



**Tim Stewart,
CEO/Manager**

General Manager's Report

Clark Electric Cooperative 75th Annual Meeting Review



April is always a busy month at Clark Electric Cooperative, culminating with the annual meeting of the members. This year marked the 75th annual meeting of the cooperative. This year's meeting was once again held at the Loyal American Legion Hall, with more than 275 members and guests in attendance. The following is an excerpt from my manager's report to the members.

Financial Report

The year ended December 2011 was a positive yet challenging year. Clark Electric Cooperative continues to report solid financial performance. Total electric sales increased moderately, by 2.17 percent, in 2011 while total revenue increased to over \$19 million. This increase in revenue is primarily due to the wholesale power cost adjustment and the slight increase in kWh sold. The wholesale power rate increased 2.81 percent over the 2010 level. This increase, coupled with a slight increase in kWh requirements, increased Cost of Power 5.13 percent to \$13 million. A continued aggressive cost-containment program helped to offset ever-increasing cost and resulted in a positive operating margin of \$805,119. The total cost of providing electric service LESS power cost increased slightly by 4.16 percent.

Net Utility Plant grew 4.01 percent over last year's level. The cooperative invested in excess of \$1.6 million in new distribution plant last year. This represents new construction/replacement of electric lines and infrastructure, new services extensions, and member service upgrades. Total Assets increased a net of \$1,719,146. Total Equity decreased slightly from 75.86 percent of total assets to 74.89 percent of total assets. Our equity position remains one of the strongest in the state and one of the strongest in the country. This stability of equity occurred while we experienced asset growth, capital infusion, and continued capital credit retirements.

Long Term Debt increased \$656,847 as compared to last year. This, combined with continued amortization of debt service, resulted with a year-end debt to total asset ratio of 18.00 percent as compared to 17.06 percent in

2010. The cooperative will continue to rely on internally generated funds and short-term/long-term financing to fund operations in a manner that helps keep the price of electricity as low as possible while meeting our capital needs.

I then reviewed the results of benchmarking analysis that we do annually that compares Clark Electric Cooperative to state and national medians in the cooperative segment of the electric utility industry. I examined blended cost of capital, operating and maintenance expense per kWh sold, purchased power cost trends, how the average dollar collected was spent, total cost of providing electric service per kWh sold, and various revenue measurements such as revenue per kWh sold, and residential revenue per



Tim Stewart, CEO/general manager, presents retiring director Anthony Jarocki with a plaque thanking him for 32 years of service on the Clark Electric Cooperative Board of Directors.

kWh sold as it relates to others in the industry. Overall, our costs are very comparable — lower in many cases — with those of other electric providers.

Manager's Report

The United Nations has designated 2012 as the International Year of Cooperatives, the theme of which is “Cooperative Enterprises Build a Better World.” Cooperatives are a model of self-reliance and an example of people working together to improve their quality of life. It is indeed appropriate that the United Nations has designated 2012 as the year of cooperatives because at Clark Electric Cooperative, we too are celebrating our 75th anniversary of providing service to our members. “Cooperative enterprises build a better world” is certainly true of rural electrification and Clark Electric Cooperative. In keeping with the theme of our 75th anniversary, I highlighted the early history of Clark

Electric Cooperative and how innovative and driven our cooperative founding members were in striving to provide electricity for themselves and in doing so, building a better world for everyone.

We continue to celebrate our 75th anniversary all year long with a monthly column in the *Wisconsin Energy Cooperative News* entitled Moments in Time, which highlights our history through out the years.

In other action, cooperative members elected Marvin Verkuilen to replace retiring director Anthony Jarocki and Herman Seebandt to replace retiring director Howard Schultz. Director Charles Bena was re-elected for his fourth term.

Beata Kalies, director of government relations for WECA, presented Tracy Nelson, administrative assistant, with the Honorable Mention Photography Award for consistent and effective use of photographs in the local pages of the 2011 *Wisconsin Energy Cooperative News*. ■



Youth Leadership Congress Set for July 11–13

Once again, electric cooperatives from across Wisconsin will sponsor local high school students at the 49th Youth Leadership Congress (YLC). The YLC is sponsored by UW-River Falls and Wisconsin Electric Cooperatives and is designed to develop the next generation of community leaders.

The event will feature leadership seminars, team-building activities, cooperative education, and fun events, all designed to develop and enhance your leadership potential. Clark Electric Cooperative has sponsored students to this event since its inception. We believe in developing the potential of tomorrow's leaders. The YLC is a fun and



education event, designed by students who were elected by their peers that attended the previous year's conference.

There is no cost to the student for attending the event. Registration and travel expenses will be covered by the cooperative. If you are a sophomore or junior in high school this year and would like to be a sponsored representative for Clark Electric Cooperative, contact your FFA or FBLA advisor. ■

MOMENTS IN TIME

A History of Clark Electric Cooperative

We left off last month's article talking about some of the more contentious obstacles that electric cooperatives endured in the formative years. It seemed that investor-owned utilities (IOUs) opposed electric cooperatives at almost every turn, including something as simple as the use of a mascot.

Clyde Ellis, first general manager of the National Rural Electric Cooperative Association (NRECA), called the 1950s legal challenge mounted by for-profit utilities "the most vicious thing that the rural electric systems have yet encountered." That was saying a mouthful, since by that time electric co-ops had already weathered two decades of economic, political, and industry obstacles to staying in business.

People who knew him have told me that Ellis, who retired from NRECA 40 years ago, rarely passed an opportunity to rally his co-op members against any foe of cooperative rural electrification. If he had to embellish things a bit to whip up the troops...well, it was for a noble cause.

The lawsuit Ellis hyped in the above quote didn't involve territorial takeovers, regulatory obstructionism, or discriminatory business practices – all of which had earlier prompted calls to action by Ellis and the national organization. No, it was the use of Willie Wirehand, the co-op's cartoon mascot, that was in peril.

Court Contestants

A coalition of 109 private power companies who had their own mascot—Reddy Kilowatt—sued NRECA and Mid-Carolina Electric Co-op, alleging trademark infringement and unfair competition. Filed in 1953, the lawsuit spanned 3-1/2 years, and ran up untold lawyer fees on its way through two federal courts, and was finally decided some 55 years ago last month.

The court noted the co-op's Willie—with his light-socket head, wire body, electrical-plug



feet, and lineman's gloves—was sufficiently distinguishable from the power companies' lightning-bolt torsoed Reddy Kilowatt, though that wasn't the core legal point in dispute. Rather the investor-owned utilities (IOUs) had complained that Willie's postures and situation—posting next to an array of appliances and engaging in other electricity uses—were so similar to the stances depicted by Reddy Kilowatt that the public was somehow being confused.

The judge pointed out the IOUs had used Reddy in "thousands of poses doing almost everything humanly possible," and that an exclusive right to such portrayals would effectively preempt *anybody* from marketing electricity. In the interests of preventing such marketing monopolization, he brought the gavel down in favor of the co-ops, paving the way for Willie to be trademarked and put into broader use.

Popular Plug

Reddy Kilowatt, an icon of the IOUs since 1926, gradually faded in popularity among electric companies. He was resurrected in 1998 when Northern States Power Company (NSP) bought exclusive rights to the figure,

a move to bolster its marketing at a time when U.S. electric utilities widely anticipated deregulation. Reddy Kilowatt soon found himself cast aside when deregulation fizzled, along with marketing strategies designed to promote retail competition among electricity vendors.

Willie, on the other hand, continues to be a popular spokesperson among electric co-ops. Willie's legal victory a half-century ago continues to inspire electric co-ops as the deal with entrenched businesses that stand in the way of affordable, quality services for rural areas.—Perry Baird ■



Give Your Air Conditioner a Spring Tune-Up

Spring is a good time for maintaining your air conditioner. Chances are you welcomed the cooler temperatures when they arrived last fall and turned off your air-conditioning unit without a lot of thought. Now, before you turn it back on again for the season, you'll want to make sure your unit is clean and ready to work properly and efficiently once the hot weather returns. If you keep the coils of your air conditioner clean, it will improve your comfort and reduce your electricity costs this summer.

Start by inspecting the outdoor condensing unit. The large outdoor coil—it looks like a car radiator—is where heat is dissipated from your home. The fan in the condensing unit has to move a lot of air through the coil, so make sure there are no airflow restrictions around the unit. Cut nearby grass, shrubs, and branches so they are at least 3 feet away at the side and 5 feet away overhead.

Most condenser coils are loaded with pollen and dust even when you can't see it. The longest a condenser should go without cleaning is two or three years, depending on how much it operates during the summer. If you use your air conditioner for four months or more, annual cleaning is an excellent idea. Turn off the power to the unit and remove any visible grass and lint from the fins and/or louvers with an old hairbrush or whisk broom. Then put on a pair of rubber gloves and spray biodegradable outdoor coil cleaner into the coil. Wait five or 10 minutes and flush the coil with a gentle wash spray.

Your indoor coil might also need cleaning, even though you can't easily see it. If your air conditioner's filter or blower is dirty, then your indoor coil is probably dirty, too. This is usually a job for professionals, unless you have easy access, as with a central heat pump. To help keep your indoor coil clean, make sure your filter fits well, is easy to change, and that you change it regularly. Have your air conditioning contractor make improvements to the filter, if needed, so it is easy to get to. Change the filter often to help keep your indoor air conditioner coil clean and reduce energy consumption.—Source: John Krigger, Saturn Resource Management, www.residential-energy.com ■

Central Air Incentive Program

To help reduce the demand for electric power during the summer season, Clark Electric Cooperative offers an Air Conditioner Load Management Program Incentive.

Each central air conditioner (AC) unit being managed during a period of high demand is shut off for approximately 20 minutes and then allowed to resume cooling for 20 minutes. This means they are still cooling about half of the time. Many members say they don't even realize the cooperative is managing the unit because they don't notice any temperature change inside the home.

If you have a central air conditioning unit and it is not part of the load management program, consider trying it for a summer. You will receive a one time \$25.00 bill credit after the load management switch is installed on the AC, and then you will see an \$8 credit on your electric bill for the consumption months of June, July and August.

Call Clark Electric Cooperative at 1-800-272-6188 for questions, or to sign up for the program. Certain restrictions may apply.

\$8/month credit on your electric bill during the summer cooling season



Clark Electric Cooperative will be closed for Memorial Day Monday, May 28, 2012. Have a safe and happy holiday.



Clark Electric Cooperative

Your Touchstone Energy® Partner



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