

Watt's Up

A View of the Electric Utility Industry

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OCONTO ELECTRIC
OEC
COOPERATIVE

ELECTRIC CO-OP LEADERS MAKE A DIFFERENCE IN MADISON

There are many things that make electric cooperatives different than other forms of business and one of them is how they work together to let congressional leaders at the state and federal levels know what is and isn't in the best interest of their members.

The Wisconsin Electric Cooperative Association (WECA) has a lobbying division. Not only are these lobbyists in touch with legislators daily, they spend a large amount of time keeping electric co-op staffs and directors up to date on issues they need to be concerned with. Employees of WECA and the Cooperative Network also sit on committees with legislators helping them understand issues and often testifying at hearings.

These paid lobbyists are very important. They do the daily work that co-op employees can't be in Madison to do – but every person in Madison will tell you there is nothing like having a couple of hundred co-op directors and employees storm the capitol when there is an issue that affects them.

April 7 & 8, 2009 were set aside as Lobby Days for electric co-



OEC director, Ken Cisar, discusses concerns with Senator Dave Hansen.

op directors and staff to visit their legislators in Madison. Besides the visits, there were several topics addressed in the educational portion of the program. They included:

- Public Service Commission update on latest transmission issues, wind policy, climate change regulations, and efforts to implement the recommendations of the Governor's Task Force on Global Warming.
- Former Governor Tony Earl and Communications Director for Former Governor Dreyfus, Bill Kraus, discussed the political shifts of the past and their predictions of challenges facing the new leadership.
- Report on what Wisconsin can expect from the federal stimulus and what the impact may be on energy policies and economic recovery.
- Two electric co-op representatives and a municipal utility representative talked about how an Advanced Renewable Tariff will impact utilities and the electric industry.
- What it will take to lift the Nuclear Power moratorium in Wisconsin.

When it was time to walk the hill to the Capital, OEC representatives visited Senators Rob Cowles and Dave Hanson and Representatives John Nygren and Gary Tauchen. At

each visit co-ops explained what the most important issues are for the utility industry and what our stand is on each issue.



Left to right: OEC directors Dan Kanack and Doug Allen, Representative John Nygren, and director Ken Cisar discuss issues.



OEC director, Dave Hischke (right) discusses issues with State Senator Rob Cowles (left).



Representative Gary Tauchen (middle) talks with director Dave Hischke and OEC employee Jan Stranz.

Grassroots Lobbying Makes A Difference

Oconto Electric Cooperative has been working to educate people about the importance of letting legislators know when an issue concerns them. As mentioned in the article on page 1, paid lobbyists certainly have a job to do, but when the constituents are doing the talking, it means a whole lot more.

With the Our Energy Our Future campaign (see the Winter 2009 issue of the Watt's Up) hundreds of thousands of email messages have been sent to legislators asking that they work with electric co-op officials to make sure needs are met for affordable, reliable electricity.

OEC directors and CEO Byron Nolde had the chance to visit with U.S. Representative Steve Kagen at which time they discussed climate change legislation. Representative Kagen stated, "There are three questions I ask before considering legislation. One – Will it work, will it fix the problem? Two – Can we afford it? Three – Is it ethical? With regard to cap and trade legislation, they are still writing the bill and I have not seen the ink on the paper yet. However, I have not seen any evidence that cap and trade will work,

that it will curb carbon emissions. Ultimately, I want all options for homegrown energy on the table."

Past articles in this publication have explained why leaders in the electric utility industry believe the



U.S. Representative Steve Kagen with director Doug Allen at OEC's Member Appreciation Picnic.

proposed cap and trade legislation will have a particularly significant impact on increasing electric rates. Having Representative Kagen agree with what electric cooperatives for several years have been trying to get the legislature to understand means the campaign is working.

We need to keep the pressure on.

Please send a message to congress. Go

to www.ourenergy.coop, complete a form with your name, address, phone number and email address, add your own personal message if you choose to, and hit submit. The site uses your mailing address to determine what legislators to send it to. By the way, when it asks what cooperative you are affiliated with, enter Oconto Electric Cooperative. If you don't want to send the message yourself, stop by our office. You can fill out a card that will allow OEC to send the message for you. Even if you aren't a co-op member, we are all affected by these issues and OEC welcomes anyone to send their message. ■

OEC Members Will Receive Over \$300,000 in Payout

In July and August this summer, Oconto Electric Cooperative will pay over \$300,000 back to its members through a capital credit retirement.

Because every member of OEC is also an owner of the business, any margins made at the end of each year are returned to the member in the form of capital credits. These credits represent an interest-free loan of operating capital from the membership to the co-op. They allow the co-op to finance operations and construction, with the intent that the credits will be paid back to the members at a later date.

This year OEC is paying back capital credits from the year 1989. Any active member whose capital credits from that year are less than \$25 will see a credit on the electric bill they receive in July. Any amounts more than \$25 will be issued as check. Checks will be handed out at OEC's Member Appreciation Day on August 1 and any checks remaining after that day will be mailed.

Capital credits are a unique part of the cooperative business structure. OEC is proud to say that our margins go back to the people who purchased power that helped create the margins in the first place.

Co-ops Awarded Refunds in Claim Against Railroads

Articles appearing in past issues of this publication HAVE examined the problem of “captive railroad shippers” of coal to generating facilities. In many instances the cost of shipping coal by rail was more than the price of the coal itself and yet railroads were reporting record high profits. At the same time, service was extremely poor and shipments unreliable.

Years ago railroads were exempted from antitrust laws and recently Congress has been working to reinstate those laws. The following is an article that appeared in the Spring 2009 issue of the Action Committee For Rural Electrification (ACRE) Newsletter with an update of this issue.

Co-ops have seen two victories this year in the ongoing battle against the freight railroads’ monopoly power.

The first came when the Surface Transportation Board (STB), a federal agency with jurisdiction over railroad rate and service issues, ruled that BNSF Railway must pay nearly \$345 million in refunds and rate reductions to Western Fuels Association and Basin Electric Cooperative in North Dakota.

The complaint, filed in 2004, exposed monopoly pricing power abuses after BNSF charged a power generating plant more than five times

the operating cost of moving coal 175 miles from the supply source to the plant. Parties filing the complaint paid over \$9 million. The costly proceedings and long delayed judgment show the STB process remains broken and reforms are needed.

A second victory came in March as the Senate Judiciary Committee passed the Railroad Antitrust Enforcement Act of 2009.

Electric co-ops play a leadership role in Consumers United for Rail Equity, a coalition that promotes rail competition and supports legislation to repeal the railroads’ exemptions from antitrust statutes. ■

OEC Employees Raise \$3000 For K9 Unit

Each year the employees of OEC select a charity and work throughout the year to raise funds for that charity. In early 2008 the employees decided to raise funds to help the Oconto County Sheriff’s Department purchase new K9 officers. With a lot of support from employees, members and the public, OEC raised \$3,000! That is the most money raised in one year since the employees started doing fundraisers five years ago.

The Oconto County Sheriff’s Department needed to replace the two K9 officers they had at the time. The K9 unit is funded by private

donations – no tax money nor county budget funds are used for purchasing or for upkeep of the K9 officers.

Oconto Electric Cooperative employees want everyone to

know how much they appreciate the support shown for their fundraising projects. They would not be successful without OEC members and the public supporting their efforts.

Pictured are OEC employees with Officer Todd Skarban and K9 Officer Dexter. ■



OEC Has Two New Directors

At the 72nd Annual Meeting of Oconto Electric Cooperative two new directors were elected to the board. The Annual meeting of the membership was held on Saturday April 4th, 2009, with over 300 voting members present.

The primary purpose of the meeting is to elect directors. Oconto



Left to Right: Vernon Gisenas and Todd Duame.

Electric has seven board districts each with three year terms that are staggered so that there are either two or three terms expiring every year. Members who wished to run for the board in these districts were nominated at their district meetings which were held in January.

The incumbent directors whose terms expired were Marvin Patz and Alfred Hoffman. At Hoffman's district meeting he had announced that he was retiring from the board and would not seek re-election. Jim Damp and Todd Duame were both nominated to run for the board in Hoffman's district. The membership voted and the winners were Vernon Gisenas and Todd Duame.

About This Publication...

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You can also request the Watt's Up in an electronic format (pdf) by contacting Pam.