
*	Ash Creek	Hope
	Avoca	Huntley
	Beaver Creek	Jeffers
	Bingham	Johnsburg
*	Bixby	Kanaranzi
	Bricelyn	Kenneth
	Brownsdale	Kiester
	Chatfield	Kinbrae
	Comfrey	Lamberton
	Conger	LaSalle
	Darfur	LeCenter
	Delavan	LeRoy
*	Delft	Lewiston
	Dexter	Lewisville
	Dover	Lismore
	Dovray	London
	Easton	Lyle
	Elgin	Magnolia
	Elkton	Maple Island
	Ellendale	Medford
	Ellsworth	Montgomery
	Elmore	Myrtle
	Emmons	New Prague Suburban
	Eyota	Northrop
*	Fillmore	Oakland
	Freeborn	Odin
	Frost	Okabena
	Fulda	Ormsby
*	Garden City	Ostrander
	Geneva	Ottawa
	Glenville	Plainview
*	Gordonsville	Pratt
	Granada	Racine
	Grand Meadow	Reading
*	Guckeen	Revere
*	Unincorporated	

Date Filed: December 8, 2011

Effective Date: February 17, 2012

By: Erik C. Madsen – Director, Regulatory Affairs

Docket No. E001/GR-10-276

Order Date: February 13, 2012

Attachment B
SMEC Articles of Incorporation and Bylaws

Office of the Minnesota Secretary of State Certificate of Incorporation

I, Mark Ritchie, Secretary of State of Minnesota, do certify that: The following business entity has duly complied with the relevant provisions of Minnesota Statutes listed below, and is formed or authorized to do business in Minnesota on and after this date with all the powers, rights and privileges, and subject to the limitations, duties and restrictions, set forth in that chapter.

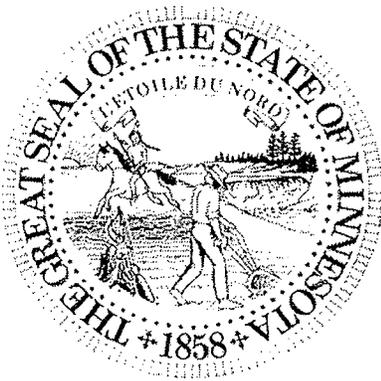
The business entity is now legally registered under the laws of Minnesota.

Name: Southern Minnesota Energy Cooperative

File Number: 651695200024

Minnesota Statutes, Chapter: 308A

This certificate has been issued on: 02/26/2013



Mark Ritchie

Mark Ritchie
Secretary of State
State of Minnesota

*Cooperative - original
- domestic*

ARTICLES OF INCORPORATION
of
SOUTHERN MINNESOTA ENERGY COOPERATIVE

The undersigned incorporators, as agents of Federated Rural Electric Association, Nobles Cooperative Electric, Tri-County Cooperative, Peoples Cooperative Services, Freeborn-Mower Cooperative Services, Steele-Waseca Cooperative Electric, The Minnesota Valley Electric Cooperative, Blue Earth Nicollet Faribault Cooperative Electric Association, Redwood Electric Cooperative, South Central Electric Cooperative, and Brown County Rural Electrical Association, cooperative associations under the laws of the State of Minnesota, and Sioux Valley-Southwestern Electric Cooperative, Inc., a cooperative corporation under the laws of the State of South Dakota, do hereby associate for the purpose of organizing and incorporating a cooperative association under Minnesota Statutes, Chapter 308A, and adopt the following Articles of Incorporation.

ARTICLE 1
NAME

The name of this cooperative shall be "Southern Minnesota Energy Cooperative" ("SMEC").

ARTICLE 2
ORGANIZATIONAL PURPOSES

The purposes for which the Cooperative is formed are to provide wholesale and retail electricity to its members and to other persons interested in purchasing such services and to engage in any other lawful business.

The Cooperative shall be authorized to exercise and enjoy all of the powers, rights, and privileges granted to or conferred upon cooperatives of the character of this Cooperative by the laws of the State of Minnesota now or hereafter in force.

ARTICLE 3
PRINCIPAL PLACE OF BUSINESS

The Cooperative's principal place of business shall be 31110 Cooperative Way, Rushford, Minnesota.

ARTICLE 4
DURATION

The Cooperative's duration shall be perpetual.

**ARTICLE 5
MEMBERSHIP COOPERATIVE**

This Cooperative is organized on a non-stock, membership basis. The membership fee shall be \$100.00.

**ARTICLE 6
VOTING**

Members will have only one vote in the affairs of the Cooperative, and membership in the Cooperative shall not be transferrable except with the approval of the Board of Directors.

**ARTICLE 7
PATRONAGE**

Net income of the Cooperative, except for amounts set aside for reserves, shall be distributed on the basis of patronage. The records of the Cooperative may show the interests of members in the reserves.

**ARTICLE 8
REGISTERED OFFICE AND AGENT**

The Cooperative's registered office address shall be at 31110 Cooperative Way, Rushford, MN 55971, and the name of the Cooperative's registered agent at that address is Brian B. Krambeer.

**ARTICLE 9
FIRST BOARD OF DIRECTORS**

The incorporators shall constitute the directors of the first board; and their names, post office addresses, and terms of office as directors of the first board are as follows:

<u>Name</u>	<u>Post office address</u>	<u>*Term expires</u> X
Richard G. Burud	77100 Highway 71, PO Box 69, Jackson, MN 56143	2013
	22636 U.S. Highway 59, PO Box 788, Worthington, MN 56187	
Brian B. Krambeer	31110 Cooperative Way, Rushford, MN 55971	2013
Elaine J. Garry	1775 Lake Shady Avenue South, Oronoco, MN 55960	2013
Wade R. Hensel	20946 549th Avenue, PO Box 8, Mankato, MN 56002	2014
	24386 State Highway 4, PO Box 529, Sleepy Eye, MN 56085	
Syd Briggs	P O Box 485, Owatonna, MN 55060	2014
Don L. Marker	47092 State Highway 34, PO Box 216, Colman, SD 57017	2014
Roger W. Geckler	125 Minnesota Valley Electric Drive, Jordon, MN 55352	2015
Jim Krueger	2501 Main Street East, PO Box 611, Albert Lea, MN 56007	2015
Ron Horman	71176 Tiell Drive, PO Box 150, St. James, MN 56081	2015
	60 Pine Street, Clements, MN 56224	

* Term expires at respective member's annual meeting in the year shown.

ARTICLE 10
DIRECTOR LIABILITY LIMITED

A director shall not be personally liable to the Cooperative or to its members for monetary damages for breach of fiduciary duty as a director, provided, that this provision shall not eliminate or limit the liability of a director (a) for breach of the director's duty of loyalty to the Cooperative or its members, (b) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (c) for a transaction from which the director derived an improper personal benefit, or (d) for an act or omission occurring prior to the effective date of this article.

IN WITNESS WHEREOF, we have herewith subscribed our names this 20th day of December, 2012.

Agents of
Federated Rural Electric Association

David Hanson
David Hanson, President

Agents of
Nobles Cooperative Electric

Ronald Sultwartau
Ronald Sultwartau, President

Agents of
South Central Electric Association

Mark Sanberg
Mark Sanberg, President

Agents of
Stoole-Watson Cooperative Electric

Donald A. Kolb
Donald Kolb, President

Agents of
Brown County Rural Electric Association

Thomas Hayes
Thomas Hayes, President

Agents of
Blue Earth Nienhet Farthaus Cooperative
Electric Association

Blake Meshke
Blake Meshke, President

Agents of
Minnesota Valley Electric Cooperative

Michelle Morrison
Michelle Morrison, President

Agents of
Peoples Cooperative Services

Anthony Ebo
Anthony Ebo, Chnr of Board

Agents of
Redwood Electric Cooperative

Werner Fischer
Werner Fischer, President

Agents of
Sioux Valley - Southwestern Electric
Cooperative, Inc.

Mark E. Rogen
Mark Rogen, President

Agents of
Tri-County Electric Cooperative

Jennifer A. Schamer
Jennifer A. Schamer, Chair of Board

Agents of
Freeborn Motor Cooperative Services

Roger W. Weness
Roger W. Weness, Chair of Board

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

FEB 27 2013

Monica Kitchie
Secretary of State

LS

**Attachment to
Articles of Incorporation for
Southern Minnesota Energy Cooperative**

Article 9 – Incorporators:

Richard G. Burud

Brian B. Krambeer

Elaine J. Garry

Wade R. Hensel

Syd Briggs

Don L. Marker

Roger W. Geckler

Jim Krueger

Ron Horman

Business Services
60 Empire Drive, Suite 100
Saint Paul, MN 55103



Mark Ritchie
Secretary of State

Office of the Secretary of State
Packing Slip

February 26, 2013

FELHABER LARSON FENLON & VOGT
KIM
444 CEDAR ST
SUITE 2100
SAINT PAUL, MN 55101-2136

Page 1 of 1

Client Account Number: 95219521
Batch Number: 6516952

Document Number	Document Detail	Filing Number	Fee
65169520002	COOP Expedited Fee (SOUTHERN MINNESOTA)		20.00
65169520002	COOP New Registration (SOUTHERN MINNESOTA)		60.00
Total Fees			\$80.00

<u>Payment Type Received</u>	<u>Payment Reference Number</u>	<u>Amount Paid</u>
Check	13738	80.00
Post-Pay	65169520001	0.00
Total Payments Received		\$80.00

Any overage amount on account with our agency will be refunded after 60 days if not used.



Visit our online services web page to discover timesaving, electronic methods of doing business! www.online.sos.state.mn.us

BYLAWS
of
SOUTHERN MINNESOTA ENERGY COOPERATIVE

ARTICLE 1
MEMBERSHIP

Section 1.1. Membership Requirements.

A. Federated Rural Electric Association of Jackson, Minnesota, Nobles Cooperative Electric of Worthington, Minnesota, Tri-County Cooperative of Rushford, Minnesota, Peoples Cooperative Services of Oronoco, Minnesota, Freeborn-Mower Cooperative Services of Albert Lea, Minnesota, Steele-Waseca Cooperative Electric of Owatonna, Minnesota, The Minnesota Valley Electric Cooperative of Jordon, Minnesota, Blue Earth Nicollet Faribault Cooperative Electric Association of Mankato, Minnesota, Redwood Electric Cooperative of Clements, Minnesota, South Central Electric Cooperative of St. James, Minnesota, Brown County Rural Electrical Association of Sleepy Eye, Minnesota and Sioux Valley- Southwestern Electric Cooperative, Inc. of Colman, South Dakota shall be the initial, charter members of SOUTHERN MINNESOTA ENERGY COOPERATIVE ("SMEC").

B. Any other person, including a partnership, an incorporated or unincorporated association or society, corporation, or body politic may become a member upon contracting with SMEC for the purchase of services or products from SMEC and upon acceptance into membership by SMEC's Board of Directors.

C. No member may hold more than one membership in SMEC directly or indirectly.

D. No membership shall be transferable, and shall terminate upon the dissolution or other termination of existence of the member.

Section 1.2. Membership Application and Fee.

Membership shall be granted upon the filing of an application therefor with the Secretary of SMEC, accompanied by a membership fee in the amount of \$100.00, and upon the acceptance of said application by an affirmative vote of not less than a majority of SMEC's directors.

Section 1.3. Membership Certificates.

Membership in SMEC shall be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as the Board of Directors shall determine. Each certificate shall be signed by the President and by the Secretary of SMEC.

Section 1.4. Agreement of Members.

Acceptance of the membership shall constitute an agreement upon the part of the member to be bound by the Articles of Incorporation, the Bylaws, and all rules and regulations of SMEC.

Section 1.5. Termination of Membership.

A. **Expulsion.** SMEC's Board of Directors - by an affirmative vote of not less than two-thirds of the members thereof - may expel any member of SMEC who violates or refuses to comply with any of the provisions of the Articles of Incorporation, the Bylaws, or any rules or regulations adopted by the Board of Directors.

[1] The member so affected shall be given a reasonable opportunity to appear before the Board of Directors and be heard with respect to the grounds for such expulsion.

[2] Any member expelled may be reinstated by a majority vote of the members at any annual or special meeting or by a two-thirds vote of all the Directors.

B. **Withdrawal.** Any member of SMEC may withdraw from membership at any time after the initial term of two (2) years, provided a one (1) year notice is given, upon payment in full of all of the withdrawing member's debts and obligations to SMEC, the performance of any act or acts required in connection with any obligation, and compliance with any uniform terms and conditions as prescribed by the Board of Directors.

C. **Continuing obligations.** Termination of membership in any manner shall not release a member from any debts or obligations due SMEC, nor shall it affect the terms of such member's contract with SMEC.

D. **Refund of membership fee.** Upon termination of membership in any manner, SMEC shall repay to the member the amount of the membership fee paid by the member. However, SMEC shall deduct from the fee any debts or obligations owed by the member to SMEC.

**ARTICLE 2
RIGHTS AND LIABILITIES OF MEMBERS**

Section 2.1. Property Interests of Members.

In the event of dissolution or liquidation of SMEC, after the payment or refund of (a) all debts of SMEC, (b) patronage capital credited to the accounts of patrons, and (c) capital contributions of members, any remaining assets of SMEC shall be disposed of as follows:

membership fees paid by members shall be refunded, then the remaining assets, if any, shall be distributed to the members in proportion to their capital contributions.

Section 2.2. Non-liability For Debts Of SMEC.

The private property of the members shall be exempt from execution or other liability for SMEC's debts, and no member shall be liable or responsible for any debts or liabilities of SMEC, unless such liability or responsibility has been expressly undertaken by the member.

**ARTICLE 3
MEETINGS OF MEMBERS**

Section 3.1. Annual Meeting.

A. **Time and place.** The annual meeting of the members shall be held each year, with the specific date and the place of the meeting to be designated by the Board of Directors. Failure to hold the annual meeting at the designated time shall not work a forfeiture or a dissolution of SMEC. In the event that such annual meeting is not held, for any reason, a special meeting in lieu thereof shall be called and held as soon thereafter as convenient; and any business transacted at such special meeting shall be as valid as if transacted at the annual meeting.

B. **Notice.** Written notice of the annual meeting of members, stating the time and place thereof, shall be mailed to all members not less than ten nor more than forty-five days before the date of such meeting. Such notice shall be deemed to have been made and contemplated by deposit in the United States mails, addressed to the member at its address as it appears on the records of SMEC at the time of the mailing of said notice.

Section 3.2. Special Meeting.

A. **Call.** Special meetings of the members may be called by the President or by a majority vote of the members.

B. **Notice.** Notice of special meetings shall be given not less than five days nor more than twenty days prior to the time of said meeting. Said notice shall set forth the purpose for which such meeting is held and no business other than set forth in such notice shall be conducted at any such special meeting. The notice shall be deemed to have been made and completed by deposit in the United States mails addressed to the member at its address as it appears on the records of SMEC at the time of mailing of said notice.

Section 3.3. Quorum.

A majority of the members shall constitute a quorum for the transaction of any business.

Section 3.4. Voting.

Each member in good standing shall designate, elect, or appoint, in such manner as it shall determine, one (1) primary voting delegate, who may cast one vote, and one or more alternate voting delegates, who may vote if the primary voting delegate for whom the alternate is appointed is absent from the meeting. A two-thirds majority of the members' voting delegates at any meeting, or on any other issue submitted to the members for a vote, shall carry any matter unless otherwise provided in these bylaws. Members may vote in person, by mail, or by electronic means.

**ARTICLE 4
BOARD OF DIRECTORS**

Section 4.1. General Powers and Number of Directors.

The business and affairs of SMEC shall be managed by a Board of Directors. The initial board shall be comprised of one director from each of the twelve (12) originating cooperatives forming SMEC. If additional entities join SMEC, the number of directors shall be one (1) times the number of members. A director may represent more than one member and, in that case, may cast as many votes as such director represents in members.

Section 4.2. Election and Term of Directors.

A. **Election.** Each member shall nominate in such manner as it shall determine, one person from its organization to serve as a director of SMEC. All directors shall be elected by the members at the annual meeting, or as provided in Section 4.2.D.

B. **Qualifications.** Only a chief executive officer of a member, whether designated as the CEO, President/CEO, or General Manager shall be eligible to serve as a director of SMEC. An interim chief executive officer shall also be eligible to serve as a director of SMEC.

C. **Term.** Except for the terms of the first board of directors specified in Article 9 of the Articles of Incorporation, the term of each director shall be for a period of three years. The Board of Directors shall stagger the terms of directors, so that an equal number of directors are elected at each annual meeting.

D. **Replacement.** Each member of SMEC retains the power to replace its director at any time and to nominate another director to fill the unexpired portion of any term, but SMEC shall be notified in writing of the fact of such replacement prior to the convening of the next meeting of the directors. A member shall nominate a successor promptly if its incumbent director ceases to be an employee of such member. All such nominees shall be elected by the members.

Section 4.3. Vacancies.

In the event of any vacancy in the office of director, the member having a vacancy shall nominate a successor and notify SMEC thereof. Such successor shall be elected by the members and shall serve the unexpired term of the office for which he/she is elected.

Section 4.4. Compensation.

Unless hereafter authorized by a majority vote of the members,

A. The directors shall not receive any salary or expenses for their service as directors, except as are authorized by the rules and regulations of the members by whom they are elected; and

B. Each member shall be responsible for the payment of all compensation and expenses of their own directors.

Section 4.5. Policies, Rules and Regulations.

The Board of Directors may adopt such policies, rules and regulations for the conduct of the business and affairs of SMEC as are consistent with the Articles of Incorporation and these Bylaws.

Section 4.6. Limits on Capital Expenditures and Borrowing.

A decision of the Board of Directors to make a capital expenditure in an amount greater than \$500,000.00 in a calendar year or to borrow funds in an amount greater than \$500,000.00 in a calendar year shall require the prior approval of at least ten (10) members. The Board shall submit these questions to a vote of the members, which may be at an annual or special meeting of members, or as a separate question on which members may vote by mail or by electronic means.

ARTICLE 5
MEETINGS OF BOARD OF DIRECTORS

Section 5.1. Regular Meetings.

A. **Organizational meeting.** An organizational meeting of the Board - for the election of officers and for such other business as may properly come before the Board - shall be held without notice, immediately after, and at the same place as, the annual meeting of the members.

B. **Regular meetings.** A regular meeting of the Board [1] shall be held once each quarter at a time and place designated by the Board, [2] may be held without notice other than by resolution affixing the time and place thereof, and [3] may be canceled by any two of the following officers, in consultation with the General Manager, if any: President, Vice-President, Secretary, Treasurer; provided, that notice of cancellation shall be given in person, by telephone, by fax, by U.S. mail or electronic means to each director prior to the time at which the meeting is scheduled to be held.

C. **Electronic communication meetings.** Any director, voting delegate, or member of any committee designated by the members may participate in a meeting by means of conference telephone or similar means of communication by which all persons participating in the meeting can simultaneously hear each other; *provided*, that such person makes appropriate arrangements therefor a reasonable time in advance of the meeting. Participating in a meeting by means of electronic communication pursuant to this section shall constitute presence in person at such meeting.

Section 5.2. Special Meetings.

A. **Call.** Special meetings of the Board of Directors may be called by the President, Secretary, General Manager, or any seven (7) Directors.

B. **Notice.** The person or persons authorized to call such meetings shall give written notice to the Secretary of the time, place and purpose of such meeting; and the Secretary shall - not less than two (2) nor more than ten (10) days before such time - give notice of the time, place and purpose of the meeting to each director in person, by telephone, by fax, by U.S. mail or by electronic means.

Section 5.3. Quorum.

A majority of the directors from each of the members shall constitute a quorum for the transaction of business at the meeting. Initially, a quorum shall be seven(7). If additional members join SMEC, a quorum shall be established when a simple majority of eligible directors from each of the members are present at the meeting.

Section 5.4. Voting.

Each director shall be entitled to one vote on any matter coming before the Board at any regular or special meeting. A two-thirds vote of the directors present and voting at any meeting shall carry any matter except as may be otherwise provided in these Bylaws or by law. A director may represent more than one member and, in that case, may cast as many votes as such director represents in members.

Section 5.5. Ex Officio Members and Authorized Attendees.

The General Manager of SMEC [1] shall be an ex officio member of the Board of Directors, [2] shall be entitled to notice of all meetings and to participate therein, [3] shall not be entitled to vote, and [4] shall not be counted in determining a quorum. A director of the board of directors of a member shall be entitled to attend meetings of the Board of Directors but shall have no vote.

**ARTICLE 6
OFFICERS**

Section 6.1. Number.

The officers of SMEC shall be a President of the Board, Vice-President of the Board, General Manager, Secretary, Treasurer, and any other officers as may be appointed pursuant to Section 6.3 of this Article. The positions of Secretary and Treasurer may be held by one person.

Section 6.2. Election and Term of Office.

A. **Election.** The officers specified in Section 6.1, except such additional officers as may be appointed pursuant to Section 6.3 of this Article, shall be elected by the Board of Directors in the order in which they are listed in Section 6.1.

1. The successful candidate for each office shall be declared elected only when that candidate has received a majority of the votes cast for that office.

2. If upon the first ballot there is no such majority, the two candidates polling the largest number of votes shall be the candidates in a run-off election.

3. In the event the run-off election results in a tie vote, the tie shall be broken by the toss of a coin.

4. As each office is filled, the remaining members of the Board of Directors who have not disqualified themselves shall be the candidates for the remaining offices to be filled.

B. **Qualifications.** All members of the Board of Directors shall be eligible to be candidates except those who choose not to serve as an officer.

C. **Secret ballot.** Voting for officers shall be by secret ballot.

Section 6.3. Additional Officers.

In addition to the officers specified in Section 6.1 of this Article, the Board of Directors may appoint such additional officers as they deem necessary, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 6.4. President of the Board.

Duties. The President of the Board shall preside at all meetings of the members and of the Board of Directors and shall have all the authority and duties prescribed by these Bylaws, together with such other authority and duties as the Board of Directors may from time to time determine.

Section 6.5. Vice-President of the Board.

Duties. The Vice-President of the Board shall perform the duties of the President of the Board in the event of the latter's absence, inability, or refusal to perform the duties of that office, and shall also perform such other duties as shall be assigned from time to time by the Board of Directors.

Section 6.6. General Manager.

The General Manager shall be appointed and his/her salary fixed by the Board of Directors and shall:

A. Be the chief administrative officer and shall be responsible for the general direction, coordination, and control of all of SMEC's operations, in accordance with the policies adopted by the Board of Directors;

B. Prepare or cause to be prepared for the Board of Directors such reports and budgets as are necessary to inform the Board and SMEC's members concerning SMEC's operations; and

C. Perform, in general, all duties incident to the office of General Manager as chief administrative officer and such other duties as are prescribed by these Bylaws or as may be from time to time assigned by the Board of Directors.

Section 6.7. Secretary.

The Secretary shall keep or cause to be kept the minutes of the meetings of the Board of Directors and shall perform all other duties imposed by these Bylaws or that may be from time to time assigned by the Board of Directors or the Executive Committee.

Section 6.8. Treasurer.

The Treasurer shall have responsibility for supervising the handling of funds and securities of SMEC by the General Manager and shall perform such other duties as may be assigned from time to time by the Board of Directors.

Section 6.9. Removal of Officers.

All officers serve at the discretion of the Board, and any officer - elected or appointed - may be removed by the Board whenever in its judgment the best interests of SMEC will be served thereby.

**ARTICLE 7
FINANCES**

Section 7.1. Signatures on Checks.

The Treasurer, General Manager, or such other person or persons as the Board of Directors may designate, shall sign all checks or instruments of payments by SMEC. Two signatures shall be required on all checks or instruments of payments of amounts exceeding \$50,000.

Section 7.2. Annual Audit.

An annual audit of SMEC shall be performed by a firm of independent certified public accountants selected by the Board of Directors, and its report shall be made available to the Board. Upon acceptance of the audit by the Board, the audit shall be sent to all members.

**ARTICLE 8
NONPROFIT OPERATION**

Section 8.1. Interest or Dividends on Capital Prohibited.

SMEC shall be operated at all times on a cooperative, nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by SMEC on any capital furnished by its patrons.

Section 8.2. Patronage Capital.

A. In the furnishing of services and products to its members, SMEC's operations shall be conducted so that all patrons will through their patronage furnish capital for SMEC.

B. In order to induce patronage and to assure that SMEC will operate on a nonprofit basis, SMEC is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from operations in excess of operating costs and expenses properly chargeable against such operations; and all such amounts in excess of operating costs and expenses at the moment of receipt by SMEC are received with the understanding that they are furnished by the patrons as capital.

C. SMEC is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses; and the books and records of SMEC shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron.

D. Within a reasonable time after the close of the fiscal year, SMEC shall notify each patron of the amount of capital so credited to its account; and all such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished SMEC corresponding amounts for capital.

E. All other amounts received by SMEC from its operations in excess of costs and expenses shall, insofar as permitted by law, be [1] used to offset any losses incurred during the current or any prior fiscal year, and [2] to the extent not needed for that purpose, allocated to its patrons on a patronage basis; and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

F. In the event of dissolution or liquidation of SMEC, after all outstanding indebtedness of SMEC shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on the capital contributions of members.

G. If at any time prior to dissolution or liquidation the Board shall determine that the financial condition of SMEC will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part.

1. In making such determination, the Board of Directors shall consider the provisions of any mortgage, loan agreement, trust indenture, deed of trust or similar security arrangement in which SMEC is a debtor party and shall make no retirement of capital which would violate the provision of any such security arrangement.

2. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts furnished as capital.

H. Capital credited to the account of each patron shall be assignable only on the books of SMEC pursuant to written instruction from the assignor and only to successors in interest of such patron unless the Board, acting under policies of general application, shall determine otherwise.

I. The patrons of SMEC, by dealing with SMEC, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between SMEC and each patron, and both SMEC and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

J. The provisions of this Article of the Bylaws shall be called to the attention of each patron of SMEC by mailing a copy thereof to each such patron.

**ARTICLE 9
CONTRIBUTIONS TO CAPITAL**

Members shall, with their individual consent, be entitled to make contributions to the equity capital of SMEC in unequal amounts and in addition to the membership fee specified herein.

A. All such contributions to capital by members shall become a part of the equity capital of SMEC.

B. Upon dissolution or liquidation, after payment of SMEC's debts and then unretired patronage capital credited to the accounts of patrons, each contributing member shall receive from SMEC the amount of its capital contribution, or - if there are not sufficient assets of SMEC to make such distribution of capital contributions in total - each contributing member shall receive that portion of its capital contribution which is obtained by multiplying its total capital contribution by a fraction, the numerator of which is the total amount of capital contributions to be distributed, and the denominator of which is the total amount of capital contributions made.

C. Since the capital contributions of members are contributions to equity capital, all rights of members therein or to the return thereof shall be subordinate to the rights of creditors of SMEC and to the rights of holders of unretired patronage capital credited to the accounts of patrons.

**ARTICLE 10
INDEMNIFICATION OF BOARD MEMBERS AND OFFICERS**

SMEC shall defend and indemnify its directors, officers, and employees as permitted by law and may purchase insurance for that purpose.

**ARTICLE 11
MISCELLANEOUS**

Section 11.1. Contracts.

Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, or agent or agents to enter into any contract or execute and deliver any instrument in the name of SMEC, and such authority may be general or confined to specific instances.

Section 11.2. Waiver of Notice.

Any member or director may waive in writing any notice of a meeting required to be given by the Bylaws; and the attendance of a member or director at any meeting shall constitute a waiver of notice of the meeting by such person, unless he/she shall attend the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

**ARTICLE 12
AMENDMENTS**

These Bylaws, with the exception of Section 3.4, Section 4.1, and Article 12, may be altered, amended or repealed by a two-thirds vote of the members in attendance at any regular or special meeting at which time there is a quorum, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal. Section 3.4, Section 4.1, and Article 12 of these Bylaws may be altered, amended or repealed by a four-fifths vote of the members at the Annual Meeting or a special meeting of the members at which all members are present and voting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Attachment C

Business Profile Of Each SMEC Member Cooperative

BENCO Electric Cooperative

Individual Cooperative Business Profile BENCO Electric Cooperative

BENCO Electric Cooperative (BENCO) is a Minnesota electric distribution cooperative corporation with its principal office at 20946 549th Ave., Mankato, MN 56001. BENCO provides electric service at retail to approximately 14,700 members in its assigned service area, which is located primarily in Blue Earth, Faribault and Nicollet Counties. BENCO also has some services in Brown, Freeborn, LeSueur, Martin, Sibley, Waseca and Watonwan Counties. BENCO owns and operates approximately 2,600 miles of overhead and 650 miles of underground distribution lines and related electric facilities and equipment such as substations, transformers, and meters.

BENCO's total utility plant investment as of December 31, 2012 was approximately \$68,000,000, and its total annual revenues for 2012 were \$30,000,000. BENCO retired the sum of \$880,000 in capital retirements to its members in 2012. BENCO is an all requirements purchaser of wholesale power from Great River Energy in Maple Grove, MN. 67% of BENCO's costs are for wholesale power purchases. BENCO obtains its long-term capital requirements from RUS and CFC, and its total long-term indebtedness as of December 31, 2012 was \$30,000,000.

BENCO provides excellent service to its members from 33 well qualified employees. 15 of these employees perform the typical line construction and maintenance work. 18 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services.

The CEO of BENCO is Wade Hensel, who has served in that position since 1981. Wade Hensel is General Manager/CEO of BENCO Electric Cooperative headquartered in Mankato, MN and Brown County Rural Electrical Association in Sleepy Eye, MN. Wade has served as GM of BENCO since 1981 and served jointly as manager of both cooperatives since 2001. Wade is very active in the greater Mankato area having served on the board and as chair of the Greater Mankato Area Chamber of Commerce, Valley Industrial Development Corporation, Mankato Rehabilitation Center, Inc., North Mankato Port Authority, as well as serving in many other capacities on a number of other local nonprofit boards and committees. Representing MN, SD and ND on a national board of directors of the National Rural Utilities Cooperative Finance Corporation Wade served on the board for six years and his last year on that board he served as Chair of the board. Wade is a past Chair of the MN Rural Electric Manager's Association and the Cooperative Power Manager's Association. Currently Wade is representing MN, SD and ND on the National Rural Electric Cooperative Association Cooperative Management, Employment, and Community Committee.

Wade is a graduate of the University of MN-Duluth and has been employed in the rural electric cooperative program since 1976.

Brown County Rural Electrical Association

Individual Cooperative Business Profile Brown County Rural Electrical Association

Brown County Rural Electrical Association (REA) is a Minnesota electric distribution cooperative corporation with its principal office at 24386 State Highway 4, Sleepy Eye, MN 56085. Brown County REA provides electric service at retail to approximately 4,000 members in its assigned service area, which is located in Brown and portions of Nicollet and Sibley counties. Brown County REA (BCREA) also has some services in Blue Earth, Cottonwood, Redwood, Renville and Watonwan counties. BCREA owns and operates approximately 900 miles of overhead and 560 miles of underground distribution lines and related electric facilities and equipment such as substations, transformers, and meters.

Brown County REA's total utility plant investment as of December 31, 2012 was approximately \$30,000,000, and its total annual revenues for 2012 were \$12,700,000. BCREA retired the sum of \$520,000 in capital retirements to its members in 2012. Brown County REA is an all requirements purchaser of wholesale power from Great River Energy in Maple Grove, MN. 67% of BCREA's costs are for wholesale power purchases. Brown County REA obtains its long-term capital requirements from RUS and CFC, and its total long-term indebtedness as of December 31, 2012 was \$14,500,000.

Brown County REA provides excellent service to its members from 17 well qualified employees. Nine of these employees perform the typical line construction and maintenance work. Eight employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services.

The General Manager/CEO of Brown County REA is Wade Hensel, who has served in that position since 2001. Wade Hensel is General Manager/CEO of Brown County Rural Electrical Association in Sleepy Eye, MN and BENCO Electric Cooperative headquartered in Mankato, MN. Wade has served as General Manager of BENCO since 1981 and served jointly as manager of both cooperatives since 2001. Representing MN, SD and ND on a national board of directors of the National Rural Utilities Cooperative Finance Corporation Wade served on the board for six years and his last year on that board he served as Chair of the board. Wade is a past Chair of the MN Rural Electric Manager's Association and the Cooperative Power Manager's Association. Currently Wade is representing MN, SD and ND on the National Rural Electric Cooperative Association Cooperative Management, Employment, and Community Committee.

Wade is a graduate of the University of MN-Duluth and has been employed in the rural electric cooperative program since 1976.

Federated Rural Electric Association

Individual Cooperative Business Profile

Federated Rural Electric Association

Federated Rural Electric Association (Federated) is a Minnesota electric distribution cooperative corporation with its office located at 77100 US Highway 71, Jackson, Minnesota, 56143. Federated provides retail electric service to approximately 5,000 members in its assigned service area, which is mainly Jackson and Martin Counties, plus neighboring bordering counties. Federated also serves the City of Welcome with retail service and wholesale service to the cities of Round Lake, Alpha, Ceylon and Dunnell. Federated owns and operates approximately 1,576 miles of overhead and 677 miles of underground distribution lines, plus related electric facilities and equipment such as substations, transformers, and meters.

Federated's total utility plant investment as of December 31, 2012, was approximately \$42,600,000 and its total annual revenues for 2012 were \$25,000,000. Federated retired \$633,000 in capital retirements to its members in 2012. Federated secures wholesale power from three suppliers:

- Western Area Power Administration, Billings, Montana
- Great River Energy, Maple Grove, Minnesota
- Basin Electric Cooperative, Bismarck, North Dakota

81 percent of Federated's costs are for wholesale power purchases. Federated obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012, was \$18,000,000.

Federated provides excellent service to its members from 25 well-qualified employees. Thirteen of these employees perform the typical line construction and maintenance work. Twelve employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. As evidence of Federated's commitment to member service, Federated received a rating of 86 from the American Consumer Satisfaction Institute (ACSI), a University of Michigan institute, which is a very high rating for power suppliers in the electric utility industry.

Richard (Rick) Burud is the general manager of Federated Rural Electric Association and has served that position since 1983. Mr. Burud also became general manager of Nobles Cooperative Electric in Worthington, Minnesota, in 2001. He continues to jointly manage these two cooperatives. Mr. Burud was born and raised in North Dakota and graduated with honors from North Dakota State University in 1970 with a degree in electrical engineering. After college he was employed as a staff engineer for Ottetail Power Company, an investor-owned utility headquartered in Fergus Falls, Minnesota. He left that position in 1973 to become chief engineer for a cooperative-owned consulting engineering group, a position he held until becoming the general manager of Federated.

Mr. Burud is a registered engineer in Iowa and Minnesota. He presently serves on the Mid-West Electric Consumers Association Board of Directors and is vice president of the Southern Minnesota Energy Cooperative (SMEC). He has also served as chairman of the Minnesota State Board of Electricity.

Freeborn Mower

Individual Cooperative Business Profile Freeborn-Mower Cooperative Services

Freeborn-Mower Cooperative Services (FMCS) is a Minnesota electric distribution cooperative corporation with its principal office at 2501 E. Main Street, Albert Lea MN 56007. FMCS provides electric service at retail to approximately 6,000 members in its assigned service area, which is primarily located in Freeborn & Mower Counties. FMCS owns and operates approximately 1,204 miles of overhead and 786 miles of underground distribution lines.

FMCS's total utility plant investment as of December 31, 2012 was approximately \$39,100,000, and its total annual revenues for 2012 were \$20,200,000. FMCS retired the sum of \$655,100 in capital retirements to its members in 2012. FMCS is an all requirements purchaser of wholesale power from Dairyland Power Cooperative in La Crosse, WI. 72% of FMCS's costs are for wholesale power purchases. FMCS obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012 was \$21,800,000

FMCS provides excellent service to its members from 32 well qualified employees. 9 of these employees perform the typical line construction and maintenance work. 23 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. As evidence of FMCS's commitment to member service, FMCS received a rating of 88 from the American Consumer Satisfaction Institute (ACSI), a University of Michigan institute, which is a very high rating for power suppliers in the electric utility industry.

The President & CEO of Freeborn-Mower Cooperative Services is Jim Krueger. He has been with the cooperative since January 2005. As an experienced auditor and licensed CPA with extensive experience with rural electric cooperative finances, he first held the position of Chief Financial Officer. In December 2007, Krueger was appointed as Interim CEO by the FMCS Board of Directors, and assumed the duties of President and CEO of FMCS on March 31, 2008.

Jim Krueger is actively involved in professional and community organizations, including:

- Development Corporation of Austin Board Member
- Accentra Credit Union (Supervisory Committee)
- Albert Lea-Freeborn County Chamber Board of Directors
- Heartland Security Systems Board of Directors
- Riverland Community College Foundation Board of Directors
- NRECA MIP Graduate (2009)
- Member of AICPA (American Institute of Certified Public Accountants)
- Member of MNCPA (Minnesota Society of Certified Public Accountants)

Krueger is a native of Byron, MN and possesses a Bachelor's degree in Accounting from MSU - Mankato. He has been a licensed CPA since 1995.

Minnesota Valley Electric Cooperative

Individual Cooperative Business Profile for **Minnesota Valley Electric Cooperative**

Minnesota Valley Electric Cooperative (MVEC) is a Minnesota electric distribution cooperative, established in 1937 and located at 125 Minnesota Valley Electric Drive, Jordan, MN 55352.

MVEC provides electric service at retail rates to approximately 36,000 members in an 898-square mile service area, covering nine counties: Blue Earth, Carver, Dakota, Hennepin, Le Sueur, Rice, Scott, Sibley and Waseca. MVEC owns and operates approximately 1,933 miles of overhead and 1,727 miles of underground distribution lines and related electric facilities and equipment such as substations, transformers and meters.

MVEC's total utility plant investment as of Dec. 31, 2012, was approximately \$124,000,000, and its total annual revenues for 2012 were \$68,000,000. MVEC retired the sum of \$954,000 in capital retirements to its members in 2012. Also in 2012, an additional \$1.5 million was refunded to the entire membership in December due to higher than anticipated kilowatt-hour sales and lower than expected wholesale power costs.

Until November 2006, MVEC purchased all of its wholesale power from Great River Energy of Maple Grove, MN. From this date forward, purchases from Great River Energy were fixed, and all current growth is purchased from Basin Electric Power Cooperative of Bismarck, ND. Wholesale power accounts for 72% of MVEC's costs. MVEC obtains its long-term capital requirements from RUS and CFC, and its total long-term indebtedness as of Dec. 31, 2012, was \$99.7 million.

MVEC utilizes state-of-the-art technology and provides excellent service to its members with 73 well-qualified employees; 21 of whom perform the typical line construction and maintenance work. The other 52 employees perform typical administrative, technical and financial functions, including system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing and collections, member service, communications and allocation of capital credits.

Year to date in 2013, MVEC's reliability indices were: Customer Average Interruption Duration Index (CAIDI) 72.89, System Average Interruption Duration Index (SAIDI) 33.23 and System Average Interruption Frequency (SAIF) .456.

In 2013, MVEC's member service efforts scored a rating of 87 from the American Consumer Satisfaction Institute (ASCI). MVEC has consistently achieved scores in the upper 80s, which is a very high for the electric utility industry, as well as when compared to name brand companies across the U.S.

The CEO of MVEC is Roger Geckler, who has served in that position since 1983. Prior to his employment with MVEC, Mr. Geckler served on the management team at Wright Hennepin Cooperative Electric Association for 12 years. He has served on a variety of industry committees and is also a past director of the National Information Solutions Cooperative, an organization which provides integrated software and hardware solutions to over 500 utilities and telecommunications companies in the U.S.

Nobles Cooperative Electric

Individual Cooperative Business Profile Nobles Cooperative Electric

Nobles Cooperative Electric (NCE) is a Minnesota electric distribution cooperative corporation with its principal office at 22636 U.S. Hwy. 59, Worthington, Minnesota, 56187. NCE provides electric service at retail to approximately 5,100 members in its assigned service area, which is located in Murray and Nobles Counties. NCE owns and operates approximately 1,155 miles of overhead and 991 miles of underground distribution lines, plus related electric facilities and equipment, such as substations, transformers, and meters.

NCE's total utility plant investment as of December 31, 2012, was approximately \$44,300,000, and its total annual revenues for 2012 were \$14,000,000. NCE retired \$597,000 in capital retirements to its members in 2012. NCE is an all requirements purchaser of wholesale power from Great River Energy in Maple Grove, Minnesota. 60 percent of NCE's costs are for wholesale power purchases. NCE obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012, was \$18,700,000.

NCE provides excellent service to its members from 23 well-qualified employees. Twelve of these employees perform the typical line construction and maintenance work. Eleven employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. As evidence of NCE's commitment to member service, NCE received a rating of 86 from the American Consumer Satisfaction Institute (ACSI), a University of Michigan institute, which is a very high rating for power suppliers in the electric utility industry.

The general manager of Nobles Cooperative Electric is Richard (Rick) Burud, who has served in that position since 2001. Burud is also the general manager of Federated Rural Electric Association (FREA) and has served that position since 1983. He continues to jointly manage these two cooperatives. Mr. Burud was born and raised in North Dakota and graduated with honors from North Dakota State University in 1970 with a degree in electrical engineering. After college he was employed as a staff engineer for Ottertail Power Company, an investor-owned utility headquartered in Fergus Falls, Minnesota. Burud left that position in 1973 to become chief engineer for a cooperative-owned consulting engineering group, a position he held until becoming the general manager of FREA.

Mr. Burud is a registered engineer in Iowa and Minnesota. He presently serves on the Mid-West Electric Consumers Association Board of Directors and is vice president of the Southern Minnesota Energy Cooperative (SMEC). Burud has also served as chairman of the Minnesota State Board of Electricity.

Peoples Energy Cooperative

Individual Cooperative Business Profile People's Energy Cooperative

People's Energy Cooperative (PEC) is a Minnesota electric distribution cooperative corporation with its principal office at 1775 Lake Shady Ave. S., Oronoco, MN 55960. PEC provides electric service at retail to approximately 14,500 members in its assigned service area, which is located in Dodge, Fillmore, Mower, Olmsted, Wabasha, and Winona Counties. PEC owns and operates approximately 2,022 miles of overhead and 543 miles of underground distribution lines, 124 miles of transmission lines and related electric facilities and equipment such as substations, transformers, and meters.

PEC's total utility plant investment as of December 31, 2012 was approximately \$107,000,000, and its total annual revenues for 2012 were \$31,000,000. PEC retired the sum of \$677,000 in capital retirements to its members in 2012. PEC is an all requirements purchaser of wholesale power from Dairyland Power Cooperative in La Crosse, WI. 56% of PEC's costs are for wholesale power purchases. PEC obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012 was \$60,600,000.

PEC provides excellent service to its members from 48 well qualified employees. 14 of these employees perform the typical line construction and maintenance work. 34 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. As evidence of PEC's commitment to member service, PEC received a rating of 81 from the American Consumer Satisfaction Institute (ACSI), a University of Michigan institute, which is a very high rating for power suppliers in the electric utility industry.

The CEO of PEC is Elaine J. Garry, who has served in that position since 2007. Prior to her employment with PEC, Ms. Garry held several management positions at Sioux Valley Energy, an electric cooperative located in Colman, SD. Ms. Garry obtained a Bachelor's Degree in Civil Engineering and a Master's Degree in Industrial Management from South Dakota State University, in Brookings, SD. Ms. Garry is also certified as a Senior Human Resource Professional (SHRP).

Ms. Garry serves as Secretary of the Rochester Chamber of Commerce Executive Board of Directors; as President of the Rochester Area Economic Development Board; and is a member of the Community Economic Development Association (CEDA) Board of Directors. She has served as Chair of the Dairyland Power Cooperative Manager's Association; as Chair of the American Heart Association Go Red for Women Leadership Team; and on the Strategic Planning Committee of the Rochester Community and Technical College (RCTC).

Redwood Electric Cooperative

Individual Cooperative Business Profile Redwood Electric Cooperative

Redwood Electric Cooperative (REC) is a Minnesota electric distribution cooperative corporation with its principal office at 60 Pine Street, Clements, MN 56224. REC provides electric service at retail to approximately 2,464 members in its assigned service area, which is located in Redwood, Brown and Lyon Counties. REC owns and operates approximately 936 miles of overhead and 277 miles of underground distribution lines and related electric facilities and equipment such as substations, transformers, and meters.

REC's total utility plant investment as of December 31, 2012 was approximately \$23,651,009, and its total annual revenues for 2012 were \$8,951,730. REC is a purchaser of wholesale power from Great River Energy in Maple Grove, MN and East River Electric Power Cooperative in Madison, SD and Western Area Power Administrative. 56% of REC's costs are for wholesale power purchases. REC obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012 was \$9,581,390.

REC provides excellent service to its members from 14 well qualified employees. 9 of these employees perform the typical line construction and maintenance work. 5 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. In a recent member survey 91% of respondents were satisfied with REC's overall service.

Ron Horman is the General Manager of Redwood Electric Cooperative and Redwood Electric Cooperative. He has been in his current position since January of 2012. Previously, Ron was the Operations Manager at Redwood Electric for 13 years. In 1983 Ron started his career in the electric utility field employed by a utility construction contractor working with rural electric cooperatives. In 1988 Ron was hired as a lineman for Redwood Electric. He has 30 years of experience working in the electric utility field. Ron is a graduate of Sleepy Eye Public High School and attended vocational school in Willmar. Ron completed the National Rural Electric Cooperative Association's Management Internship Program in 2010. He served 14 years on the Clements, MN city council, was a volunteer fireman and first responder. Ron served a term as Treasurer on the REMA Operations Board.

Redwood Electric Cooperative is governed by a Board of Directors, elected from the REC membership. The Board represents different geographic areas of the REC service territory. REC Directors are committed to stewardship of the organization and meeting the needs of the membership.

Sioux Valley Energy

Business Profile: Sioux Valley Energy

October 2013

Sioux Valley Energy (SVE) is a member-owned electric cooperative providing reliable electric service at cost-based rates to over 22,000 homes, farms, businesses and industries in a seven county region of east-central South Dakota (Brookings, Kingsbury, Moody, Lake and Minnehaha) and southwest Minnesota (Rock and Pipestone).

SVE's total utility plant investment in 2012 was approximately \$155.8-million, and its total annual revenues were \$59.4-million. Currently, the cooperative owns and operates more than 5,600 miles of overhead and underground distribution lines. The cooperative added 369 new services last year and sold 662.4-million kWh to members.

SVE retired the sum of \$1.5-million in capital retirements to its members last year. More than 65 percent of SVE's costs are for wholesale power purchases. SVE purchases its wholesale power from L&O Power Cooperative in Rock Rapids, IA for Minnesota members and East River Electric Power Cooperative in Madison, SD for its South Dakota members. SVE primarily uses RUS loan funds for its capital requirements and utilizes CFC and CoBank for gap financing. In total SVE's long-term debt is approximately \$93.4-million.

Revenue projections for 2013 are \$65-million with total power costs estimated at approximately \$42-million. The Cooperative has been strategically upgrading its electric facilities, investing more than \$13-million in capital improvements last year. Total assets are valued at \$175.7-million.

Sioux Valley's 105 current employees include a dedicated crew of 25 lineworkers spread throughout the utility's service territory in efforts to respond more quickly to power interruptions. Sioux Valley Energy has 24 hour, seven days a week, 365 days a year, in-house dispatching services for customers and line workers. There is also a team of professional electricians, engineers, marketing specialists, customer service representatives, accountants, GIS and safety coordinators, dispatchers and warehouse personnel.

Sioux Valley Energy is committed to maintaining customer satisfaction and most recently scored an 89 in the American Customer Satisfaction Index (ACSI). The average ACSI score for electric utilities is 77.4.

The General Manager/CEO of Sioux Valley Energy is Tim McCarthy. Mr. McCarthy has over 25 years of utility management experience, including senior leadership, field operations, distribution dispatching, billing, collections, training, customer service, and call center management. Prior to becoming the Sioux Valley Energy CEO in March 2013, Mr. McCarthy served as CEO for Indiana-based Tipmont REMC. He also held the position of Tipmont's Manager of Member Service before he was promoted to

CEO. Mr. McCarthy worked for 19 years with a large Midwest investor-owned utility before joining the rural electric industry. Over the course of his career he has served on the board of directors for multiple economic and community development organizations. Mr. McCarthy is a past Chair of the Midwest Electric Association Planning Committee and in 2011 served on U.S. Representative Todd Rokita's Energy Advisory Committee. He was born and raised in Thayer, Illinois and attended Southern Illinois University where he received a Bachelor's Degree in Communications / Journalism. Mr. McCarthy also has a Master's Degree in Management from the University of Maryland. Additionally, he earned a Master's Certificate in Six Sigma from Villanova University and graduated from the National Rural Electric Cooperative Association's Management Internship Program.

South Central Electric Association

Individual Cooperative Business Profile South Central Electric Association

South Central Electric Association (SCEA) is a Minnesota electric distribution cooperative corporation with its principal office at 71176 Tiell Dr., St. James, MN 56081. SCEA provides electric service at retail to approximately 3,890 members in its assigned service area, which is located in Blue Earth, Brown, Cottonwood, Jackson, Martin and Watonwan Counties. SCEA owns and operates approximately 1,264 miles of overhead and 739 miles of underground distribution lines and related electric facilities and equipment such as substations, transformers, and meters.

SCEA's total utility plant investment as of December 31, 2012 was approximately \$48,963,000, and its total annual revenues for 2012 were \$16,337,000. SCEA retired the sum of \$375,124 in capital retirements to its members in 2012. SCEA is a purchaser of wholesale power from Great River Energy in Maple Grove, MN and East River Electric Power Cooperative in Madison, SD. 56% of SCEA's costs are for wholesale power purchases. SCEA obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012 was \$30,273,000.

SCEA provides excellent service to its members from 22 well qualified employees. 13 of these employees perform the typical line construction and maintenance work. 9 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. In a recent member survey 91% of respondents were satisfied with SCEA's overall service.

Ron Horman is the General Manager of South Central Electric Association and Redwood Electric Cooperative. He has been in his current position since January of 2012. Previously, Ron was the Operations Manager at Redwood Electric for 13 years. In 1983 Ron started his career in the electric utility field employed by a utility construction contractor working with rural electric cooperatives. In 1988 Ron was hired as a lineman for Redwood Electric. He has 30 years of experience working in the electric utility field. Ron is a graduate of Sleepy Eye Public High School and attended vocational school in Willmar. Ron completed the National Rural Electric Cooperative Association's Management Internship Program in 2010. He served 14 years on the Clements, MN city council, was a volunteer fireman and first responder. Ron served a term as Treasurer on the REMA Operations Board.

South Central Electric Association is governed by a Board of Directors, elected from the SCEA membership. The Board represents different geographic areas of the SCEA service territory. SCEA Directors are committed to stewardship of the organization and meeting the needs of the membership.

Steele-Waseca Cooperative Electric

Individual Cooperative Business Profile Steele-Waseca Cooperative Electric

Steele-Waseca Cooperative Electric (SWCE) is a Minnesota electric distribution cooperative corporation with its principal office at 2411 West Bridge Street, Owatonna, MN 55060. SWCE provides electric service at retail to approximately 9,582 members in its assigned service area, which is located in Steele, Waseca, Rice, Blue Earth, Dodge, Freeborn, Goodhue, LeSeur, and Faribault Counties. SWCE owns and operates approximately 1,653 miles of overhead and 369 miles of underground distribution lines, and related electric facilities and equipment such as substations, transformers, and meters. SWCE has a fully deployed AMI system, and is currently updating to the next generation of communication abilities with that system.

SWCE's total utility plant investment as of December 31, 2012 was approximately \$58.8 million, and its total annual revenues for 2012 were \$27.0 million. SWCE retired the sum of \$618 thousand in capital retirements to its members in 2012. SWCE is an all requirements purchaser of wholesale power from Great River Energy Cooperative in Maple Grove, MN. 65% of SWCE's costs are for wholesale power purchases. SWCE obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012 was \$30.4 million.

SWCE provides excellent service to its members from 30 well qualified employees. 12 of these employees perform the typical line construction and maintenance work and 18 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, annual meetings, other member informational meetings, economic development, and the allocation and retirement of capital credits, among other such services. As evidence of SWCE's commitment to member service, SWCE received a rating of 79 using the American Consumer Satisfaction Institute score (ACSI), during the 2012 Touchstone Energy Survey.

The CEO of SWCE is Syd Briggs, who has served in that position since 2009. Prior to his employment with SWCE, Mr. Briggs served seven years with Southwest Arkansas Electric Cooperative in Texarkana, Arkansas as Vice President of Accounting, Finance, and Member Services; and 11 years with Rio Grande Electric Cooperative in Brackettville, Texas as the Director of Accounting and Finance. Syd has an MBA from Texas A&M Texarkana and a BBA in accounting from Sul Ross State University in Texas.

Syd's work experience includes conducting various member meetings such as annual meetings and rate specific meetings, working with members on individual issues, developing rate structures, cost of power recovery, and all financial aspects of cooperative business. Since becoming a General Manager, Syd has been active with presentations at annual meetings, town hall meetings, NRECA conferences, local clubs, and other organizations. Syd is currently the Chairman of the Member Manager Group at Great River Energy, the Generation and Transmission Cooperative that serves Steele-Waseca Cooperative Electric. Syd and Steele-

Waseca Cooperative are very active in member connections and economic development. Over the past 10 years, Steele-Waseca has provided over three million dollars in local economic development loans.

Tri-County Electric Cooperative

Individual Cooperative Business Profile Tri-County Electric Cooperative

Tri-County Electric Cooperative (TEC) is a Minnesota electric distribution cooperative corporation with its principal office at 31110 Cooperative Way, Rushford, MN 55971. TEC provides electric service at retail to 10,889 members in its assigned service area, which rural areas of Fillmore, Houston and Winona counties, plus parts of Olmsted and Mower counties in Minnesota and Allamakee, Winneshiek and Howard counties in Iowa. TEC also distributes electric energy to nine municipal utilities on a wholesale basis. TEC owns and operates approximately 2,713 miles of overhead and 630 miles of underground distribution lines and related electric facilities and equipment such as substations, transformers, and meters.

TEC's total utility plant investment as of December 31, 2012 was approximately \$89,978,717, and its total annual revenues for 2012 were \$38,217,388. TEC retired the sum of \$786,700 in capital retirements to its members in 2012. TEC is an all requirements purchaser of wholesale power from Dairyland Power Cooperative in La Crosse, WI and 68% of TEC's costs are for wholesale power purchases. TEC obtains its long-term capital requirements from RUS, CFC, and CoBank, and its total long-term indebtedness as of December 31, 2012 was \$43,902,019.

TEC provides excellent service to its members from 49 well qualified employees. 20 of these employees perform the typical line construction and maintenance work. 29 employees perform the typical administrative, technical, and financial functions. These functions include system planning and engineering, debt and equity management, energy conservation programs, electrical services, billing, collection, responding to member inquiries, and the allocation and retirement of capital credits, among other such services. As evidence of TEC's commitment to member service, TEC received a rating of 88 from the American Consumer Satisfaction Institute (ACSI), a University of Michigan institute, which is a very high rating for power suppliers in the electric utility industry.

Brian Krambeer has served as president/CEO of TEC for 13 years. For the past three and a half years, Mr. Krambeer has also served as the CEO of Hawkeye REC through a shared management arrangement between the two electric cooperatives. Hawkeye REC is a member-owned electric cooperative that provides electric service in Howard, Winneshiek and Chickasaw counties in northeastern Iowa and is a neighbor to TEC.

Mr. Krambeer has been a great proponent of economic development throughout his career. He has served as a director/officer on the community development boards in Vermillion, SD; Houston, MN; and Rushford, MN and is past president of the SouthEastern Minnesota Development Corporation (SEMDC), which is now the Community Economic Development Association (CEDA). He also served as chairman of the steering committee for the establishment of the Fillmore County Economic Development Authority, is a past president of the Minnesota Rural Electric Managers Association, a past president of the Dairyland Power Cooperative Managers Association and served on the Gen-Sys Energy Power Generation Board of Directors. In 2010, Mr. Krambeer was elected as a regional director for electric cooperatives

in Minnesota, South Dakota and North Dakota, representing Federated Rural Electric Insurance Exchange, a cooperative-owned insurance company. In 2013, he was elected as vice president of the Federated Insurance Board of Directors.

Mr. Krambeer is a graduate of Winona State University and been employed in the rural electric cooperative program for over 26 years.