

Michigan Commission of Agriculture and Rural Development

Tuesday, July 19, 2011
Lansing, Michigan

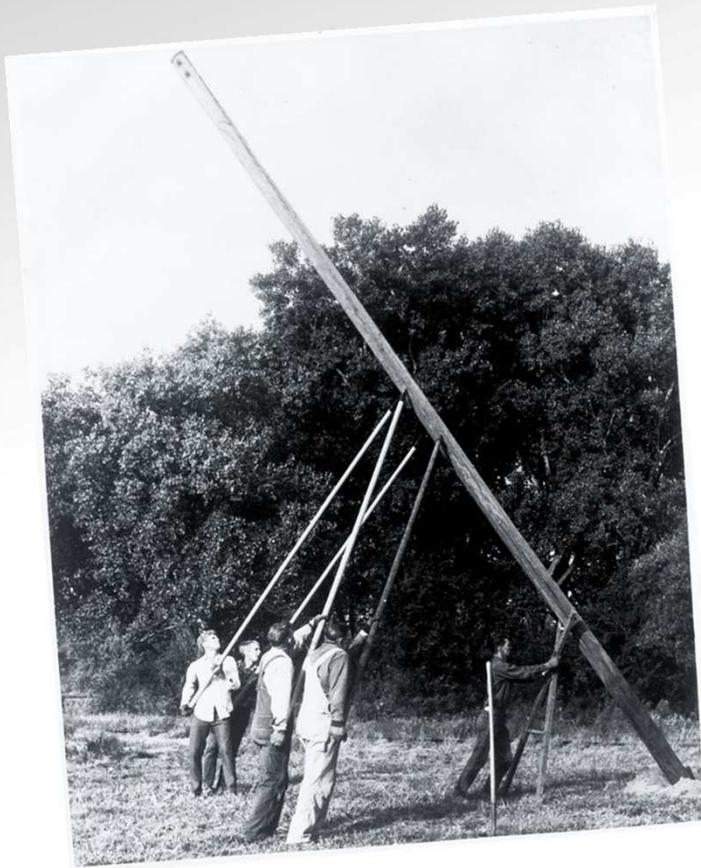


Three Types of Utilities

- **Investor Owned:**
 - Shareholder owned and governed, regulated by MPSC
 - Serving higher density urban/suburban areas
 - For-profit motive (e.g. Detroit Edison, Consumers Energy)
- **Municipals:**
 - Customer owned and governed, not regulated by MPSC
 - Serving high density urban/suburban areas
 - Not-for-profit (e.g. Lansing BWL, City of Holland)
- **Electric Cooperatives:**
 - member owned and governed, option to be self regulated
 - serving low-density rural areas
 - Not-for-profit, margins allocated to membership



Co-ops: A Brief History



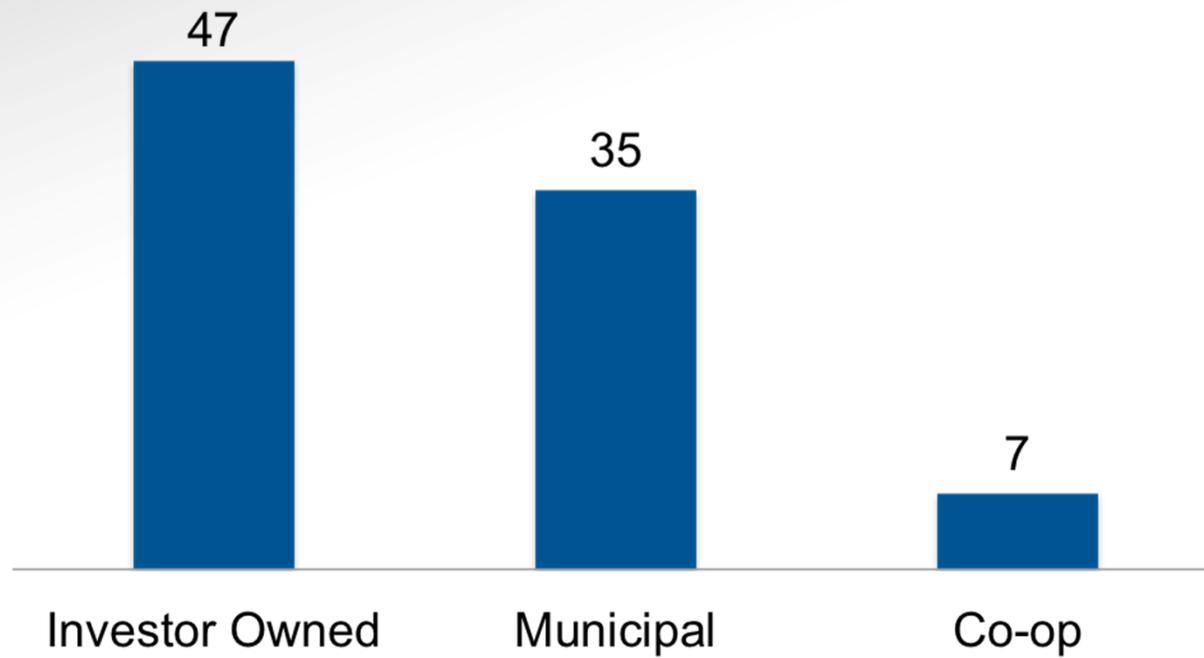
- 1935: President Roosevelt created the Rural Electrification Administration (REA)
- Loan program designed to provide electric power to rural America

Co-ops: Today

- 841 distribution co-ops
- 68 generation and transmission co-ops
- Serving 42 million people across 47 states (12% of the nation's population)
- Serving 18 million homes, farms, schools, churches, businesses, and irrigation systems



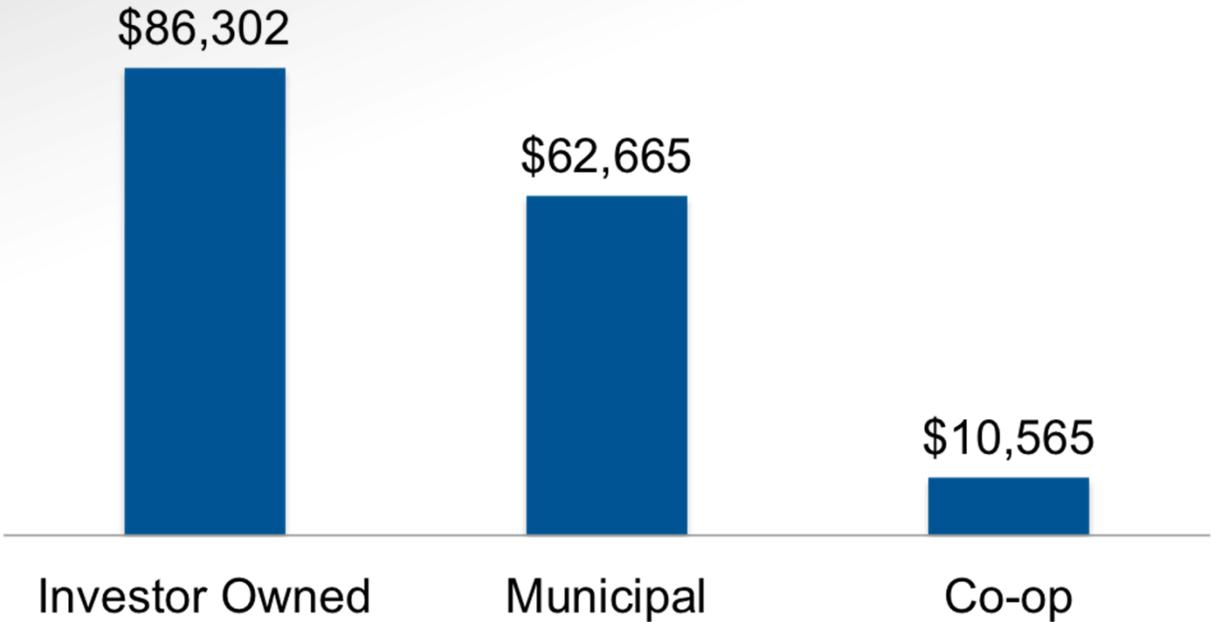
Consumers Per Mile



Source: 2006 RUS/EIA data



Revenue Per Mile



Source: 2006 RUS/EIA data



About Co-ops

- A unique form of business
- Operated by the 7 Cooperative Principles

7 Cooperative Principles

- Voluntary and Open Membership
- Democratic Member Control
- Members' Economic Participation
- Autonomy and Independence
- Education, Training and Information
- Cooperation Among Cooperatives
- Concern for Community

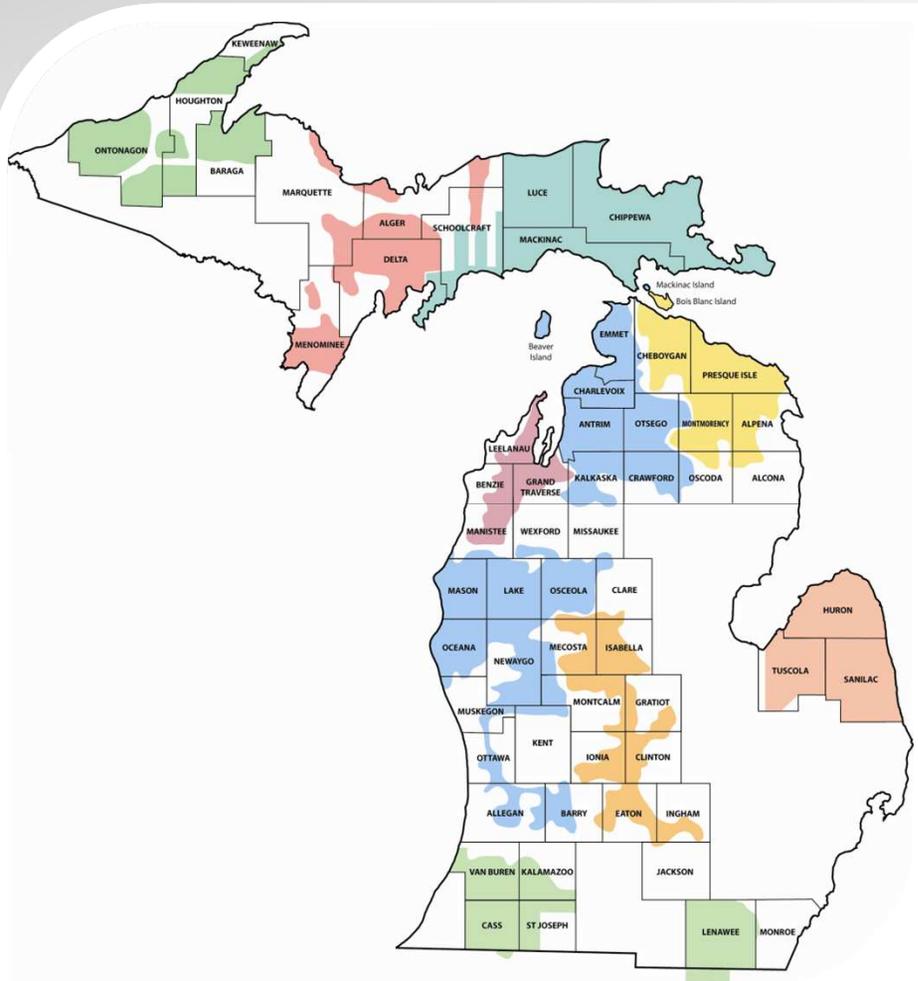


Who is MECA?

- Statewide trade association representing Michigan's 11 electric cooperatives
- Facilities in 61 of Michigan's 83 counties
- Member-customers in every House and Senate district



Michigan's Co-ops

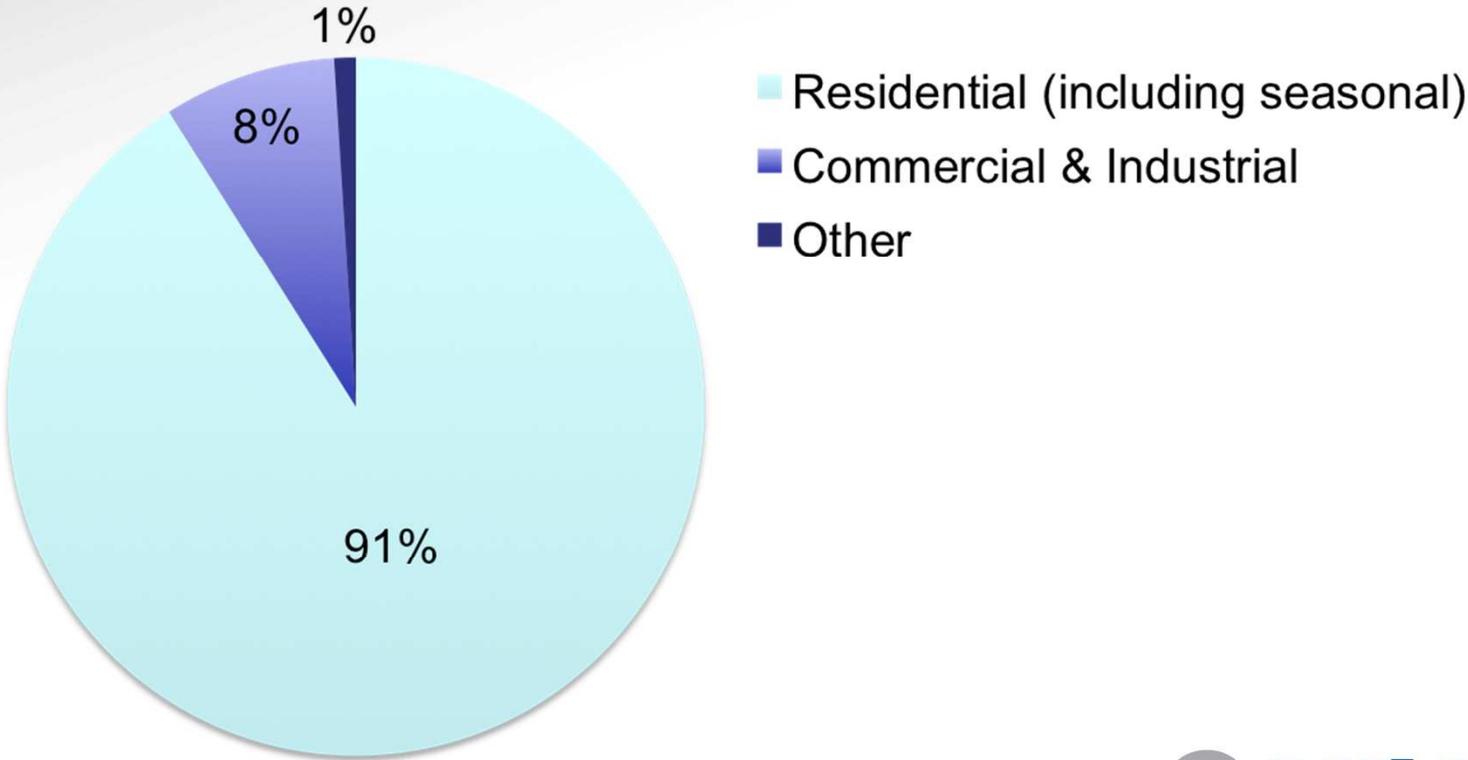


- Alger Delta Electric Cooperative
- Cherryland Electric Cooperative
- Cloverland Electric Cooperative
- Great Lakes Energy Cooperative
- HomeWorks Tri-County Electric Cooperative
- Midwest Energy Cooperative
- Ontonagon County REA
- Presque Isle Electric & Gas Cooperative
- Thumb Electric Cooperative
- Wolverine Power Cooperative
- Wolverine Power Marketing Cooperative



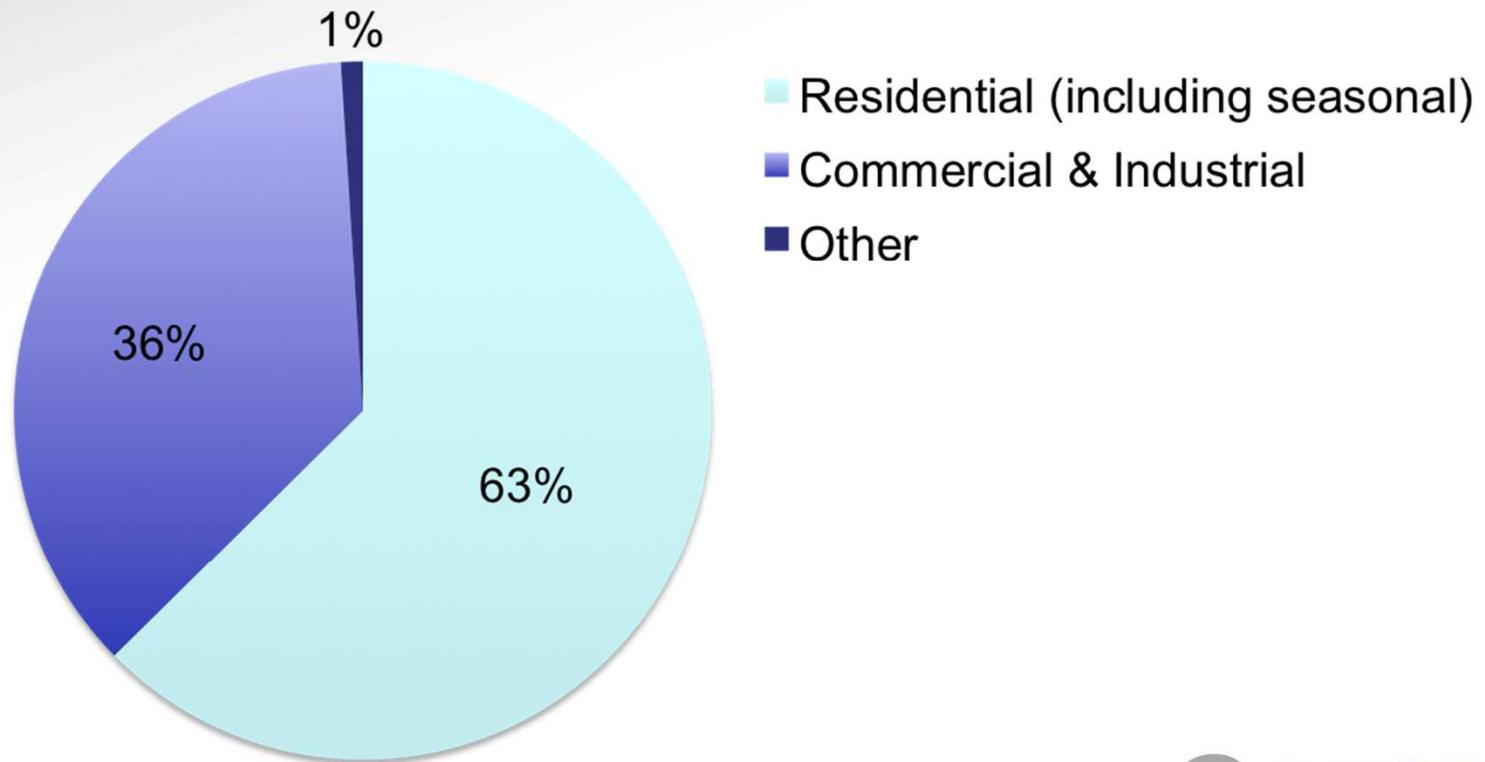
Michigan's Co-ops

Customers By Meter



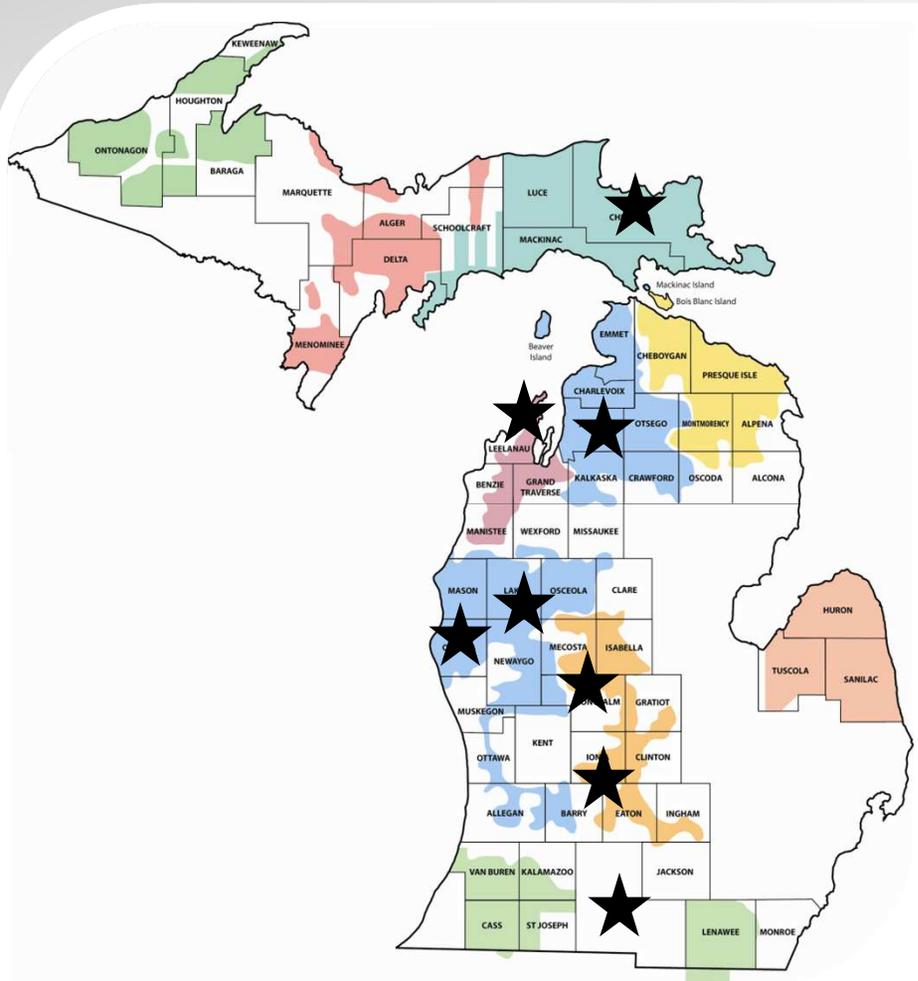
Michigan's Co-ops

Energy by MWh



Michigan's Co-ops

Notable Agriculture Industry Customers



- Carbon Green, Lake Odessa
- ConAgra, Quincy
- Kitchen Farms, Alba
- Leelanau Fruit, Suttons Bay
- Peterson Farms, Shelby
- Sackett Potatoes, Mecosta
- Valero Energy Corporation, Kinross
- Yoplait, Reed City



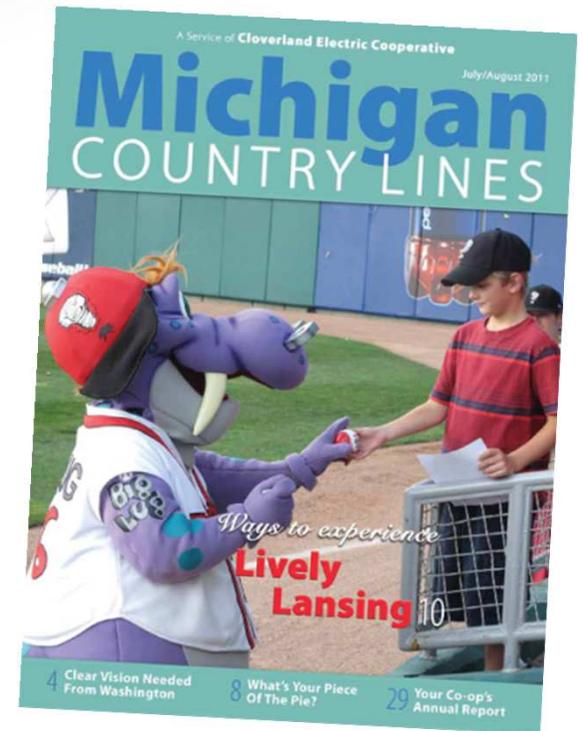
Four Areas of Focus

- Communication
 - *Michigan Country Lines* magazine
- Training
 - Safety, loss control, job training
- Legislative and Regulatory
- Energy Optimization



Michigan Country Lines

- Award-winning magazine
- Published 10 times annually
- Read by over 270,000 rural and suburban homeowners
- Content focuses on home, family, gardening, outdoors, food, travel and energy



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Questions?

