

NEW RATE INCREASE APPROVED

Manager's Column

At the board meeting on August 5, 2003, your board of directors approved an 8.2-percent increase in electric rates. We have mentioned previously at the annual meeting, in the *Wisconsin Energy Cooperative News*, and in our *Spectrum Newsletter* that an adjustment would be coming. In my message last March, I indicated that half of the increase might be this year and half next year. Instead, the increase was delayed until late in 2003 and will come all at once, rather than twice. The effective date of the new rates is November 1, 2003, and they will appear on your December electric bill.

Overall, the rate increases the basic fixed charge by \$5 per month for smaller electric services, \$6 for larger, and \$7 for the largest single-phase patrons. Three-phase accounts increase \$25 for the fixed charge and 20 cents per off-peak kilowatt of demand. Services utilizing a second meter increases \$1 per month.

Security lights increase 50 cents per month. All energy (kwhs used) will increase 2.5 mills except off-peak rates or those with demand charges.

The power cost, which has risen quite high over the past 12 to 18 months, will be rolled into the base rate and will be near zero when the rate goes into effect.

As mentioned in our previous news articles, we have not had a general rate increase for our own use since 1999, so this increase would amount to about 2 percent per year had we adjusted every year. At the end of 2002, Clark Electric single-phase rates were the second lowest in the Dairyland Power Cooperative system. After this

Clark Electric Cooperative Sample Rate Chart—Old vs. New		
Clark System Average 1,277 kwh	Current Energy Rate \$0.0625	New Energy Rate \$0.075
Energy Cost	\$79.81	\$95.78
Power Cost Adjustment	(Averages \$0.01) \$12.77	Majority will be Included in Energy Rate
Fixed Charges ≤10kva, 15–25kva, 371/2kva≥	\$11.00 ≤10kva	\$16.00 ≤10kva
Total Bill, Less Taxes	\$103.58	\$111.78

adjustment, Clark will be the ninth lowest, meaning 15 cooperatives will still be higher. For the average patron on the Clark system, using 1,277 kwhs per month, the increase will be approximately \$8.20, or 7.9 percent. (This, of course, depends on the cost of power from Dairyland.)

Raising electric rates is not a job managers enjoy doing. I remember well, back in the 1960s and up to about 1977, when we had the joy of reducing rates, but conditions have changed since then. In those years, energy consumption was doubling about every 10 years; larger sales equaled more margins, which afforded the

Notice To All Members
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Clark Electric Appliance & Satellite, Inc.,
will be closed
Monday, September 1, 2003

(Continued on page 29 ►)



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OPPORTUNITIES ARE ENDLESS

Young Members Participate in Youth Leadership Congress

Different times, new and improved topics for discussion, but the same great time for those who attended marked this year's Youth Leadership Congress. For 40 years now, Wisconsin youths from electric cooperatives around the state have participated in the Youth Leadership Congress held at UW–River Falls.

The Youth Leadership Congress is for our cooperative youth, set up by the students who are elected to Youth Board. Each year the program is different, but the same cooperative message is there. Cooperatives do work! Coopera-



Clark Electric Cooperative 2003 YLC participants (L to R): Courtney Goetz, Samantha LeMahieu, Tammy Rueth, Whitney Elmhorst, Rebecca Rau, and Liana Kuehn.



Pam Liegeois from Oconto Electric Cooperative talks about how it would be so nice to have electricity!

tives are a unique form of business that has its advantages. Participating in Youth Leadership Congress also has its advantages, as this year's participants were on campus with the Kansas City Chiefs, who were at UW–River Falls for their summer training camp.

Many topics were discussed, including how electricity got to us in the rural areas—simply put, the birth of the electric cooperative. A high-voltage demonstration was then given, showing how the electric system works. The demonstration showed how electricity gets to our homes and explained the benefits that electricity has given us; the dangers of electricity were also emphasized to help students understand the respect one must have for it. Several breakout sessions were available in which students could learn about something they would be dealing with in the future.

Craig Hilliard was back with his dynamic and fun-filled presentation on making the right choices. His presentation is very interactive; the YLC participants learn some important skills and have lots of fun in the process.

(Continued on page 29 ►)

YLC: A Fun Experience

(Continued from page 28)

The highlight is the banquet on Thursday night where everyone gets dressed up for a very nice dinner and learns who the candidates for next year's YLC board are. A talent show was then held with the YLC participants giving a great show—it's amazing all the talent that's out there.

Next year we hope to have more of Clark Electric Cooperative's youth participate in this great program. If you would like to go next year, talk to your FAA or FBLA advisor about going, or give us a call. We will be getting the information out to the schools in late April or May. Next year's YLC is scheduled for July 21, 22, and 23 at the UW-River Falls campus. ■



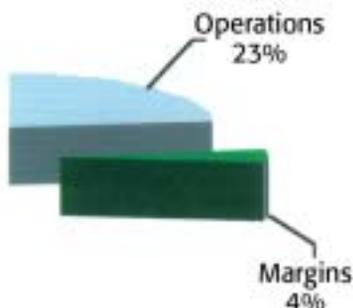
Craig Hillar talking to some of this year's YLC participants.

How the Dollar Was Spent in 2002

(Continued from page 4)

opportunity to reduce rates. Sales now average about 2 percent per year. Costs are escalating, so holding a rate increase to about a 2-percent average per year becomes a necessary evil. Your board of directors reviewed costs to see what might be cut out, but only minor items can go if we are to maintain a good system with an informed membership.

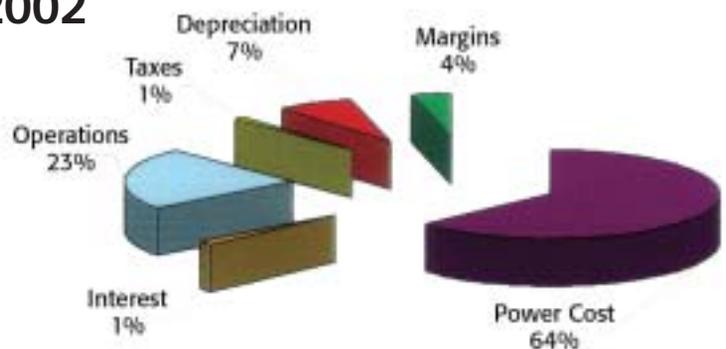
Expenses the Cooperative Can Control



23 cents went towards employees, operating equipment, and buying supplies to maintain the electric system, and 4 cents was left from our operation that we allocated back to the members.

The cost of other energy sources such as gas and fuel oil have risen at much higher rates the past number of years.

Hopefully this higher base rate will last a few years, but the cost of power from Dairyland will be increasing as they have to build new generation plants and upgrade their transmission network. We will remain vigilant and control costs where we can. With such a large portion of budget being the cost of power and fixed expenses (interest, taxes, and depreciation), we have limited control over only 27 cents of every dollar paid in (2002 statistics). With this 27 cents, we need to hire employees, operate equipment, and buy supplies to maintain the electric



system. And then there was 4 cents left from our operation that we allocated back to the members. In reality, 4 cents on the dollar is not a large margin, should we be hit with severe storms. ■

Dick Adler

CEO/General Manager



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