

The only thing constant about energy policy is change

As a candidate for president last year, Barack Obama campaigned on the promise of bringing change to the way our government functions. Now that he has been inaugurated, it will be interesting to see how President Obama brings about the changes he envisions. We in the electric power industry are most interested to see what happens in the area of energy policy.

Since I started working at Cumberland Electric Membership Corporation, I have observed America's energy strategy taking several different twists and turns.

In the 1970s and early '80s, when this country was in the throes of double-digit inflation, we heard a lot about the need for energy conservation. Who can forget the sight of President Carter in his cardigan sweater, encouraging Americans to turn the lights off, the thermostat down and to bundle up in extra layers of clothing? Those looking to natural gas as an alternative to electricity were alarmed to hear reports that natural gas supplies were dwindling. The popular movie "Chinatown," based on the premise of an accident at a nuclear power plant, scared the public to the extent that nuclear plants then under construction were mothballed. The resulting shortage of electricity generating facilities led to the construction of more coal-fired plants.

In the 1990s, we were told that energy deregulation was coming — it was definite! Deregulation was supposed to foster competition among energy suppliers and open up new markets to sell

more electrical power. The consumers were supposed to be the winners because they would be able to shop for good deals on rates. Some states embraced deregulation; others did not.



Jim Coode
General Manager
Cumberland Electric
Membership
Corporation

If you remember what happened with Enron, you know why deregulation is no longer discussed much. The consumers were the losers.

In the first decade of the 2000s, we have been faced with growth in our area in the range of 3 percent to 4 percent per year. We have seen that large capital expenditures are required for us to stay ahead of that

growth.

That brings us to where we are today. These are some of the monumental issues that government and industry leaders are trying to come to grips with:

- A major economic downturn;
- Climate change;
- Federal legislation for green energy;
- Skyrocketing fuel costs; and
- Wholesale/retail electrical rate increases.

It is impossible to predict what all of these issues will cost the ratepayers in the Tennessee Valley. Suffice it to say, the price tag may be high. We at CEMC will work with organizations such as the Tennessee Electric Cooperative Association and Tennessee Valley Public Power Association to make our voice heard by state and federal lawmakers as they grapple with solutions to each of these matters. We will do everything in our power to keep electric rates as low as practicable while still providing the high level of service you require.

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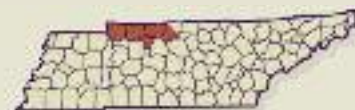
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Mission Statement

Cumberland Electric Membership Corporation is committed to providing dependable, affordable electric service through the expertise and dedication of competent leadership and a well-trained and responsive workforce.



Cumberland Electric Membership Corporation

Serving Cheatham, Montgomery,
Robertson, Stewart and Sumner
counties.

CEMC earns prestigious safety accreditation from NRECA

Cumberland Electric Membership Corporation has earned a distinction that not every electric cooperative in Tennessee achieves. CEMC is safety-accredited, according to Chip Miller, safety coordinator.

"I received a letter from the National Rural Electric Cooperative Association (NRECA) with the good news that we scored 92 out of 100 points," Miller says. The accreditation is for a three-year period.

CEMC earned the accreditation after extensive onsite inspections by a team of NRECA safety representatives as well as a thorough review of written documentation of the cooperative's safety records.

"Thank you and your staff for this involvement in the Rural Electric Safety Accreditation Program," Kenneth Brubaker,



Chip Miller, right, CEMC safety coordinator, talks about the safe storage of used motor oil with safety inspectors, from left, Greg Hutsell of Volunteer Energy Cooperative, Chris Saling of Upper Cumberland Electric Membership Corporation and Joe Wamble of the state Job Training and Safety office.

all CEMC employees for the effort they put forth preparing for the onsite inspection and for the good work they do every day," Miller says.

"NRECA says accredited co-ops are safer than nonaccredited ones, and I'm proud we are accredited. Not all Tennessee co-ops are," he says.

NRECA safety program manager, wrote.

"The goal of the Safety Accreditation Program remains to preserve life and to prevent injuries, to establish electric utility safety and loss control standards, to recognize you and your people who work every day to maintain a safe work environment and to complement your mission of reliable electrical service for your members," Brubaker wrote.

"I want to recognize

Counting down to Feb. 20

That's the deadline for high school seniors to apply for a \$1,000 CEMC Citizen Scholar Scholarship and for juniors to enter the competition for a spot on the 2009 Washington Youth Tour.

See last month's issue of *The Tennessee Magazine* for details or contact CEMC's Member Services Department at 1-800-987-2362.

Is it worth \$1,000 to write a paper? Is it worth writing a short story for a weeklong, expense-paid trip to Washington, D.C., with hundreds of teenagers? (Parents, adult chaperones will be going, too!)

These students think it was. Give it a shot. What have you got to lose?

"I want to express my appreciation for the Citizen Scholar Scholarship. It will greatly assist me with my college expenses."

Mitchell Keen, Portland
2008 scholarship winner



"A memorable experience worth writing 100 papers for! The friends you make and the places you see will stay with you forever."

Justin Penrod, Cumberland City
2008 Washington Youth Tour winner



Winter storm safety

By Chris Grammes

Snow and ice storms are an inevitable part of the winter season. However, they can lead to downed power lines and outages. Remember the following tips to stay safe and warm should you find yourself in the dark after a severe winter event:

- Never touch a fallen power line, and assume all wires on the ground are electrically charged. Call Cumberland Electric Membership Corporation at 800-987-2362 to report it immediately. Avoid contact with overhead lines during cleanup and other activities.
- In the event of an outage, an alternate heating source — such as a fireplace, propane space heater or wood stove — may be used, and be sure to take extreme caution.
- Plan to stay in an area of the home where the alternate heat source is located.
- Vent fuel- and wood-burning heating sources. Be sure to follow manufacturer's directions.
- Make sure carbon monoxide detectors and smoke detectors are working properly.
- Do not use a gas-powered oven for heating. A gas oven may go out or burn inefficiently, leading to carbon monoxide poisoning.
- Do not use a gas or charcoal grill inside the home. Do not use charcoal briquettes in the fireplace.
- If you use a portable generator to power a heating source, be sure the generator is located outside your house for proper ventilation.
- Do not use a generator in an attached garage. Follow manufacturer's directions for operating the generator.



- Take special care not to overload a generator. Use appropriately sized extension cords to carry the electric load. Make sure the cords have a grounded, three-pronged plug and are in good condition.
- Never run cords under rugs or carpets.
- Never connect generators to power lines. The reverse flow of electricity can electrocute an unsuspecting utility worker. Ideally, your family will stay warm until the power comes back on. But keep an eye on family members for signs of hypothermia, which include shivering, drowsiness and mental and physical slowness. The elderly and young children are particularly vulnerable to hypothermia. Call 911 immediately if you notice these symptoms. That means keeping at least one telephone in the house that does not depend on electricity available in the case of a power outage.

Don't get burned this winter

As you warm yourself and your family indoors during the cold winter months, don't get burned.

Stay safe around heaters, stoves and other hot objects. Some tips:

- Keep your space heater several feet away from yourself, your furniture and your draperies while it's turned on. And never leave a child alone in a room with an operating space heater.
- Don't try to balance a child in one arm and a cup of hot coffee or tea with the opposite hand.
- Avoid loose clothing while cooking or tending to the fireplace. Throw on a short-sleeved shirt to cut your risk of catching your clothes on fire.
- Turn pot handles away from the edge of the stove to avoid knocking the pots over.
- Puncture microwavable plastic bags and keep containers slightly ventilated while they're in the microwave oven. This prevents buildup of scalding steam.
- If you have a grease fire, don't try to move or touch the pan. Instead, turn off the heat and cover it with a lid.
- Place fireplace ashes in a metal container outside by themselves. This gets them out of the house and isolates them from flammable materials.
- Teach kids respect for fire: Let them know that it's dangerous and not something to play with or around.



High-tech thermostats offer potential savings

Keeping your home hot or cold — depending on the season — accounts for a big chunk of your annual budget. In fact, the average U.S. homeowner spends \$2,500 a year on home energy with 56 percent, or \$1,400, going toward heating and cooling costs.

Not surprisingly, savings can add up in a hurry when heating and cooling systems are tweaked for maximum efficiency. You can easily trim your energy bills in winter by setting the thermostat at 68 degrees Fahrenheit while you're awake and back a few degrees when you go to sleep or are away from home.

Even better, turning your thermostat back 10 to 15 degrees for eight hours can save about 5 percent to 15 percent a year on your heating bill — about 1 percent for each degree. Savings may be even greater for homes in milder climates.

The location of your thermostat can greatly affect its performance and efficiency. Place thermostats away from direct sunlight, drafts, doorways, skylights and windows.

Read the manufacturer's instructions to prevent "ghost readings" or unnecessary furnace or air conditioner cycling.



Installing a programmable thermostat can take the thought out of saving energy. Your heating and cooling system will ramp up or switch off according to a preset time of day or even day of the week. Most models let you manually override the schedule without affecting the rest of the daily or weekly program.

Programmable thermostats are generally not recommended for heat pumps. In cooling mode, a heat pump operates like an air conditioner, so turning up the thermostat will save energy and money. But when a heat pump works in its heating mode, setting back the thermostat can cause the unit to operate inefficiently, canceling out any savings achieved by lowering the temperature. Maintaining a moderate setting is the most cost-effective practice.

To automatically manage electric resistance systems such as electric baseboard heating, steam heating or radiant floor heating, you will need to purchase a programmable thermostat specifically designed for the task. Of course, when shopping for a programmable thermostat, always look for the Energy Star label.

Avoid getting snagged by phishers

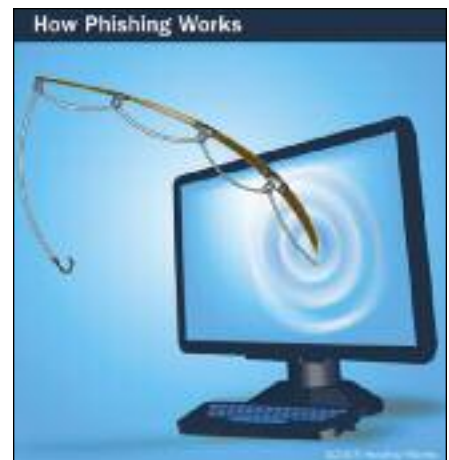
Phishing is defined as the act of sending an e-mail to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft. The e-mail directs the user to visit a Web site where they are asked to update personal information — such as passwords and credit card, Social Security and bank account numbers — that the legitimate organization already has. The Web site, however, is bogus and set up only to steal the user's information. (*Source: Webopedia*)

Here are some ideas for keeping yourself safe from Internet phishing. Kiplinger's recommends the following:

- Never click on a link in an e-mail. Even if it looks official, it could be a phisher trying to steal your personal information.
- Make sure you have anti-virus, anti-spyware and firewall software. This will prevent phishers from launching key-stroke loggers and other harmful programs on your computer.

- Use various passwords. Don't use the same passwords for every site. If someone hacks a site with poor security, they could gain access to your other accounts with the same password.
- Don't use your Social Security number as a login.

- If you're going to throw out an old computer, make sure you overwrite all the files on the hard disk. Otherwise your personal information could get into the wrong hands.



Heating and cooling efficiently with heat pumps

By Scott Gates

Managing the temperature in a home or business has the hands-down biggest impact on energy costs. In trying to keep warm in winter and cool during summer, the average U.S. homeowner spends \$1,400 annually, accounting for 56 percent of all home energy expenses.

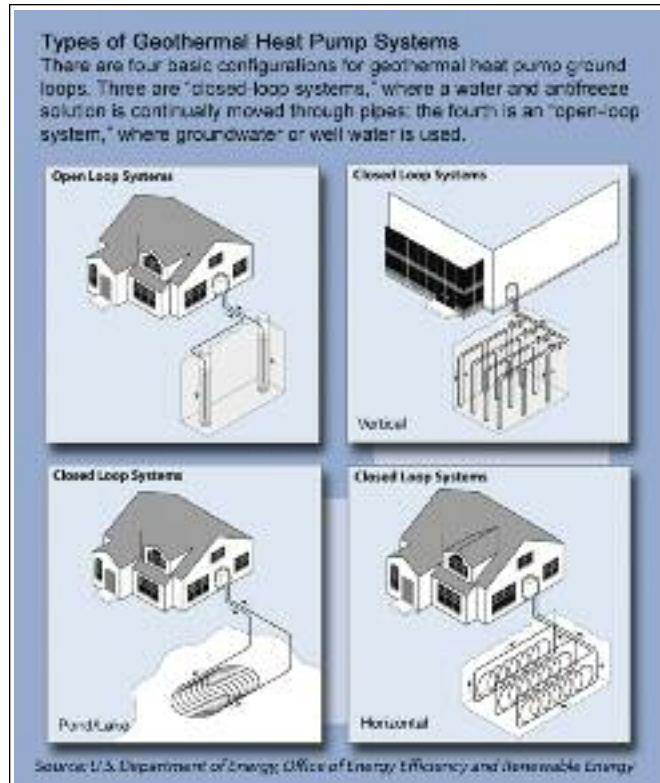
While this outlay can be trimmed by tweaking efficiency, some folks have taken it a step further and installed heat pumps, highly efficient devices that can provide both heating and cooling comfort.

As the name implies, heat pumps simply move heat from one place to another. During winter months, they collect and consolidate heat from outside sources and move it inside; during summer months, they reverse the flow and send warm, indoor air out.

The most common type is an air-source heat pump that resembles an air-conditioning unit and uses the air around it to transfer heat. Geothermal heat pumps, also known as ground-source heat pumps, use the earth itself or groundwater as a means of transferring heat.

When replacing an electric heating system, air-source heat pumps can trim the amount of electricity needed for heating by as much as 30 percent to 40 percent. Although a typical high-efficiency, Energy Star-qualified air-source heat pump comes with a substantial \$6,000 price tag, it's estimated that energy savings will offset the purchase price within five years.

Geothermal heat pumps come in two types: A groundwater (open-loop) system uses well water; an earth-coupled (closed-loop) model moves a water-and-antifreeze solution through underground pipes. They can cost anywhere from \$15,000 to \$40,000 for an average home — excavation, installation of underground pipes and (with a groundwater heat pump) well-drilling account for much of the price tag. But annual geothermal energy savings average between 30 percent and 71 per-



cent, according to the Geo-Heat Center, a part of the Oregon Institute of Technology, and provide a fairly rapid payback. Even better, Energy Star versions use up to 60 percent less energy than their standard air-source counterparts.

"Heat pumps — whether they're geothermal or air-source — can be tricky to put in," explains Brian Sloboda, senior adviser with the Cooperative Research Network, an arm of Arlington, Va.-based National Rural Electric Cooperative Association. "A good rule of thumb is to get a North American Technician Excellence (NATE)-certified installer. They've passed a comprehensive test and will know what they're doing."

Sloboda adds that air-source heat pumps work at maximum efficiency in moderate climates where the outside temperature rarely drops below 30 degrees Fahrenheit.

"Although cold-climate heat pumps are under development, if you live anywhere in the U.S. north of St. Louis, you might want to consider other options. A dual-fuel system could do the trick, for example, where an oil, natural gas or propane furnace supplements the heat pump during the coldest months."

Homeowners considering a heat pump should discuss their options by calling the Member Services Department at Cumberland Electric Membership Corporation (800-987-2362). It is important to learn the ins and outs of available technology. State and federal rebates may be available for some systems.

Sources: National Rural Electric Cooperative Association; Cooperative Research Network; OIT Geo-Heat Center; U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy. Scott Gates writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.