




A Touchstone Energy® Cooperative 
The power of human connections

March 31, 2009

Public Service Commission of Wisconsin
ATTN: Carol Stemrich
610 N. Whitney Way
Post Office Box 7854
Madison, WI 53707-7854

Re: Commitment to Community Annual Report

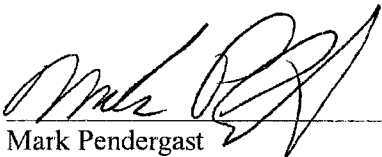
Dear Ms. Stemrich:

In compliance with the provisions of the 2005 Wisconsin Act 141, our electric utility is submitting the attached "Commitment to Community Annual Report" which details our collections, expenditures and energy savings for Low Income Assistance and/or Energy Efficiency programs for the program period July 1, 2007 – December 31, 2008. We have also attached the results of the independent audit as required under Act 141.

Upon receipt of this report, please route a copy to the Wisconsin Department of Administration (attention Sue Brown) to fulfill the DOA's Low Income Assistance reporting requirement.

Questions pertaining to this report should be directed to Mark Pendergast at 715-796-7000.

Sincerely,



Mark Pendergast
CEO

Filed via ERF



Certified Public Accountants & Advisors

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Wisconsin Institute of
Certified Public Accountants

Report of Independent Certified Public Accountants

Board of Directors
St. Croix Electric Cooperative
Hammond, Wisconsin

We have performed the procedures described below, which were agreed to by the Municipal Electric Utilities of Wisconsin, Wisconsin Electric Cooperative Association, the governing body and the Public Service Commission of Wisconsin regarding the 2005 Wisconsin Act 141 (Act) as of and for the eighteen month period ending on December 31, 2008. Management is responsible for its financial records, internal controls, and compliance with State laws and regulations regarding the Act. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

There were no findings based on the following procedures performed except where noted. The procedures and associated findings in testing for compliance regarding the Act are as follows:

General Procedures

1. Examine Commitment to Community (CTC) Annual Report for compliance with the 2005 Wisconsin Act 141 including:
 - a. Ensure submittal date to the Public Service Commission of Wisconsin is prior to April 30
 - b. Verify local election of CTC program as represented on the Annual Report (if participating in the state-wide program for both energy efficiency and low income programs then this report is not necessary)
2. Examine and verify the summary of results in the annual report for both energy efficiency and low income programs including:
 - a. Number of participants
 - b. Total funds spent
 - c. Total KW savings
 - d. Total KWH savings
 - e. CTC program descriptions

CTC Financial Summary

1. Examine net CTC beginning balance for accuracy, including tracing balance to prior year work papers and general ledger.
2. Test mathematical accuracy of summary. Trace activity to general ledger.
3. Examine net CTC ending balance for accuracy, including tracing balances to the general ledger.

CTC Revenues

1. Verify meter totals and fee responsibility calculation (must average \$16 per meter per year but not be greater than 3% of the total bill, or \$750 per month).
2. Perform haphazardly-selected sample of ten customer bills (assuring at least one from each rate category) to verify tariff rates are being charged properly.
3. Analyze revenues to ensure 50/50 split between low income and energy efficiency programs.
4. Trace revenue totals to general ledger
5. Compare computed revenues to actual revenues. Provide summary of discrepancies.

CTC Expenditures

1. Verify internal cost allocation does not exceed 5% of total annual revenues.
2. Confirm wholesale supplier credit with wholesale supplier.
3. Create haphazardly-selected sample of expenditures to test, including Other Program Expenditures. Selected ten total, five from low income and five from energy conservation amounts. The auditor should consider the following test procedures:
 - a. Verify proper approval of individual expenditures
 - b. Ensure individual expenses are allowable program expenditures
 - c. Verify proper general ledger allocation of expenditures
 - d. Ensure appropriate split between low income and energy efficiency programs
 - e. Verify program expenditures are accounted for in the proper period

Energy Savings

1. Compare Deemed and Claimed per unit kWh and kW savings to Public Service Commission of Wisconsin authorized amounts.
2. Test mathematical accuracy of reported savings.
3. Test reported savings for types of measure for which no Public Service Commission of Wisconsin agreed upon savings are available. Examples could be Tree Power programs, energy saver kits, etc. Obtain support for claimed savings.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would not have been reported to you.


This report is intended solely of the information and use of the Board of Directors, management, and the Public Service Commission of Wisconsin and is not intended to be, and should not be, used by anyone other than these specified parties.

Bauman Associates, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS

Eau Claire, Wisconsin
April 8, 2009



A Touchstone Energy® Cooperative 
The power of human connections

COMMITMENT TO COMMUNITY ANNUAL REPORT
Program Period July 1, 2007 – December 31, 2008

Utility Name: St Croix Electric Cooperative
Report Date: March 31, 2009

I. INTRODUCTION

- a) The Commitment to Community provisions of the 2005 Wisconsin Act 141 promote innovation, flexibility and local control of low-income energy assistance and energy efficiency programs, while encouraging economic development. Commitment to Community Programs afford customers of small utilities the opportunity to shape, contribute and participate in programs that address the specific energy needs and interests of the local community.
- b) The general goals of Commitment to Community Programs are as follows:

LOW-INCOME PROGRAM GOALS

- Reduce long-term energy cost burden for low-income households
- Prevent energy crises and proactively identify at-risk customers
- Avoid shut-off of services
- Provide outreach to low-income customers to aid in identification and referral
- Build customer trust and confidence to promote open communication
- Educate consumers about energy choices and budgeting

ENERGY EFFICIENCY PROGRAM GOALS

- Save energy and other limited natural resources
- Lower energy costs for consumers
- Reduce need for additional generation and infrastructure construction
- Preserve the environment by reducing power plant emissions
- Contribute to electrical grid reliability
- Support community businesses and organizations as far as practicable
- Educate consumers, students and teachers about energy choices

In the following sections of this report the Cooperative is demonstrating its pursuit of the aforementioned goals and satisfying the reporting requirements set forth in section 16.957(5)(g) of the 2005 Wisconsin Act 141.

- c) Our electric utility has retained 100% of our Commitment to Community funds to administer the following types of programs: Low-Income Assistance Programs and/or Energy Efficiency Programs.

SUMMARY OF RESULTS – ENERGY EFFICIENCY PROGRAMS

- Number of participants: 2182
- Total funds spent: \$414,166.00
- Total kW savings: 47.41
- Total kWh savings: 679,400.50

SUMMARY OF RESULTS -- LOW INCOME PROGRAMS

- Number of participants: 340
- Total funds spent: \$146,750.00
- Total kW savings: N/A
- Total kWh savings: N/A

II. DESCRIPTION OF COMMITMENT TO COMMUNITY PROGRAMS

a) LOW-INCOME PROGRAMS

(This section is **NOT** applicable to utilities that have transferred their low-income CTC funds to the Dept. of Administration)

1. Low-income Customer Credit Program:

This program is intended to ease the energy burden facing our customers with limited financial resources. To qualify for assistance under this program, customers must verify through the Low Income Home Energy Assistance Program (LIHEAP) that their gross household income is at or below 150% of the federal poverty level. If approved for LIHEAP, customers are automatically eligible for the Customer Credit Program and can receive an account credit that will cover up to 30% of their annual electric costs.

b) ENERGY EFFICIENCY PROGRAMS

(This section is **NOT** applicable to utilities that have transferred their energy efficiency CTC funds to Focus on Energy.)

1. Residential Cash for Conserving rebates for lighting, appliances and efficient heating & cooling program:

****See attached information****

III. COLLECTION AND EXPENDITURE OF COMMITMENT TO COMMUNITY FUNDS

For the program period July 1, 2007 to December 31, 2008 the total amount of our Commitment to Community Programs fee responsibility was estimated to be \$232,464.00. This amount has been calculated as:

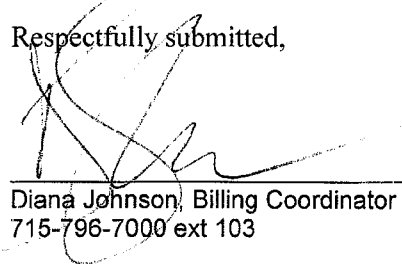
$$\# \text{ of meters } \underline{9686} \times \$16 = \underline{154,976.00} \times 1.5 = \underline{232,464.00}$$

Of the \$16 per meter collected, \$8 per meter is intended for Low Income Assistance and \$8 per meter is intended for Energy Efficiency Programs. The annual collection amount has been multiplied by 1.5 to reflect the 18 month transitional program period.

Detailed collection figures, budgets, and expenditure data for our Commitment to Community programs has been included in the attached spreadsheet titled "CTC Annual Report Data."

If you have any questions about our annual report, please contact Diana Johnson at 715-796-7000.

Respectfully submitted,



Diana Johnson, Billing Coordinator
715-796-7000 ext 103

2009 Cash for Conserving Rewards

Residential Programs

Appliances

- Clothes Washer \$ 50.00
- Dehumidifier \$ 25.00
- Dishwasher \$ 25.00
- Freezer \$ 50.00
- Refrigerator \$ 50.00

In order to claim the above rebates –

- The appliances must meet the Energy Star rating (www.energystar.gov)
- The appliance must be purchased between January 1, 2009 and December 31, 2009 and the supporting paperwork must be turned in to SCEC office no later than Jan 20, 2010.
- Rebated equipment must be connected to an electric service provided by SCEC
- Limit 1 rebate per item per account

Lighting

- Compact Fluorescent Bulbs (each) (max 10) \$ 2.00
- LED Christmas Lights – per string (max 12) \$ 2.00

In order to claim the above rebates –

- The lighting equipment must meet the Energy Star rating
- The lighting equipment must be purchased between January 1, 2009 and December 31, 2009 and the supporting paperwork must be turned in to SCEC office no later than Jan 20, 2010.
- Rebated equipment must be connected to an electric service provided by SCEC
- Limit 1 rebate per item per account

Solar Water Heaters

- Solar Cells with an Electric Water Heater –
\$15 per sq ft. of collector - maximum \$750.00

Photovoltaic Systems

- \$20 per sq ft. of collector – maximum \$1000.00
 - Must be set up for net metering and the solar array must provide AC current

- Systems must have a capacity of between 1.0 kW - 20 kW, installation must comply with applicable national, state and local electrical codes, rules and regulations along with electric service rules and regulations of St. Croix Electric Cooperative, including their Distributed Generation Interconnection Agreement.

Equipment Requirements: Solar-thermal equipment must be certified by the SRCC and must be backed by an extended warranty

Installation Requirements: Solar Thermal equipment must be installed by an experienced solar contractor. All electrically operated components must meet applicable safety requirements of the NEC.

Wind Systems

- 50% of the charges for an independent, professional site evaluation* – (limited to 1 per customer) maximum \$300.00
- Systems between 100 and 499 watts
 - 40¢ per nameplate watt capacity – maximum \$200.00
 - For personal use only - systems cannot be connected to St. Croix Electric Cooperative's distribution system. (limited to 1 per customer)
- Systems between 500 and 2,000 watts
 - 50¢ per nameplate watt capacity – maximum \$500.00
 - For personal use only - systems cannot be connected to St. Croix Electric Cooperative's distribution system (limited to 1 per customer)
- Systems between 2,001 and 20,000 watts
 - \$100.00 per nameplate KW capacity – maximum \$2,000.00
 - Systems having a capacity between 5.0 kW - 20 kW must be connected to SCEC's distribution system. Installation must comply with applicable national and state electric codes, local rules and regulations, electric service guidelines of St. Croix Electric Cooperative and the appropriate Distributed Generation Interconnection Agreement.

* Independent, professional site evaluation must be completed by a person who is not involved in selling wind generating equipment

Central Air Conditioner

The central air conditioner you have recently installed may qualify for a rebate from St. Croix Electric Cooperative. The chart below shows the requirements and the dollar amounts for the different categories.

- | | | |
|----------------------------|-------------|--------------------|
| • Central air conditioners | \$60 / ton | 14 SEER or greater |
| • Mini-Split Systems | \$60 / ton | 14 SEER or greater |
| • Air source heat pumps | \$120 / ton | 14 SEER or greater |
| • Ground source heat pumps | \$200 / ton | All COPs |

Ground source heat pumps can qualify for SCEC's low off-peak rate if the heating system includes an automatic fossil fuel or thermal storage back-up. Call for details

Having SCEC install a Load Management Receiver (LMR) on your new AC unit qualifies you for an additional \$50 savings. An LMR allows your electric supplier to cycle the compressor portion of your AC unit on and off every 15 minutes during the times when the load on the electrical system in Western Wisconsin is critical.

Commitment to Community (CTC) Financial Summary

For the Period July 1, 2007 to December 31, 2008

	Energy Efficiency	Low Income
Net CTC Balance, July 1, 2007	\$ 34,385.21	\$ 42,403.61
Revenues (Note - first reporting period includes 18 Months)		
Residential	111,600	111,600
<i>Approximate # of meters -</i>	<u>9,300</u>	
Commercial	4,596	4,596
<i>Approximate # of meters -</i>	<u>383</u>	
Large Power	36	36
<i>Approximate # of meters -</i>	<u>3</u>	
Non-CTC Revenues Collected	-	-
<i>Approximate # of meters -</i>	<u>XXXX</u>	
Total Revenues	<u>116,232</u>	<u>116,232</u>
Expenses		
Detailed Spending (Must equal Spending Detail tab)	78,568	143,538
Internal Costs (Not to exceed 5% of total annual revenue)		
Administrative Costs	3,213	3,213
General Promotional Costs	-	-
Required Billing System Improvements to Handle Any Required CTC Modifications	-	-
Wholesale Supplier Credit (A)	221,678	-
Other (Load Management)	<u>110,708</u>	<u>-</u>
Total Expenses	<u>414,166</u>	<u>146,750</u>
Net CTC Balance, December 31, 2008	<u>\$ (263,549)</u>	<u>\$ 11,885</u>

(A) - 2005 Wisconsin Act 141 allows municipal electric utilities and REC's the option of claiming credit for Commitment to Community expenses incurred by their wholesale power supplier (which is passed on to them through wholesale power costs). Please see attached Dairyland Power Cooperative Allocation for proper detail associated with the wholesale supplier credit.