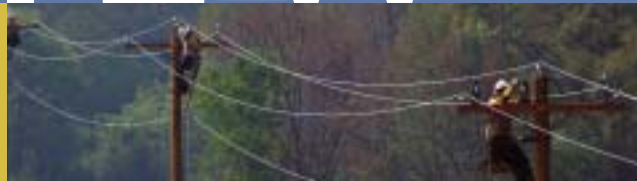


COOPERATIVE REVIEW

Energy for Today. Power for Tomorrow.



Manage Your Energy Use by Consulting "Your Energy Advisor"

In tough economic times like these, we all look for ways to save money.

As a member of Union Power, you have a useful tool at your fingertips. In an effort to help you manage your energy use, we have a section called Your Energy Advisor on our website, www.union-power.com. Your Energy Advisor is an online tool that can help you track where you are using the most energy and help you run different scenarios of ways to save more energy in your home or business. Some of the many features are:

INTERACTIVE HOUSE

The interactive house allows you to click on certain areas of the house to become familiar with where and how energy is used and how it can be used wisely. It covers things like insulation, heating and cooling, appliances in the kitchen, living room, windows, meters on the home, and other miscellaneous energy users.

CALCULATORS

To learn how much energy is used in the home, try our new calculators. The

calculators available are the home energy calculator, appliance calculator, lighting calculator, TV calculator, heat pump calculator, fuel calculator, water consumption calculator, and a space heater calculator.

LIBRARY OF TERMS

The Home Energy Advisor, a component of Your Energy Advisor, has an energy library that provides a ton of information about how energy is used in the home. It also offers basic electricity fundamentals and how the electric utility industry generates and delivers power to its members.



KIDS KORNER

We've added an exciting section called Kids Korner, which offers lots of facts and fun things to do regarding energy. There are activities such as coloring books, games, and experiments. There's even a teacher feature with handouts and instructor guides.

Visit www.union-power.com and click on the Your Energy Advisor logo to get started! It's the energy advisor you can count on for advice 24/7.

Union Power Welcomes New Board Member

There is a new face on Union Power Cooperative's Board of Directors. Carole Jones accepted the position of Director for district IV, which is comprised of portions of Union and Mecklenburg Counties. Mrs. Jones takes the place of Mr. Ralph Johnson, who served on the Board for 32 years and passed away last May.



Mrs. Jones lives in the Stallings community of Union County with her husband, Sean, where they have resided for eight years.

Mrs. Jones was appointed to the Board after being selected by a search committee and successfully completing an interview process. Union Power Directors serve three-year terms.

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EXECUTIVE PERSPECTIVE

Fiscal Responsibility Leads to Value

Since our last retail rate adjustment back in 2007, our wholesale power provider, North Carolina Electric Membership Corporation (NCEMC), has increased Union Power's wholesale electric rates by nearly 14%. This seems odd to some people who relate the cost of electricity to the cost of gasoline. While prices at the pump have dropped substantially after an all time high this summer, electricity prices have not decreased due to the other commodities that go into generating electricity. In fact, the cost of generating electricity has gone up.

ELECTRICITY GENERATION COSTS

Electricity prices are affected by many different factors. Keep in mind that the generation of electricity includes the use of natural gas, crude oil, and coal, as well as nuclear fuel or processed uranium.

Over half of the wholesale energy that Union Power purchases is derived from coal fired generation. Coal has increased more than \$20 per ton during the past 2 years and is selling for around \$62.25 per ton. During the summer of 2008, coal peaked at \$143.25 per ton. At the same time, actual energy used was higher and peak demand was higher than forecasted. Therefore, additional purchases were made at that time to meet the higher energy use and demand. These factors, coupled with purchases at such high prices, were not figured into our wholesale power costs from NCEMC and was not part of Union Power's rate structure.

Ninety percent of the rate adjustment is due to the increased cost in wholesale power. The remaining ten percent is a result of the escalating cost of materials and other operational expenses. During the past year, we have seen prices of transformers increase by 25%, the cost of poles are up 12 %, and copper is up 10%.

I'm sure you have noticed the cost of running your household has increased. Yes, gasoline prices have

gone down so you can more easily afford to travel to and from work and wherever you need to go but, your grocery prices have increased and are not showing any signs of declining. You still have to feed your family and the cost of doing that has gone up. In the same way, gasoline prices are a part of electricity prices but there is so much more that goes into our rates.

FISCAL RESPONSIBILITY

Being fiscally responsible with our members' money is very important to us, so much so, that we made it one of our 10 guiding principles. Our guiding principles come into play when making decisions, whether large or small. We are always looking at ways that we can save and cut costs to keep our electric rates affordable for our members. We have conducted an energy audit on all of our buildings and warehouses to see where we can make some energy saving changes.

Over the past 18 months, we have had a work process improvement review where we studied our workflow processes to ensure we are working as efficiently as possible. This has helped us to focus in on four primary areas. Our areas of focus are financial performance, operational excellence, member satisfaction, and team effectiveness. Within these areas we are making improvements that will improve our operations and benefit our members.

In the coming months, we will be addressing these four areas of focus in more depth. You will find these updates under the new section called Strategically Thinking.

PROVIDING VALUE

We work every day to provide good value to all of our members. In fact, Union Power's mission is to provide safe and reliable power with exceptional value. We strive to give you the best value for your dollar. We work hard to hold controllable costs down. We look for ways to improve our operations. We do all of these things to ensure you get exceptional value from the money you spend on your electric bill.

If you consider that on average, your electricity costs you about \$4.80 per day, you see that value. You can't buy lunch for less than \$5 anymore.

Keep in mind that as a member of Union Power Cooperative you receive member dividends. Excess margins at the end of the year are distributed back to the membership in the form of member dividends.

The economic conditions of our times bring historic challenges to our nation and to us as individuals. I have confidence however that our economy will rebound and be stronger than ever. And from all of us at Union Power, we reaffirm our mission and commitment to you, which is to provide safe and reliable power with exceptional value.

APPLY NOW FOR COLLEGE SCHOLARSHIPS

ATTENTION HIGH SCHOOL SENIORS:

Now is the time to apply for Union Power's college scholarship.

Union Power Cooperative is excited to sponsor three \$1,000 college scholarships to area 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 3, 2009. Winners will be notified in late May.



New Rate Schedule

EFFECTIVE APRIL 1, 2009

General Service

Basic Facilities Charge \$21.00

Energy Charges:

First 1,000 kWh \$0.09780

Next 1,500 kWh \$0.09311

All other kWh \$0.09311

Residential All Electric Service

Basic Facilities Charge \$21.00

Energy Charges:

Summer (June - October)

First 500 kWh \$0.0931

All other kWh usage \$0.0884

Winter (November - May)

First 500 kWh \$0.0903

Next 500 kWh \$0.0840

All other kWh \$0.0840

Commercial Service

Basic Facilities Charge \$50.00

Demand Charges

First 25 kW \$0.00

All other kW \$7.95

Energy Charges:

First 3,000 kWh \$0.1201

Next 3,000 kWh \$0.0902

Next 6,000 kWh \$0.0785

Next 12,000 kWh \$0.0604

All other kWh \$0.0456

The average savings jar contains \$43.02 in change.

Enough to power your entire house for 9 days.

Electricity
A Great Value

www.union-power.com

UnionPower Cooperative
A member-owned energy provider

FEDERAL TAX CREDIT

Available on Qualifying Systems



Call Today for a Free Estimate.



1543 Rocky River Rd. North
Monroe, NC 28110
(704) 283-9047

Easy Ways to Manage Your Union Power Account

Want to save time and money? Choose one of the many ways Union Power Cooperative offers you to pay your electric bill and get information on your account.

ELECTRONIC FUNDS TRANSFER

allows members to authorize withdrawal of funds from a checking/savings account or a credit/debit card to pay the amount due by the due date of each month and make paying bills worry free. Visit our website, www.union-power.com, or call (704) 289-3145 and speak to one of our customer service representatives today to set up your electronic draft.

DO YOU BUDGET MONTHLY BILLS?

If budgeting your bills is important, we can set up your electric bill on our Levelized or Budget Billing payment plan. This can help you plan your annual budget and ease the bill payment process each month.

LEVELIZED BILLING Members normally experience seasonal fluctuations in electrical use throughout the year. The levelized bill is based on the average electrical use for the most recent 12 months. The bill is averaged so the amount does not



stay the same, but increases or decreases slightly as consumption changes.

BUDGET BILLING Based on the previous 12-month history, the Cooperative determines a fixed dollar average. The average is billed each month until November. A new average is calculated each November with any debits or credits figured into the new average.

E-BILL—GO PAPERLESS! Have your power bill sent to you via email. Sign up online or call one of our customer service representatives.

FOR MORE INFORMATION on any of these services, visit our website at www.union-power.com or call (704) 289-3145 or 1-800-922-6840 and speak with one of our customer service representatives.

Notice: MEMBER DIVIDEND CHECKS OUTSTANDING

Union Power Cooperative is a not-for-profit member-owned cooperative, which provides electricity and energy-related services to nearly 65,000 members throughout Union, Stanly, Cabarrus, Mecklenburg, and Rowan counties.

Incorporated in 1939, Union Power Cooperative policies are governed by a member-elected board of directors. The foundation of our cooperative policy is based on principles adopted by the International Cooperative Alliance of 1966.

One such policy is the return of profits or margins to electric cooperative members based on their energy purchases from the cooperative. A portion of these

margins, called Member Dividends or Capital Credits, is returned to the members each year.

Member dividend checks were mailed in September of 2008 and marked undeliverable by the U.S. Postal Service. Visit our website, www.union-power.com, and click on the Member Dividends tab and then the county link where service was or is provided and see if your name is listed. If your name is listed, contact customer service at (704) 289-3145 between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Members who have been on the system less than 20 years received a credit on their power bill.

Cooperative Review is published monthly by

Union Power Cooperative

A Touchstone Energy® Cooperative 

Energy for today, power for tomorrow.

Union Power Cooperative provides safe and reliable power with exceptional value to over 65,000 members in Union, Stanly, Cabarrus, Mecklenburg, and Rowan counties.

Tony E. Herrin

Exec. Vice President & General Manager

Carrie A. Cameron, Editor

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Business Hours

8 a.m. to 5 p.m. Monday-Friday
(704) 289-3145 or 1-800-922-6840

www.union-power.com

24-Hour Outage Reporting Service and Account Information

1-800-794-4423

Call Before Dig

NC One Call Center—Dial 811



SERVICE CHARGES:

Security Deposit—charges vary

\$0, \$175, \$375

Connection Fee

\$25

Late Payment Charge

\$5 or 1.5% of past due balance, if greater

Returned Check Fee

\$25

Meter Test

\$75 (refunded if not accurate)

Dual Meter Comparison

\$50 (refunded if not accurate)

Field Collection Charge

\$25 (checks or money orders only, 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