



Owned by 12 Minnesota electric cooperatives:

BENCO Electric Cooperative
Brown County Rural Electrical Association
Federated Rural Electric Association
Freeborn-Mower Cooperative Services
Minnesota Valley Electric Cooperative
Nobles Cooperative Electric
People's Energy Cooperative
Redwood Electric Cooperative
Sioux Valley Energy
South Central Electric Association
Steele-Waseca Cooperative Electric
Tri-County Electric Cooperative

DECEMBER 2013

The proposed acquisition of Alliant Energy's Minnesota electric distribution territory is still in progress and in fact has yet to reach the halfway point. Many of the participating cooperatives' staff members are working to address issues within the areas of operations, safety, engineering, load management, finance, billing, human relations, and federal/state regulations.

It is complex, detailed work but each cooperative is committed to thoroughly addressing each issue, which brings all of us nearer to the transaction close.

Soon we will have completed our joint filing with the Minnesota Public Utilities Commission. The cooperatives involved in this acquisition and the regulatory agencies in charge of approving the deal have a shared interest—to do what is best for the consumer.

The cooperative business model is a driving force in Minnesota and the 12 participating cooperatives are confident the regulatory agencies will recognize that as an asset for the proposed acquisition. A study recently conducted by the St. Norbert College Strategic Research Institute reported that more than 70 percent of consumers in Minnesota and Wisconsin prefer to do business with cooperatives over investor-owned businesses.

Among its findings, the study stated that, "... Minnesota is the leading state both in the number of cooperative businesses and members: '3.4 million cooperative members in the Gopher State currently depend on approximately 1,000 co-ops to market and supply agricultural products as well as to provide credit, financing, electricity, transportation, health care, food, housing, insurance, and many other products and services.' Minnesota co-ops annually generate about \$34 billion in revenue and employ approximately 46,000 Minnesota residents."

Each cooperative is eager to introduce its new member-owners to the top-notch personal service, member control, member participation, and principles on which our cooperative is built.

As the cooperatives' legacy members, you already understand the benefits of cooperative membership. You will experience no changes to your electric service, member-ownership, voting privileges, Capital Credits, and more. Our focus always has been and will remain serving our member-owners.

You will continue to see or hear of SMEC, or the Southern Minnesota Energy Cooperative. This is the operating entity created and owned by the 12 electric cooperatives involved in this acquisition. SMEC's purpose is to facilitate the acquisition, and serve as a single point of contact for Alliant Energy and the regulatory agencies. Your home cooperative will continue to be your electric distribution cooperative.

Throughout this process, we invite you to express any questions or concerns you have so that we can address them. As we move forward updates will be provided on your home cooperative website and through the mail. We are excited to share this rare and exciting journey with you.