

Capital Credits... an Investment in Your Future



It's well known that good plans lead to good decisions and good decisions lead to improved plans. And just as you and I must plan and budget our monthly living expenses along with our long-term financial fu-

tures, so does your electric cooperative.

A vital part of CAEC's sustainability and service goals is capital investments and improvements. Unlike investor-owned utilities that operate on profit goals designed to keep their stock strong, cooperatives such as yours, charge just enough to cover expenses and a sufficient margin to maintain a strong equity position. Equity is used to provide economic stability and meet the obligations of our lenders. It also represents the members' financial stake, or capital investment, in their cooperative.

Capital investments are made by investing a portion of the margins in infrastructure, such as poles, wire, buildings, trucks, etc. This reduces our need to borrow money required for system improvements. Currently we operate under an equity management plan the Board of Trustees adopted in 2004 to further balance the investments made through revenue and through debt by setting the cooperative's equity goal at 34 percent. Under this plan the members' investment is 34 percent of the capital, or facilities, with loans providing the remainder.

What does this mean for you, our members? CAEC's equity management plan guides your Board and staff in making decisions about plans, budget and rates. The cooperative must generate

adequate capital to fund growth and other needs without retaining member funds longer than is necessary or amounts in excess of its needs. Unique to cooperatives is the fact that each member who purchases service has an equity account, or capital credits, which tracks your investment in CAEC.

Those of you who were members in 1981 and/or 1982 will soon receive a capital credit check which represents the percentage of the cooperative you owned in a portion of one or both of those years. Why the dates 1981 and 1982? Because 30 years is the normal life expectancy for the infrastructure (poles, wire, transformers, etc.) of an electric distribution utility system. Therefore, capital credits are currently based on this time line.

The goal of our financial plan is aimed at ensuring our members pay only what is necessary while maintaining the strength and stability of your electric co-op. Each year, the plan is reviewed based on CAEC's financial condition and the economic outlook.

Through this continuous planning and monitoring process, we can and will ensure the financial stability of your cooperative for years to come. To learn more about CAEC's capital credits or of the many benefits of membership, visit www.caec.coop or feel free to call us at (800) 545-5735. ☎

Tom Stackhouse, CAEC President and CEO

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LOCATIONS

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Clanton Office
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Rockford Office
U.S. Highway 231
Wetumpka Office
637 Coosa River Pkwy.

CAEC Mailing Address:
P.O. Box 681570
Prattville, AL 36068

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Project SHARE

A True Gift to Those in Need

It seems that everyone is trying to stretch a dollar right now—from gas to food prices, everything has increased and we all feel the pinch. But this influx of price increases not only affects you, but also the countless charities that help those in need.

One program in particular, Project SHARE, was launched Dec. 15, 1982, to provide emergency assistance to the elderly and disabled who need help with their energy bills. A joint effort between the American Red Cross and energy providers, such as CAEC, the program helps keep people warm during the winter and cool during the summer.

With prices skyrocketing, Project SHARE is finding more and more Alabamians who have to choose between their medication or food and their electricity, and fewer people donating to the program.

This situation can become life threatening, especially during the winter months, with some elderly and disabled who may reside in homes without adequate heat.

Each year in January, the Central Alabama American Red Cross allocates approximately \$50,000 to last through the winter for needy homes. These funds are typically depleted by March although the money does help to serve 450 families in Alabama. There are still more families in need—an estimated 10,000!

What can you do? Donate \$1, \$2, \$5 or any other whole-dollar amount on a monthly basis. CAEC members can support the Project SHARE program and the amount you select will be automatically added to your utility bill each month.

To participate in Project SHARE and become a part of the network of neighbors helping neighbors, call (800) 545-5735 for more information, visit our Web site www.caec.coop or look in your December bill statement for more information on how you can give the gift of electricity to those in need. 



*10,000 Alabama families
won't be able to afford heat
this winter...but you can help.*



**PROJECT
SHARE**

Now is the time to start saving money

When everything seems to be costing more, use your Co-op Connections Card to save when you can

Since its introduction last November, many CAEC members have taken advantage of the Co-op Connections Card program—a free benefit of cooperative membership.

Not only does the program offer savings on many prescriptions, but members can receive discounts from businesses across the country and in their own backyard.

“We have several people a day who use their Co-op Connections card,” said Prattville Dairy Queen Manager, Nikki Jones. “We have the decal for the card posted on our front door and on our drive-thru window, and people always make sure they show us the card so they can receive their 10 percent discount. It’s a great program and people really seem to enjoy it.”

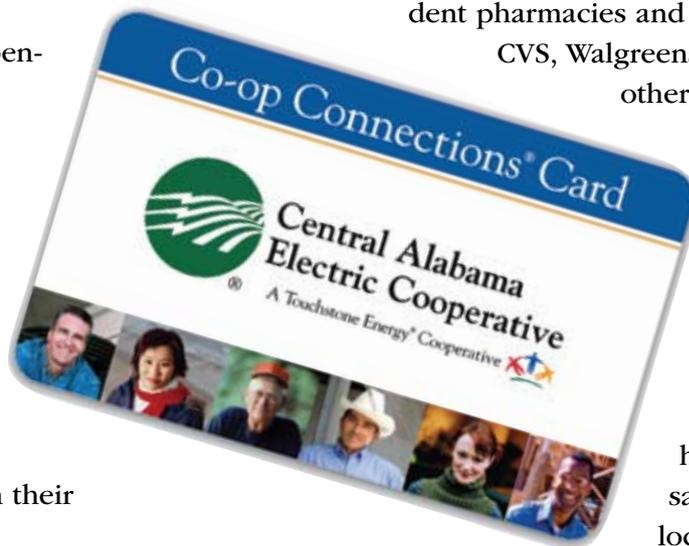
The prescription portion of the program has been successful as well. In just one year,

CAEC members have saved nearly \$100,000 on prescription drug costs by using their cards at some of the 48,000 participating independent pharmacies and national chains including CVS, Walgreens, Wal-Mart, Target, and others—an astounding number of dollars saved!

“The Co-op Connections card provides value to our members as well as the business community,” said CAEC President and CEO Tom Stackhouse. “It helps members save money, and it gives local businesses exposure to more than 100,000 people in central Alabama and millions more across the country.”

For prescription discounts, cards may be used at pharmacies locally and nationwide. Simply present your Co-op Connections card at a participating pharmacy with your prescription and receive a 10 to 60 percent discount on most prescriptions.

Continued...



In a year, CAEC members have saved nearly \$100,000 on prescription drugs with the Co-op Connections Card. That’s an average of \$8,000 a month! Share your savings experience with us. Call us at (800) 545-5735, ext. 2114.

Co-op Connections card holders can also save money in other areas of Alabama and across the country when they visit locations where the local cooperative is also participating in the program. One such example is Baldwin County.

“We’re not far down the road from CAEC’s members who love to take advantage of our vacation destinations,” said Karen Moore, Vice President of Member Services and Public Relations for Baldwin EMC. “It’s a great way for our cooperatives to work together and help the members save money when they travel.”

With more than 70 businesses in CAEC’s service territory, more than 50 national retailers, and thousands of businesses in co-op service territories across the country, the savings are everywhere you turn. From restaurants to shops to pest control and roofing, discounts are available for a variety of products and services.

“Besides the great savings, the Co-op Connections card creates an even greater sense of membership and reinforces CAEC’s longstanding commitment to the community.”

The program is also a great way for businesses to receive advertising while offering a discount to co-op members across the country. If you or someone you know has a business that would like to participate in the Co-op Connection Card program, contact us at (800) 545-5735 ext. 2178.

“Besides the great savings, the Co-op Connections card creates an even greater sense of membership and reinforces CAEC’s long standing commitment to the community,” said Stackhouse. “It’s a valuable program for our members and local businesses alike.”

To browse through the list of discounts from local and national businesses, visit our Web site (www.caec.coop) or be sure to look in the December issue of *Alabama Living* for a full listing. New businesses are added periodically, so check back often. 

Save Money this Holiday Season...

*Look for a full
listing of participat-
ing businesses in the
December issue of
Alabama Living!*



CAEC History Fact: The first recorded margin (members' capital credits) occurred in 1940, from the Co-op's gross revenue of \$27,000.

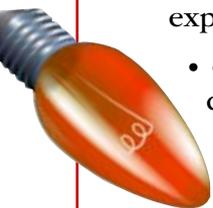
Keep the Holidays Safe and Bright Inside and Out!



Decorating your home for the holiday season is one of many great traditions. But an essential part of stringing the lights and putting up the tree is to keep electrical safety in mind. Here are simple tips that everyone can take to ensure a safe and happy holiday season.

- Avoid overloading electric circuits by verifying the limits of your fuse or circuit breaker panels to know what your home can safely handle.
- Don't connect too many strings of lights together and plug them into a single outlet.
- Make sure there's a bulb in each socket of your holiday lights. If a bulb is burned out, leave it in until you have a replacement. Immediately replace any broken bulbs that have exposed filaments.
 - Check for frayed, cracked insulation and damaged plugs on extension cords.
 - Never force a three-pronged plug into a two-hole outlet or extension cord.
- Don't run extension cords under rugs, around furniture legs or across doorways.
- Keep your natural tree well watered to prevent bulbs from igniting dry branches. Always check to make sure an artificial tree is nonflammable.
- Fasten outdoor lights securely to trees, your home's walls or other firm supports using insulated staples, or run them through hooks to protect lights from wind damage. Do not nail, tack, pinch, nick or stress wiring.
- Outdoor lighting should have insulated electrical cords and be plugged into a Ground Fault Circuit Interrupter-protected receptacle only. Keep all plugs and connectors off the ground to help keep them away from water.

By following these tips, your holiday season can be safe and bright for the whole family! 



Cooking Up Electrical Savings

This time of year when family and friends gather, the kitchen really begins to heat up! Whether you're preparing a turkey or making cookies, here are some tips to help you be energy efficient - no matter what you're cooking!

- Develop the habit of "lids-on" cooking to permit lower temperature settings and keep the heat in your pots, not the kitchen.
- Keep reflector pans beneath stovetop heating elements bright and clean to utilize all of your oven's heating capabilities.
- Carefully measure water used for cooking to avoid heating more than is needed.
- Cook as much of the meal in the oven at one time as possible. Variations of 25°F still produce good results and save energy.
- Rearrange oven shelves before turning your oven on—and don't peek at food in the oven! Every time you open the oven door, 25° to 50°F is lost.
- There is no need to preheat the oven for broiling or roasting—that's just wasting electricity.
- Use your microwave oven whenever possible. It draws less than half the power of its conventional oven counterpart and cooks for a much shorter amount of time.
- Use the self-cleaning cycle only for major cleaning jobs and start the cycle right after cooking while the oven is still hot.

Remember, the kitchen is one of the most popular rooms of the house and even more so during the holidays. Following these tips not only help keep your electricity usage in check this time of year, but all year long! 



CAEC offices will be closed Thursday, Nov. 27, and Friday Nov. 28, in observance of Thanksgiving.



Green Power Choice from CAEC gives you the power to turn trash into treasure by purchasing electricity generated from renewable resources like landfill gas.

Through Green Power Choice, we invest in the future of our communities by promoting the conservation of natural resources and the development of natural resources - a win-win opportunity for CAEC, our members, our community and our environment.

By participating in Green Power Choice, you buy green power in 100 kilowatt-hour blocks (equivalent to about 8 percent of a typical month's electricity use). Each block you purchase costs only \$2 in addition to your regular monthly power bill.

For more information, fill out the form below or contact us at (334) 365-6762 or visit our Web site at www.caec.coop.

It's easy being green

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

**Yes, I agree to do my part by purchasing electricity generated from renewable resources!
I understand I will be signed up for the Green Power Choice program for one year.**

Name: _____ Phone #(s): _____

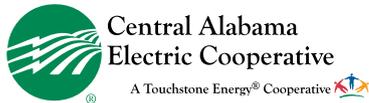
Address: _____ City: _____ St: _____ Zip: _____

Account #: _____

Email: _____

Number of 100kWh blocks I wish to purchase at \$2 each: _____

Signature: _____



www.caec.coop

How much are you willing to pay for your power???

Decisions are being made in
Washington that could
affect your power bill...

For the nation's electric cooperatives, green power is not a new idea. In fact, approximately 700 of the more than 900 co-ops in the country have offered renewable energy options to their memberships for decades.

To hear the current national debate, however, one might think that politicians in Washington, D.C. are the only ones concerned with being green. While they discuss increasing our nation's green power production, are they keeping its cost in mind? Cooperative members are working together to make sure there's a balanced approach when it comes to this national debate.

Want to help us keep the cost of energy in front of Congress? You can – by joining the 30,000+ individuals already working together on the Action Committee for Rural Electrification® (ACRE). Membership in ACRE Co-op Owners for Political Action® is easy and the monthly membership fee is reasonable. Simply give us a call at (800) 545-5735. After you join, your electric bill will display a monthly ACRE membership fee of \$2.08.



Central Alabama
Electric Cooperative

A Touchstone Energy® Cooperative 

Yes!

Enroll me in ACRE so that MY voice can be heard in our nation's capital!
I understand a low, membership fee of \$2.08 will be added to my monthly electric bill.

Name _____ Account Number _____

Address _____ Phone Number _____

E-mail _____ Signature _____

Mail form to: Central Alabama Electric Cooperative, P.O. Box 68157 Prattville, AL 36068