



Piedmont Electric CONNECTION

A Touchstone Energy Cooperative



Hillsborough, N.C.

www.pemc.org

January 2011

Energy Star Rate Available



A new "Energy Star" residential rate is now available to members of Piedmont Electric.

To qualify for the rate, the consumer's home must be certified, meeting guidelines for energy efficiency set by the U.S. Environmental Protection Agency.

These homes are at least 15% more energy efficient than homes built to the 2004 International Residential Code (IRC), and include additional energy-saving features that typically make them 20–30% more efficient than standard homes.

Energy Star qualified homes can include a variety of "tried-and-true" energy-efficient features that contribute to improved home

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'Decoupled' Rate Schedules Are Effective January 1, 2011

Effective January 1, 2011, Piedmont Electric's rate schedules reflect a more fair and equitable method of determining the cost of your electric service.

This is neither a rate decrease nor a rate increase. This change in rate structure is revenue neutral to the Cooperative.

The fixed facilities charge will increase; however, as a result of more favorable power supply costs and with the recovery of more of our wholesale power cost adjustment (WPCA) in your retail rate, the WPCA is projected to be almost zero for January.

For example, members who use 2,500 kWh will see a reduction of \$10.80 in their monthly bills, while those who only use 100 kWh will see a \$11.56 increase in their monthly bills.

Consumers who use 1,300 kWh will see no change at all in their monthly bills.

The base facilities charge represents what it actually costs to deliver power, and includes everything from the construction and maintenance of the distribution system to administrative costs and margins.

By "decoupling" the actual energy charge per kWh from the fixed cost of delivering the service, consumers will be able to see the results of managing their energy use more accurately.

Under the old rate schedules, more of the fixed cost was absorbed into the cost per kWh.

Below are the new facility charges. This month's President's Message on the following page has additional information on the new "decoupled" rate schedules.

NEIGHBORS HELPING NEIGHBORS

It's the Co-op Way

As winter sets in, many people are facing the cold without adequate heat. Piedmont Electric has a program which allows members to help less fortunate members stay warm.

With "Project Helping Hand," you can authorize the Cooperative to round up your monthly electric bill to the next dollar—with the change going to a special fund.

Or, you may choose to make a one-time donation or even make a monthly donation of a set amount added to your bill. Just contact Piedmont Electric and tell the representative you want to participate in Project Helping Hand.

PROJECT



HELPING HAND

Rate	Facilities Charge	
	2010	2011
Residential Service	\$17.50	\$30.00
Small General Service	\$18.50	\$31.70
General Service	\$100.00	\$145.70
Large Power	\$200.00	\$300.00

Piedmont Electric & ElecTel CCU will be closed Friday, December 31, 2010, for New Year's. Employees will be on call. Please have a safe, happy New Year!



From Your President...

Do You Have Questions about Our Rates?

R. G. Brecheisen
Chief Executive Officer & President

Last month we told you Piedmont Electric would be changing the way your monthly electricity bills are calculated.

This change in the rate structure is revenue neutral.

For years, most electric utilities have had the same type of rate schedules as those previously used by your electric cooperative. Fixed costs, such as system maintenance, upgrades and administrative costs, were factored in to both the energy charge and the basic facilities charge.

Consumers who used more electricity were paying a larger share of the fixed costs than those who used less.

The change will not completely recover these costs but it is a move toward a more fair way of recovering of fixed costs.

We believe the Cooperative's recovery of fixed costs should not be dependent on kWh sales which are variable and largely driven by the weather.

This marks the first time since July 2007 Piedmont Electric has

adjusted its base facilities charge.

Since the 1970s when the oil embargo began the upward spiral of electricity rates, your cooperative has been working continually to find new programs and services to help our member-consumers have more control over their cost of power.

Cost-saving initiatives are an on-going priority. The most significant effort we have made is controlling our wholesale power costs with new power supply contracts. We have reduced our wholesale power cost by almost 10% by selecting a new power supplier.

Some of the other initiatives the Cooperative has taken include the addition of "smart grid" meters which allow members to monitor their daily energy use.

We also offer a variety of services such as free home energy audits, including infrared technology to check for your home's air infiltration; low interest home conservation loans for upgrading heating/cooling systems and retrofitting insulation.

And, we have not stopped with providing wise energy solutions for our members.

Piedmont Electric has upgraded its building lighting systems and

installed occupancy sensors; created energy efficient landscaping (including north wind-break planting), and transitioned its small utility fleet to Ford Escape hybrids.

We are also employing shared resources with neighboring cooperatives for accounting, communications and human resources tasks, which help minimize our fixed costs.

"Smart Grid" meters also allow the Cooperative to read meters remotely rather than manually, saving both additional manpower and vehicles and the resulting cost of maintenance.

We will continue to look for other ways to keep down our fixed costs so we can pass the savings on to you, our member-consumers.

If you have any questions about the new rate structure, please contact your local Piedmont Electric office. Our representatives are waiting to assist you.

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We at Piedmont Electric wish you and your family the brightest and happiest New Year, and we thank you for the opportunity to provide your electric service.



January Right-of-Way Maintenance

Orange County

Bivins Road
St. Marys Road
Lipscomb Grove Church Road
Schley Road

Person County

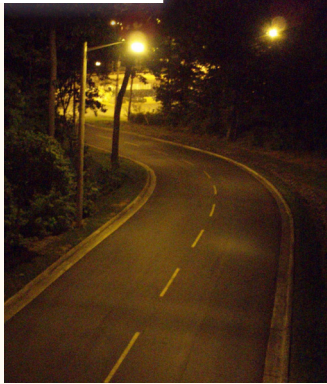
Cothran-Hicks Road
Berea Road
Bethany Church Road
Moriah Road
(And surrounding areas)

By the Numbers...

- 1,424 members have signed up for the use monitoring portion of www.MyUsage.com
- 546 members are participating in the FlexPay Program
- 381 members have turned in receipts for 3,824 CFLs, representing a total of 1,311,632 kWhs saved toward our Senate Bill 3 Mandate
- 27 solar water heater rebates given to members
- 620 electric water heater wraps sold
- 535 residential members on Time-of-Day Rates



The LED security light (above) was compared with a high pressure sodium light (right) at the Cooperative's office in Hillsborough.



LED Security Lights Available

For some time your electric cooperative has used either mercury vapor lights or high pressure sodium lights in outdoor security lights.

Federal law has determined that mercury vapor lights will no longer be manufactured, and some consumers

do not like the yellow high pressure sodium lights.

As an alternative, Piedmont Electric now offers LED security lights.

These lights use only 61 watts, making them more energy efficient than the others.

The trade-off is that

the LED lights cost much more than the old fixtures.

However, the LED lights use about 47% less electricity to operate, and will last up to 15 years—about three times as long as HPS lights.

Tests conducted at the Cooperative's Hillsborough office shows the average light level (illuminance) improved between the LED and the high pressure sodium light.

Because of the higher initial cost, the monthly charge for the LED security light will be \$12.95.

The monthly charge for existing 175-watt mercury vapor lights will continue to be \$10.50 for as long as they last, or until we can no longer get bulbs or fixtures to repair existing mercury vapor lights.

CO-OP OFFERS VARIETY OF PROGRAMS

Your electric cooperative wants to help you manage your energy use effectively.

To this end, Piedmont Electric has the following programs on-going for 2011:

- ♦ Free Residential Energy Audits
- ♦ Free Residential HVAC Audits
- ♦ Infrared Camera Energy Audits
- ♦ Several Energy Efficient Rates
- ♦ Compact Fluorescent Lights (CFLs) Rebate Program
- ♦ Water Heater Efficiency Kits Program
- ♦ MyUsage.com Program

- ♦ Energy Efficiency Heat Pump Rebates
- ♦ FlexPay Program
- ♦ Energy Efficiency & Renewable Low-Interest Loan Program
- ♦ Home Monitors Pilot Program*
- ♦ Energy Star Program for New Homes Rebates
- ♦ Converting Mercury Vapor Lights to High-Pressure Sodium Lights or LED Lights
- ♦ Solar Water Heater Rebate Program
- ♦ TogetherWeSave.com Program

* Planned for Spring 2011

Youth Tour Applications Due March 31

Applications for this year's Rural Electric Youth Tour to Washington, DC, are due March 31, 2011.

Piedmont Electric is sponsoring the expense-paid trip to the nation's capital for a local rising high school junior or senior whose parents are served by the Co-op.

The trip is set for the week of June 11-17, 2011, and is coordinated through our statewide organization.

Highlights of the trip include

visits to the Smithsonian, White House, Arlington National Cemetery and the U.S. Congress, where students have the opportunity to meet with their congressional representatives, among other activities.

More than 30 students from North Carolina will travel by chartered bus to the nation's capital.

Interested students should visit Piedmont Electric's website for further information at www.pemc.org.

Energy Star Rate

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quality and homeowner comfort, as well as lower energy demand, including:

- Effective Insulation
- High-Performance Windows
- Tight Construction & Ducts
- Efficient Heating & Cooling

Equipment

- Efficient Energy Star-rated appliances

With the help of independent Home Energy Raters (third-party verification), Energy Star builder partners choose the most appropriate energy-saving features for their homes.

Additionally, raters conduct on-site testing and inspections to verify the energy efficiency measures, as well as insulation, air tightness and duct sealing details.

If you are interested in learning more about the new Energy Star Home rate, please contact a Piedmont Electric representative.

COOL OFF YOUR WINTER ENERGY BILL

You've budgeted for holiday gifts, meals, maybe a vacation—and with money tight, that doesn't leave much room for home energy efficiency upgrades.

Does that mean you're powerless to lower your electric bill? Not at all. Keep your energy bill cool this winter with these tips and tricks:

- **Drape Delivery:** Are you using your curtains to capture heat? Make sure drapes and shades are open to catch free solar heat during the day. Close them at night to keep the heat inside.

- **Thermostat:** Set your thermostat to 68°F (or lower if you're comfortable).

- **Fan it up:** Run ceiling paddle fans on low and reverse the rotation to blow air up in winter. This keeps warm air circulating without cooling you.

- **Free vents:** Your HVAC system will have to work twice as hard if your air registers and vents are blocked by rugs, furniture or drapes. Keep them clear to allow air to flow freely.

- **Garage Drain:** Leave your garage door down. A warmer ga-

rage in winter will save energy.

- **Cool Food:** Don't make your fridge work too hard. Clean coils every year, and set the temperature between 34°-37° F; leave the freezer between 0°-5° F.

Keep the freezer full—frozen food helps your freezer stay cool. When cooking, keep lids on pots, and let hot food cool off before placing it in the refrigerator.

- **Hot Savings:** Heating water accounts for 12% of your home's energy use. Set your water heater temperature no higher than 120°F. For households with only one or two members, 115°F works. Install an electric water heater wrap.

- **Got tape?** Non-porous tape (first aid cloth tape, for example) to keep cold air from squeezing into your home. It's good for blocking corners and irregular



cracks, and can be used at the top and bottom of a window sash; door frames; attic hatches; and inoperable windows.

There are other ways to conserve energy, too. Remember, you don't pay for what you don't use.

When you're not watching TV or using lights, computers and other electronics, turn them off.

Lower your room temperatures a bit and wear a sweater to stay warm, or place an extra blanket on the bed at night.



Piedmont Electric CONNECTION

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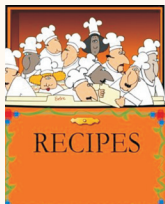
Call BEFORE You Dig: 800.632.4949 or 811

A Touchstone Energy® Cooperative

Cathy J. Johnson, CCC, Editor



Pass It On...



We need YOU to pass on your recipes. If you have a favorite recipe you want to share with other Piedmont Electric members, please send it to: Pass It On, c/o Piedmont Connection, P.O. Drawer 1179, Hillsborough, NC 27278, or you may include it with your monthly payment.

If it is printed in the newsletter, you will receive a copy of a cookbook from the Cooperative Council of North Carolina.

Please remember to check all ingredients and cooking directions.