



Your Touchstone Energy® Cooperative

1165 OLD FOREST ROAD
P.O. BOX 517
CORYDON, IN 47112

www.harrisonremc.com

PHONE NUMBERS & HOURS

Local 812-738-4115
Local 812-951-2323
Fax 812-738-2378
Submit Meter Readings 812-951-2023
E-mail: . customerquestion@harrisonremc.com
Web Site www.harrisonremc.com

SERVICE INTERRUPTIONS

To report service interruptions, call:
812-738-4115 or 812-951-2323 day or night.
During regular business hours these phone numbers will connect members to personnel at the Corydon office. After hours, they will connect members to the REMC answering service. Members should restrict calls to the answering service to electrical outages or emergencies.

BOARD OF DIRECTORS

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SERVICES WE OFFER

- Long distance phone service
- Dial-up Internet service
- Personal medical alert system
- Security lights
- Rebate program
- Metered propane
- Surge protection
- New home energy seminars
- Compact fluorescent bulbs
- Discount theme park tickets



Visit our
Web Site
www.harrisonremc.com

CO-opNews

Information from your electric cooperative

Why aren't electricity rates falling like gasoline prices?

The average price of a gallon of gasoline in the U.S. fell from \$4.11 at its peak in July to \$1.70 per gallon in December 2008. Prices for natural gas and residential heating oil have also fallen recently with the likelihood of a global economic downturn well into 2009.

Some consumers may be wondering, why aren't my electricity rates going down as well?

While gasoline was rising more than 105 percent, Harrison REMC's rates rose about 8.25 percent during 2008. This increase was due to cost increases from Hoosier Energy, our cooperative-owned power supplier. For 2009, Hoosier Energy has implemented wholesale rate and first quarter tracker adjustments that are expected to result in about a \$2.05 or 1.98 percent increase for a consumer using 1,000 kilowatt-hours per month. Other electric utilities report similar rate adjustments and U.S. electricity prices in general haven't followed the downward trend of energy commodities that are directly tied to crude oil costs.

According to the U.S. Energy Information Administration's short-term energy outlook released in December, residential electricity prices nationally for 2008, which average about 12 cents per kilowatt-hour, were projected to rise about 6 percent with another 5 percent increase expected in 2009. Harrison REMC's current rate is 9.8 cents for an average customer using 1,400 kilowatts. **Harrison REMC has not increased the distribution portion of the retail rate since 2004. The only increases since 2004 have been wholesale power increases.**

Current electricity prices continue to reflect cost increases over past years for fuel (coal and natural gas) costs and for commodities such as steel and copper. During that time power prices remained relatively stable with small increases compared to the dramatic price spikes in gasoline and natural gas.

Power cost tracker provides price stability

Hoosier Energy's power cost tracker is used to recover highly variable costs that are not fixed or predictable. To level or smooth the impact of wide swings in fuel and other costs, the tracker recovers and spreads those costs over a 12-month period. As well, Hoosier Energy "hedges" prices on certain commodities such as natural gas and fuel oil to lessen market risks. Hedging takes place through advance purchasing of products to help avoid price volatility.

Recent tracker increases are driven primarily by increasing costs for coal and purchased power. Hoosier Energy uses 4 million tons of coal annually at two baseload southern Indiana power stations.

U.S. coal markets have been impacted by demand from China, India and other countries

and a shift from surface mining to more costly underground mines. While most of Hoosier Energy's coal supply has been secured under long-term contracts at favorable prices, the power supplier's coal costs for 2008 were still 31 percent higher than in 2004.

Because of mining and transportation issues, fuel oil is a component of coal costs for power plants. During 2008, the price of fuel oil was more than three times what it was in 2004. That price is projected to decline in 2009 and 2010, but is expected to be more than double the 2004 price.

Several coal contracts are nearing expiration and future coal costs are projected to be even higher. Higher coal costs are expected to add about \$40 million per year to Hoosier Energy operating costs by 2010.

Hoosier Energy is adding a third natural gas-fired generating station to its power production resources in early 2009. Natural gas units provide flexibility, especially in times of fluctuating or peak demand. The cost of natural gas to fuel those plants is lower now than it was at its peak, but is still 17 percent higher than in 2004.

Hoosier Energy also purchases power for members in the wholesale market during periods when demand may be very high or power plants are experiencing outages. Average purchased power prices in 2008 were 63 percent higher than 2004 prices. Addition of the new power plant will help to mitigate future purchased power costs.

As well, a cost-based purchased power contract rose about 23 percent in 2008 over 2007 and will increase further in 2009, reflecting overall cost pressures experienced in the wholesale power markets.

The power cost tracker also includes environmental compliance costs. Since 2005, Hoosier Energy has spent more than \$80 million to produce cleaner electric power.

The demand for electricity has been increasing steadily until the current recession. Meanwhile the U.S. is looking to build many power plants to meet future demand. One way of minimizing the huge costs of new power plants with their associated fuel and environmental costs is to reduce consumer use through demand management and energy efficiency measures. Harrison REMC is launching new programs in 2009 to help consumers improve efficiency and better manage rising electric costs.

Hoosier Energy and Harrison are aggressively pursuing initiatives to reduce and manage costs and operate more efficiently as we cooperatively produce and deliver power for you. Although electric rates have not increased or fallen like the cost of filling your gas tank, electricity remains a good value in today's energy market.

Over 1.5 million concerns flooding Washington, D.C.

Throughout 2008 we ran many articles speaking about the Our Energy, Our Future campaign. These grassroots awareness campaigns have been going strong for one year, and in that time hundreds of thousands of electric cooperative consumers have sent more than 1.5 million messages in to their elected officials. These messages have brought the consumer voice to Capitol Hill, urging lawmakers to develop and support sound, thoughtful policy that will secure an affordable energy future for our nation.

With a new year comes a new administration to Washington, D.C., and a Congress flush with new members. These new faces must also be made aware of the challenges consumers could face if they pursue the wrong energy policy. As a result, we must continue to press our elected officials on three questions central to "Our Energy, Our Future:"

1. What is your plan to make sure we have the electricity we'll need in the future?

2. What are you doing to speed the development of new technology that will allow me to have the electric power I need while meeting national climate policy goals?

3. How much is all this going to increase my electric bill and what will you do to make it affordable?

Our area and country have fallen on hard economic times — we need to be doing everything possible to advocate for affordable energy. In 2009, the campaign will offer you the opportunity to share personal stories and struggles related to paying your electric bills, helping drive home the importance of affordability in any legislative proposal. In addition, we're adding a fourth question, asking you to contact your congressional representatives and ask that they work with local electric cooperatives to understand and solve our nation's energy challenges.

To learn more about how you can record and send a personal message to Congress, please visit www.ourenergy.coop. After one year, this campaign is off to a strong start in a time of energy uncertainty.

Easter Bunny to be at Harrison REMC April 1 — 3-7 p.m.

Parents bring your children to get a free picture of them with the Easter Bunny. Children can register for an Easter Basket.



Home Seminars 2009 Presented by Bob Geswein

Seminars for the home you live in

Feb. 26, 7-9 p.m. — Insulation

March 26, 7-9 p.m. — Solar and Wind

April 30, 7-9 p.m. — Surge Protection

These seminars are held at Harrison REMC.

Harrison REMC High Performance Home Seminars

Feb. 4 and 5, 7-9:30 p.m.

April 1 and 2, 7-9:30 p.m.

June 3 and 4, 7-9:30 p.m.

Aug. 5 and 6, 7-9:30 p.m.

Oct. 7 and 8, 7-9:30 p.m.

Each night different topics are covered.

These seminars are held at Harrison REMC.

Clark County REMC/Energy Pros High Performance Home Seminars

Jan. 8, 7-9 p.m.

March 5, 7-9 p.m.

May 7, 7-9 p.m.

July 2, 7-9 p.m.

Sept. 3, 7-9 p.m.

Nov. 5, 7-9 p.m.

These seminars are held at Clark County REMC.



Free Trip * New Friends
An experience you'll never forget!

Electric Cooperative Youth Tour to Washington, D.C.
June 11-18, 2009

Application deadline is Feb. 6



More info available at www.harrisonremc.com and www.youthtour.coop

REMC seeks students for Youth Tour

It is time for all high school juniors to apply for the Electric Cooperative Youth Tour to Washington, D.C. The trip dates are June 11-18.

This is a great opportunity to travel to our nation's capital and experience first hand our government functions. Students learn about the complexities of today's electric utility industry, discover the unique characteristics of the cooperative business enterprise and meet hundreds of their peers from throughout the United States.

To be eligible applicants must

have completed their junior year in high school, and be enrolled for their senior year.

Applications will be sent to school guidance counselors as well as through the REMC. You can get the applications in our office or online at www.harrisonremc.com. All applications must be received at Harrison REMC by Feb 6.

Last year's participants were Lauren Smith, Kelsey Pennington and Caroline Turcotte. Caroline was chosen from other delegates from Indiana to represent the state on the Youth Leadership Council.

REMC accepting applications for IUS scholarships

Applications are now available for scholarships to Indiana University Southeast. Harrison REMC has provided these scholarships to encourage our local youth to continue their education.

The eligibility requirements for the REMC-IUS scholarships are: The applicant's parent or guardian must be currently receiving electrical service from the Harrison REMC. The applicant must be a high school senior who has been accepted at IUS for the 2009 fall semester as a full time student (12 credit hours) and have an SAT score on file at IUS. Indiana University Southeast will make the selection

from each participating school. Seniors must also provide a one-page essay describing why they are the best candidate for this scholarship along with the application. Immediate family members of an employee or director of the Harrison REMC are not eligible for the scholarship.

The deadline for the application to be returned to IUS is April 17. Applications for the scholarships have been sent to school guidance counselors. Interested students should check with their schools. Applications are also available at the REMC office and on-line at www.harrisonremc.com.

Annual Report Photo Contest



Harrison REMC is seeking entries for the annual report cover photo contest. The winning photo will be featured as the cover of the 2008 annual report, which is distributed at the 2009 annual meeting. The following are the guidelines for the submission of photos for the contest.

1. Submissions must be recent color photographs that have been taken in our service territory. A brief description of where the photo was taken, your name, address, telephone and account number must be submitted with the photo. Photos that include people must have written consent for publication.
2. The photographer must reside in a Harrison REMC household.
3. No more than three entries per photographer.
4. The winning photo, as voted on by REMC employees, will become the property of Harrison REMC to use for publicity purposes such as, but not limited to, the annual report cover, Web site, *Electric Consumer*, etc.
5. Negatives and/or digital cop-

ies must be submitted with the photo. Photos and/or digital copies will not be returned to the photographer.

6. If the picture is a digital photo, we would prefer it to be a TIF or JPEG file sized to 100 percent at a minimum 300 dpi.
7. The winning photograph will be used for the annual report front cover, and the winner will receive a check for \$50. Second and third place winners will receive a \$25 check each. First, second and third place photographs will be printed in *Electric Consumer*.
8. All entries must be submitted by Feb. 20 to our business office at 1165 Old Forest Road, Corydon, or mailed to P.O. Box 517, Corydon, IN 47112 by this date. The winner will be announced in the April *Electric Consumer*.
9. This is not an exhaustive list of rules. REMC reserves the right to reject all entries. Please contact our office at 812-738-4115 or 812-951-2323 with any questions.
10. REMC employees, board members and their families are not eligible to participate.

Indiana Festival Guides are available

Stop by the REMC office and pick up the 2009 Indiana Festival Guide. This marks the 38th year that central and southern Indiana electric co-ops have helped to promote Indiana tourism by spotlighting the many festivals, fairs, craft shows, historic sites and other activities that take place throughout the year in the state's communities.

If you're looking for a weekend getaway, a few hours out of the house or a way to relax and rejuvenate, you'll find something to your liking in the Indiana Festival Guide.

Stop by for your Festival Guide today.



REMC RATE SCHEDULE

Residential and Farm Service Rate

EXAMPLE FOR 1,800 KWHs

| | |
|--|-----------------|
| Facility charge | \$15.00 |
| First 750 kwhs @ .08415/kwh | 63.11 |
| Next 750 kwhs @ .06820/kwh | 51.15 |
| Over 1500 kwhs @ \$.05906/kwh ... | 17.72 |
| Power cost tracker 0.010375 per kwh .. | 18.68 |
| SUB-TOTAL | \$165.66 |
| Indiana sales tax (7%) | 11.60 |
| TOTAL BILL | \$177.26 |

SECURITY LIGHT RATES

| | |
|--------------------------|------------|
| 175-watt mercury vapor | \$8/month |
| 400-watt mercury vapor | \$15/month |
| 175-watt M.V. decorative | \$20/month |
| 400-watt M.V. decorative | \$25/month |

CUSTOMER SERVICES

- **On-line bill payment** — REMC members can now access their accounts and pay monthly bills via the Internet. Log onto the REMC Web site, www.harrisonremc.com, and click "Access My Account."
- **E-check** — This free service allows members to make a manual payment via electronic check. Visit the Web site www.harrisonremc.com any time and click "Pay by E-check."
- **Internet service** — REMC offers Internet service for as little as \$12.95 per month. Call 800-470-7362 to sign up.
- **Long distance phone service** — REMC offers long distance service for only 5.9 cents per minute (4.9 cents per minute for customers who choose the e-bill option) with no monthly fees. This low rate applies to all calls made to the lower 48 states, 24 hours a day, seven days a week. Discount rates to international locations are also available. Call 800-470-7362 for more information.
- **Personal medical alert system** — Your REMC offers easy to use medical alert systems to help seniors or disabled family members remain safe and secure in their own home. The medical alert system provides a fast way to summon help in an emergency, 24 hours a day, seven days a week for only \$35 per month for members and \$40 per month for nonmembers with a onetime \$50 set up fee.
- **Automatic payment plan** — Save time and postage by having your electric bill automatically drafted from your designated bank account without additional charges.
- **Budget billing** — REMC can help take the ups and downs out of your billing amount each month by averaging one month's bill based on the previous 12 months of electric use.

FROM THE CEO

Pilot program participants help REMC take control of costs

Two-hundred-fifty Harrison REMC members will be helping their electric cooperative better manage costs, conserve energy, reduce the need to build new power plants, help the environment and lessen the impact of rate increases by participating in our energy management pilot program.

The aim of the program, which is getting underway this month, is to help the REMC keep rates stable by controlling consumers' electric water heaters during times when the demand for electricity is at its peak. In today's energy environment of skyrocketing costs, peak periods are also the times when wholesale electricity costs the most.

The pilot program participants are served by the Dogwood substation. This substation serves the following townships, Southern Harrison, Northern Washington, Northeast Heth, Northwest Boone and Western Webster. If you live in one of those areas and want to participate, call our office right away at 812-738-4115.

The REMC will install an energy management switch on the water heaters and air conditioning or heat pump units in participants' homes. During peak periods, those water heaters and air conditioning or heat pump units will be cycled off for a brief period of time. Because water heaters store hot water, there should be no noticeable drop in water temperature. The cooling system's compressor will be cycled for a few minutes each hour and allow the circulating fan to continue operating, keeping homes at a comfortable temperature.

The energy management program will be designed to operate only for a few hours on a few of the hottest and coldest days of the year. During the pilot program, lasting about six months, switches may be operated a few



David C. Lett
CEO

times each month.

All of us are concerned about today's rising energy costs. The REMC's energy management program is an opportunity for consumers to help their cooperative do something about it.

Why are we implementing the energy management program? Harrison REMC and 17 other electric cooperatives purchase wholesale power from Hoosier Energy. A portion of our cost of power is based on peak demand, which occurs when the generation

and transmission system is being used at its maximum level. That's usually on the hottest and coldest days of the year.

Think of peak demand and wholesale power costs in comparison to a busy highway. During rush hours, several lanes are necessary to handle the peak traffic. At other times, a single lane is enough; but, the extra lanes must be built, paid for, and maintained. Power suppliers face a similar challenge in managing the resources required by thousands of consumers at different times of day and varying conditions. The extra resources required to meet peak demand — including peaking power plants and market purchases — are much more expensive than the normal or baseload resources that handle most electric use.

We hope you'll consider this information and choose to participate in our pilot program or think about taking part if the program is expanded in the future. In addition to water heaters, air-conditioners can be controlled to help manage summer peaks. Similar programs at cooperatives around the country have proven to be effective and successful.

Your electric cooperative wants to work with you in minimizing future rate increases and helping to take control of energy costs. Thanks for your help!

REMC chartered bus trips

With gas prices on the rise, sit back, relax and leave the driving to us. Join Harrison REMC on these unique chartered bus trips.

March 4, 2009

Frazier Arms Museum and Louisville Slugger Factory Tour

See two world class collections and more in the Frazier state-of-the-art museum.

Then walk across Main Street to the Louisville Slugger Factory, where everyone receives a miniature bat! Lunch is on your own at Joe's Crab Shack on the Ohio River. This trip is limited to one bus, so sign up early and enjoy a late winter break.

Leave Corydon at 8 a.m., back at 3 p.m. — \$32. More bus trips will be posted in the March *Electric Consumer!*

REMC bus trip policies

A minimum of 30 pre-registered people are required to take each trip. Payment for all trips is due 14 days in advance of trip date. No refunds will be made.

Passenger pick up will be at Lincoln Hills Christian Church in Corydon and at the McDonald's off the Georgetown Exit on I-64.

Call 738-4115 or 951-2323 for more information and for seat reservation.