

Rate Increase Takes Effect in April

Members will see the increase on their May billing statement.

Boone Electric members will see an increase in electric rates effective with energy usage in April to be billed in May. Rising production costs and an increase in demand have resulted in a need for the cooperative to increase its revenue stream by 9.7 percent to cover expenses and maintain margins.

The average household using 1,200 kWh per month will see an increase of \$7.20 in electric charges.

The service availability fee on each meter also increases to \$19.70 per month. This fee represents the cost of wire, poles, meters and right-of-way maintenance necessary to get electricity to the member. Boone Electric's service availability fee still remains one of the lowest in the area.

Boone Electric Cooperative board members and staff have worked hard to keep this rate increase as low as possible. A mere three years ago, 49 cents of every member dollar paid to BEC was paid to our power supplier. By contrast, that number has now increased to a full 59 cents.

Of the 9.7 percent increase, a full 7 percent covers the increased costs of environmental regulations, coal delivery to the power plants and fuel at the wholesale level. The remaining 2.7 percent will help fund increases in equipment, materials and other operating expenses.

A variety of cost-saving steps have been implemented within Boone Electric to help lessen the rate increase. Employees are stretching more life out of vehicles and other pieces of equipment. All departments are working to be more efficient.

New Boone Electric Rate Structure

Residential

Service Availability	\$19.70
First 600 kWh @	8.7 cents/kWh
Next 1,400 kWh @	7.7 cents/kWh
Excess kWh @	7 cents/kWh

Dual Fuel Home Heating

Submetered Heating	5.3 cents/kWh
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Dusk-to-Dawn Lighting

100 watts HPS @	\$7.10/month
400 watts HPS @	\$14.75/month

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Help alleviate the rate increase by implementing these energy saving tips:

*Make sure there is no air leaking through cracks and gaps around windows and doors. Use caulk or weatherstripping to stop drafts.

*Turn your thermostat as low in the winter and as high in the summer as you feel comfortable. Each degree is equivalent to three percent of your heating or cooling costs.

*Check your furnace filter monthly and change it when necessary. Your heating and cooling system will run much more efficiently (and cheaper) with a clean filter.

*Change incandescent light bulbs to compact fluorescent bulbs, which use considerably less energy.

*Turn off or unplug any unnecessary electronic devices, including cell phone chargers, when not in use.

Member Information

Community Support Programs You Can Add to Your Bill

Operation Round-Up
Helps fund the Boone Electric Community Trust, which provides financial assistance to charitable organizations in BEC's service territory.

C.A.S.H.
Provides utility assistance to low-income senior citizens and persons with disabilities. Funds administered by City/County Health Department.

H.E.L.P.
Provides utility assistance to low-income families with children. Funds administered by City/County Health Department.

BEC Recognizes Employees with Service Awards



Front row, from left: Christi Miller, Al Lynch, Laura Baker; Back row, from left: Steve Baumgartner, Chris Uthlaut and Doug Hackman.

Several Boone Electric Cooperative employees were recognized recently for their service to the cooperative and the membership in 2008. Receiving awards were:

Craig McBride Distinguished Service Award and Supervisor of the Year

Al Lynch, Assistant General Manager

Outstanding Community Service Award

Laura Baker, Administrative Assistant

Outstanding Customer Service Award

Steve Baumgartner,
Journeyman Lineman

Employee of the Year Operations Field

Chris Uthlaut, Storeroom Supervisor and
Doug Hackman, Storeroom Assistant

Employee of the Year Office Support

Christi Miller, Communications Specialist



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Help Us Keep Your Power On -- Plant Smart

Look up for power lines before you plant trees this spring.

It's just about spring-time, which for many people means planting trees and shrubs in their yard. Remember to always keep power lines in mind and in view when planting.

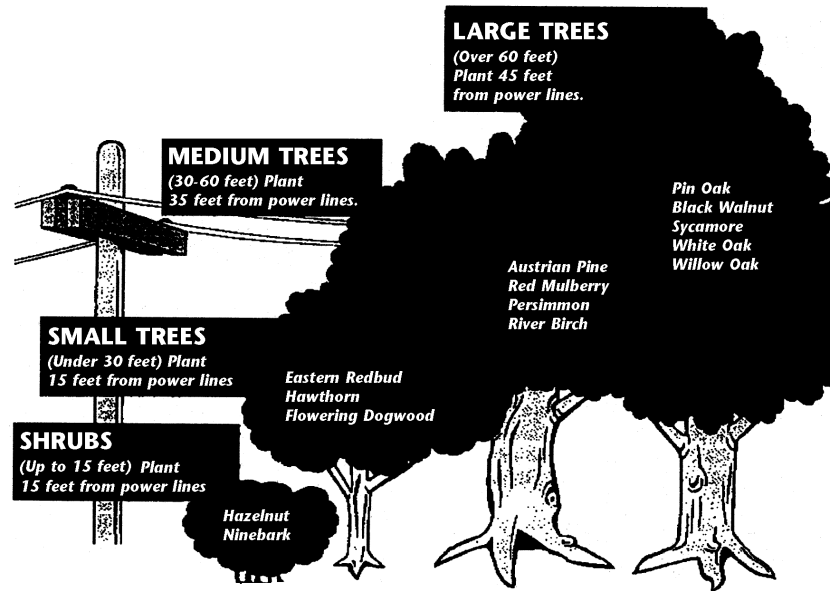
Do not plant any trees within 15 feet of an overhead power line. Short maturing trees, such as flowering dogwood and crabapple varieties, can be planted 15 feet from the lines. Their limbs will not reach high enough to come in contact with power lines.

Plant medium maturing trees, such as persimmon and birch trees, a minimum of 35 feet from power lines. Trees that grow to more than 60 feet at maturity, such as walnut and several oak varieties, should be planted no closer than 45 feet to a power line.

Boone Electric has an extensive tree trimming program, with cooperative and contract crews working every day to keep trees away from power lines. Ice storms in southeast Missouri in January and in our region last winter show the importance of aggressive right-of-way maintenance.

If there is a tree on your property that might soon interfere with the power line, please call Boone Electric. In a storm, that one tree could knock out power to your home and possibly to many of your neighbors as well.

For those members with underground service, do not plant trees or bushes within 10 feet of the padmount



transformer (that big, green box) on your property. Anything you plant could be damaged if Boone Electric line crews need to perform any repair or maintenance at the transformer.

Homeowners with underground service should also avoid planting trees above the buried power lines. Once again, should line workers need to repair or maintain that line, anything you planted could be damaged or removed entirely.

BEC's Tree Replacement Program

When a Boone Electric member allows the co-op to remove a yard tree that is interfering with power lines, Boone Electric will replace that tree at no charge with a lower-growing species. Members have a choice of 12 tree or bush species, which are provided by a local nursery.

Please call the cooperative at 449-4181 with questions or to report a tree that is interfering with a power line.

Our Costs Continue to Rise



Todd Culley
General Manager/
CEO

The other day I was sitting quietly in a meeting when someone asked, "What are you thinking?" I was thinking about the difficulties our industry is facing over the next 20 years and the measures we are taking in the co-op world to protect the welfare of those we serve.

These are challenging times; unlike any times co-ops have previously experienced. It has never been more difficult, or more important, to find a balance between demand growth and affordable electric rates.

Our members tell me they want and need reliable and affordable electricity, and it is Boone Electric's responsibility to provide for current and future energy demand.

During the years 2004-2006, BEC met an average December peak demand of 97 million watts; but during the years 2007-2008, the average December peak demand increased to 112 million watts. It

simply isn't possible to continue to produce and deliver more power at yesterday's cost.

To meet growing demand here and throughout the state, new power plants are being constructed at significant cost. Our power supplier is beginning construction on a new gas-powered generation facility, at a price tag likely to exceed \$500 million. At the same time, money is needed to upgrade outdated infrastructure.

Utilities also need dollars for research and development related to future generation sources, as well as to promote energy efficiency to our members.

On another front, we are also faced with significant cost increases for fuel and fuel delivery. For example, the price for coal delivery by rail has increased substantially. At one rail company alone, coal-related revenues were up 24 percent in the fourth quarter of 2008, even though the amount of traffic was essentially unchanged.

In addition, required environmental upgrades have resulted in increased construction, operation and maintenance costs at our power plants. Some of these upgrades use tremendous amounts of energy; energy then unavailable to our member-

ship. One example is the recently completed project to reduce nitrogen oxides at the Thomas Hill power plant, which had a price tag exceeding \$400 million. Furthermore, we are working to integrate more renewable energy into the supply stream, but those costs are higher than our current wholesale rate.

It is easy to see why utilities are seeking large amounts of money from their consumers to meet these and other challenges at a time when these consumers can least afford it. As a not-for-profit cooperative owned by those we serve, I guarantee you we are raising rates by only enough to meet necessary reserves and margins.

With the understanding that our actions affect our members financially, your Board of Directors, management and employees are working to help shape state and federal legislation in a way that will minimize future rate increases to our mem-

bers. We will encourage and support reasonable energy policy, just as we have done in the past. Simultaneously, we will support projects providing jobs that improve the economy in the areas we serve. At the end of the day, it is very simple. If our members fail, we fail, and that is not acceptable.

"During the years 2004-2006 BEC met an average December energy demand of 97 million watts. Demand jumped to 112 million watts for the month of December in 2007 and 2008."



Touchstone Energy

Boone Electric Cooperative is a member of Touchstone Energy, a national alliance of local, member-owned electric cooperatives providing a high standard of service to customers large and small.

In order to qualify as a Touchstone Energy partner, electric cooperatives must be active members of their community and be dedicated to serving all customers with integrity, accountability, innovation and commitment to their community.

Tell me what is on your mind. Join me for coffee and conversation at these locations around the area:

Midway

Travel Plaza Restaurant
Tuesday, March 3, 9:30 a.m.

Sturgeon

Heuer's Country Store
Wednesday, March 4, 7 a.m.

Hallsville

Route B Diner
Friday, March 6, 7 a.m.

Centralia

Spring Garden
Tuesday, March 10, 7 a.m.