



More Power to You

Happy International Year of Cooperatives!

Shane L. Larson,
Chief Executive
Officer

The first of January isn't just the beginning of 2012. It's also the first day of International Year of Cooperatives, a time for Rock Energy and other members of our co-op family to take center stage across the globe. Regular readers of this magazine might remember that U.S. cooperatives traditionally celebrate October as National Cooperative Month.

Now, co-ops have a whole year dedicated to the cause.

The United Nations General Assembly designated 2012 as International Year of Cooperatives to raise awareness about co-ops, promote their formation and growth, and encourage governments to establish laws and regulations that help co-ops do what they do best—fulfill their members' needs. The U.S. Senate approved a similar resolution with Sen. Herb Kohl of Wisconsin as one of the co-sponsors.

From the eggs and butter that you eat to the electricity that powers your home, cooperatives play a big role in your everyday life. The International Year of Cooperatives designation allows co-ops, like Rock Energy, to celebrate our unique, not-for-profit business model and the vital role we play in the economic and social well-being of the world.

While doing business with Rock Energy, you might have noticed that

we treat the people we serve differently. Everyone who receives service from us is a member, not a customer. You might think it's just a different word we use to describe the business-consumer relationship, but it's more than that. It's our way of doing business. Because you and your fellow members govern how Rock Energy operates, our top priority is providing safe and reliable service and keeping your energy bills affordable.

Co-ops were created for the sole purpose of benefiting their members, and let me tell you that there are plenty

of benefits. The main one is financial. Co-ops provide needed goods or services at cost. More than ever today, businesses are focused on making profits rather than serving people. But as a not-for-profit, cost-of-service energy provider, we aren't concerned with earning big bucks for out-of-town investors. When a cooperative realizes a profit at the end of a fiscal year, that profit is allocated back to members in the form of capital credits. Since this co-op was founded 75 years ago, more than \$10 million has been paid back to past and current members.

Members also benefit by having a say in how the cooperative is governed. At the annual meeting each year members elect directors to make policy decisions on their behalf. The directors are members themselves, and they make decisions based on

what will benefit the membership, not what's best for a group of distant shareholders.

Community involvement is another benefit co-ops provide to members. We're in the business of improving the quality of life in the communities we serve, from offering college scholarships to providing advice on how you can make your home or business more energy efficient and save money. Our employees are your friends and neighbors. We interact

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Learn About Co-ops

Electric Cooperatives Build a Better World

Member-owned electric co-ops transformed the landscape of rural America, delivering safe, reliable, and affordable electricity for 75 years. www.nreca.org

DID YOU KNOW?

- Electric co-op lines cover 75 percent of the U.S. landmass.
- Serve 42 million people in 47 states.
- Electric co-ops have retired \$9.5 billion to members (capital credits) since 1990.

CONCERN FOR COMMUNITY:

Every June, more than 1,500 high school juniors take part in an educational trip to Washington, D.C. during the Rural Electric Youth Tour.

Cooperative Enterprises Build a Better World

A message from America's Electric Cooperatives



Overhead vs. Underground

Why Keep Power Lines in Harm's Way?

High winds mixed with heavy snow and ice can cause tree limbs to fall on overhead power lines, triggering outages. You might remember December 2009, when major storms in southern Wisconsin and northern Illinois knocked out power twice in two weeks. Although Rock Energy Cooperative line workers are on call around the clock and respond quickly to problems, some folks ask a simple question: Why keep power lines in harm's way?

There are two ways electricity can be delivered: through overhead or underground power lines. Underground lines may seem attractive during storms because the lines are not exposed to extreme weather, but the technology doesn't always make sense for co-ops focused on affordability and reliability.

In this area, building three phase distribution underground lines would cost between three to seven times more than overhead lines. Transmission lines could cost as much as 10 times more.

In 2005, Hi-Line Engineering, a Georgia-based utility consulting firm, compared the increased cost of underground lines against their benefits in Virginia. The results: underground savings did not outweigh the heavy initial cost of installation.

Most underground lines are found in subdivisions where developers request and pay for the option for aesthetic reasons or to comply with



A Rock Energy tree crew works to clear snow-covered branches from power lines after a December 2009 blizzard.

local statutes. A high concentration of homes in these areas helps spread out the expense. According to Hi-Line Engineering, nine out of 10 new subdivisions are served by underground cable.

But the bulk of Rock Energy's power continues to be delivered via overhead lines in rural areas. About 70 percent of the co-op's 1,260 miles of distribution line are overhead, which helps keep electricity both affordable and reliable for members.

There are pros and cons to both forms of power distribution. For instance, underground facilities are more reliable during storms and generally require less right-of-way maintenance because there are no trees, brush, or other vegetation to clear away.

However, faults in underground power lines are not easy to track down and fix. A North Carolina reliability

study, which measured both the frequency and duration of power outages, found that the frequency of outages on underground systems was 50 percent less than for overhead systems, but the average duration of an underground outage was 58 percent longer.

"If a tree falls on an overhead line, you can normally drive down the line, see the problem, and get to work restoring power," explained Denny Schultz, director of utility operations at Rock Energy. "The same holds for repairing broken insulators and cross arms. If you see it, you can fix it."

"But underground lines are tough to troubleshoot. You can't find a problem with your eyes. You have to search harder for it, using expensive equipment to track it down based on

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Teens Learn Co-op Principles on Trip to Washington, D.C.

Energy cooperatives are different from other utilities because giving something back to the communities they serve is part of their business plan. That's why Rock Energy Cooperative participates in the annual Electric Co-operative Youth Tour.

In June 2011, three area high school students—Hannah Trickel of Beloit, Kaela Gardner of Rockton, and Meghan Baade of Roscoe—represented Rock Energy on the Youth Tour to Washington, D.C. They toured Washington with more than 1,500 young leaders from across the nation and returned with a greater appreciation of the political process and a better understanding of cooperative business principles.

While on the bus trip from Springfield, Ill., to Washington, students established their own chip and soda co-op to learn the principles required to keep members working together for the cooperative's success. After arriving in Washington, the students spent a day on Capitol Hill meeting with their congressional representatives and getting a first-hand look at how government operates.

In addition to the Capitol, they

also visited Arlington National Cemetery, Washington National Cathedral, several Smithsonian Museums, U.S. Holocaust Memorial Museum, World War II Memorial, Royal Embassy of Saudi Arabia, National Archives, Newseum, and a number of other historical sites.

Besides learning the value of rural electrification and exploring the history of the nation, the students also had a great time on this once-in-a-lifetime opportunity. If you know a high school junior who is curious about how government works and wants to learn more about cooperatives, encourage them to apply for the 2012 trip to Washington. Rock Energy will sponsor two students on the trip, which will take place June 15-22.

Applicants must be children of Rock Energy members and reside in the co-op's service territory. The all-expense-paid trip includes transportation, lodging, meals, and admissions to events. Round-trip travel is by motor coach from Springfield, Ill. Travel to Springfield is not included.

Current high school juniors who would like to be considered can get an application form at either our



Representing Rock Energy Cooperative on the 2011 Youth Tour to Washington, D.C., were, from left, Hannah Trickel of Beloit, Kaela Gardner of Rockton, and Meghan Baade of Roscoe. They are pictured in front of the Washington National Cathedral, one of the trip's highlights.

Janesville or South Beloit offices or online at www.rock.coop/member/youthtour.html.

Applications must be submitted to the co-op by Feb. 10. If you have questions, please call Barbara Uebelacker, communications specialist, at (608) 752-4550 or (866) 752-4550. You can also email her at BarbU@rock.coop. ■



Last Chance...

Jan. 15 is the deadline to apply for Rock Energy Cooperative scholarships for 2012.

Go to www.rock.coop/member/scholar.html for details.



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Buy One Game, Get One Free (limit one per person per day)

For a complete listing of current deals, visit www.rock.coop. Terms and conditions subject to change as desired by participating businesses. You also can use your Co-op Connections Card to receive a discount on prescription drugs and print online coupons.

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with you—our members—every day at grocery stores, schools, churches, and community events. We understand and value the role that we play in your life.

Some co-ops have become so much a part of our lives that we forget they are co-ops. Nationally, co-op brands like Sunkist, Ocean Spray, Welch's, and Land O' Lakes have become household names. Locally, credit unions as well as insurance, grocery, and agricultural enterprises are part of our co-op family.

Together, all of us are a key part of the economy. Co-ops generate 100 million jobs globally and serve nearly 1 billion members in more than 90 countries. Nationally, more than 29,000 cooperatives generate 2 million jobs and make a substantial contribution to the U.S. economy with annual revenue of \$652 billion and total assets of \$3 trillion.

This year is the official International Year of Cooperatives, but here at Rock Energy we believe that co-ops and members like you should be celebrated every year. As always, if we can do a better job serving your energy needs, please let us know. ■

Overhead vs. Underground

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where the power flow stops. Then a line crew has to dig a hole to reach the spot before repairs can be made.”

Long-term reliability is also an issue. As underground lines get older, they become less reliable and are more difficult and costly to repair. A Maryland utility found that customers served by 40-year-old overhead lines had better reliability than those served by 20-year-old underground lines.

Schultz agreed, saying that some of the co-op's overhead lines that were installed 40 and 50 years ago are still providing reliable service to members.

Storms inevitably will continue to cause power outages like they did in December 2009, but Rock Energy works year-round to minimize and prevent outages.

“Overhead lines are inspected regularly, and our tree crews work hard to clear branches away from power lines so they hopefully won't cause problems during a storm,” Schultz said. “We can't control the weather, but we do everything we can to minimize the damage it causes to our lines.” ■