

# Cooperatives Are Leading the Way

**E**AST RIVER ELECTRIC POWER COOPERATIVE HELD its 56th annual meeting on Sept. 6 at the Sioux Falls Convention Center. A total of 350 electric cooperative officials, employees and utility industry colleagues attended the event with the theme “Cooperatives: Leading the Way.”

During their annual report to members, Board President Wayne Wright and General Manager Jeff Nelson described how electric cooperatives, since their formation, have been leaders helping to improve the quality of life of rural residents, strengthen the local economy and create a brighter future.

In the first decade of the 21st century, East River and its 21 member electric distribution systems in eastern South Dakota and western Minnesota are again leading the way in an era of tremendous activity.

The development of new agricultural processing facilities, such as ethanol plants, other industries and residential developments in cooperative service areas are contributing to unprecedented growth in the demand for electricity. In 2005, East River delivered nearly 2.3 million megawatt-hours of wholesale power to member systems – an increase of 5.5 percent, Nelson said. During the recent heat wave, East River set a new summer sales record at 396 megawatts on July 29, 2006.

East River and its members are the power behind six ethanol plants, which can produce

more than 500 million gallons of the renewable fuel annually. The newest ethanol plant to receive its power supply from an East River member system is Prairie Ethanol, near Mitchell, S.D. The Millennium Ethanol Plant, under construction at Marion, S.D., has also signed a contract to receive power from the cooperative network in 2007.

Cooperatives are vigorously developing new facilities to serve these growing loads. East River’s work plans include building eight new substations, constructing more than 60 miles of new or up-graded transmission lines and other power-quality improvement projects. Cooperatives are currently helping to develop generation facilities at eight locations in the Dakotas, which will add 167 megawatts of needed baseload, peaking and renewable resources to their portfolio this year.

In addition to new construction, East River and 16 Touchstone Energy® Cooperatives completed

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repairs this summer following the worst ice storm in East River's history. The 2005 Thanksgiving weekend ice storm and blizzard destroyed 1,200 transmission poles and impacted 700 miles of power lines, leaving 25,000 cooperative members without electric service.

"The post-Thanksgiving 2005 ice storm disrupted service to approximately one-third of our transmission system," Nelson said. "Thanks to our dedicated employees and lots of mutual aid, transmission service was restored to the final substation serving residential customers in under two weeks."

East River and its member systems expanded their economic development outreach through a coalition that received a \$50 million allocation of new markets tax credits, which will attract additional private investment in new projects in the region. The Rural Electric Economic Development Fund issued 15 loans for \$5 million that created 420 new jobs in 2005.

In the political arena, cooperatives lead the way by working with allied organizations on important issues, including federal power, transmission access, captive rail shipping and a host of other issues impacting electric utilities and rural communities.

"By practicing the cooperative principles and the four Touchstone Energy values of integrity, innovation, accountability and commitment to community and by following our strategic plan, East River will continue to meet our members' needs for reliable power and other services at the lowest possible cost," Nelson said. "Through these strategies and our dedicated work force, East River will continue to accomplish its mission: to enhance the value of our member systems."

Headquartered in Madison, S.D., East River is a power-supply cooperative that delivers wholesale power through a 2,600-mile transmission system to 21 member electric distribution systems. These distribution systems in turn provide retail electricity to 85,700 homes and businesses in a 36,000-square-mile service area, covering 41 counties in eastern South Dakota and nine counties in western Minnesota. East River and its member cooperatives belong to an alliance of 630 Touchstone Energy Cooperatives in 45 states, delivering energy and energy solutions with integrity, accountability, innovation and commitment to community.

**Left:** Candidates for the Public Utilities Commission, John Koskan, center, and Steve Kolbeck, right, answered questions from Scott Parsley during the Touchstone Energy Political Forum in September. The candidates forum, which also featured gubernatorial and congressional delegates, was part of the festivities during East River Electric Power Cooperative's annual meeting. **Inset:** WAPA Administrator Mike Hacskaylo receives an Eminent Service Award in recognition of his support of rural electrification from East River Electric General Manager Jeff Nelson.

## Eminent Service Award Recognizes Utilities for Storm Aid, Federal Administrator

During its 56th annual meeting, the board of directors for East River Electric Power Cooperative recognized nine electric cooperatives and utilities for helping to restore power following the Nov. 27-28, 2005, ice storm. In addition, the administrator for a federal power marketing agency was also commended for his support of rural electrification during his career.

A total of 10 Eminent Service Awards were presented during East River's annual awards ceremony.

Board President Wayne Wright presented the awards to the utilities that sent employees and equipment, which were instrumental in helping East River replace hundreds of destroyed power poles and repair hundreds of miles of transmission lines impacted by the ice storm and blizzard.

"These dedicated professionals from seven electric cooperatives and two utilities battled through ice, deep snow and subzero temperatures, helping East River's workforce to restore power following the worst storm in East River history," Wright said. "In recognition of your exemplary service in providing mutual aid after the disastrous ice storm and in helping to restore our transmission system, the East River board is pleased to bestow its highest recognition — The Eminent Service Award."

The awards were presented to the following organizations: Basin Electric Power Cooperative, Central Iowa Power Cooperative, Corn Belt Power Cooperative, Dairyland Power Cooperative, MidAmerican Energy, Northwestern Iowa Power Cooperative, Omaha Public Power District, Sioux Valley Energy and Western Area Power Administration.

The East River Eminent Service Award also recognizes individuals for their contributions to rural electrification and rural America.

"This year, we recognize Michael S. Hacskaylo, administrator of the Western Area Power Administration, who has worked to ensure the reliability and viability of an important power supply to this region — the federal hydropower system," Wright said.

Hacskaylo is retiring at the end of the year, concluding a 30-year civil service career with federal agencies. Starting in 1976 at the U.S. Department of the Interior, he provided legal advice on land and water issues to the Bureau of Reclamation. He joined Western Area Power Administration in 1981, was appointed its general counsel in 1985 and named administrator in 1998.

As administrator, Hacskaylo oversees the agency of the U.S. Department of Energy that markets and delivers federal power to nearly 700 electric cooperatives and utilities in 15 western states. Approximately 30 percent of East River's bulk power supply comes from clean, renewable federal hydropower.

Under his leadership, Western is making enhancements to improve the reliability and security of its power supply system. Other projects are building needed new transmission circuits to relieve bottlenecks, facilitating access to its regional transmission system and installing new technology to improve capability and performance.

"Numerous Western improvements in this region are benefiting electric cooperatives and their member-consumers," Wright said. "During this tenuous era of dramatic reregulation of the utility industry, Hacskaylo has kept Western solidly focused on serving its customers with reliable power at the lowest-cost possible. And, Western continues to meet its contract obligations to its federal power customers despite the continuing severe drought."

