



Harrison Rural Electrification Association, Inc.

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Your Touchstone Energy® Partners



www.harrisonrea.com

The rising cost of energy and what your cooperative is doing about it

Many factors go into why there are adjustments to energy rates. Even though your cooperative is a not-for-profit entity, it still must maintain a margin. These margins must be used for system replacements and maintenance, as well as contingencies such as storm recovery, cost volatility and pressures brought on by the overall economy.

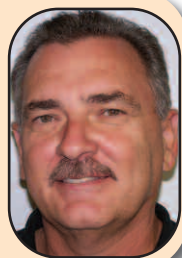
The cooperative's largest monthly outlay currently goes to the purchase of wholesale power. HREA currently is contracted to purchase power from the American Electric Power Company through 2012. These costs alone make up more than

50 percent of our current rate structure. While many other factors influence our rates, currently, more than 75 percent of your bill is what we term as "non-controllable expense." Likewise, nearly 25 percent of your bill is what we term as a "controllable expense." Controllable expenses are items that your cooperative's board and management have direct control over. These items are distribution operations and maintenance expenses, customer accounting expense, administrative and general expense and customer service expense. As you can imagine, these categories directly affect the cooperative's reliability, customer service and employee retention.

These new economic times require new approaches to the way we do business. While little can be done to lower the cost of wholesale power, the board and management are looking at every other aspect of the way we do business. The 2010 budget will take on a much leaner look than in the past. Please don't assume that we've not always been fiscally conservative. It's the tradition of your electric cooperative to plan and properly time expenditures, decide

Manager's Corner

by
Gary Jackson,
CEO/General
Manager



thoughtfully and spend carefully. We answer to you, the membership, after all, not to profit-hungry stockholders.

The budget for 2010 will include reduced expenses in capital improvements, much of which is due to many factors which include the proposed legislation in Congress on the Cap and Trade bill. Other factors include decreased residential sales and increased delinquencies from members who are unable to stay current on their electric bills. All of these factors are influencing our mission to sustain a reliable source of energy for our members.

However, Harrison Rural Electrification Association, its board of directors and employees are committed to working smart and in a cost-effective manner. We know people are struggling to make ends meet and wondering how they will pay their bills, including their electric bill. Your assurance as a co-op member-owner is that we are doing all in our power to reduce expenses so that what you pay for electricity is as close as possible to the actual cost of distributing it.

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Office Hours

7:30 a.m. to 4 p.m., Mon.-Fri.

Decorate safely for the holidays

Colorful, twinkling lights. Brightly lit plastic candy canes and snowmen on the front lawn.

Such decorations help make the holidays a magical time of year, but they must be handled with care. Each year, fires occurring during the holiday season injure 2,600 individuals and cause more than \$930 million in damage, according to the United States Fire Administration, largely due to the misuse of electrical products and decorations.

Here are some tips for using electrical products safely during the holidays:

Before decorating, read and follow the manufacturers' instructions concerning installation and maintenance of all decorative electrical products.

Indoors and out, use lights and other electrical decorations certified by a recognized, independent testing firms such as Underwriters Laboratories, Inc. (UL).

Use lights certified for outdoor use only for outdoor use. The same goes for indoor lights.

Carefully inspect each light before plugging it into a socket.

Cracked, frayed, loose or bare wires may cause a serious electric shock or start a fire.



Do not mount or support light strings in any way that might damage the cord's insulation. Never nail or staple light strings or extension cords.

Always unplug an electrical decoration before replacing light bulbs or fuses.

Do not connect more than three light string sets together. Light strings with screw-in bulbs should have no more than 50 bulbs connected together.

Do not overload extension cords.

Keep all extension cords and light strings clear of snow and standing water.

Use caution when decorating near power lines.

Never use electric lights on a metallic tree.

Do not allow children or pets to play with electrical decorations.

Always turn off decorations before leaving home or going to bed.

Plug outdoor lights and decorations into circuits protected by ground-fault circuit interrupters (GFCIs). Portable GFCIs for outdoor use can be purchased wherever electrical supplies are sold.

Sources: *Electrical Safety Foundation International; United States Fire Administration*



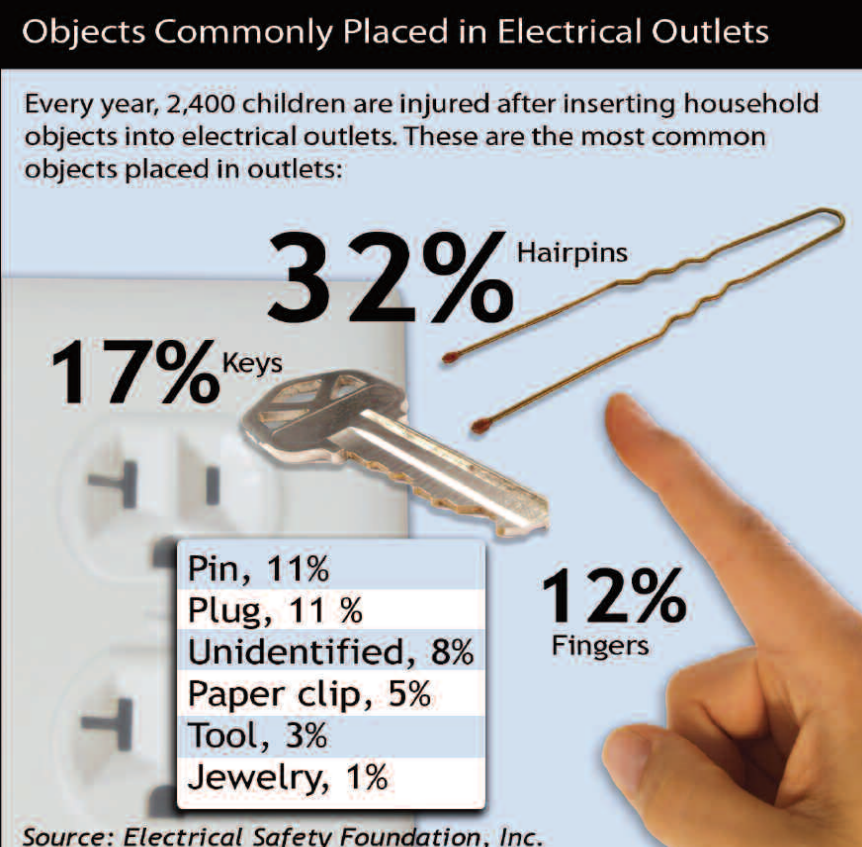
Energy Efficiency
Tip of the Month

Turn off kitchen, bath and other exhaust fans within 20 minutes after you are done cooking or bathing. When replacing exhaust fans, consider installing high-efficiency, low-noise models.

Source: U.S. Department of Energy

Objects Commonly Placed in Electrical Outlets

Every year, 2,400 children are injured after inserting household objects into electrical outlets. These are the most common objects placed in outlets:



Pin, 11%
Plug, 11 %
Unidentified, 8%
Paper clip, 5%
Tool, 3%
Jewelry, 1%

Source: *Electrical Safety Foundation, Inc.*

Have a happy

(—continued from page 20)

stereo systems, while allowing TVs and satellite or cable boxes to remain plugged in and operational. To keep the whole entertainment center running lean, look for Energy Star-rated televisions and ask satellite or cable providers for energy efficient boxes.

Spreading holiday cheer

With the house decorated and the presents wrapped, it's time for the party to begin. Most holiday celebrations involve family and friends visiting and having a large meal. To stay energy efficient through it all, turn down the thermostat before guests arrive. Although it may be cold outside, once a home fills with people the temperature will quickly begin to rise. Cooking will also add warmth to a home. Depending on the size of the home and the number of guests, many find it completely unnecessary to heat the home during holiday parties.

When cooking for the masses, the first direction of most recipes ("preheat oven to...") can be ignored: large pieces of meat such as ham, turkey or a roast do not require a preheated oven. Any food that requires several hours of cooking can go into a cold oven, saving energy in the process. The exceptions to this rule are baked goods: breads, cakes and pies should enter an oven that has been preheated.

Being energy efficient is not at the top of most people's minds when celebrating a holiday. But what was a very happy holiday can turn sour with the arrival of January bills. Prevent the post-holiday shock by thinking creatively and shopping carefully. The money saved can be used for the other dreaded January bill: the credit card.

Brian Sloboda is a program manger specializing in energy efficiency for the Cooperative Research

(mini) Home Energy Audit

Clip this list and check each area of your home to see if you're using energy efficiently. Every nook and cranny holds potential inefficiencies, so it pays to be thorough! Visit www.energysavers.gov for more information on what's listed below.



INSULATION and DUCTWORK



Attic

- Insulation spread evenly
- Insulation in good condition
- Attic vents are unblocked by insulation
- Attic access doors properly insulated and sealed

Walls and floors

- Minimum R-value of 19 for perimeter walls
- Minimum R-value of 25 for under-floor insulation

Basement

- Ductwork insulated and sealed
- Hot water pipes insulated
- Water heater insulated, if in unconditioned space

R-Value indicates an insulation's resistance to heat flow (the higher the better). Insulation should meet R-values recommended for your specific climate.

HEATING and COOLING



- Air supply vents are unblocked by furniture or curtains
- Return air registers are unblocked by furniture
- Return air handler filters are clean
- HVAC system has had annual maintenance check-up
- Programmable thermostat installed and programmed

AIR INFILTRATION



Windows and Doors

- Windows close and lock properly
- Window gaskets in good condition
- Window trim sealed and painted
- Doors properly weather stripped
- Doors close and latch properly

Exterior Penetrations

- Plumbing and wire openings sealed:
- Kitchen cabinets
 - Bathroom cabinets
 - Utility room
- Fireplace damper sealed tightly

APPLIANCES and LIGHTING



- Refrigerator condenser coils clean
- Refrigerator door gasket tight
- Unused refrigerators and freezers unplugged
- Water heater set to 120 degrees or below
- Dishwasher energy-saving feature turned on
- Washing machine loads run with cold water when possible



Well Pump

- Operating properly
- Good pressure
- No leaks

Lighting

- Compact fluorescent bulbs (CFLs) used
- Outdoor lighting automatically triggered by motion or dark

Source: National Rural Electric Cooperative Association