

Boone Electric Prepares to Celebrate

Cooperative will celebrate 75 years in business throughout 2011, including a change in the Annual Meeting date and location.



Todd Culley
General Manager/
CEO

In 2011 Boone Electric Cooperative celebrates 75 years of improving the quality of life for our members. It's difficult to think that just 75 short years ago a group of farmers banded together to insist that they receive the same opportunity for electricity as their town-living counterparts.

Those rural residents paid a \$5 membership fee and quickly Boone Electric Cooperative was a reality. Shortly after, utility poles started going up and, house by house, the power came on.

We are so proud of this significant milestone. Throughout 2011 your cooperative will celebrate the anniversary in a variety of ways.

One place we will certainly mark the occasion is at the 2011 Annual Meeting. But celebrating 75 years isn't the only change to Annual Meeting.

Mark your calendars for a change of date and location. **Make plans to attend Boone Electric's 2011 Annual Meeting on Friday, June 3 at the University of Missouri Harnes Center Fieldhouse.**

Those of you who have braved the heat of our July meetings will understand the hope for a cooler meeting in early June.

We realize the new location is also a big change after 17 years at the Boone County Fairgrounds. Believe me when I say it's a big change for us as well. It isn't necessarily a permanent change, though. Moving to the Harnes Center Fieldhouse gives us a larger place to celebrate our anniversary. It also allows us to keep everyone in attendance on one even level; easier access for our members in wheelchairs.

There are many aspects of Annual Meeting that won't change, even when the venue does. Please join us for a free meal, entertainment and a business meeting. We will still feature many of

our programs, including the tree-trimming program and student programs, such as the annual Youth Tour.

In addition, members will have opportunities to learn ways to save on their utility bills by making their homes more energy efficient. You will hear us preach energy efficiency and tightening up your house to save money every chance we get. As you've read elsewhere in this newsletter, cutting energy usage not only saves you money, but it creates savings for the entire membership.

So don't be alarmed when you see the Annual Meeting scheduled for June 3, 2011. It isn't a misprint, just a little change to celebrate our 75th anniversary. We hope you will join us at many points throughout the year as we mark the milestone.

Rural Missouri Magazine Goes Digital

The *Rural Missouri* magazine that you receive each month is going digital beginning in January. Electric cooperative members will still receive their printed edition. But those members interested in reading the magazine on-line, cover-to-cover will now have that chance.

Portions of *Rural Missouri*, including the feature articles, have been online for some time. This new change means members will see each page of the magazine, just as if they were holding a printed copy.

In addition, Boone Electric Cooperative will be able to customize the pages, just like we do for the current printed version.

So check out the new digital *Rural Missouri* beginning next month. Let us know what you think. You can find the digital version at www.ruralmissouri.coop or the BEC-customized version at www.booneelectric.coop.



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.

Capital Credits Delivered this Month

Checks set to mail, automatic deposits made on December 10.



Just in time for the holiday season, Boone Electric members can expect to receive their 2010 capital credit retirement sometime mid-month. Checks are expected to mail on Friday, December 10. Members who will receive their capital credit in the form of a check should receive it soon after.

Beginning in September, members were given the opportunity to choose how to receive their capital credit. Members who chose to have their retirement deposited to their checking account will see that credit on December 10.

Those members who elected to have their capital credit applied to their bill will see the applied credit on their December billing statement.

The BEC Board of Directors voted to retire \$3.5 million in capital credit patronage this year. Cooperative members in the years 1992, 2008 and 2009 will share the capital credit retirement. The

amount of each member's capital credit allotment is based upon their electric usage from those years.

Of the \$3.5 million, \$1.8 million is set to be divided by members of the cooperative in 1992. In addition, \$700,000 is being shared by 2008 members and \$1 million going to those members from 2009.

Returning margins (profit) to their member-owners is one of the ways rural electric cooperatives differ from investor-owned utilities. Boone Electric returns those margins in the form of capital credits.

When Boone Electric was first founded in 1936, the cooperative kept all margins to help cover the cost of infrastructure and operating expenses. Once the cooperative was financially sound, the Board of Directors elected to begin returning capital credits, beginning with the margins made in those early years.

Until the mid-1990s, all capital credits were paid toward those early margins. In 1994, the Board elected to split the retirement between the early margins and margins from the previous fiscal year.

We make every effort to reach former cooperative members who are due a check, but have moved. This is why it is important for members to provide a forwarding address when they disconnect their service.

If a cooperative member from 1992, 2008 or 2009 has passed away, that person's beneficiary can collect the capital credit allotment after completing the proper paperwork. Call 449-4181 for details or with any questions regarding the return of capital credits.

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Boone Electric Cooperative will be closed on Friday, December 24, Monday, December 27, and Friday, December 31, in recognition of the holiday season. Merry Christmas and Happy New Year from the Board of Directors and employees of Boone Electric Cooperative.

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.



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Member Information

A Matter of Timing

Why the time you use energy matters to us.

It might seem odd that your electric cooperative would care when you use power. After all, BEC and our power suppliers bring the power to you to use at your disposal.

There is a certain amount of energy each household uses, whether members are at home or away. Refrigerators, heating or cooling systems and other steady appliances create base load power requirements -- the minimum amount of power Boone Electric needs to reliably supply all of its members.

To get BEC's total usage, add the membership's energy use patterns to that base load -- for example, the television shows you watch at the same time each evening or the supper dishes to wash. Members tend to use electricity during the same "peak" periods -- in the morning to warm up the house and get ready for school or work, and in the afternoon or early evening when homes are a flurry with power-draining activities.

So why is the time-of-use important? It has to do with the price we pay, and, thus, you pay, for that power.

Our price for wholesale power rises and falls depending on the type of fuel (coal, natural gas, nuclear, hydro, etc.) generating the electricity, which largely depends on the time of day when the power is used.

For example, generating base load power with coal costs far less than starting up a natural gas peaking plant to meet peak electricity consumption on hot, humid summer weekday afternoons or extremely frigid winter mornings.

Here is a quick look at the types of power plants and fuels used to supply electricity at various times:

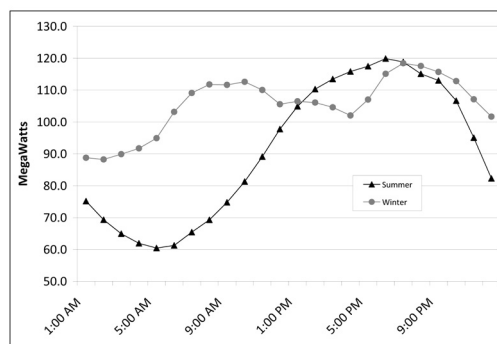
Base Load

These are large, efficient generating stations providing enough dependable electric power at a low cost to meet the minimum level of electricity needed at any given time. They do not start or stop quickly, and instead are operational around the clock.

Associated Electric Cooperative Inc. (AECI), our power supplier, operates large coal-fired power plants that provide base load for the 51 electric cooperatives it serves. AECI's base load plants are the Thomas Hill Plant near Moberly and the New Madrid Power Plant on the Mississippi River in the bootheel of Missouri.

Intermediate Load

These plants handle sharp increases in



This graph shows the BEC membership usage pattern on a cold, winter day and a hot, summer day. The rise in usage shortly after typical work hours is apparent both times of the year.

demand, filling the gap between base load plants and peaking plants. Also known as load-following plants, these facilities are larger and therefore more efficient than peaking plants. AECI operates three natural gas-based, intermediate-load plants.

Peak Load

Though expensive and small, these plants can start generating power quickly during times when electric consumption reaches its highest point. AECI owns four natural gas peaking plants.

Each year, Boone Electric's power costs are determined by the highest "peaks" set the previous year because we have to purchase enough power to deliver as much as you need at any given time, on any given day. Typically peaks are set:

- on a hot, summer afternoon between 4-8 p.m. when members arrive home from work, turn down the air conditioner and begin supper;
- between 6-8 a.m. on a cold winter morning while members warm up their homes after a cold night and prepare for work and school; or,
- between 4-8 p.m. on a winter afternoon as members arrive home, turn up the heat and begin supper.

In order to help "beat the peak," we ask that members keep these heavy use times in mind. We don't ask that you keep the heat turned off this winter or the air conditioning next summer. Instead, try to avoid any extra energy needs, such as laundry or using the oven during these times of high demand. Keeping our peak down will help keep energy rates down for all members.

Member Information

Save Energy without Investing a Dime

Try these energy efficiency tips when the budget is tight.

Everyone wants to make their home more energy efficient and lower their utility bills. But, budgets are tight and investing in some energy efficiency upgrades just isn't an option for everyone.

However, that doesn't mean you are powerless to lower your electric bill. You have the power over your electric use. There are several things you can do to cut energy costs without investing a dime.

These tips might not pack the energy efficiency punch as adding insulation or a new Energy Star appliance would, but in this economy, every little bit counts.

Try these ideas to begin making an impact on your energy bills and be ready to make these upgrades when funds allow.

1. Heating water accounts for 12 percent of your home's energy use. Set your water heater temperature no higher than 120°F. For households with only one or two members, a 115°F setting works.
2. Drain one-to-two gallons of water from the bottom of your water heater each year to keep sediment from building up and making your equipment work harder.
3. Since hot water costs more, wash clothes in cold water unless clothing is very dirty, and only do full loads of laundry.
4. Set your thermostat to 78°F in summer, 68°F in winter.
5. Run your ceiling fan on medium to blow air down in the summer, creating a wind chill effect to cool you off. Run it on low to blow air up in the winter, forcing the heat that rises to the ceiling back down, which will help warm the room. Better air circulation will keep your HVAC system from working overtime.
6. Only heat or cool the rooms you need; close vents and doors of unused rooms.
7. Don't make your refrigerator work too hard. Clean your refrigerator coils every year. You can also set the temperature between 34°-37°F, and leave the freezer between 0°-5°F. Keep the freezer full -- frozen food helps your freezer stay cool.
8. When cooking, keep the lids on pots, and let hot food cool off before placing it in the refrigerator.
9. Check your furnace or air conditioner filter each month and clean or replace it as needed. Dirty filters block air flow through your heating and cooling systems, increasing your energy bill and shortening the equipment's life.
10. During the winter, let the sun in through south, east and west windows. Close window coverings at night to help keep the heat in.

Learn more ways to save at www.TogetherWeSave.com

Energy Efficiency Tip of the Month

Use the moisture sensor feature on your clothes dryer if it has one. This option shuts down the dryer when clothes are dry. In addition, clean the lint filter after each load. This improves air circulation and increases the dryer's efficiency.

Source: U.S. Department of Energy