



Rate Changes Scheduled for 2009

The first change that Citizens' members will notice in the New Year is that the Purchased Power Cost Adjustment (PPCA) amount will be eliminated starting with bills printed on or after January 21. The PPCA of \$0.004 (less than ½ a cent) per kilowatt-hour has been included on bills since September 2008.

Although the Customer Charge will not be changing, non-residential rates will be increasing at that time. Residential rates are expected to increase with bills printed on or after March 27.

The increase is due to higher costs for power supply, which make up more than 80 percent of our expenses. Even though crude oil, gasoline and coal prices have come down, the cost to produce electricity remains high. Just as electricity didn't spike up as quickly or dramatically as fuel costs, it will be slower to come down. That's because power plants contract coal through short-term and long-term contracts.

As you may be aware, Citizens' rates were among the lowest in the state for nearly 60 years. During that time surrounding utilities were building power plants, which caused their rates to be higher than Citizens. Now the pendulum has swung the other direction since Citizens Electric is investing in generation (power plants). As neighboring utilities go forward with their plans to build additional power plants and update existing plants to meet new environmental regulations, their rates will be impacted, and our rates will become more competitive.

Even though change seems inevitable in the electric industry, Citizens Electric is committed to stabilizing rates over the long term and providing our members with reliable electricity. Investing in generation is a vital part of that plan. Along with Wabash Valley Power Association, we are working hard to plan and maintain a strong, dependable power supply at a competitive price that will serve our members for decades to come.

Non-Residential Rate Class	December 2008 Rate	Rates effective with bills printed 1/21/09
Rate 3 - General Service Single Phase	Customer Charge - \$22.86 Energy Charge - \$0.0889/kWh PPCA - \$0.004/kWh	Customer Charge - \$22.86 Energy Charge - \$0.0957/kWh PPCA - \$0.000
Rate 5 - Large Power Service	Customer Charge - \$120.98 Energy Charge - \$0.0412/kWh Demand Charge - \$13.12/kW PPCA - \$0.004/kWh	Customer Charge - \$120.98 Energy Charge - \$0.0426/kWh Demand Charge - \$15.75/kW PPCA - \$0.000
Rate 7 - General Service Three Phase	Customer Charge - \$31.96 Energy Charge - \$0.0841/kWh PPCA - \$0.004/kWh	Customer Charge - \$31.96 Energy Charge - \$0.0907/kWh PPCA - \$0.000/kWh

Residential Rate Class	December 2008 Rate	Rates effective with bills printed 3/27/09
Rate 1 - Residential and Religious	Customer Charge - \$24.00 Energy Charge - \$.0883/kWh PPCA - \$0.004/kWh	Customer Charge - \$24.00 Energy Charge - \$.0978/kWh PPCA - \$0.000/kWh

Make energy efficiency your New Year's resolution

Get the whole family involved in lowering your energy consumption. It's a great way to teach kids that they can help reduce monthly expenses and air pollution caused by generating electricity. Simple home improvements and lifestyle changes can make a big difference. And once the kids are on board, they'll make sure nobody's guilty of being an 'Energy Hog.'

Start by visiting our website at www.cecmo.com. Click on the online energy calculator to complete an energy audit. Also check out links to other sites to learn how to become Energy Smart.



What can you do to speed up outage response time?

When CEC has your correct phone numbers listed in our database, your electric account is quickly identified when you call our after-hours emergency number. That allows your location to be identified more quickly, so CEC line crews can be dispatched right away. Verify your phone number on your bill payment stub, or you can call or email us at citizens@cecmo.com.

Please have your Citizens Electric account number or location number available when you call.

Program our emergency number (1-800-286-2251) in your cell phone. Remember, portable phones will not work if the power is out.

Have your address clearly visible from the road so crews can easily locate your home. This not only helps utility crews find the source of the electric outage, it could save valuable time in case of a medical emergency.



Frequently Asked Questions

Does Citizens Electric offer any rebates for heat pumps, electric water heaters or appliances?

No. Since we are a not-for-profit corporation, we must collect one dollar for every dollar we spend. Therefore, if we gave rebates to some members, we would have to collect more from everyone else.

Does Citizens Electric offer a discounted rate for electric heat?

No. For many years there was excess generation in this country that allowed utilities (including Citizens) to offer low rates for large electric users. Now, CEC has to pay the same amount for each kilowatt delivered from our power supplier each month. Therefore, we're not able to offer an incentive to use more electricity.

What is the Customer Charge?

The Customer Charge is based on an independent cost-of-service study that determined the minimum amount it costs CEC to serve and maintain electric facilities to each customer. This is the base charge per rate class (regardless of usage) that ensures you will have electric service available whenever you want it.

Why isn't the Customer Charge lower for part-time residents or outbuildings?

If customers with shops or seasonal cabins paid a lower Customer Charge, then members who live in their homes year 'round would have to carry part of the burden of maintaining the electric system to serve those properties.

SURVEY TO BEGIN

Data gathered will help plan for the future

From January through March of 2009, some of our residential members will be randomly selected to participate in a telephone survey to help us plan for our future power needs.

The survey will be conducted by Preston-Osborne Research in coordination with our power supplier, Wabash Valley Power Association (WVPA).

The survey is designed to last approximately 10-12 minutes and will



primarily focus on the electrical appliances and items in and around your home.

The calls will take place Monday through Friday, beginning mid-afternoon and running until about 9:00 p.m. You will not be pressured to participate. We appreciate those who take the time to help us plan better for the future! If you have any questions about the process, please call 1-877-876-3511.