

# COOPERATIVE REVIEW

Energy for Today. Power for Tomorrow.



## Renewable Energy Mandate

Charge added to members' electric bills

**B**eginning in April, you will see a new charge on your electric bill called the *NC Renewables Mandate*. This charge will pay for costs associated with meeting the state's Renewable Energy and Energy Efficiency Portfolio Standard (REPS). Senate Bill 3, enacted by the NC General Assembly in August of 2007, requires electric cooperatives ensure that a percentage of the electricity they sell is generated from renewable energy sources or energy efficiency programs. An incremental compliance schedule establishes that by 2018, 10% of each cooperative's energy sales must come from renewable energy and energy efficiency.

The REPS mandate specifies an annual rate cap for each customer class for recovery of REPS expenditures. Although the annual mandated REPS cap for 2009 is \$10 for residential customers; \$50 for commercial consumers; \$500 for industrial consumers, Union Power's charge will be considerably less.

Union Power Cooperative's monthly schedule for 2009 is \$0.45 for residential consumers; \$2.27 for commercial consumers; \$22.65 for industrial consumers. The NC Renewables Mandate charge will be adjusted annually to reflect the anticipated costs for compliance with the REPS mandate for that year for



each customer class (residential, commercial, industrial). The charge applies to all cooperative members on a per meter basis.

The money collected through the NC Renewables Mandate charge covers the cost of new programs to reduce energy use. It also covers costs of participation in renewable energy projects both here in our service area, as well as joint projects with other North Carolina cooperatives.

None of us likes to see rates increase. This new charge is necessary for us to comply with the state mandated Renewable Energy and Energy Efficiency Portfolio Standard. In doing so, we'll be reducing energy inefficiencies and increasing the amount of electricity produced in North Carolina from clean energy sources. That means a greener North Carolina for all of us.

## New Rate Schedule Effective April 1

Since our last rate adjustment in 2007, Union Power has experienced a 14% increase in the cost of wholesale power. In September 2008, we began collecting some of this increase through the wholesale power cost adjustment (WPCA) on your power bill. This month, that charge will come off your bill and be collected through the rate in your energy charge.

The effect you see may surprise you. *See the examples below.*

### General Service Rate

USAGE	MARCH BILL	APRIL BILL
1,275 kWh	\$146.35	\$149.20

### All-Electric Rate

USAGE	MARCH BILL	APRIL BILL
Winter 1,500 kWh	\$157.80	\$155.14
Summer 1,500 kWh	\$166.14	\$161.11

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## EXECUTIVE PERSPECTIVE

### Let's Get Real About Energy

There has been a lot of talk about energy lately. The subject is covered in newspapers, on cable news, talk radio and innumerable blogs. It's been the topic of many speeches in Washington, D.C. The remedies, proposed by Congress and the Obama Administration, for our "energy crisis" are coming from all directions.

#### IT'S TIME FOR US TO GET REAL ABOUT ENERGY.

I think we can all agree that the country needs a strong energy policy that strives for "energy independence" from foreign sources and is sensitive to environmental concerns. We can also agree the country is experiencing one of the worst economic recessions in recent memory. The American people are having a tough time, and here in North Carolina, we feel it too.

So why has the Obama Administration decided to push an energy strategy that will dramatically raise electric rates maybe as much as 40% in the next 20 years? Frankly, I believe the intent is to jumpstart a new energy policy that pursues reliable energy sources, promotes energy efficiency programs, reduces carbon emissions, and creates badly needed jobs. Additionally, they want to do this the right way.

OK, I get that. But what I don't get is raising costs to the point people can't afford electricity. Maybe for some that is the point. They believe if your electric bill is too high, then you will use less electricity. While that may be a response from some, we think there is a better way to formulate a sound national energy policy, while meeting our environmental challenges.

We are in favor of using energy wisely and we offer our members tools and advice on ways to do that.

A quick "back of the envelope analysis" of what Congress is considering today, combining renewable and energy efficiency mandates, as well as, costs associated with decreasing greenhouse gases to battle climate change, could add as much as an additional \$40 a month to the average cooperative consumer electric bill in North Carolina. That is an increase of over \$480 more a year. This may be a low figure as carbon costs may rise considerably more depending on decisions made by the Administration and the Congress in the coming months. Where will much of this money go? Washington, D.C.

The electric cooperatives support a balanced solution that doesn't send all your energy dollars to Washington D.C. We have a smart country. Let's spend some time and help Congress get this right. Your cooperative is advocating on your behalf with the leaders of Congress today. Let's hope they will listen.

Let's look for lower cost solutions that are sustainable over time and get us to the goal—energy independence and protecting our environment. This isn't about fear, it's about getting this right and we can do it without breaking the bank.

Learn more and find out what you can do to help at [www.findabalancedsolution.com](http://www.findabalancedsolution.com). Let's get real about our energy future and work together with Congress to solve our problems. In North Carolina, I know we can do both.

## Find A Balanced Solution



You can make a difference on this issue that's critical to our future. Let your

Congressional representatives know that they need to find a balanced solution for climate change. Contact your Congressional representatives today by logging onto

[www.findabalancedsolution.com](http://www.findabalancedsolution.com) or calling toll-free **1-877-40BALANCE**.

# STRATEGICALLY THINKING



## Focus on Financial Performance

Over the past 18 months Union Power has gone through a process improvement review to study work flow processes within the organization to ensure efficiency. During this review four areas of focus stood out. Those focus areas are financial performance, operational excellence, member satisfaction, and team effectiveness. This month we will focus on the area of financial performance.

Strong financial performance is important to every business. Especially in today's economy, businesses have to be fiscally responsible to stay successful and to stay in business. Union Power takes this area of our business very seriously. Fiscal responsibility is one of our ten guiding principles.

Several initiatives have been studied and completed over the past year with the goal of steadily improving financial performance. Those initiatives took a look at appropriate inventory levels, budgeting tools, and an energy audit on both of our facilities, just to name a few.

While we look internally to control our operating costs, we still have to look at external factors such as the cost of wholesale power, state taxes, and interest and depreciation expenses. Those are costs that we cannot control and they make up 84% of our budget.

An important way Union Power stays in sound financial health is by charging the appropriate rate for electrical service. For 17 months the

Cooperative absorbed wholesale power cost increases that were being passed along from our wholesale power supplier, North Carolina Electric Membership Corporation. In September, a wholesale power cost adjustment (WPCA) was added to the bill to begin recuperating some of those costs. During that time a rate study was conducted and it was determined that the rates needed to be adjusted to reflect increases in the cost of generating electricity.

Keep in mind, cooperatives are not in the business to make a profit. But it is our mission to provide safe and reliable power with exceptional value.

## New Rate Schedule Effective April 1 continued from 33

Members on the All-Electric rate will likely see a slight decrease on their April bill, depending on their usage, while members on the General Service rate will see only a slight increase of \$2.85, on average.

While some costs are beyond our control, Union Power will continue to work hard every day to keep electric rates affordable for our members.

### 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

## 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 Rowan, Stanly and Union Counties:

**Rowan and Stanly counties:** Reeves Island Road, Richfield Road, Shaver Road, Wildlife Access Road, Basinger Road, Pond School Road, River Road, Wyatts Grove Church Road, Flat Creek Church Road, Surratt Road, Wyatt Road, Orchard Road, Bringle Ferry Road, Panther Creek Road, Catfish Road, Old Beatty Ford Road, Richfield Road, Williams Store Road, Burseson Hill Road, Stokes Ferry Road, New London Road, River Road, Willie Road, Ingram Road, Leslie Road, Eudy Road, Bell Road, Spring Road, Deese Road, Gold Branch Road, Baldwin Road, Kerr Road, Old Highway 8 Road, Campground Road, Fish Camp Road, Herlocker Road.

**Union County:** Landsford Road, Eubanks Road, Cox Road, Walters Road, Dudley Road, Arant Road, Stack Road, Medlin Road, Vann Sneed Road, Belk Mill Road, Hargette Road, Kelly Autry Road, Old Pageland Marshville Road, Philadelphia Church Road, Cheraw Road, Clontz Taylor Road, Smith Town Road, Medlin Road, Mullis Road, Mt. Pleasant Church Road, Stack Road, Armfield Mill Road, Jack Davis Road, Rape Road, Sarah Hinson Road, Pigg Mattox Road, Burgess Helms Road, and Gum Lane.

For more information about Union Power's vegetation management program or tree trimming practices, please call (704) 289-3145 and speak with Wil Ortiz (ext. 3323) or Carrie Lorenz (ext. 3291). For monthly right-of-way clearing updates, visit our website [www.union-power.com](http://www.union-power.com).

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# 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.

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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](http://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)  
**Trip 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

**FEDERAL TAX CREDIT**  
Up to \$1,500\* on Qualifying Systems  
Trane Rebates up to \$1,000

\*Consult your tax advisor



*Call Today for a Free Estimate.*

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