Harrison Rural Electrification Association, Inc.

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Your Touchstone Energy® Partner



www.harrisonrea.com

The consequences of a recession

Harrison Rural Electrification Association, as a nonprofit, membership-based electric utility, has two primary purposes: to keep prices as stable as possible and provide reliable power for our membership.

Your board of directors has instituted a number of budget cuts to help slow down the rise in electric rates for 2010. While impending wholesale increases are imminent due to our extended wholesale power contract, we've instituted several cost-savings proposals to help counteract much of that proposed increase.

While reliability is a dominant factor with any electric utility, HREA has undertaken a more practical viewpoint of

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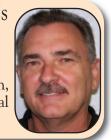
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our current maintenance expenses and has re-evaluated specific needs during these extreme economic times. Maintenance costs to our infrastructure will always be a priority since it is the backbone and basis for stability in any utility. Consequently, while cost reductions are a desirable and economic goal, prudence and responsibility are key factors that need to be weighed.

HREA's forecast for future power requirements has been cut back due to the recession. Several coal mines that HREA serves have been idled due to this global downturn for energy, along with cutbacks from our consumers. As it now stands, most of the new homes being built on our system are at the Charles Pointe development.

Other factors driving our economy are the proposed "cap-and-trade" legislation being proposed by our Washington, D.C., legislators. This

Manager's Corner bv Gary Jackson, CEO/General Manager



legislation could have a major impact on future rates. Consequently, it is hard to predict the right balance of expenditures that your cooperative will need to provide the services and stability in pricing electricity for our future. While the reduction of energy needs by our membership cuts energy bills for you and the cooperative, our root expenses continue to exist during these recessionary periods.

Future trends in electricity prices are hard to predict because they will depend on capacity, weather, fuel prices, electricity use and electricity generation, transmission and distribution costs. Additionally, long-term debt remains a key factor in pricing our energy costs to our membership.

Finally, as a member-owned cooperative, we will do our best to ensure that the impact of these costs is minimized.



Energy Efficiency

Tip of the Month

Federal tax credits are available for home energy efficiency improvements, including windows, doors, water heaters and HVAC equipment for existing homes. For details, visit energystar.gov/taxcredits.

Source: Energy Star

Convenient payment options also provide flu protection

As we try to celebrate a new year and its new possibilities, cold and flu season threatens all of us with the misery and discomfort it can bring. By adding the potential of the H1N1 virus into the mix this year, people seem more concerned than ever.

While H1N1 is a new threat, three preventive steps that are recommended by the Center for Disease Control that we all can take to stop the spread of the flu remain quite simple: 1) Wash your hands—and if soap and water aren't readily available, use a sanitizing hand rub; 2) Cover your mouth and nose with a tissue when sneezing or coughing—and then throw the tissue in the trash; and 3) Try to avoid contact with sick people.

You may not have thought of it this way, but your electric cooperative has convenient ways for you to avoid contact with potentially sick people. We love to see you when you come to pay your bill, but if you're worried about the spread of germs, there are ways to

take care of that and minimize risk at the same time.

Of course, you always can put a check in the mail. Just make sure you mail it a few days before the bill is due to allow enough time for us to receive it.

We also offer other convenient ways to pay your bill that practically eliminate any chance of you picking up germs or passing them along. You can put your payment in our drop box after hours or use one of our convenient electronic payment methods.

We are happy to take your payment over the phone, 304-624-6365, with debit or credit card. We accept VISA, MasterCard and Discover, or you may pay your bill online with a debit or credit card. Simply go to our Web site, www.harrisonrea.com, and click on "online bill pay."

These payment methods originally were added as a means of convenience for our members, and if they help everyone have a more healthful winter, then all the better.

A little effort can save a lot of money

No mistaking it: winter has arrived. Any drafts around doors and windows that went unnoticed during fall are now downright uncomfortable—and adding to your energy bills.

Weatherstripping offers a relatively quick fix for drafty doors. To determine if a door leading out of your house needs new weatherstripping, look for daylight. If even a sliver of daylight remains visible between the door and its frame or the floor, add weatherstripping.

Next, shut the door or window on a piece of paper. If you can pull the paper out without tearing it, you're losing energy.

There are a variety of weatherstripping materials

available, each good for fitting different types of door and window frames. Most are made of rubber, foam, metal, vinyl or a combination of materials. To determine the right item for the job, check the area: if any old, worn material has been previously installed, take a sample to your local hardware store or an expert such as a contractor. If no material exists as a guide, make detailed notes about the type of gap and how the door or window is installed—someone at the hardware store or your expert should be able to make a recommendation for you.

Once you have the proper materials for the job, consult any instructions that may be on the weatherstripping package. Installation techniques range

from simple to technical, depending on the type of material being used. If replacing old, worn weatherstripping, be sure to note how it was installed as you remove it.

Here are a few basic guidelines:

- Weatherstripping should be applied to clean, dry surfaces in temperatures above 20°F.
- Measure the area to be weatherstripped twice before you cut anything.
- Apply weatherstripping snugly against both surfaces. The material should compress when the window or door is shut.

When weatherstripping doors:

- Choose the appropriate door sweeps and thresholds.
 - Weatherstrip the entire door jamb.
- Apply one continuous strip along each side.
- Make sure the weatherstripping meets tightly at the corners.



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Leave no lint behind

Household chores like laundry seem fairly safe. But hidden problems like lint buildup in a dryer could lead to higher energy bills due to inefficiency and, ultimately, hazardous conditions in your home.

"Lint is the bane of our existence," declares Brian Wallace, president of the Coin Laundry® Association. "We have to clean lint, not only as a safety issue, but to keep our energy costs down and ensure proper performance."

At coin-operated laundries, dryers are key to customer satisfaction. Other amenities pale if clothes don't dry fast enough, so laundry owners remain adamant about maintaining proper air flow through commercial dryers. With 30 to 50 dryers at an average laundry, operators clear trashcans of lint every day from their screens.

The same principle applies at home, although on a smaller scale.

"Cleaning the lint filter after every cycle is one habit we want to encourage," recommends Jill Notini, communications and marketing director for the Association of Home Appliance Manufacturers (AHAM). "Repetition builds a habit."

AHAM urges consumers to clean the lint filter after each load and occasionally remove the filter and wash it with a nylon brush and hot, soapy water to remove residue. This simple chore not only improves air flow and energy efficiency, but also reduces the chance of a dryer fire.

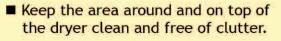
Statistics on dryer fires show no difference between the natural

Stay safe, energy efficient and lint free

For energy efficient and safe dryer performance, lint must be removed from the dryer and vent to allow air to circulate freely. Here are ways to avoid lint buildup:

- Clean the lint filter after each load.
- Occasionally remove the lint filter and clean it with a nylon brush and hot, soapy water.

Periodically clean the back of the dryer where lint can be trapped.



Have a qualified service person clean the interior of the appliance and venting system once a year.

Thoroughly clean the vent system if you notice your drying times have increased.

Source: Underwriters Laboratories

gas and electric dryers, according to John Drengenberg, consumer affairs manager for Underwriters Laboratories (UL), Inc., a firm that tests and sets minimum standards for electric-consuming items. "If you forget to clean the lint screen too many times, you're going to get a buildup, and that's where ultimately you could have a problem."

Manufacturers whose products carry the UL mark are required to ship dryers with safety instructions that specify cleaning the lint screen before or after each load. These instructions also recommend keeping dryer exhaust

openings and adjacent surrounding areas free from accumulated lint, dust and dirt, and having qualified service people periodically clean the dryer's interior and exhaust duct.

Without adequate air circulation, heat flow becomes stymied, clothes take longer to dry and it costs more to operate the appliance. Like ovens and stoves, dryers apply extreme heat on potentially flammable materials.

"You wouldn't leave something cooking unattended for long periods of time—at least you shouldn't, for safety and edibility," Drengenberg notes. "Dryers, though, often run up to an hour or more, forgotten in a basement, garage or utility space."

This out-of-sight, out-of-mind practice makes it essential that a dryer be maintained on a simple and regular basis.

Source: Underwriters Laboratories

A little effort can save a lot of money (—continued from page 20)

• Use a thickness that causes the weatherstripping to tightly press between the door and the door jamb, without making it difficult to shut

When weatherstripping windows:

- Apply weatherstripping between the sash and frame.
- The weatherstripping shouldn't interfere with the operation of the windows.

Time running out for efficiency tax credits

Consumers who took the plunge and made qualifying energy efficiency upgrades in 2009 should see additional benefits this spring as tax season rolls around. For those still waiting on the sidelines, you have until the end of the year to take advantage of

federal energy efficiency tax credits.

Through the 2009 American Recovery and Reinvestment Act—better known as the stimulus bill—Uncle Sam offers a personal tax credit of up to \$1,500 for energy efficiency measures made at existing homes during 2009 and 2010. Consumers can recover 30 percent of the cost of adding insulation materials and exterior doors, windows and roofs designed to help reduce a home's heat loss or gain. The credit also pulls in efficient central air conditioners, air-source heat pumps, hot water boilers and biomass stoves.

"These credits put more money in homeowners' pockets," indicates Rob Marvin, media relations specialist for the Internal Revenue Service (IRS). "Say you spend \$1,000 on new insulation. Taxpayers would get, in the form of a tax credit, \$300 back. This translates to a 30 percent tax credit. That's a lot more generous than the old (10 percent) credit provided for the 2006 and 2007 tax years."

However, qualifying guidelines are tougher, too. "For an item to qualify, it has to be even more energy-efficient than under the 2006 and 2007 program," Marvin notes. "To utilize the new credit, a home improvement must have taken place after Feb. 17, 2009 (the day the stimulus bill was signed into law)."

So how can you know which products qualify for the tax credit? Some purchases are easier to deter-

the tax credit? Some purchases are easier to determine than others.

"For exterior windows and skylights, rely on the ENERGY STAR label." adds Marvin. "This is the blue

ENERGY STAR label," adds Marvin. "This is the blue label you see in stores."

For other efficiency upgrades, request a Manufac-

turer Certification Statement that the product or component qualifies for the tax credit. You can also visit www.irs.gov/recovery to review guidelines for qualifying purchases.

You must file for energy tax credits using IRS Form 5695. With a maximum value of \$1,500 for improvements made in 2009 and 2010, the credit may be applied toward material costs on all projects. Installation costs for heating, ventilation and air conditioning systems and biomass stoves also count toward the credit.

Energy tax credits reduce taxes owed, dollar for dollar, and can be carried forward to following years. While they can help boost any refund you receive, you won't receive a check directly for the credit amount.

Renewable credits

Consumers who want to generate their own power are eligible for renewable energy tax credits on projects completed through 2016.

"This covers alternative-energy equipment connected to your house, such as solar water heaters, geothermal heat pumps, small wind turbines and

other similar projects," says Marvin.

The credit, covering 30 percent of the cost of materials and installation for solar panels, solar water heaters and geothermal heat pumps, applies to both existing homes and new construction. Projects must be placed into service between Jan. 1, 2009, and Dec. 31, 2016.

ENERGY STAR, a joint program of the U.S. Department of Energy and the U.S. Environmental Protection Agency, provides guidelines on what qualifies for both tax credits at www.energystar.gov, keyword "Tax credits." The IRS also provides a wealth of resources on all of the tax benefits offered through the stimulus program at www.irs.gov/recovery.

For a listing of state and local energy efficiency assistance available, visit the Database for State Incentives for Renewables & Efficiency, a project funded by the U.S. Department of Energy, at www.dsireusa.org.

Source: ENERGY STAR, Database for State Incentives for Renewables & Efficiency Stimulus

Or call: 202-720-5964 (voice or TDD).

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Director, Office of Civil Rights Room 326-W Whitten Building 1400 Independence Ave., SW Washington, D.C. 20250-9410

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