



**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

**NOVEMBER 2013**

We are already a few months into the work that will pave the way for a smooth transition in the proposed acquisition of Alliant Energy's Minnesota electric distribution systems that are within the service area of the 12 participating cooperatives. Many more new member-owners will join our cooperatives and planning for that is well underway. Our commitment to current member-owners is to maintain the high service levels you are accustomed to throughout the entire acquisition process and beyond.

There has been a lot of activity since the announcement about acquiring new service territory. Several working committees have been established to address all the issues that come along with this type of acquisition. Every committee has representatives from each participating cooperative and will be working to ensure a smooth transition for both new and existing members.

The committees are Operations and Safety, Engineering, Load Management, Communications, Finance, Billing, Human Relations, and Regulatory. Each is tasked with a detailed list of issues to evaluate, address and plan for.

As a reminder, each cooperative helped form an operating and acquisition entity (Southern Minnesota Energy Cooperative or SMEC) to allow all 12 electric cooperatives to pursue acquisition of the Alliant Energy service territory. SMEC serves as the single point of contact for Alliant Energy and the regulatory agencies on behalf of all the participating cooperatives. As part of the proposal, SMEC would administer the power supply contract for the new members gained through the acquisition, agreeing to purchase power from Alliant Energy for a 10-year term.

While SMEC and Alliant Energy both signed the definitive agreement in early September, the acquisition is not final. The transaction must be approved by state and federal regulatory agencies and it is expected that the transaction will close in 2014.

Our work with the regulatory agencies is in process. The cooperative way has always been to provide the highest quality service at the lowest practical cost and all rates for electric cooperatives are set on a cost-of-service basis. The regulatory agencies also are focused on assuring that transactions such as ours with Alliant Energy are in the best interests of the consumer.

While the 12 participating cooperatives have slightly different rates, services, billing options, and programs, each is committed to providing long-term, economies-of-scale benefit to both current and new member-owners.

We appreciate your feedback and want to encourage you to keep the conversation going as questions arise. Please look for updates on your home cooperative's website and watch your mail for more information.