

# Plugged In



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From the President by Jerry Lauer

## What is causing electricity prices to increase?

### Explaining the rising cost of electricity

The cost of generating power and moving it over the grid is on the rise. If you look at your monthly bill, you'll see that the wholesale power charge (generation and transmission) — what we pay Buckeye Power, Inc., for electricity generated on your behalf — has been increasing due to higher fuel costs, the need to meet growing demand and investment in environmental technology to comply with federal Clean Air Act standards.

Effective July 1, these factors will combine to produce a half-cent per kilowatt-hour (kWh) adjustment in the cost of wholesale power. This means you will pay approximately \$8 per month more for the average of 1,400 kWh on your electric bill when this energy charge adjustment is passed through. No one likes to pay more, but this adjustment will allow Ohio electric cooperatives to remain competitive and continue to provide members with reliable and affordable electricity.

### FED: Fuel, Environment and Demand

In the coming months, a series of articles in *Country Living* magazine will explain the factors affecting the cost of power generation and transmission. We want co-op members to be aware of the price pressures on the power industry and why electric rates are increasing. Just remember what the letters F-E-D mean: Fuel, Environment and Demand. These are the cost drivers.

**What are Buckeye Power and Consolidated Electric doing to buffer these costs?** We are using planning, investment and efficiency. Planning, investment and efficiency mean Ohio electric cooperatives and Buckeye Power can buffer the effects of FED during volatile economic and regulatory times, such as we now find ourselves in. We want to be proactive to minimize the impact on our members.

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Prices are going up everywhere, but your wholesale power rate is still the lowest in Ohio. And we are doing all we can to manage costs at the local level. Don't forget that your local electric cooperative is a not-for-profit company owned and governed by you – its members. We sell power to you at our cost, plus a small margin to cover operating expenses. We have your interests in mind in everything we do.

## What is F-E-D?

### Fuel – Coal is the backbone of our power.

Fuel is required to generate base load electricity. Buckeye Power, Inc., the generation-and-transmission cooperative (G&T) jointly owned by the 25 electric distribution cooperatives serving Ohio, buys millions of tons of coal per year to fire boilers at its Cardinal Station Unit 2 and Unit 3 power plants. Counting the generation entitlement Buckeye has from the Ohio Valley Electric Corporation's (OVEC) Kyger Creek and Clifty Creek power stations, more than 90 percent of our electricity is generated from coal.

In comparison to other types of fuel, coal is inexpensive. Coal is also an abundant natural resource in the U.S., with an estimated 200-year supply. Although coal prices don't normally follow the ups and downs of oil and natural gas prices, global demand for coal has produced recent volatility in the market. The price of Appalachian coal nearly doubled last year as India, China and other nations sought additional fuel supplies for their emerging economies. Increases in the cost of fuel have been unavoidable, and this has affected the wholesale power rate.

### Environment – Pollution controls sooner than later.

Amendments to the U.S. Clean Air Act have required ever more stringent limits on pollutants such as nitrogen oxide, particulate matter and sulfur dioxide from power plant flue gases. We have made significant strides in our technological ability to reduce these emissions blamed for smog and acid rain. But the environmental control equipment needed, including flue gas desulfurization (FGD) units, selective catalytic reduction (SCR) systems and precipitators, is both large and expensive.

Buckeye Power and Ohio's electric cooperatives made the decision several years ago to proceed with environmental improvements, rather than wait for eventual federal mandates. The equipment and engineering knowledge had matured. We were convinced that acting to reduce flue gas emissions

was the right thing to do, rather than delaying until more aggressive EPA regulations forced us to comply. This decision was based on the electric cooperative tradition of stewardship — doing the right thing to preserve natural resources and sustain our quality of life — and recognition that it ultimately would be more costly to defer installation of pollution-reducing technology.

As a result, the cost of wholesale power reflects \$900 million in environmental investment Buckeye Power is making this decade to ensure that our power plants are among the most efficient in the world for removal of coal combustion byproducts, including mercury.

We're proud of that. There is a price tag for becoming cleaner, and it continues to rise. But we have avoided paying more in the future, when the cost of compliance might be greater.

### Demand – Growth creates more need for electricity.

Ohio's cooperatives are also growing. This creates more demand for electricity. Plus, our lifestyles are changing, and our appetite for energy is increasing. Large-screen TVs and computers were once a luxury, but now are found in many homes. Modern appliances use electricity even when they are turned off. This impacts your monthly use and creates more demand for electricity.

A recent government report stated that over the next 20 years, electric utilities must increase generating capacity by 30 percent just to keep up with projected demand. The excess capacity we enjoyed for decades has been used up.

Ohio's electric cooperatives had the foresight more than 40 years ago to form Buckeye Power and build the Cardinal Station. This ensured that you would have a stable and economic source of power for years.

Buckeye Power added new generation with the Robert P. Mone and Greenville peaking plants. It has bought power with its purchase of a share of OVEC's coal-fired plants on the Ohio River. It also has added renewable sources of energy with two biodigesters and generation from the New York Power Authority's Niagara River project. And recently, Buckeye Power joined forces with several other G&Ts to purchase power from a wind turbine farm in Iowa.

New sources of generation cost money, but we are ensuring that sufficient base load power is available to meet demand. Owning and controlling our generation assets also means we avoid the risk of paying market prices for electricity when it is in short supply.

# \$avings start at home

## Watch it grow!

### Trees and energy efficiency

Now is the time to be thinking about planting trees, and with a little thought toward your home's landscaping, you can make your home more energy efficient. The trees you plant around your home eventually could save you money on air conditioning bills every summer.

Strategically placed trees can shade a home from the hot summer sun well enough to cut cooling bills by as much as half. Before you add trees to your yard, consider these energy-saving strategies:

- Choose deciduous trees; they lose their leaves in the fall. These trees provide shade and block heat in the summertime but don't block sunlight from your home during the winter.
- Planting ash, maple, oak and other trees on the west and south side of a home throws shade on walls and windows that otherwise would soak up the hot sun. This can lower the temperature of a home by six to eight degrees.
- Plant trees so that their leafy limbs will shade windows, walls, roofs, patios and driveways. Be sure to plant at least three large shade trees around the home.
- Consider using trees to cut down the amount of wind that whips your home, too. Evergreen trees that don't shed their greenery can intercept winter winds and reduce the amount of cold air that gets inside and displaces heat.

Whether you're looking for more summer shade, an effective windbreak or just to enhance the beauty of your property, start by selecting the right tree for your location. Consult with your local arborist or your county agricultural extension agent. If your planting area has power lines near by or if you have any questions, please contact Consolidated Electric to discuss right-of-way guidelines or to speak to our arborist.

## Consolidated donates trees for Arbor Day.



Shown above are members of the Preservation Parks of Delaware county, Dempsey Middle School science students and teachers, and Consolidated Electric representatives at the Arbor Day Celebration at Gallant Park in Delaware county.



Shown above are Dempsey Middle School science students and Consolidated Electric Arborist Trevor Saksa planting a new tree. Three trees were donated by Consolidated Electric to the parks as part of their newly achieved Treeline USA certification.

[www.consolidatedelectric.coop](http://www.consolidatedelectric.coop)

## Consolidated Electric Co-op connects members to stimulus savings

It's all over the news; with the passage of the federal stimulus bill there's money available to help many Americans weatherize homes and make energy efficiency improvements. But how can Consolidated Electric Cooperative members connect with these resources? Consolidated Electric Cooperative is ready to help as the American Recovery and Reinvestment Act of 2009 goes into effect.

"The state of our economy has left many Consolidated Electric Cooperative members searching for ways to make ends meet," explains Jerry Lauer, president/CEO of Consolidated Electric Cooperative. "Making the most of each energy dollar is high on everyone's list of concerns. We're ready to help explain which parts of the stimulus bill may affect you, especially if you're considering energy efficiency improvements."

Investing in a few basic measures to secure a home from outside elements could provide major benefits. The U.S. Department of Energy (DOE) says weatherization—the process of sealing air leaks and properly insulating a home—can reduce heating bills by up to 32 percent, resulting in an average energy savings of \$358 per year.

"You can be more comfortable, and save on your energy bill while improving the environment," adds Lauer. "Making our nation more energy efficient takes all of us doing our part, and the stimulus bill provides new ways for you to save money while you're doing it."

As a result of the stimulus package, DOE's Home Weatherization Assistance Program is expanding with a goal of weatherizing one million homes per year. In the past, only households that earned up to 150 percent of the national poverty level were eligible to participate. The stimulus bill extends eligibility to those with incomes below 200 percent of the national poverty level. For a family of four, that's an income limit of \$44,100.

Program participants receive a professional energy consultation with an analysis of energy bills, a blower-door test to locate air leaks and advice on how to be more efficient. Workers then arrive to make energy upgrades like insulating walls and roofs, sealing air leaks, and installing more efficient heating and cooling systems. The process to weatherize a home through the program usually takes two days with an average cost of \$2,500. Since some homes have different needs, the stimulus bill allows up to \$6,500 to be spent on each home.

For members not eligible for federally funded programs, the stimulus plan provides a homeowner efficiency tax credit of up to \$1,500, or 30 percent, of the cost for new energy upgrades, including weatherization activities as well as installation of efficient heating, ventilation, and air conditioning systems. Efficiency tax credits were already available for 2009, but carried a \$500 limit (with additional caps for certain types of upgrades) and only covered up to 10 percent of a member's investment.

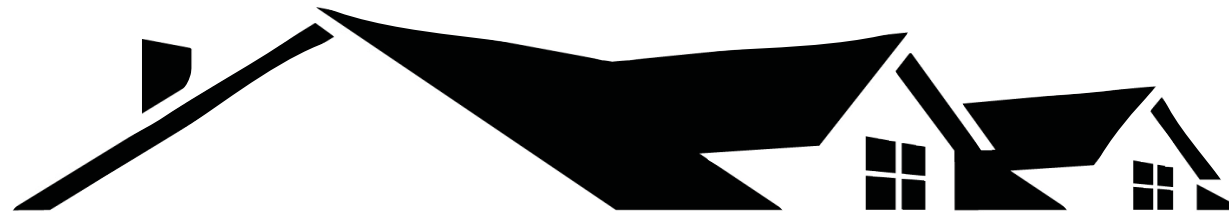
"You may have looked at the tax credit in the past and thought it wasn't worth it," notes Lauer. "This change effectively triples the amount of financial investment you get credit for, and, coupled with how much you can save on energy costs each year, it makes these efficiency measures much more affordable."

Tax credits directly lower a member's federal income taxes, and are generally more valuable than tax deductions because they reduce taxes owed dollar-for-dollar. In contrast, a tax deduction, like a home mortgage or charitable gift, lowers taxable income and may only offer small savings. For example, a \$1,500 tax deduction for someone in the 25 percent tax bracket would lower taxes owed by \$350; a \$1,500 tax credit for energy efficiency efforts will lower taxes owed by \$1,500!

In addition, Consolidated offers rebate programs for the installation of geothermal and dual fuel systems. Members can receive up to \$600 from the current rebate program.

Eligible members in Ohio should visit the Ohio Department of Development's Home Weatherization Assistance Program Web site at [http://www.development.ohio.gov/cdd/oe/HWAP\\_LocateProviders.htm](http://www.development.ohio.gov/cdd/oe/HWAP_LocateProviders.htm) to locate a service provider in your area and apply for the weatherization services. To find out more about energy efficiency measures supported through the stimulus bill, visit <http://www.development.ohio.gov/cdd/oe/default.htm>. To learn about other ways Consolidated Electric Cooperative is helping members save on energy use, visit [www.CONSolidATElectric.coop](http://www.CONSolidATElectric.coop)

Weatherization Assistance Program Ohio Contacts  
If you want to apply for assistance, contact:  
Ohio Department of Development  
77 South High Street, 26th Floor  
P.O. Box 1001  
Columbus, OH 43216-1001  
Phone: 614-466-6797  
Fax: 614-466-1864



## Running your air conditioner efficiently

If not run correctly, your ducted reverse-cycle air conditioner could cost you hundreds and even thousands of dollars per year in running costs.

Do you want to keep your running costs down? Below is a list of tips to help keep your ducted reverse-cycle air conditioners running costs to a minimum over the summer and winter months.

1. Clean any filters regularly. This usually means cleaning the return air grille filter, which is usually located in the hallway.
2. Keep the outdoor unit (compressor) free from any obstructions. Try to keep it clean by giving it the occasional wash down. If you are getting your reverse-cycle air conditioner installed, make sure that the compressor is placed in an open and cool area (not too close to the fence line).
3. Adjust louvers as needed. For cooling, the louvers of your grilles (outlets) should face across (parallel with the ceiling) as the cool air will drop. During heating, the louvers should be pushed down so the warm air can get thrown to the floor before it starts to rise again.
4. Ensure your home is adequately insulated. Insulation will slow heat from entering your home in summer and restrict heat from leaving your home in winter. Ceiling



Roger Keller,  
CEC Energy Advisor

insulation is a must but also consider roof insulation, wall insulation and if possible add ventilation to your roof space to try to remove some of the heat load in summer.

5. Set the ducted air conditioner controller to an average temperature at all times. Each degree lower in summer (or higher in winter) can result in hundreds of extra running costs per year. Set the controller so the home is comfortable (and not extreme).
6. Where possible, keep all windows shut and close blinds. Blinds and curtains will restrict the conditioned air from leaving and slow the hot/cold air outside from entering.
7. In winter, be sure to install draught stoppers. This will stop cool air from blowing around your home. These may only cost a couple of dollars each but will easily save you money in running costs.
8. Flush out the hot air before turning on your air conditioner. If you come home to a hot home, open doors and windows to let in the cool breeze. This may only take a few minutes but it will lower the homes temperature considerably and save the air conditioner from having to work as hard, which will save you money.

Stick to these tips and not only will you be doing your part for the environment, you will also save some money from your back pocket.





Electric use can vary month to month based upon a wide range of factors. Here are some of the most common causes.

**Weather**

The changing seasons brings with them a change in energy use. Air conditioners and fans run more often on hot, humid summer days. And cold, blustery winter nights make furnaces run longer to maintain adequate heat.

**Change in life styles**

When the number of people within your household increases, your energy use increases as well. Additional use of lights, kitchen appliances, showers, washer and dryer, TVs, stereos, computers, and other appliances can easily increase energy use.

**Appliances**

Adding a waterbed, freezer, hot tub, second refrigerator or other electrical appliance will also increase your electric use. The use of construction tools (saws, drills, electric lights, sanders, etc.) when remodeling a home can also increase electric use.

**Vacations can fool you**

Vacations don't necessarily save you money on your electricity. Even though you're away, your refrigerator, freezer, furnace/air conditioner are still running. Depending on the billing cycle, decreased use of the range, toaster and iron could be spread over two bills. And don't forget you may have used extra energy getting ready for vacation, such as extra laundry.

**Number of days in billing cycle**

Sometimes energy use can seem higher due to the number of days in the billing cycle. Keep this in mind when comparing bills from previous months.

**Analyzing your energy use**

1. When your energy use seems high, ask yourself about any changes in weather, living habits, appliance use and the billing cycle.

2. Compare your use to your use a year ago, but remember that weather conditions vary from year to year, so February this year is not the same weather necessarily experienced in February of last year.

3. Still think the energy use is more than it should be?

Try this test:

Shut off all the breakers in the house, and then check the meter. The meter should completely stop turning. If it continues to turn, you may have a short between the meter and the breaker box. If so, call an electrician to locate the problem for you.

If the meter stopped when the breakers were completely shut off, then turn on one breaker at a time and check the revolutions of the meter in a 30 second time period. This will allow you to identify the largest electric loads by breaker.

4. You may also want to monitor your use, along with monitoring activities such as doing laundry or using the oven. Create a spreadsheet that monitors the items below. This will help you see what activities create the highest amount of energy use .

	Daily Meter Reading	kWh Used Daily	Daily Activities
Day 1			
Day 2			
Day 3			
Day 4			
Day 5			
Day 6			
Day 7			
Weekly totals			

5. It can also be helpful to learn just how many kilowatt-hours are being used by each appliance during the month. They can add up pretty quickly. You can figure the use of any home appliance if you know its wattage (or amps) and how long you use it.

Here's how you calculate use:

- a) Convert amps to watts: amps x 120 volts = watts
- b) Watts x hours used per month = watt hours per month
- c) Watt hours divided by 1,000 = kilowatt-hours (kWh)  
(Example: If you use a 100-watt light bulb for 10 hours you would use 1 kWh.)

If you have additional questions about high use, give us a call at 800-421-5863.



## Kids Corner

### Energy efficiency and conservation

Each year we are looking for more ways to conserve our energy resources like natural gas and oil because these are non renewable fuels. That means there is a limited supply. By using renewable fuels like water for hydropower and sunlight for solar power, we can help conserve our natural resources so they don't run out. Use these tips to help out!

1. The lights and television use electrical energy so when you leave the room, shut them off.
2. If it's a nice sunny day, open the curtains and use the sunlight instead of turning on the lights.
3. Don't leave windows or doors open when the heat or air conditioning is on. This makes the furnace and AC have to work harder to heat and cool a room.
4. If it's a sunny day, hang the clothes outside instead of using the dryer.
5. When you leave the restroom or kitchen, make sure that the water faucet isn't dripping.
6. Turn off the dishwasher right before the drying cycle and let the dishes air dry.
7. Don't leave the refrigerator door open. Decide what you want BEFORE you open the door.
8. Make today sandwich day instead of cooking. Not cooking saves gas and electricity.

**Reminder!**  
**Father's Day is June 21.**



## Join MAC today and enhance the cooperative-member relationship.

The Member Advisory Committee (MAC) is a way for members to become advocates for other members.

### Why?

A distinct advantage of being a part of MAC is to help in obtaining a beneficial two-way communication exchange between the cooperative and members.

In order to do this effectively, developing an understanding of objectives, progress and problems of the member-owned cooperative is key. The committee will serve as a gateway for obtaining information on the various subjects that members find relevant and gathering new ideas on the further development of the cooperative's products and services.

It is the goal of MAC to assure the membership is made up of interested members who represent the membership as a whole and serves as a responsive communications link between all members and the Board of Trustees.

If you would like to be considered as a participant for MAC, please contact Pam Hawk at [phawk@conelec.com](mailto:phawk@conelec.com) or at 419-949-2911.



## From the boardroom: April

The meeting on April 28 was our first board meeting in the new Delaware district office. Trustees toured the building and offered kudos to the building committee and design team. We have a district office that we can be proud of for many years in the future.

As is typical for board meetings, there were a number of presentations. However, the trustees also invited Melissa Watson, director of member services, into the meeting to extend their congratulations and recognition for a job well done! Nikki Vanderkooi, marketing coordinator, was on vacation, but Nikki and Melissa won a total of five national Spotlight on Excellence Awards for communications. Way to go!

### Presentations:

Wes Reinhardt, VP/CFO financial services, provided a financial update for the first quarter of 2009. We are ahead of budget for CEC and all subsidiaries. The cold weather in January and attention to cost control have us off to a good start this year.

Don McCracken, trustee, provided summary information regarding the trustee election – all incumbents were re-elected.

Charlotte Loren, trustee, provided a brief youth report. Scholarship winners will be recognized at a banquet in Columbus on May 11.

Jeff Harr from the accounting firm of Balestra, Harr & Scherer provided an audit report for 2008.

Charles Lynn, trustee, provided a summary for the BCI subsidiary board meeting, which was held before the CEC board meeting. BCI is also doing better than budget in 2008 and progress on the Marion wireless project is being monitored as we move through the year.

Phil Caskey, VP of engineering and operations, provided a summary of our Power Requirements Study. This study shows our expected sales over the next 10 years and when combined with other distribution cooperatives, gives Buckeye Power a better idea of generation requirements.

Pam Hawk, VP of marketing/member services and human resources, discussed the proposed Member Advisory Committee. We plan to move forward with this initiative to ensure that our communications with members continues at a high level. This will be important over the next few years as we see rising costs from Buckeye Power and from possible legislation to curtail CO<sub>2</sub> emissions. (For example, we will see a 10.5 percent price increase from Buckeye Power

effective July 1.) We will kick off the MAC initiative at the annual meeting on May 9. If you know of members that may have an interest in participating as volunteers on this committee, please forward those contacts to Pam Hawk (phawk@conelec.com).

We discussed the safety perception survey results and shared our plan for a series of meetings with linemen and other operations department personnel to determine if there are ways to improve our safety culture.

make it a habit...



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Consolidated Electric Cooperative, Inc.  
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GPS Track It Systems  
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Use the card to save on Father's Day gifts!

Visit [www.connections.coop](http://www.connections.coop) today!

## Date reminders!

Delaware Open House:  
Friday, June 5 from 2 – 5 p.m.

Independence Day: Our offices will be closed Friday, July 3.