

COOPERATIVE REVIEW

Energy for Today, Power for Tomorrow



The Cooperative Difference

What makes Union Power Cooperative different from other utilities? We are a not-for-profit, member-owned electric cooperative that returns all margins to our members. Being fiscally responsible with our members' money is very important to us, so much so that it is one of our ten guiding principles. Since July 2009, the Cooperative has passed along over \$5.3 million in Wholesale Power Cost Adjustment (WPCA) credits to you, our members.

Lower fuel, generation, and transmission costs resulted in decreased costs of the power we purchase on the wholesale market through our power supply cooperative, NC Electric Membership Corporation (NCEMC). During times when wholesale power costs decrease, all our members reap the benefits. This was the case beginning in July of last year. You may have noticed a Wholesale Power Cost Adjustment (WPCA) line item on your electric bill. As the WPCA credit came in from NCEMC, we passed that along to you.

The wholesale power market is extremely volatile and unpredictable. Like all commodities, its price is greatly influenced by market conditions. As the market picks up, the prices of commodities such as natural gas and coal follow the same trend and increase as well.

Unfortunately, we cannot control the cost of wholesale power, and recent fluctuations within the wholesale power market have increased the cost of the power we purchase. During times when these costs increase, the WPCA line item on your bill no longer reflects a credit but could possibly reflect a charge. That's the nature of the wholesale power market and the quickest way to respond to market fluctuations.

But keep in mind that whatever the cost of wholesale power may be at any given time, Union Power is working hard to hold controllable costs down as we strive to give you the best value for your dollar. Your Cooperative continues to look out for you, our members, and provide you with safe and reliable power with exceptional value. That's the cooperative difference!



Tony E. Herrin
Executive Vice President
and General Manager

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COMPLYING WITH NC REPS MANDATE

The Renewable Energy and Energy Portfolio Standard (REPS), enacted by the NC General Assembly in August 2007, requires electric cooperatives to 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 percent of each cooperative's energy sales must come from renewable energy and energy efficiency.

The NC Renewables Mandate line item on your monthly electric bill is collected to cover costs of Union Power's participation in renewable energy projects both here in our service area, as well as joint projects with other North Carolina cooperatives. A new energy efficiency fee has been added to your energy charge to cover energy efficiency programs. These charges will pay for

costs associated with meeting the state's Renewable Energy and Energy Efficiency Portfolio Standard (REPS).

The *NC Renewables Mandate* charge is adjusted annually to reflect the anticipated costs for compliance with the REPS mandate for that year for each customer class (residential and commercial). The charge applies to all cooperative members on a per meter basis. Union Power Cooperative's monthly schedule for 2010 is \$0.34 for residential consumers and \$1.72 for commercial consumers.

This 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.



Union Power Awards Basketball Camp Scholarships

For the seventh year, North Carolina's Touchstone Energy Cooperatives have sponsored rising 6–8 grade students to attend basketball camps that develop fundamental basketball skills and motivate students to set and achieve goals. Union Power Cooperative is pleased to award two basketball camp scholarships to students in our local area.



Jack Wallace

The Roy Williams basketball camp is being held on June 19–23 at UNC in Chapel Hill. Union Power scholarship winner Jack Wallace, a Rocky River Elementary student, will stay in the UNC dormitories and receive instruction from the university's coaching staff and players. Jack is the son of Doug and Helen Wallace.

The Kellie Harper basketball camp is being held on June 20–23 at NCSU in Raleigh. Scholarship winner, Sophie Westrud, a Marvin Ridge Middle School student, will have the opportunity to stay on campus and receive instruction from the NCSU coaching staff and players. Sophie is the daughter of Duane and Nanette Westrud.



Sophie Westrud

"Union Power is pleased to give two outstanding students this opportunity to learn from winning collegiate coaches and student athletes and the chance to experience life on a college campus. This is another way that Union Power gives back to the communities we serve," says Manager of Communications Carrie Cameron.



Protect Your Electronics from Summer Storms

SURGES CAUSE COSTLY DAMAGES

Summer thunderstorms are just around the corner. It only takes one strike of lightning to cause thousands of dollars of damage, and it doesn't even have to be a direct strike to be harmful to sensitive electronic equipment. Lightning is the most common culprit of surges in voltage levels, but accidents involving power poles or animals contacting power line equipment can also generate surges. These surges can damage or even destroy electronic devices. Computers, televisions, stereos, and fax machines are more sensitive to power fluctuations and more likely to be damaged.

SURGE PROTECTION

The most effective thing to do when lightning approaches is to unplug your electronic devices. Obviously, this is not always a practical solution. The next best thing is to install surge protectors, which react instantly to the voltage surges and electronically block the damaging voltage from reaching your electronics.

START WITH THE BASICS

Union Power Cooperative believes an effective surge protection program begins with the basics. "If your home is protected at the beginning, we rarely have to offer any further surge protection support," explains Energy Specialist Steve Whitley. "We start with a grounding check, and then discuss the importance of having both a meter base arrester and high-quality plug-in surge protectors."

POWERGUARD

Safeguard your sensitive electronics with PowerGuard Surge Suppression Equipment. PowerGuard uses two separate suppressors to step down surges, offering superior protection from both externally and internally generated power surges. PowerGuard is high-quality equipment you can trust to do the job. For more details, call Energy Specialist Steve Whitley at (704) 289-3145, extension 3239. Financing is available for Union Power Cooperative members.

For more information, visit www.union-power.com and click on My Home, Surge Protection.

Lightning Facts

- Approximately 6.5% of property/casualty claims are related to lightning strikes.
- Damage costs from lightning are estimated at \$4-\$5 billion each year in the U.S.
- More than 100,000 thunderstorms occur in the U.S. each year, with lightning striking more than 30 million points on the ground during that same period.
- While a typical household normally will experience everyday flows of up to 220 volts, the measurement in a cloud-to-ground strike is 100 million to 1 billion volts.
- Among the most common to fall prey to a lightning strike are telephones and personal computers, likely due to their multiple outlets.
- Appliances are more frequently burned out by electrical surges from nearby lightning strikes than from direct lightning.

Visit www.union-power.com and click on Safety Tips for lightning storm safety.

Year 2009 General Notice of Capital Credits Assignments

This is to certify that by virtue of its having received revenues in excess of its operating expenses for and during the calendar year 2009, each person who was a member of this cooperative during the year 2009 has been credited, on the books of the cooperative, at its office in Monroe, with having furnished the cooperative capital in the amount of:

6.58 - Percent of member's patronage during the calendar year of 2009

6.58 - Total percent during 2009

The percent of credit above applies to revenues for electric service during the year, and represents the member's share of the operating margin realized by the cooperative during the year. This amount has the same status as if it had been refunded to the member in cash and immediately returned by the member to the cooperative as member-furnished capital.

A capital credit cannot be redeemed for cash and it cannot be used as credit on a member's electric power bill. It is issued subject to all the terms and conditions as contained in the cooperative's bylaws, and rules and regulations, both as presently worded and as may hereafter be duly adopted or amended.

Examples: If your bills totaled \$1,000 for the year 2009, your capital credit would be \$65.80 ($\$1,000 \times 0.0658$); or if your bills totaled \$1,500 for the year 2009, your capital credit would be \$98.69 ($\$1,500 \times 0.0658$).

The co-op retains these funds putting them to work to help keep rates lower until the board of directors determines that they may be refunded.

RIGHT-OF-WAY

CLEARING



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

Indian Trail — Stevens Mill Road, Mill House Lane, Green Ash Lane, Shadow Lake Lane, Willowbrook Drive, Lineview Drive, Bent Oak Drive, Hunley Ridge Road, Hunley Creek Drive, Lawyers Road, Hyde Park Drive, Stoney Ridge Road, Greenway Drive, Lake Drive, Fieldstone Drive, Briarwood Court, Edgefield Court, Brookgreen Terrace, Fairfield Drive, Brownstone Court, Hunley Creek Drive, Lawyers Road, Hawthorne Drive, Aspen Lane, Redwood Drive, Knollwood Place, Gold Crest Drive, Deepwood Place, Shaftwood Drive, Leicester Drive, Chaucery Lane, Millwright Lane, Lineview Drive, Allen Black Road, Fieldlark Lane, Dovetail Court, McGregor Drive, Union Road, Long Road

Indian Trail/Monroe — Rocky River Road, Price Shortcut Road, Goldmine Road, Salem Church Road, Prospectors Court, Stevens Road., Willis Long Road, Secrest Shortcut Road, Haywood Road, Landen Chase Drive, Aldersbrook Drive, Chamber Drive, Eastfork Lane, Persimmon Court, Gray Fox Road, Helmsville Road, Winchester Road, Rocky River Road, Secrest Shortcut Road, Blackvine Drive, Spring Harvest Drive, Sardis Church Road, Burning Ridge Drive, Cannon Drive, Stockbridge Drive, Unionville-Indian Trail Road (west of Sardis Church Road)

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 web site www.union-power.com.

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Invest in a high efficiency electric heat pump.
Save over \$1,500 a year.
That's enough for a nice family vacation.

Electricity
A Great Value

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www.union-power.com

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A Touchstone Energy® Cooperative 

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

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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