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Your Touchstone Energy® Partners **



www.harrisonrea.com

The seasons of change are upon us

While many of us are longing for the warmer temperatures to return, there are those among us who enjoy these seasonal changes. In many ways, the energy market and environmental issues, such as global warming, all act in the same way as the changing seasons.

Furthermore, many of these changes are attributable to the way our weekly or monthly paychecks are dispersed to our creditors. However, unlike many of our other expenses, the bill you pay for the electricity you use is small in proportion to the conveniences provided. Consequently, much of your utility bill is controlled by these "seasons of change."

Just like any other nonprofit business, we too are experiencing a unique period in time where the known and unknown expenses are unimaginably higher and, unfortunately, they are more out of control than ever before.

The seasons of change at HREA are comparably similar in many ways. Your staff and management

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deal with these rising costs of regulatory changes and environmental issues just like you do, although to a much higher magnitude. Consequently, the only way HREA can cope with these increased costs is through cutbacks in reliability or through rate increases. When I speak of reliability, I'm referring to the costs that are required maintaining services, handling electrical outages and providing electricity to new members.

Furthermore, other issues drive our reliability situation. Many of our outages are not within our ability to control. As several of our members may remember, we experienced an outage in August when the temperatures were well into the 90s, and our power supplier failed to restore electricity in a timely fashion, thereby causing an outage of upwards to 27 hours for many members.

That outage constituted a major inconvenience to approximately 25 percent our membership.

We filed a complaint with the Public Service Commission of West Virginia citing the poor performance of the offending utility company and their inability to resolve the outage in a timely manner. The complaint was made on behalf of our membership, and we attempted to prove the other company's lack of concern for our members' needs.

The outcome of the complaint did serve to show that our members were not treated fairly, although the issue was not completely acknowledged by the opposing utility. Our hope is that future outages will be handled with better coordination between the two companies, resulting in

quicker responses by our energy provider.

While some changes are bad, others changes serve to make our lives better. We recently have updated our Web site, www.harrisonrea.com, and now offer online bill paying to our members.

In addition, you will be able to compare your bill to your previous month's use. The site also offers a calculator that will allow our members to input information pertaining to their houses into a data base that can approximate electric use based on a particular home's specifications.

Additionally, if you're one of our WildBlue customers, you'll have the same ability to pay for your Internet service online.

Finally, I mentioned at our last annual meeting that I was working on a proposal to present to our West Virginia legislators regarding a Tax Code amendment. The code presently states: Property used for the public purposes of distributing water, natural gas or providing sewer service by a duly chartered nonprofit corporation when such property is not held, leased out or used for profit will be exempt from property tax assessment.

The problem is that the word "electricity" is not listed in the paragraph. However, we meet every criteria of the West Virginia Code! The exemption ultimately would save HREA approximately \$199,000 a year in property taxes — money that could be used to offset anticipated rate increases in mid-2009. I respectfully request that you contact your legislators and discuss the passage of House Bill 3091 and Senate Bill 520.

New substation soon to be on line

Harrison Rural Electric's newest substation is due to come on line sometime between mid-March and late April.

This new station is a central part of HREA's 20year forecast for system improvements and sustained reliability. The cost of the substation located in the Chiefton area is right around \$2.3 million.

The station is being built with the capability to back up both the Jarvisville and a portion of the Barnett's Run substations. Probably the most important function of the Chiefton sub will be the elimination of an outdated Allegheny 23 KV circuit that has caused several outages in the Jarvisville

nificant savings in line loss charges.

Right now, the Chiefton sub has one 23 MVA transformer, shown arriving, being unloaded and set in the pictures. Later on, we will install a 12 KV transformer that will give the station backfeeding capabilities that will further increase reliability.

Providing our members with reliable electric service is our utmost goal here at HREA, and this new investment is just one of the many ways we are making things better for you, our member/owners.



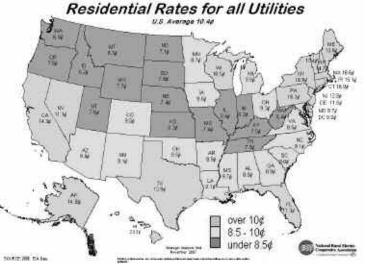
EIA reports increased electricity prices

The annual electric power report released by the Energy Information Administration (EIA) found that electric prices increased in all regions of the country from 2005-2006. The largest increases occurred in the East, due to expired rate caps implemented during deregulation.

According to the report, 14 states and the District of Columbia saw the average price of electricity rise by 10 percent or more. Additionally, another 14 states experienced increases between 5 and 10 percent.

The study also indicated that average residential electric rates increased to 10.4 cents per KWH, approximately 10 percent more than 2005.

Currently, HREA's rate is 7.65¢ per KWH. *Source: Energy Information Administration*



Facing up to high costs

How much are consumers willing to pay for renewable energy, energy efficiency and climate change? That question is emerging in national discussions, particularly as Congress considers legislation aimed at reducing greenhouse gas emissions.

New technologies to reduce the greenhouse gases, specifically carbon dioxide, will cost billions of dollars, according to *The Wall Street Journal*. It is an "unpleasant and inescapable truth," noted *The New York Times*, "... that , ... any serious effort to fight global warming will require everyone to pay more for energy."

Those in the electric utility industry agree. "I think power prices could go up 50 percent, maybe more," an investor-owned utility CEO warned in the *Journal* article.

That means a \$150 monthly electric bill could go up to \$225; a \$400 electric bill could climb to \$600.

We are talking about significant increases in what we pay for electricity.

But the *Times* editorial called these increases beneficial. Energy currently is underpriced and therefore overconsumed, it said. "As long as today's energy is relatively cheap, there is little incentive for private firms to develop new fuels and technologies," the editorial stated. Higher prices will force consumers to use less electricity and make it profitable for others to invest in alternate, and higher-priced, resources.

These skyrocketing electric bills will be painful for thousands of electric Co-op consumer-members. Your Co-op knows this. That is why your representatives at the Co-op question each proposal brought forward by Congress.

Changes in the electric industry are coming, but each change needs to have a real, measurable payoff. Additional dollars paid through rate increases need to fund programs that result in significant changes worthy of the sacrifice consumers will have to make.

We need more research in most areas to effect real, measurable change. More research is needed to find ways to improve the efficiency of renewable resources, such as wind and solar. We need to develop ways to store this intermittent energy so that it can become a more stable part of the system.

Nationally, electric Co-ops are leading the push for more investments in research and development for carbon capture and storage, and clean-coal technology. At the same time, individual Co-ops are working to find new, economically feasible projects that will move us toward changes in the industry.

Across the country, Co-ops give away compact fluorescent light bulbs to promote energy efficiency. They also offer green power to their members and promote energy efficiency through rebates on more efficient heating and cooling systems, motors and appliances such as water heaters.

Co-ops are doing a lot to help cut emissions, improve efficiency and meet the needs of their members. They strive to do it while remembering that electricity is a necessity, not a luxury.

As we balance what needs to be done with what it will cost and who will pay that cost, your electric Coop will be looking out for you.

This editorial was written by Mona Neeley, publisher/editor of the Colorado Rural Electric Association's Colorado Country Life magazine.

Prevent carbon monoxide poisoning

by CHRISTINE GRAMMES

According to Underwriters Laboratoryies (UL), more than 500 people die each year from carbon monoxide (CO) poisoning in the United States. Dur-

ing the winter months, incidents of carbon monoxide poisoning increase due to the use of heating equipment.

With that in mind, prevent CO poisoning this winter by installing and maintaining a carbon monoxide detector:

Have a qualified technician inspect fuel-burning appliances at least once a year. Older or damaged appliances emit carbon monoxide due to wear and tear.

Notice signs that signal a CO problem: streaks of carbon or soot around the service door of your fuel-burning appliance; the absence of a draft in your chimney; excessive rusting on flue pipes; moisture collecting on the windows and walls of furnace rooms; fallen soot from the fireplace; small amounts of water leaking from the base of the chimney, vent, or flue pipe; damaged or discolored bricks at the top of your chimney; rust on the portion of the vent pipe visible from outside your home.

Signs of CO poisoning include headaches, dizziness, fatigue, confusion and breathing difficulties. If someone has these symptoms inside the house but not outside, it may be a result of CO.

Install a CO detector outside bedrooms, since most

poisonings occur while sleeping.

Follow the manufacturer's directions for installing the detector.

If your unit is hard-wired into your home's elec-

trical system, you should test it monthly. If it runs off of a battery, test the detector weekly and replace the battery once a year.

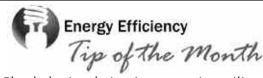
Never use charcoal grills inside homes, tents or campers. Don't leave vehicles running in an enclosed garage, even to "warm up."

If your CO alarm sounds, immediately open doors and windows for ventilation. If anyone is experiencing symptoms of CO poisoning, evacuate the house and call 911. If the alarm sounds, but no one is experiencing symptoms, continue to ventilate the house, turn off fuel-burning appliances, and call a qualified technician to inspect your home.

Christine Grammes is a freelance writer specializing in energy and Cooperative affairs.

Source: Underwriters Laboratories





Check the insulation in your attic, ceilings, exterior and basement walls, floors and crawl spaces to see if it meets the levels recommended for your area.

Source: U.S. Dept. of Energy



The Red Cross recommends that every car on the road this winter have a well-stocked emergency supply kit. The kit should contain:

- Battery jumper cables
- First aid kit
- Shovel
- Basic tool kit (pliers, screwdriver, adjustable wrench and pocket knife)
- Sleeping bag or blankets
- Extra winter clothing (caps, socks, mittens and boots)
- Food supply of high-calorie, nonperishables (nuts, candy, nutrition bars)
- Bottled water
- Necessary medications
- Plastic bags (for sanitation)
- Windshield scraper
- Flashlight and transistor radio, with extra batteries for each
- Bag of sand for generating traction under wheels
- Bright colored cloth
- Cell phone, power adapter, extra charged battery

