

SKYROCKETING COST

Clark Electric Working to Combat Rail Issues



Tim Stewart
CEO / General Manager

The past year has been a challenging one for all Americans, as skyrocketing energy prices have hit pocketbooks hard and caused great concern about the economy. As I reported to you late last year, electric utilities throughout the nation are

facing a number of issues that are resulting in significant challenges facing the energy industry.

One of the most significant factors affecting Dairyland Power Cooperative's wholesale rate is the doubling of costs for rail transportation of coal to Dairyland Power Cooperative's power plants in Genoa and Alma, Wisconsin. This single factor is likely to yield an increase on the order of \$40 million in total delivered fuel costs for Dairyland in 2006. As a part owner of Dairyland, our cooperative is greatly impacted.

One of the key long-term strategies we adopted was to alert our legislative delegation in Washington about these rail increases and urge support in helping to stop these rail rate abuses. As you may recall from my earlier articles, the railroad industry is only one of two industries that have antitrust exemptions, the other being Major League Baseball. At our 2006 annual meeting, we urged all members to send a letter to our legislators requesting their support on two pieces of legislation, the Railroad Antitrust and Competition Act (H.R. 3318) and the Railroad Competition Improvement and Reauthorization Act (H.R. 2047, S 919). There has been a flurry of activity since my last article, and I would like to give you a brief update on what has occurred regarding this important issue.

I would first like to focus on state initiatives.

Dairyland Power Cooperative and the Wisconsin Electric Cooperative Association (WECA) have been instrumental in the formation of Badger CURE. Badger CURE is the Wisconsin chapter of Consumers United for Rail Equity (CURE). Badger CURE currently has over 40 organizations in various industries in Wisconsin urging rail reform. The Public Service Commission (PSC) will be holding hearings on the rail issue in the upcoming months. The PSC has issued a docket to look at the impact of rail delivery and rates on reliability of electricity in the state of Wisconsin.

On the federal side of the issue, there have been a number of hearings with various committees, including the U.S. House Committee on Transportation and Infrastructure, which looked at rail capacity issues; the U.S. Senate Committee on Energy and Natural Resources; the Federal Energy Regulatory Commission, which discussed railroad coal-delivery issues and their impact on market and electric reliability; and the U.S. Senate Commerce, Science, and Transportation Committee, which examined economics, service, and capacity in the freight railroad industry.

In addition to the proposed legislation mentioned above, Senator Herb Kohl has introduced a bill targeting rail shipping that would repeal antitrust exemptions, create scrutiny over ratemaking, review mergers, and improve competition. Senator Russ Feingold has agreed to co-sponsor this bill. It is worth noting that electric co-op testimony has made legislators aware of the service problems and extremely high rates shippers are facing. Please be assured that we will continue to seek solutions to this issue. Please continue to watch for more news on this topic in the *Wisconsin Energy Cooperative News*. ■

Tim Stewart
CEO / General Manager



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CO-OP FUN

The statewide kickoff of Cooperative Month 2006 will be at Clark Electric's Business Development Center October 7. If you came last year, you were given a great breakfast, with lots of opportunities for community information and a whole lot of fun for the kids.

This year's Member Appreciation Day promises to be bigger and better. So mark your calendars now. The CECO Business Center is located west of Greenwood

on Hwy. G, then south on River Road, then west again on Dall-Berg Road. You can't miss it; it's the big building on the hill. Plan on joining us for a lot of family fun! ■



Clark Electric's newest truck was part of the Greenwood Dairy Days Parade. Look for the truck in future parades this year.

MORE LOCAL NEWS

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- It's easy. Protect yourself from putting a shovel through a buried electric line or from damaging a gas pipeline by calling Diggers Hotline first.

- It's THE LAW. Wisconsin Statute 182.0175 requires all excavators, including homeowners and construction contractors, to contact Diggers Hotline at least three working days before starting a project.

Did You Know...

Diggers Hotline does not locate underground facilities. It's up to the member utilities to put the paint and flags on the ground.

Diggers Hotline takes calls from anyone who is excavating, including homeowners, and then relays that information to the owners of underground facilities in that area, who mark the location of any buried lines in the area.

Three Working Days

You must contact Diggers Hotline at least three working days before beginning excavation. But what is a working day?

As defined by the law, a working

day is any day other than Saturdays, Sundays, and legal holidays.

Legal holidays are determined by state statute, and Diggers Hotline does not decide which holidays to recognize or when to recognize them.

LINEMEN IN ACTION

Clark Electric line crews were practicing bucket truck rescue techniques at a recent safety meeting. Once a month, Clark Electric employees have some type of safety training.

"This training is very important," says Director of Operations Mike Ruff. "It's a skill you hope you never have to use, but when you do, you need to know how to perform the rescue safely. That is why we train the way we do."

One of the major projects this summer is the rebuilding of an old three-phase line. This will give the members on this line greater reliability and will allow for continued growth. Our goal is to provide you the best service possible.■



Summer interns Kent Weigel and Jarred Martens prepare the digging auger to drill a hole for a new pole, which will replace the old existing pole, providing for greater reliability.

Journeyman Lineman Josh Burns is pictured hanging from a rope, simulating a line worker needing to get down from a broken bucket truck.



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