

Cooperative review

Your Touchstone Energy® Cooperative 
The power of human connections®

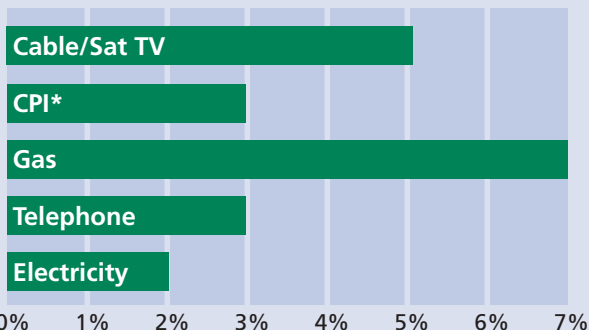
A Newsletter for Members of Union Power Cooperative

Electricity Remains A Good Value

Electricity: we use it every day, and in today's technological world, we could barely function without it. While the price of everything seems to be increasing, electricity is still a great value for the money.

Did you know that through the years, the price of electricity has remained an outstanding value, especially compared to the rising prices of related commodities? According to the U.S. Department of Labor's Consumer Price Index (CPI), the cost of electricity has increased just 2 percent annually from 1995 to 2005, where cable/satellite service has risen by over 5 percent and gasoline by 7 percent annually during the same time (see graph). Believe it or not, the national cost of electricity today, when adjusted for inflation, is less than what it was in 1980. Very few commodities have remained such a good value. Compared to other consumer products and services, electricity is a bargain.

Electricity is a good value



CPI* = overall Consumer Price Index for the U.S., urban areas
Source: NRECA & Bureau of Labor Statistics, 1995-2005
Annual cost increases-10-year annual compound growth rate

We work diligently to provide for your power needs at the lowest possible cost. Because we are a not-for-profit electric cooperative, we sell electricity at cost to our members—with no markup. Costs to distribute electricity from the cooperative to your home or business have remained relatively stable. In our high-tech society, electric cooperatives focus on innovation and new technologies to improve service and reliability. Those are the costs we can manage. Costs we have little or no control over are the costs of producing electricity. These costs include the price of fuels, transportation, and construction, among others. These costs make up approximately 65 percent of your electric bill.

At Union Power Cooperative, we work each and every day to keep electricity a great value, even as the costs of other commodities continue to increase. As always, we work to provide safe and affordable electricity at the lowest possible cost to assure that you get the best value for your dollar. That's value we can all fit into our budgets.



Tony E. Herrin
Executive Vice President
and General Manager

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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
Summer (June - October)	
All kWh usage	\$ 0.0917
Winter (November - May)	
First 500 kWh	\$ 0.0917
Next 500 kWh	\$ 0.0865
Over 1,000 kWh	\$ 0.0807

Commercial Service

Basic Facilities Charge	\$ 35.00
Demand	
First 25 kW	\$ 0.00
Over 25 kW	\$ 7.35
Energy	
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. DAYS	SEC. CODE	METER READING PREVIOUS	METER READING PRESENT	MULTIPLIER	KWH USAGE	\$ AMOUNT
01/01/07	01/31/07	31	R	24158	25389	1	1231	\$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

Same bill under Adjusted Rates

\$ 117.78

\$ 0.00

\$ 12.50

\$ 0.00

\$ 3.91

\$ 134.19

\$ 134.19

PURPA Standards Comments Sought

On August 8, 2005, the Energy Policy Act of 2005 was signed into law. Among the many provisions of this federal legislation are five proposed standards having to do with energy conservation and consumer-driven rate management. These proposals were included as amendments to the Public Utility Regulatory Policies Act of 1978 (PURPA).

Your cooperative is not required to adopt any of these standards; rather, it must consider whether or not to implement them.

The five (5) new standards include: (1) Net Metering, (2) Time-Based Metering and Communications, (3) Diversity of Fuel Sources, (4) Fossil Fuel Generation Efficiency, and (5) Distributed Generation Interconnection.

Net Metering

Net metering service is service to an electric customer in which excess electricity generated by the customer from an eligible on-site generating facility is offset against electric energy provided to the customer by the utility during the applicable billing period.

Fuel Source Diversity

Fuel source diversity involves the implementation of a plan to minimize dependence on one fuel source and to ensure that the electric energy the utility sells to customers is generated using a diverse range of fuels and technologies, including renewable technologies.

Fossil Fuel Generation Efficiency

The fossil fuel generation efficiency standard proposes development and implementation of a ten-year plan to increase the efficiency of a utility's fossil fuel generation.

Time-Based Metering and Communications (Smart Metering)

Time-based metering is a time based rate schedule where the rate paid by electric customers varies during different time periods to reflect the variance, if any, in the utility's costs of acquiring electricity.

Interconnection

The interconnection standard sets forth the terms under which electricity generated by a customer may be connected to a utility's facilities.

Please note that cooperatives in North Carolina purchase all or a considerable amount of their power requirements either from North Carolina Electric Membership

Corporation (NCEMC), or from large investor-owned utilities, such as Progress Energy or Duke Energy, under long-term full-requirements contracts. For this reason, they would not likely be able to adopt Standards 2 (Fuel Sources) and 3 (Fossil Fuel Generation Efficiency), and their ability to effect aspects of other standards may be limited as well. Commenters are urged to take such limitations into account when presenting their views.

A copy of the complete legislative language relevant to these standards is available online at www.ncelectriccooperatives.com/purpa, or by mail [ATTN: PURPA Coordinator, P.O. Box 27306, Raleigh, NC 27611-7306], or by email at purpa@ncemcs.com. A copy will be provided at cost.

For us to fully consider the views of our members, our statewide trade association, NCAEC, will conduct a public comment and hearing process as set forth below:

- Initial Comments: to be submitted on or before April 6, 2007.
- Reply Comments: to be submitted on or before May 11, 2007.
- Request to Participate in Public Hearing: to be submitted on or before May 11, 2007.
- Public Hearing: to be held on May 23, 2007, commencing at 9:00 a.m. at the North Raleigh Hilton
3415 Wake Forest Road
Raleigh, North Carolina 27609-7330.
- Determination: to be rendered on or before August 7, 2007.

Initial Comments. These comments should be typed (if possible), double spaced and paginated, with appropriate headings so the reader will clearly know which of the five standards is being addressed. The comments should identify the name of the commenting party along with the address, telephone number, and (if available) the email address of the commenting party. NCAEC requests that at least three copies of the comments be mailed to the following address:

PURPA Coordinator
NCAEC
P.O. Box 27306
Raleigh, NC 27611-7306
Or e-mailed to purpa@ncemcs.com



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704-283-9047 or 800-922-6840

Attention High School Seniors: *Apply Now for College Scholarships*

Now is the time to apply for Union Power's college scholarship. As you know, college is not cheap and Union Power offers scholarships to help their members with this expense.

Union Power Cooperative is excited to sponsor three college scholarships to area high school seniors. Three \$1,000 scholarships will be awarded 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. The deadline for submitting applications is Friday, April 20, 2007. Winners will be notified in late May.



Scholarships to Basketball Camps *Available to Students in Grades 6-8*

North Carolina's Touchstone Energy cooperatives are pleased to provide the opportunity for young men to attend a camp conducted by Roy Williams, coach of the 2005 National Champion Tar Heels and for young women to attend a camp conducted by Kay Yow, Naismith Memorial Basketball Hall of Fame inductee.

Scholarship applications for the Kay Yow and Roy Williams camps will be accepted from January through March 31, and winners will be announced in May. Winners of the Touchstone Energy Camp scholarships will attend the overnight basketball camp, courtesy of North Carolina's electric cooperatives and Union Power Cooperative. Scholarship recipients must have permission from a parent or guardian to attend the camp and provide their own transportation to and from camp.

Eligible students who are interested in the scholarship can contact Carrie Cameron at (704) 289-3145, extension 3273 or via e-mail at carrie.cameron@union-power.com. Students can also get more information and download an application at www.union-power.com.

How to Report An Outage



When reporting an outage to Union Power, and the phone number is not recognized, you will be instructed to enter additional information to help us identify the location of the problem. You can report your outage by providing us with any one of the following items that are listed on your billing statement:

☛ **Phone Number** ☛ **Account Number** ☛ **Meter Number**

All of this information can be found at the top of your billing statement and is required in order for you to be able to report an outage.

It is important that your phone number be listed correctly on your account. To add or update your phone number, call our office at (704) 289-3145 or (704) 485-3335 and select option 2.

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8 a.m. to 5 p.m. Monday-Friday
(704) 289-3145 or (800) 922-6840
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