

## A message from Citizens' CEO



**CEO Tony Campbell**

Many Americans might compare 2008 to a white-knuckle ride on a roller coaster. The extreme highs and lows of the stock market and fuel prices, along with the sharp turns in the economy, caused many to feel they weren't in control of their hard-earned dollars.

While Citizens Electric has limited control of 80 percent of our expenses that go for power supply, your co-op's directors and management are working hard to prudently manage the other 20 percent spent for operating expenses and system reliability. One thing is for certain, you can count on Citizens Electric to provide dependable electric service for you and future generations.

Internally, we have made budget cuts in every area of the Corporation and have taken advantage of savings opportunities. In fact, by refinancing a significant amount of debt in 2008, the Corporation will save millions of dollars over the next nine years. This helps cushion the impact of increased power supply costs brought on by higher fuel prices and our continuing investment in power plants through Wabash Valley Power Association (WVPA).

Unfortunately, that's not enough to cushion our members from increased rates in 2009. While the Purchased Power Cost Adjustment (PPCA) will no longer be assessed starting with January usage, non-residential rates will increase starting with bills printed on or after January 21.

Residential rates are expected to increase with bills printed on or after March 27. The exact amount of the residential increase is not available at the time of this printing.

Some may wonder why electric prices haven't gone down like gasoline and crude oil prices have. The reason is that power plants primarily use coal and natural gas to generate electricity. The prices for these two commodities have not followed the downward spiral of gasoline prices. In fact, the price for coal has doubled in recent months, and may not drop significantly any time soon due to increased worldwide demand, particularly in China.

As a part owner in WVPA's generation plants, the price we pay for power is affected by the performance of those plants. In April of 2008, a tragic incident occurred at WVPA's pet coke gasification plant in Terre Haute, Indiana that resulted in two fatalities. Therefore, the Sg Solutions plant was shut down for three months while numerous inspections were performed. During that time, WVPA had to purchase back-up power on the open market at a time when prices were high.

On a positive note, WVPA is acquiring a 300-megawatt power plant in Effingham, Illinois in January 2009. By investing in generation, we are reducing our exposure to the energy market and creating price stability for the future.

Just as Citizens Electric is taking control of internal expenses and investing in our future, I encourage you to take control of your energy costs. Increased demand for electricity nationwide and tighter restrictions on power plants will cause electric prices to continue to increase.

It's crucial that all of us become "Energy Smart" by properly sealing and insulating our homes, maintaining our heating and cooling systems and using compact fluorescent light bulbs. We must train our families to turn off and unplug any electric appliances or devices that aren't being used, and whenever possible, replace inefficient appliances with those bearing the Energy Star seal.

We can all make a difference by contacting our Federal Legislators. They are currently considering legislation to clean up the environment. This is good for all of us, but we must encourage them to be mindful of how their decisions will directly impact our pocketbooks by raising every consumer's energy bills. Let your voice be heard by going to [www.ourenergy.coop](http://www.ourenergy.coop).

In closing, I want to assure you that Citizens' employees and directors are doing everything possible to keep rates down and electric reliability high. We are here to offer advice when you want it and help when you need it. We appreciate your business and wish you and your family a happy, healthy and prosperous New Year.

## Safety standards for standby generators

Before you buy an emergency generator to keep lights and appliances running during an electric outage, calculate your power requirements for essential appliances and be aware of safety concerns regarding installation and operation of standby generators.

An improperly installed generator could damage your property and endanger the lives of your family and electric utility workers who are trying to restore your power. A licensed electrician must install a double-throw transfer switch for the standby generator to prevent electricity from back-feeding into Citizens' electrical system.

The portable generator, while in operation, should be located in well-ventilated dry area, away from air intakes to the home. Do not operate the generator in a basement, attached garage or any closed area. Exhaust

fumes from the generator contain carbon monoxide, which is odorless, invisible and could be harmful to your health.

When selecting a generator, choose a model that will accommodate your essential appliances. You'll need to know the running and startup wattages for the equipment and appliances. The running wattage (called rated watts) can be found on the appliance nameplate. Starting wattage is usually two to seven times the running wattage. The starting wattage for the smallest heat pumps and central air conditioning unit is more than 10,000 watts, which is greater than the capacity of most portable generators.

For safety's sake, follow manufacturer's instructions for installation and ventilation to keep your family and our line crews safe while they are working on power lines.



## Space heaters can be energy hogs

When the weather gets really cold, most of us look for any solution to warm up cold areas in our homes. If turning up the thermostat isn't enough, you may be tempted to use space heaters to warm up drafty rooms.

While a space heater can generate a tremendous amount of heat in a very short time, it may not be the most economical or efficient solution for ongoing needs. Even a fairly small space heater can consume 1500 watts of electricity, the same as 20 standard 75-watt light bulbs. Operating a small space heater for 8 hours each day costs more than \$32 per month.



The best way to solve the problem of a drafty room is to identify where air is leaking in and seal them up. If you don't fix the problem, any kind of heater has to work a lot harder – and warm air will continue to seep out of the room. By caulking leaks around windows, using weather-stripping on doors and increasing insulation, you may eliminate the need for the space heater. That means using less energy and improving your home's comfort all year 'round.

If you must use a space heater, think about safety. Space heaters certified by Underwriters Laboratories have built-in safety features, but keep them out of reach of young children or nosy pets. They should also be kept a safe distance from paper, curtains and other combustible materials.

Although a space heater may offer immediate comfort, it may not be the permanent solution for an uncomfortable room.



**CEC offices will be closed on Thursday, January 1, to celebrate the start of 2009!**

## Contractors Meeting Scheduled

Citizens Electric will be hosting an informational meeting for area contractors on February 24, 2009. The dinner meeting will be held at the Elks Lodge in Perryville beginning at 6:30 p.m.

If you are a contractor doing business within our service territory, please plan to join us for updates and a presentation by Missouri One Call. If you plan to attend, RSVP by calling 1-877-876-3511, extension 106, or email dgibson@cecmo.com. The reservation deadline is February 17.

