



YEAR IN REVIEW



Significant Events, Successes, and Challenges of 2006



*Tim Stewart
CEO / General Manager*

a member of the Clark Electric Cooperative family for 28 years and is surely missed each and every day.

Clark Electric Cooperative celebrated with Arnie Kappus as he retired after 32 years of service. Congratulations and thank you again, Arnie, for your dedication and commitment to rural electrification.

Our year continued with a welcoming of two new apprentice lineman to the Clark Electric Cooperative family, Kent Weigel and Jarred Martens. Scott Bailen and

Chad Steffen earned the designation of journeyman lineman from the Wisconsin Bureau of Apprenticeship Standards. Mike Hackel and Josh Burns earned this designation in January 2007. This designation is acquired over a four-year period and requires more than 640 hours of classroom instruction and more than 8,000 hours of on-the-job training.

Board President Wilmer Griepentrog and Secretary/Treasurer Clarence Hoesly received their Board Leadership Certification. Congratulations on successfully completing the Credentialed Cooperative Director program and Board Leadership Certification.



Tim Stewart congratulating Arnie Kappus at his retirement party.

Boy, it sure seemed that 2006 just zipped by, and here we are already in the new year with Annual Meeting just around the corner. This month, I would like to review of some of the significant events, successes, and challenges of 2006.

2006 started off on a sad note as Clark Electric Cooperative lost a dear friend and colleague, Jim Rust. Jim was

Power Cost

As 2006 approached, electric utilities throughout the nation were facing a number of issues that resulted in some of the most significant challenges facing the energy industry in decades. In the case of Dairyland Power Cooperative, our power supplier, a doubling of costs for rail transportation of coal to its power plant in Genoa and Alma generated a substantial increase in our purchased power expense. This resulted in a 20-percent increase over Dairyland Power Cooperative's 2005 rates.

As purchased power represents approximately 67 percent of the total cost of providing electric service, the increase in costs ultimately was passed on to our members through the wholesale power cost adjustment cost component on the electric bill. It should be noted that the price increase in power costs was due solely to increases in power supply and did not address any increase in cost at the distribution level. The last distribution price adjustment to base rates occurred in 2003. At the 2006 Annual Meeting, our members were encouraged to write to the Wisconsin delegation concerning captive rail shipping and the escalation in rail costs. More than 300 letters were sent from Clark Electric Cooperative members to Washington, D.C.

Clark Electric Cooperative
Annual Meeting Notice
Wednesday, April 18, 2007
**Note - New Starting Time:
Beginning at 9:30 a.m.**

Operations and Maintenance



New Apprencia Linemen Jarred Martens and Kent Weigel working on system maintenance projects.

Each year the cooperative performs a host of maintenance programs designed to help maintain our continuity of service. All of our 2006 maintenance programs have been completed. Pole testing, reclosure maintenance, regulator maintenance, vegetation management, tree trimming, and overhead/underground line inspection are all

critical aspects of keeping the electric system operating efficiently. I am pleased to note that total outage hours per member is below last year's level and is well below the RUS threshold.

Construction

In addition to the various maintenance programs, the cooperative constructed approximately eight miles of distribution line throughout the service area to meet members' needs. Pole replacements, new services, and service upgrades were all completed efficiently.

The cooperative has installed over 99 percent of the new Automated Meter Reading (AMR) system. The new system is operating very well and is meeting our expectations in terms of meter reading, outage detection, and billing efficiency. The utilization of this new technology has allowed us to offer a new automated bill payment option that saves you time and money. The cooperative began deployment of this system in 2005.

Youth Programs

Electric safety is something we take very seriously. Clark Electric Cooperative personnel visited 27 schools last year, reaching more than 3,000 students to discuss electrical education and safety. The curriculum centers on home safety, how electricity works, and hazardous

conditions/recognition. The demonstration unit is a fully working distribution line system including transformers, conductors, fuses, and a meter.

Clark Electric Cooperative once again awarded 12 \$750 scholarships to our area youth. I am pleased to report that the board of directors has increased the youth scholarships to \$1,000 effective in 2007. In addition to our scholarship program, we offered area youth a chance to participate in the WECA Youth Leadership Congress. The Youth leadership program focuses on leadership training and education about cooperatives.



2006 scholarship winners at their awards banquet.

DPC All-Time Peak Set



You can save \$4/month or qualify for a special electric heating rate by participating in our load management program.

July certainly was a hot month. In fact, it was one of the hottest Julys on record. The National Weather Service reported that nationally, July 2006 was one of the hottest months in more than 25 years. On July 31, 2006, Dairyland Power Cooperative set an all-time peak high with an average load of 892.2 megawatts (mw). This compared to the previous high of 858.5 mw that was set in July 2005.

This increase is the rough equivalent of 33,000 homes coming on-line in one month. As the extremely hot

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Year in Review

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weather left the area, loads returned to more normal levels. Once again, the DPC load management system proved extremely valuable in curtailing load during peak periods. DPC estimates that the load management system realized savings in excess of \$700,000 in the month of July alone.

Clark Electric Hosts Statewide Kickoff to Cooperative Month

Each year in Wisconsin and throughout the nation, October is proclaimed Cooperative Month, and cooperatives and their members make a special effort to educate the public about this unique member-owned and member-controlled business form. This year, Clark Electric Cooperative was chosen as the host for the 2006 Cooperative Month Kick-Off.

The event was held in conjunction with our Member Appreciation Day, with approximately 1,000 members and guests in attendance. Presenting the Cooperative Month Declaration was Secretary of Agriculture Rod Nilsestuen, who appeared on behalf of Governor Jim Doyle.

Adler-Clark Electric Community Commitment Foundation

The Adler-Clark Electric Community Commitment

Foundation recently awarded \$37,000 to 23 different community-based projects located throughout the Clark Electric Cooperative service area. The purpose of the Foundation is to support programs and events that enrich the lives of people of Clark County and the surrounding area communities. Our mission is to invest in the future of the Clark County area by helping create opportunity for philanthropy and community enrichment. The Foundation was established in 2004 by Clark Electric Appliance and Satellite Inc. to strengthen local communities by helping not-for-profit and community organizations fund projects that will enhance the quality of life of local residents of this area. To date, the Foundation has awarded \$66,000 for community enrichment projects.

The Adler-Clark Electric Community Commitment Foundation was recently highlighted in two national rural electrification publications.

44 Consecutive Years of Capital Credit Retirements

At the November 2006 board meeting, the board of directors approved a \$670,804.09 capital credit retirement made in January 2007. This marks the 44th consecutive year of capital credit retirements and the largest general retirement since 2003.

December was filled with more good news. During the last quarter of 2006, Dairyland Power Cooperative issued a temporary rate credit to Clark Electric Cooperative in the approximate amount of \$250,000 on our power bill. This, in turn, was passed on to Clark Electric Cooperative members through the power cost adjustment. Several positive factors contributed to this good news, including lower than expected power market prices, mild weather, a high level of reliability at DPC's generating facilities, load management, and a delay of some large consumers coming on-line.



Rod Nilsestuen, State Secretary of Agriculture, at our Cooperative Month Kick-Off Breakfast.

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Future

Price volatility in the energy market will be an ongoing challenge. Clark Electric Cooperative and Dairyland Power Cooperative will continue to strive to stabilize costs and provide our members with a reliable, competitively priced energy supply. Dairyland Power Cooperative and Clark Electric Cooperative work hard to

contain costs while ensuring members receive reliable service. By working together, we've made a significant difference from which everyone in our cooperative benefits. ■

**Tim Stewart
CEO / General Manager**

**CLARK ELECTRIC FEDERATED YOUTH
SCHOLARSHIPS ARE DUE**

Scholarships available for graduating seniors

**Applications must be at the cooperative's office by:
March 9, 2007**

Applications are available at your school guidance office or online at www.cecoop.com



LATE WINTER STORMS

Are You Prepared?

Winter can play all kinds of tricks on us at any time, so we need to be prepared. Your cooperative is. If you have an outage, do you know what to do? Please call the office during regular business hours at 715-267-6188 or 800-272-6188 to report the outage. After hours, please call 800-927-5707. Our cooperative partner, the Cooperative Response Center (CRC), is waiting for your call.



Please call us if you are out of power; do not rely on your neighbors to call. The more information we have regarding an outage, the quicker we can restore power to all members. If there are downed power lines, stay away

and keep others away. Be careful if you use a generator; make sure a professional connects it correctly. It's also a good idea to have some extra batteries, flashlight, and a radio handy to get updated information.

Realize that your cooperative employees will be there for you, no matter what the conditions are. But safety is first, for us, for you, and together for everyone. ■



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