



NEWS RELEASE

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Step by Step

DAIRYLAND POWER'S 69TH ANNUAL MEETING HIGHLIGHTS

LA CROSSE, WI— More than 700 delegates and guests attended Dairyland Power Cooperative's 69th Annual Meeting at the La Crosse Center earlier today.

The theme of the meeting was *Step by Step*, reflecting the many steps—big and small—Dairyland takes to reliably meet its members' energy needs as well as its responsibility to the environment. William Berg, Dairyland President and CEO, discussed how Dairyland has historically met consumer demand for electricity by taking deliberate, thoughtful steps to make the best choices for its membership. Time and technology have modified Dairyland's approach, and the innovations and regulations of the future promise to require further changes. "Directions can change, and we must be prepared to change directions to get there, because we cannot know which things are going to differ from the past," said Berg.

Seventy-five years ago, Franklin D. Roosevelt signed the Rural Electrification Act to provide people living in rural areas the same access to electricity that their urban neighbors enjoyed. As a result, Dairyland was formed in 1941 to do just that. "Our founders' concerns were simple... to build generation and transmission just as fast as they could to keep up with what their members needed." Of course, the business of providing electricity has become much more complex since then, with concerns rooted as much around environmental impacts as economy and reliability. As a cooperative utility responsible to its membership, Dairyland will stride into the future one smart step at a time. "Beyond that, we can only dream of where the journey may take us," said Berg.

The keynote presentation, *Carbon Regulation and Legislation—Where Do We Stand?*, was provided by Kirk Johnson, Vice President of Energy and Environmental Policy for the National Rural Electric Cooperative Association (NRECA). "We are entering an era of increasing regulations under existing laws for the electric power sector, and those regulations could have significant impacts on how electric cooperatives generate, transmit and distribute power," said Johnson. "We must keep our eye on the ball and provide input and information to those agencies so that new regulations help keep electric bills as affordable as possible."

A Touchstone Energy® Cooperative

A panel comprised of Dairyland's government relations staff presented on current and anticipated legislative issues important to utility business operations. President and CEO William Berg, along with the panelists, closed the annual meeting by taking questions from the audience.

Clarence Boettcher, Chairman of the Board and director representing Eau Claire Energy Cooperative, presided over the meeting. In his remarks, Chairman Boettcher said, "Your cooperative represents a business model that has stood the test of time and functions to provide reliable, affordable electric service in the best and worst of economic times." He asked members to share Dairyland's success story and the cooperative business model with their children and grandchildren, noting, "It is our responsibility to pass it on to future generations."

Clarence Hoesly, Treasurer of Dairyland's Board and director representing Clark Electric Cooperative, provided a 2009 Financial Report: The economic recession, combined with a very cool summer, led to a reduction in electric sales during 2009. Dairyland energy sales decreased to 6.2 billion kilowatt-hours in 2009—compared to 2008 sales of 6.7 billion kilowatt-hours. As a result of taking significant steps to address financial challenges and uncertainties early in 2009, Dairyland's year-end results were very good. Margins for 2009 were at \$12.2 million, as compared to \$11.3 million in 2008. Total operating revenues for 2009 increased to \$381.2 million, as compared to \$373.8 million in 2008.

In 2009, the continuing challenges of rail transportation rates, fuel prices and purchased power costs, plus two major planned plant maintenance outages and a full year of Weston 4 power plant fixed costs put significant cost pressure on Dairyland and its member cooperatives. Dairyland is working to mitigate the impact of these factors as well as the additional financial pressures from new renewable energy resources in 2010. However, there continues to be significant uncertainty as to the financial impacts of climate change or carbon legislation and Dairyland's integration into the Midwest ISO.

Along with the meeting, an *Expo Center* took place adjacent to the meeting room. It featured displays on Dairyland services, energy efficiency, electrotechnical and renewable energy technologies.

Annual meeting delegates represent Dairyland's 25 member electric cooperatives and 16 municipal utilities. These cooperatives and municipals, in turn, supply the energy needs of more than a half-million people in the four-state service area.

Dairyland, a Touchstone Energy Cooperative, was formed in December 1941. Today, the cooperative's generating resources include coal, hydro, wind, natural gas, landfill gas and animal waste. Dairyland delivers electricity via 3,150 miles of transmission lines and 280 substations located throughout the system's 44,500 square mile service area.