



# Cooperative *review*

February 2007

Your Touchstone Energy® Cooperative   
The power of human connections®

A Newsletter for Members of Union Power Cooperative

## Wholesale Power Costs *Forcing Rate Adjustment*

As a consumer-owned electric utility, Union Power Cooperative's mission is to provide quality electric service to our members at the lowest possible cost. Since our beginning in 1939, your Cooperative's leadership has remained committed to this mission. Through the years, the emphasis has been placed on productivity improvement, cost controls, and efficiency of operations.

As our membership numbers increase, so does the cost of doing business. We've all seen how fuel prices have increased over the past 18 months. Those increases have affected our business in ways such as fueling our fleet of vehicles and equipment, buying materials that contain oil such as transformers and voltage regulators, and purchasing items that contains petroleum, like PVC pipe, which is used for installing underground facilities. The cost of purchasing wholesale power has in turn increased. Union Power buys its electricity on the wholesale market and during the past four years our wholesale power costs have increased by more than 30 percent.

There are several factors which affect your rates. The largest is the purchase of wholesale power. Union Power purchases wholesale power from North Carolina Electric Membership Corporation (NCEMC) one of the nation's largest generation and transmission cooperatives. NCEMC obtains electricity through a variety of resources including partial ownership of the Catawba nuclear plant and long- and short-term contract purchases from other energy suppliers. NCEMC is also a member of ACES Power, which maximizes the purchasing power and manages the market risk of 15 major power supply cooperatives in 13 states. NCEMC is working with this organization to help stabilize our power costs in today's more volatile wholesale electricity market.

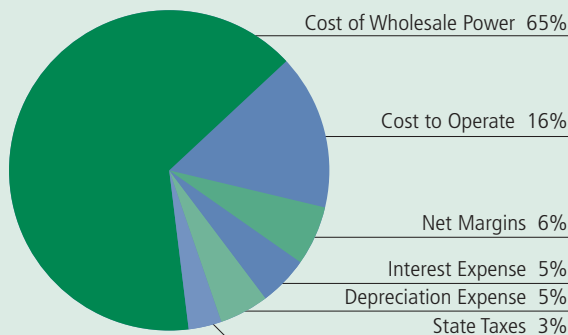
Recently, Union Power had a Cost of Service and Rate Study performed by an independent consulting group. This study helps the Cooperative's Board of Directors and management evaluate rates based on current and projected costs. Over the past few years, Union Power has managed to absorb an increase in the cost of wholesale power. When necessary, a portion of this additional cost has been passed on through the wholesale power cost adjustment (WPCA). The wholesale power costs have varied from month to month and the WPCA charge has been changed accordingly.

The second largest component of our rates is the cost of our electric distribution system, which brings the electricity to your homes and businesses. The cost of materials and transportation (fuel cost) have increased and contributed to the higher cost of constructing and maintaining power lines.

For these reasons, we are adjusting our rates effective April 1, 2007. The average residential member uses 1,250 kWh per month and will see an effective increase of approximately \$0.86. (See average residential bill on page 22.) On the general service rate, the first 1,000 kilowatt-hours of usage will cost 9.520 cents per kWh, the next 1,500 kilowatt-hours of usage will cost 9.030 cents per kWh, and all kilowatt-hours used over 2,500 will cost 8.590 cents per

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### How Your Dollars Are Spent



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# New Rate Schedule *Effective April 1, 2007*

## General Service

Basic Facilities Charge	\$ 12.50
First 1,000 kWh	\$ 0.0952
Next 1,500 kWh	\$ 0.0903
All Over 2,500 kWh	\$ 0.0859

## Residential All Electric Service

Basic Facilities Charge	\$ 12.50
<b>Summer (June - October)</b>	
All kWh usage	\$ 0.0917
<b>Winter (November - May)</b>	
First 500 kWh	\$ 0.0917
Next 500 kWh	\$ 0.0865
Over 1,000 kWh	\$ 0.0807

## Commercial Service

Basic Facilities Charge	\$ 35.00
<b>Demand</b>	
First 25 kW	\$ 0.00
Over 25 kW	\$ 7.35
<b>Energy</b>	
First 3,000 kWh	\$ 0.1098
Next 3,000 kWh	\$ 0.0779
Next 6,000 kWh	\$ 0.0718
Next 12,000 kWh	\$ 0.0560
Over 24,000 kWh	\$ 0.0418

## Outdoor Lighting Service

100 Watt HPS	\$ 8.30
175 Watt Mercury Vapor	\$ 8.65
400 Watt HPS Flood	\$ 20.20
100 Watt HPS Colonial	\$ 11.75

## Average Residential Bill

SERVICE		NO.	REG.	METER READING		MULTIPLIER	ANY USAGE	AMOUNT
FROM	TO	DAYS	CODE	PREVIOUS	PRESENT			
01/01/07	01/31/07	31	R	24139	25389	1	1259	\$102.95
0.01300 WHOLESALE POWER COST ADJUSTMENT								16.25
BASIC FACILITIES CHARGE								10.25
SECURITY LIGHT								0.00
NC SALES TAX								3.88
TOTAL CURRENT BILLING								\$133.33
PREVIOUS BALANCE								0.00
TOTAL DUE								\$134.19
CURRENT BALANCE								
PAST DUE AFTER								February 25, 2007

Same bill under Adjusted Rates

\$ 117.78  
 \$ 0.00  
 \$ 12.50  
 \$ 0.00  
 \$ 3.91  
 \$ 134.19  
 \$ 134.19

## Wholesale Power Cost *Continued from page 21*

kWh. The basic facilities charge will increase from \$10.25 to \$12.50 per month.

The decision to adjust rates is the most difficult issue the Cooperative Board and management face. "Providing safe, reliable electric service at the lowest possible cost is our goal. At the same time, we must balance that with the rising

costs associated with providing electric service," said Tony Herrin, executive vice president and general manager.

A new rate schedule is included for your review on the next page. If you have any questions concerning the new rates, please feel free to contact our office at (704) 289-3145. We will be glad to address your questions and concerns.

# Apply Now For College Scholarships



**A**ttention High School Seniors: As you know, college is not cheap. Union Power offers scholarships to help their members with this expense.

Union Power Cooperative is proud to sponsor three college scholarships to area high school seniors. Three \$1,000 scholarships will be awarded this year to outstanding high school seniors planning to attend a four-year, North Carolina-accredited college or university. These

students will be chosen from our five-county service area, which is made up of Union, Stanly, Cabarrus, Mecklenburg, and Rowan counties.

Applications are awarded based on 40% need; 30% scholastic achievement; and 30% extracurricular activities in school, civic, and community functions, and judged by a committee that is not affiliated with the Cooperative. You can call (704) 289-3145, extension 3265, for an application or get one online at [www.union-power.com](http://www.union-power.com) and click on the Education tab. The deadline for submitting applications is Friday, April 20, 2007. Winners will be notified in late May.

## Applicants must meet the following criteria:

- You must be a child of a Union Power Cooperative member or live in a home served by Union Power Cooperative.
- You must be a high school senior in the current graduating class.
- You must plan to attend a four-year, North Carolina-accredited college or university.
- It is not available for vocational or other non-academic study, or to students who plan to pursue less than a full four-year college career.

## Power points



## Reduce Your Water Heating Costs

Electricity lights our home, curls our hair, heats our food, and even soothes a sore muscle. However, one of the most prevalent ways we use electricity is to heat our water. Electric water heaters allow us to take hot relaxing showers, wash our clothes, and clean our dirty dishes. Electric water

heaters not only provide convenience, but they provide safety by having no fuel or flame, have a low maintenance requirement, and have flexible installation.

However, the electricity needed to warm the water that helps you carry out all of your daily activities can account for a significant part of your monthly utility bill. Water heating costs are affected by the type of water heater you have, its location and efficiency, the temperature setting, and the number of gallons of hot water you use. The higher the temperature setting of the water heater, the more it will cost to operate.

If you are in the process of purchasing a new water heater, you should compare the annual operating costs, as well as the price to find the best model. When looking at new water heaters, refer to the Energy Guide label to determine the energy efficiency rating. For electric models, look for an Energy Factor of 0.93 or greater and with gas models look for an Energy Factor of 0.62 or greater. A more

efficient unit typically costs more to purchase, but it generally costs less to operate. Make sure to take into consideration the size of your family, your appliances, and water use patterns when purchasing a water heater.

### To control the cost of your water heater follow these simple tips:

- Reduce the temperature setting on your water heater to 120 degrees F.
- Use cool or cold water when washing clothes.
- Take showers lasting five minutes or less, rather than baths. Short showers use less hot water than baths.
- Fix leaky faucets to prevent hot water from being wasted.
- Run the dishwasher only when full.
- When you go on vacation, shut off your electric water heater at the breaker, and turn the control knob to the "Pilot" or "Vacant" position.
- Periodically drain water heaters to prevent sediment build-up at the bottom of the tank, which can cause a water heater to become noisy and less efficient.
- Inspect the water heater tank periodically for signs of deterioration. Check all the tank fittings for any signs of rusting or leakage. If your water heater shows these signs, make sure to have it inspected by a licensed plumber for repair or replacement.

# Right-of-Way Clearing



During the next month, you may see our tree-trimming crews in your neighborhood. Carolina Tree Care and ABC Tree Professionals will be working in the following areas of Union, Stanly, and Rowan counties:

Highway 75	Medlin Road	Wolf Pond Road
Pleasant Grove Road	Laney Rogers Road	Stokes Ferry Road
Waxhaw Indian Trail Rd	Stack Road	Highway 49
Highway 601 South	Trinity Church Road	Highway 8
Old Pageland-Marshville Rd.	Sandy Ridge Road	Gold Branch Road
Landsford Road	Highway 207	Ingram Road

For more information about Union Power's right-of-way program or tree trimming practices, please call (704) 289-3145 and speak with Wil Ortiz (ext. 3323) or Carrie Lorenz (ext. 3291).

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#### Business Hours

8 a.m. to 5 p.m. Monday-Friday  
(704) 289-3145 or (800) 922-6840  
[www.union-power.com](http://www.union-power.com)

#### 24-Hour Outage Reporting Service and Account Information

(800) 794-4423

Providing electricity and energy services to over 60,000 members in Union, Stanly, Cabarrus, Mecklenburg, and Rowan counties.

#### SERVICE CHARGES:

**Security Deposit**-charges vary  
\$0, \$175, \$375

#### Late Payment Charge

1% of the amount of bill

#### Returned Check Fee

\$25

#### Meter Test

\$75 (refunded if not accurate)

#### Dual Meter Comparison

\$50 (refunded if not accurate)

#### Field Collection Charge

\$25 (only checks or money orders accepted, no cash)

#### RECONNECT CHARGES: (collected in advance)

#### Normal Hours

\$50 (if called in *before* 4:00 p.m.)

#### After Hours

\$100 (if called in *after* 4:00 p.m.)

#### Weekends and Holidays

\$100



### We need your phone number!

Call us at (704) 289-3145 or 1-800-922-6840 and choose option 2, or speak to a customer service representative who can update your phone number. By having this information in our outage reporting system, it could speed up the power restoration process.



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