

Making the Right Decisions for our Future



Every day we make decisions of varying importance as they regard our family, business, finances and even politics, to name a few. This year we will have to make yet another major choice concerning the future leadership of our nation –

the upcoming 57th quadrennial U.S. Presidential election, which will be held Nov. 6, 2012.

The 112th Congress ended its first session much the way it started, struggling to resolve economic and fiscal issues that dominated legislative action and left the government at the brink of shutting down. Targeted bills on clean energy, renewable energy standards, nuclear generation, energy efficiency, electric vehicle technology and cyber security came to light, but none reached floor votes. And it's highly unlikely that energy policy bills will pass this year in the partisan atmosphere of the elections.

During this year there will probably be heated debates over how to find a balance among responsible uses of resources, guaranteeing a reliable supply of power and keeping electric bills affordable. It's hard to predict the future, but one

thing seems certain: added government regulations increase the cost of doing business, which in turn, impacts the consumer's cost.

While CAEC is committed to keeping members informed about policy changes that will impact your electric bill, I encourage you to stay engaged and focused on industry topics by reading *Alabama Living*, because throughout this year, we will feature articles on candidate discussions regarding energy. In fact, we start on the adjacent page with a feature on climate change. I also encourage you to reach your own conclusions by researching the candidates and their views on energy policy and any proposed legislation that will ultimately affect you, the consumer. In other words, don't be swayed without verifiable facts.

So as we begin a new year and the national discussion on energy continues, you have an opportunity to become more involved in influencing our elected officials to make the right decisions when it comes to the future of reliable and affordable electricity. 

Tom Stackhouse, President/CEO

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Energy Issues:

Climate Change

Climate change is one of the fundamental issues in current political energy debates. On one side of the argument, the belief is that human activity is a significant cause of climate change, and therefore, drastic and expensive carbon reduction measures should be enacted to decrease that effect. On the other side, the argument is that while human activity may contribute to carbon emissions (CO₂), it is not the main cause and the money/effort spent to reduce CO₂ emissions will not change the temperature enough to notice – meaning the endeavors are not worth the cost.

The question then becomes: what is climate change and how does it affect you as an end user of electricity?

Climate Change: The Top Questions...Answered

1. *What are climate and climate change?*

Climate refers to the average weather—temperature and precipitation, among other variables—over a long period of time. The Earth's climate is always changing, and natural climatic changes may occur over seasons, decades and centuries. A summer drought is an example of climate change on a shorter time scale.

2. *What are greenhouse gases and how are they produced?*

Greenhouse gases, including carbon dioxide, methane and water vapor, are chemical compounds that trap heat from the sun in the Earth's atmosphere. This is known as the greenhouse effect, the natural phenomenon that warms the Earth's surface. Carbon dioxide is released into the atmosphere when forests and fossil fuels, such as oil, natural gas and coal, are burned.

Methane is released during the production and transport of coal, natural gas, oil, as well as from decay of organic waste in landfills and from livestock and some agricultural practices. Although water vapor is the most abundant greenhouse gas, its atmospheric concentration is not directly affected by human activity.

3. *What do scientists think about climate change?*

Scientists agree that greenhouse gases warm the Earth and are accumulating in the Earth's atmosphere. However, there is considerable disparity in scientists' findings about the impacts of greenhouse gases on the Earth's climate.

4. *What does climate change have to do with me as an end user of electricity?*

While the largest source of carbon emissions is naturally occurring, generating electricity is the single largest source of manmade carbon dioxide emissions in the world. If additional measures are taken to reduce CO₂ emissions in the U.S., then the cost you pay for power will increase – simply put, regulations raise costs.

While engaged with the Presidential election this year, listen closely to where the candidates stand on energy issues and make sure their goals for energy match yours.

As for electric cooperatives, we are urging lawmakers and candidates to keep in mind that electric power is not a luxury – it's a necessity. Maintaining the affordability and reliability of electricity is the principle against which electric cooperatives will judge all climate change and energy legislation. ☞

2012 Board Election Timeline

March 27

Trustees appoint Nominating Committee (Article IV, Section 4.05 of Member By-laws).

April 12

Nominating Committee meets (Article IV, Section 4.05).

May 11

Nominating Committee posts slate of nominees for Districts 3, 7 and 8 at all CAEC customer service centers and on CAEC's website, www.caec.coop (Article IV, Section 4.05).

May 22

Nominations by petition must be received by 4:30 p.m. (Article IV, Section 4.05).

June

All nominations by petition will be verified and posted at CAEC customer service centers and our website, www.caec.coop (Article III, Section 3.03).

July

Alabama Living magazine will include all candidates names and the mail-in ballot.

August

Magazine will include CAEC's 2011 Annual Report. If you choose to vote at Annual Meeting, please bring your registration form to the meeting.

August 3

Deadline for mail-in ballot to be post-marked (Article III, Section 3.03).

August 10

Annual Meeting, Prattville headquarters, U.S. Hwy. 31, north of Prattville. (4 p.m. registration, 6:30 p.m. business session) Election results will be announced.



High School Seniors: CAEC Scholarship Forms Available!

College scholarship applications are now available to high school seniors graduating this spring.

Two \$500 scholarships will be awarded by the Electric Cooperative Foundation, Inc. (ECF), which provides scholarships for post-secondary institutions.

Applicants must be dependents of CAEC members. The scholarship will be paid by ECF directly to the educational institution for credit to the student's account.

Applications are available at www.caec.coop, any of our service centers or by calling (334) 351-2213 or 1-800-545-5735, ext. 2213 to have an application mailed to you.

Deadline is March 16

*CAEC Offices will be closed Jan. 16 for the
Martin Luther King/Robert E. Lee Holiday*

Safety at Home ... *with* Darren—

Finding a Qualified Electrician



Throughout the year, Darren Maddox, CAEC's Training and Safety Coordinator, will share safety advice for your home. Maddox is responsible for overseeing the co-op's company-wide safety program.



It's natural to assume that when we walk into a room and flip a switch, the light will instantly illuminate. But what do you do when your lights don't come on? Most of us would call an electrician, and finding a qualified electrician is important for any electrical job; ranging from the smallest installation of a new light fixture to the complete rewiring of a house.

Working with electricity can be very dangerous and you want to make sure your electrician is experienced and certified for your own safety and the protection of your family. Faulty wiring poses several hazards, especially a potential fire.

Like many other contractors, electricians specialize in a specific field. Some do construction sites, others go out only on service calls and some focus on commercial property work. Electricians who concentrate in remodeling have mastered techniques for wiring existing homes and additions, such as snaking wires through finished walls, assessing the capacity of existing circuits and evaluating whether to install an additional service panel (where the circuit breakers are located) to handle increased power demands.

Although you can assume a certain level of

competency when an electrician shows you his/her state license, there are two levels of proficiency to consider. A master electrician has passed a standardized test and has at least two years of experience. This type of electrician is knowledgeable of the National Electrical Code and its modifications. Areas of expertise lie in planning, designing, installing and maintaining an electrical system for a project. A journeyman electrician is one who has not qualified for a master's license, but is licensed by the state, and by law cannot design systems but can install wiring and equipment. Some states, including Alabama, require journeymen electricians to work with a master electrician.

For recommended electricians, you can check with your local homebuilders' association or call (800) 745-4222 or an electrical-supply business in the area.

And when you do decide on an electrician, be sure to see a copy of his/her state license and proof of insurance, making sure both are current. In addition, check references concerning previous jobs.

Identifying a qualified electrician to address your specific electrical needs may be difficult, but in the end it is worth the effort – having peace of mind that your family and home are safe. 

CAEC Rate Information

	Access Charge	+	Distribution Charge/kWh	+	Wholesale Power
Residential	\$26		.01545		.08940
Small Power Service	\$26		.01545		.08940
Small Commercial	\$30		.02577		.09663

Rates are designed to recover the cost of purchasing wholesale power, operating expenses and a margin level required by our lenders.

CAEC and its wholesale power generation partner, PowerSouth, have been able to keep rates relatively stable over the past couple of years. PowerSouth, through its long-term fuel purchase agreements, has averted sharp increases in generation fuel costs while CAEC has utilized best practices and technology to gain productivity efficiencies. These efforts, combined, will allow CAEC to maintain your current rate as 2012 begins. On page 8, read about how you can partner with CAEC and PowerSouth to help further cost savings.

CAEC's Peak Shaving Program—

Impacting Wholesale Power Cost Will Benefit Members

The cost of electricity can fluctuate depending on many factors, including how many people use power at the same time each day, such as in the mornings when everyone is getting ready for work or school and in the afternoons when families return home. This high usage of electricity during certain hours of the day is known as “peak demand” hours.

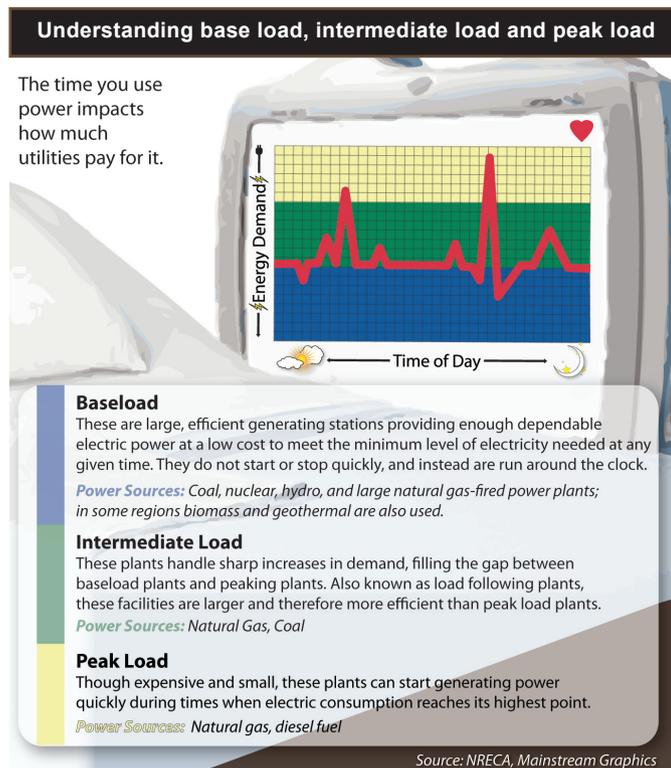
During this peak demand when electric consumers collectively use the most electricity, it generally causes the cost of electricity to be higher. To help offset some of that cost, CAEC offers a Peak Shaving Program to members that impacts CAEC's wholesale power rate by shaving peak energy use.

Implemented Oct. 1, 2007, the program currently targets water heaters, which use approximately 14 percent of a home's annual electricity usage. A peak shaving device (PSD) is installed for a member's electric water heater and reduces energy usage during peak times by delaying the reheating cycle to non-peak times. You still have hot water when you need it while helping to reduce our peak energy needs – which cost millions of dollars to fulfill.

The objective of the Peak Shaving Program is simple – if CAEC's system energy usage can be reduced during peak times, then we can lower the impact of our wholesale power cost. Peak energy can cost two to three times more to produce than off peak power, but this program offers a way to manage electricity use at the most expensive times. Keeping CAEC's wholesale power costs down helps keep rates stable for all our members.

How does the program work?

- Let CAEC know you want to participate in the free Peak Shaving Program. Call (800) 545-5735, ext. 2118 or fill out the form on page 34 of this magazine and mail it in.
- Those who participate also qualify for a water heater rebate.
- The PSD is installed by a licensed electrician at no cost to you.
- You still have hot water when you need it; the reheating process is just delayed to off-peak times.



CAEC has a five-year goal of having 5,000 water heater PSDs installed; and with your participation, we can achieve this objective. With the PSD installations to date, CAEC's wholesale power costs have already been offset by more than \$400,000.

Other cooperatives of PowerSouth (our wholesale power provider) are participating in the peak shaving program as well, and the overall goal is to have 50,000

water heaters in the program by the year 2016, possibly eliminating the need to build one peaking plant, which can cost at least \$200 million!

If you have questions about CAEC's peak shaving program or would like to help us reach our goal by signing up, call (800) 545-5735, ext. 2118 or (334) 351-2118. You can also fill out the form on page 34 in the back of this magazine and mail it in or drop it by one of our service centers. 

Enjoy a Hot Shower and Help Control Costs at the Same Time



By having a CAEC Peak Shaving Device installed on your electric water heater, you'll still have hot water when you need it, while helping the cooperative reduce its need to pay for peak-time power costs.

If enough people join this effort, we can have a positive effect on our future rates. Will you join us?

The peak shaving device for your electric hot water heater is free, and will be installed by a licensed electrician at no cost to you just by submitting the form below.

To learn more about this program, visit our website, www.caec.coop, or call (800) 545-5735, ext. 2118 or (334) 351-2118.

Yes, I agree to do my part by joining CAEC's peak shaving program.

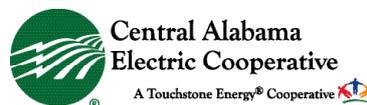
Name: _____ Phone #(s): _____

Address: _____ City: _____ St: _____ Zip: _____

Account #: _____

Email: _____

Number & Size(s) of Water Heater(s): _____



Mail form to: Central Alabama Electric Cooperative, P.O. Box 681570, Prattville, AL 36068



Recipe for *Efficiency* from CAEC

Caulking

We all want our home to be energy efficient, and according to the U.S. Department of Energy, drafts are responsible for the loss of between 5 and 30 percent of a home's

energy. Keeping tight seals around your doors and windows is a simple and cost-effective way to help reduce power bills.

Utensils (tools):

Standard Caulking Gun Putty Knife
Scissors or Knife Towel

Ingredients (supplies):

Latex Paintable Caulk

Directions: Caulking compounds vary in strength, properties and prices. For a long-lasting seal, choose permanently waterproof, flexible, shrink-crack-proof 100 percent silicone (specifically for doors and windows), and if you are painting, try paintable silicone. For this project, we will caulk around a door frame.

1. Before you apply the caulk, wipe down the surface with a damp cloth to remove any residue or dirt; then strip or scrape old caulk out of the gap or crack.

2. Take the tube of caulk and cut the tip at a 45 degree angle.



3. Pierce the seal on the cartridge to allow the caulk to flow evenly.



4. Insert the tube of caulk into the caulking gun.



5. Start applying a bead of caulking to the areas you have prepared, squeezing evenly, and with consistent pressure and speed to control the rate at which the caulk leaves the tube.



6. Complete a section at a time and smooth out the caulking with the tip of your finger.



Note: The trick to a good caulking job is to hold it at a consistent angle and draw the bead continuously rather than in a stop-and-start fashion. Then release the trigger before pulling the gun away to avoid excess caulk oozing out.

Caulk forms a flexible seal for cracks, gaps or joints less than one quarter-inch wide. Making smart choices like caulking to stop air seepage throughout your home can help you save energy and money. 