

WHITEWATER VALLEY REMC Powerlines

A MONTHLY PUBLICATION FOR THE MEMBERS OF WHITEWATER VALLEY REMC

Comments from your CEO

Energy Management Program: Brings Wiser Energy Use to Region

Whitewater Valley REMC is committed to keeping our costs as low as possible while still providing the level of service you expect. Because of that philosophy, we are proud to offer programs and tips that will help our members become wiser energy users. In 2009, more than 15,000 incandescent light bulbs were removed and replaced with compact fluorescent lights (CLFs) saving thousands of kWhs and dollars. Members received over \$47,000 in rebates for installing energy efficient water heaters, heating and cooling systems in their homes. Energy efficiency kits were given out to members at our annual meeting and new LED Holiday Lights were sold for \$5 with a trade-in of an incandescent string of lights.



Boyd Huff, CEO

Later this spring, the cooperative will introduce the Energy Management Program, an innovative program that uses technology to manage energy usage when demand is high – when you and your neighbors are using the most electricity. This enables us to reduce demand during those times when energy is most expensive.

At the heart of the program is a device that allows our power supplier to cycle your water heating and central air conditioning for short periods of time during hours of peak energy demand. This program can make a significant difference in the amount of power consumed system-wide.

Instead of discussing the specifics of the program, I wanted to use this space this month to explain how the Energy Management Program will impact the system as a whole – and how making a little effort today can have a positive effect for your future.

How does regulating the consumption of power make a difference? Consider that our power supplier must be able to not only generate the average amount of power needed on any given day, but also to meet the peak demands. The period when you and your neighbors are using the most electricity each day only last three or four hours, but we must have the energy available to meet the demands of all our members during that time.

If those peak demands push the limits of what can be generated with existing facilities, then you know what has to happen.

Our power supplier, Hoosier Energy, must build more facilities to generate more power, even though the peak demands only make up a percentage of each day. (Read more about pricing and peak demand in *Managing Your Energy Usage in a Changing World – Part IV* on page 2.)

So you see, anything we can do to lower the demand for electricity during peak hours will ultimately benefit us all. Your participation will be an important part of the overall solution.

You will be seeing more information about The Energy Management Program as Whitewater Valley REMC promotes the program over the next few months and we begin the process of giving members the opportunity to sign up.

The Energy Management Program is a simple way to make a significant impact on future energy costs. It's another way we can work together as a cooperative to benefit ourselves, our neighbors and our communities. That, after all, is the cooperative way.

Together We Save.

A Touchstone Energy® Cooperative 

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*For up-to-date information,
visit us on the web
at www.wvwremc.com*

Liberty Office Hours:

7:30 a.m. to 4:30 p.m. Monday through Friday
Closed Saturdays, Sundays and Holidays

To Report an Outage or Emergency:

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24 hours a day, 7 days a week

Be ready to provide the following information:

- The name and account number under which your electric service is listed
- Map location number
- Your phone number—needed to call back or confirm power restoration
- The type of problem you are experiencing –flickering lights, complete power outage, etc.

We appreciate your call and will work promptly to assist you.



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Sam Woeste Graduates From Training Program

Whitewater Valley REMC's Sam Woeste was among the group of apprentices who completed the Hoosier Energy Apprentice Training and Safety program on November 6. Sixteen people from five member cooperatives and Hoosier Energy graduated from the program. Family, friends, supervisors and colleagues gathered to celebrate at a graduation dinner and ceremony at the historic French Lick hotel.

Brad Hyland, Hoosier Energy manager of safety and training, said the HEATS program stands out in the industry for the quality of training it provides.

"One of the huge benefits of the HEATS program is that it provides a qualified workforce for our members," he said. "The program has been highly regarded for years in the industry."



Pictured L-R W. Eugene Roberts, Board Chairman HEPN, Sam Woeste WWV REMC Lineman, Robert Richhart, VP Management Services HEPN

HEATS trainees must complete 8,000 hours of on-the-job training over four years, in addition to 144 classroom hours per year. There are programs for line specialists, powerhouse mechanics, maintenance electricians, meter

technicians and instrument and control technicians.

While Hoosier Energy coordinates the HEATS program, member co-ops oversee the program, implement the on-the-job training, carry out quarterly evaluations of each apprentice, and suggest improvements in the program.

"Each participating co-op has both a management and workforce employee involved in HEATS oversight," Hyland said.

He added that the graduation ceremony is a way to recognize the hard work of the graduates.

Woeste and his fellow graduates bring the total number of HEATS graduates to 493 since the program started 30 years ago.

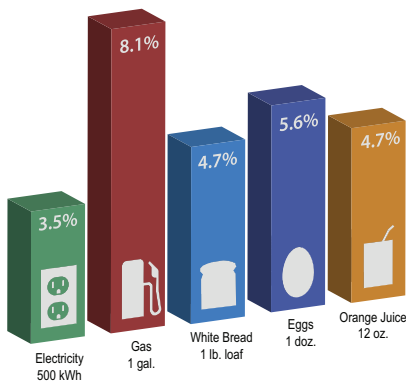
Managing Energy Usage in a Changing World – Part IV

By Mary Jo Thomas

Back in September 2009 I started this series of articles on energy usage and costs. I reported at that time that Hoosier Energy, our power supplier, had announced a rate change for 2010. Because of that upcoming change, other increasing costs, potential legislation, and the national focus on energy efficiency and conservation we would be doing a cost of service study.

As of the writing of this article the cost of service study has been completed.

Average annual price increase over the past decade



Electricity Remains a Good Value

Electricity continues to be a bargain, especially when compared to other consumer goods. As demand for energy rises and fuel prices increase, your electric cooperative is committed to providing safe electricity at the lowest possible cost.

Compared to the last cost of service study in 2006 we're not doing too bad, however, the operating margin is not quite at a comfortable level. Our margins are designed to cover the interest on long term debt and to serve as a safety net for contingencies such as weather damages and high replacement power costs. What we have currently will cover the interest but not provide that safety net so revenue will need to be adjusted to provide an adequate return. The other component we look at in this study is that all rate classes are paying their "fair" share of the margins. This component of the study shows that each rate class is producing very similar returns and will need only slight adjustments. I would expect this result because in the last rate design we tried to ensure that customers pay the costs that they impose on the system so that one class is not subsidizing another class.

Now that the cost of service study is complete, we move on to rate design. The goals will be to adjust the margins to provide that safety net and to reflect changes in the rate design showing the seasonality and peak demand costs of wholesale power.

It has been the practice in the electric industry to average the high cost per

kilowatt-hour of peaking power and the relatively low cost per kilowatt-hour of base load power into a single price per kilowatt-hour that is charged to customers. This may have made sense when electric bills were calculated by hand, but is no longer necessary in an era of high speed computers and electronic meters. Additionally, averaging these very different costs into a single price per kilowatt-hour takes away an opportunity for customers to move usage from peak periods to off-peak periods thus saving money on their electric bills. Not only can such shifts from on-peak to off-peak usage save customers money on their energy bills, but they also help save utilities money by avoiding the cost of constructing peaking plants or purchasing expensive peaking power in the market. With the cost of constructing new generators increasing almost 90% since 2000, avoiding generator construction to meet peaking needs is a great way for customers and utilities to cooperate in achieving significant energy bill savings.

Our power supplier, Hoosier Energy, is making a change in the way that it charges for wholesale power that provides Whitewater Valley with more

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Earned Income Tax Credit Can Put Money in Your Pocket

You could be cheating yourself at tax time, even if you are not required to file a tax return. The IRS estimates one in four eligible taxpayers will overlook the Earned Income Tax Credit – or EITC – worth up to \$5,600 or more this year.

EITC is a refundable tax credit, meaning you can get money back even if you owe no federal income tax or had no tax withheld. And, if you owe tax, it can offset the amount you must pay.

The credit has been making the lives of working people a little easier for 35 years. Yet it remains little known, possibly because people move into and out of eligibility as their financial, marital and parental statuses change.

Unlike other tax credits, EITC is based on several factors such as the source and amount of your income, or combined income if married, whether you have qualifying children and how many. Children are not required for eligibility, but they increase the amount of your credit. Through new legislation, families with three or more children can get even more money.

The credit is complex, but worth exploring. It's even more valuable if your state has a corresponding tax credit. (The hidden account # is 133101)

If you had less than \$48,000 in income from wages, self-employment or farming in 2009, see if you qualify. Find more information at www.irs.gov, keyword: EITC. Use IRS's online EITC Assistant to determine your eligibility and the amount of your credit, or use the worksheet in your tax instruction package.

No-cost help is available in many communities. Volunteer income tax assistance sites or IRS Taxpayer Assistance Centers will compute your EITC and prepare your return at no

charge. To locate a volunteer site, call your community's 211 or 311 number for local services or call the IRS at 1-800-906-9887. Locate an IRS Taxpayer Assistance Center in the blue pages of your telephone directory.

Remember: if you are eligible, you must file a federal income tax return, even if you are not otherwise required to file, and you must specifically claim the credit to get it. Per the IRS, rural and non-traditional families — such as grandparents raising grandchildren — childless workers, and Spanish-speaking taxpayers are among those who most frequently overlook the credit.



January CFL Winners

December winners are:

Beth Duncan, Richmond
Ronald Hoover, Cambridge City
Dennis Leisgang, West Harrison
James Philpot, Metamora
Lawrence Presson, Brookville

Each month we randomly select five members to receive a complete home CFL package.*

The cooperative is also giving away free CFL bulbs at the cooperative office in Liberty. There is a limit of six free bulbs per member.

For more information on CFLs and other energy saving ideas go to www.wwwremc.com and click on the Touchstone Energy Home Energy Audit link.

*while supplies last.

Space Heater Calculation

We get a lot of calls this time of year regarding space heater efficiency and what it cost to run one. We also get a lot of high bill complaints from members who have received their electric bill after a month's worth of space heater use. It doesn't really matter where you purchased your heater. You could have bought that new Amish-built beauty from an infomercial, made your purchase at the local discount or hardware store, or pulled your old heater out of the closet. If it plugs into the wall, it will use electricity. But how much electric will it use? Let's find out – but remember how many total hours the heater was used during the month for the final calculation.

What will it cost to run the heater?

If you have the watts:

Watts divided by 1,000 gives you the kilowatt-hours. Take the kWh

and multiply our residential rate of .093 (9.3 cents). The answer will be the cost-per-hour to run the heater. For example:

$1,500 \text{ watts} \div 1,000 = 1.5 \text{ kilowatt-hours.}$

$1.5 \text{ kilowatt-hours} \times .093 = \text{about } .14 \text{ or } 14 \text{ cents per hour.}$

If you have the volts and amps:

Multiply the volts times the amps to determine the watts then follow the calculation above.

Now let's find out how much you will spend by using two 1,500 watt heaters for eight hours each day for one month.

$.14 \times 8 \text{ hours} = 1.12 \text{ (\$1.12)} \times 30 \text{ (30 days in the month)} = \$33.60 \times 2 \text{ heaters} = \67.20

The bottom line is, any unit you buy that is 1,500 watts will cost you about 14 cents per hour, regardless of the benefits they promise you.

Managing Energy Usage in a Changing World Continued from page 2

accurate price signals about what it costs to supply power at different times of the day and at different times of the year. The price that Whitewater Valley will pay is the highest during on-peak summer periods, is next highest during on-peak winter periods and is lowest during off-peak periods. The summer on-peak period is from 11 AM to 9 PM, Monday through Friday during June, July and August. The winter on-peak period is from 7 AM to 10 AM and from 6 PM to 9 PM, Monday through Friday during December, January and February. All other hours are considered off-peak. This means that the opposite hours from what is mentioned about plus the entire months of September, October, November, March, April and May will have relatively low off-peak pricing. This will provide significant opportunities for customers to move usage from on-peak to off-peak periods and save money on their energy bills.

Whitewater Valley plans to take advantage of this wholesale pricing and make on-peak and off-peak pricing available to its customers. The way that the on-peak and off-peak prices will be constructed, average customers would pay about the same on their electric bills with on-peak/off-peak pricing as they would if they paid a single average price even if they made no changes to the ways that they used electricity. However, if they do make changes and move usage from on-peak to off-peak periods, they would pay less on their electric bills even though they used the same amount of kilowatt-hours. Customers would not have this opportunity to reduce their electric bills if Whitewater Valley continued to average the wholesale prices from Hoosier Energy into a single price per kilowatt-hour for the whole year. The bottom line is that customers will have a significant chance to reduce their energy bills from the on-peak/

off-peak pricing that Whitewater Valley plans to adopt, and this is why Whitewater Valley is moving in this direction.

As of this writing we are working on a rate design for the board to adopt and we anticipate a May 1, 2010 effective date. In the meantime, continue to keep an eye on your meter, your usage, and what time of day this is occurring. We will provide additional information about the new on-peak/off-peak pricing in future newsletters as this pricing is more fully developed.



Find the Hidden Account Number!

No one found the hidden account number from December. Keep reading your *Powerlines* each month or browsing our website — the next hidden account number could be yours!

January Due Dates

During January the due dates for payment of your electric bills are January 3, 10, 19 and 26.

Remember, we recommend that you allow five business days for the mail to reach the payment processing center. That way, you'll never run the risk of being late.

Payment Options

US Mail: Send your payment to:
Whitewater Valley REMC
P.O. Box 3199
Martinsville, IN 46151-3168

Internet: Log-on at www.wvremc.com

Liberty Office: In person or in the drop box

Automatic Withdrawal: Simply request a form and submit it to our office

FCN or Franklin County National Bank:

In person or in the drop box (Please bring your payment stub with you)

First Merchants Bank both Richmond Locations: In person or in the drop box (Please bring your payment stub with you)

If you would like more information about payment options, call 765-458-5171 or 1-800-529-5557.

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