

Fuel Diversity can be Achieved with Nuclear



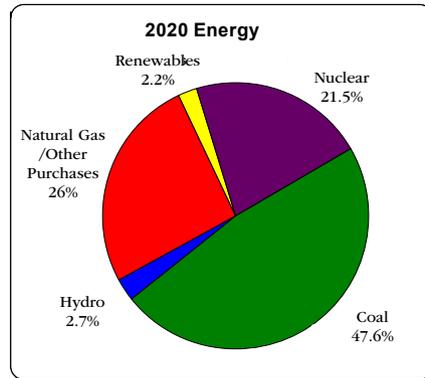
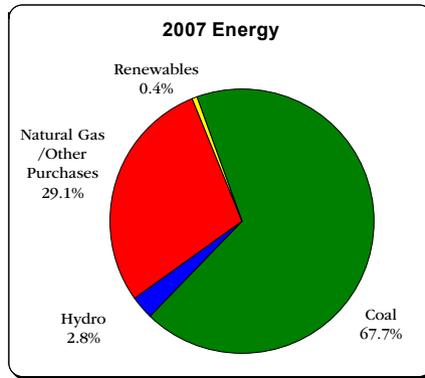
You are probably familiar with the truism that teaches “don’t put all your eggs in one basket.” It’s one

that I’ve tried to live by and, in turn, teach my children.

In fact, our country needs to heed this principle as we search for the right fuel sources to meet our ever growing electricity needs.

In our electric cooperative network, we’ve had a diverse energy production portfolio for years through our generation and transmission cooperative, PowerSouth. Our current electricity generation blend consists of 67.7 percent coal, 29.1 percent natural gas, 2.8 percent hydro and 0.4 percent renewables (such as the Green Power Choice program). While this has been successful for many years, PowerSouth is looking to further diversify as demand and fuel costs continue to rise.

The long-term strategic goal of the PowerSouth cooperatives, including CAEC, is to integrate nuclear, clean coal technology and more renewable generation resources into our portfolio. Through its work with other cooperatives and power suppliers in our region, PowerSouth will add electricity generated by nuclear power to our energy matrix. Beginning in 2016, the Vogle Nuclear Plant in



Augusta, Ga., will have completed an expansion and will be generating an additional 2,200 megawatts of electricity annually. PowerSouth will begin purchasing 100 megawatts.

With this addition, it is projected that by 2020, our energy portfolio will consist of 47.6 percent coal, 26 percent natural gas, 21.5 percent nuclear, 2.7 percent hydro and 2.2 percent renewable generation —thereby offsetting coal and natural gas reliance.

The greatest advantage with nuclear generation is that it produces zero carbon emissions, making it more attractive in light of potential future carbon regulation. Nuclear will also help PowerSouth better manage its fuel risk by diversifying fuel sources and minimizing dependence on those fuels that may be subject to price spikes, as has been the case in recent years with natural gas.

I’m sure you realize that no single power generation source can be considered a “silver bullet” to cure all of our fuel cost challenges. With further fuel diversity, however, we create more baskets, and thereby attain better stability when those fuel cost fluctuations do occur. 

Tom Stackhouse, CAEC President and CEO

YOUR BOARD		LOCATIONS
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Your Voice Counts

With *Our Energy, Our Future*

Pressure is mounting in Congress to do something about carbon dioxide (CO₂) emissions. Likewise, a growing national concern about rising energy costs has begun. And the result may end in a collision of two dissimilar perspectives —neither of which is less important to the other.

So how does Congress effectively deal with environmental issues, like climate change, greenhouse gas emissions, while ensuring adequate electricity generation, system reliability and affordable rates for the American public?

It's a tall order and one that calls for Congress to exercise true leadership. Without a sound, responsible plan that addresses both sides of the equation, either the reliability of our national electric grid or the ability of many Americans to afford their electric bill could be in jeopardy.

We, as end-users of electricity and constituents, must call on our elected officials to provide this leadership —as did more than 450 of you at our Annual Meeting —by participating in the Our Energy, Our Future campaign.

You don't need to be an energy expert to ask questions. Asking questions helps find the answers to solve the problem of balancing environmental goals with keeping your lights on and your electric bills affordable.

Let your voice be heard by going to www.ourenergy.coop (or find the link at our Web site www.caec.coop). Once there, you'll be able to ask a series of questions to your representatives in Washington.

So far, more than 1,600 CAEC members and employees have participated—are you one of them? ☞



Our Energy, Our Future
A Dialogue With America



CAEC members sign up for the Our Energy, Our Future Campaign. More than 450 members signed up at the 2008 Annual Meeting.

Remember...

Currently, there are three different letters on the Our Energy, Our Future Web site, so even if you've already contacted your elected officials, you can continue the dialogue by visiting www.ourenergy.coop and asking additional questions.

2008 Annual Meeting Covered Important Issues

CAEC's Annual Meeting and Member Appreciation Day at its Prattville headquarters on Aug. 8, 2008 was a great success! The occasion not only reflected on the cooperative's 70th year of business, but also examined the future of the electric utility industry.

The annual event featured entertainment, food, door prizes, children's activities, a business meeting and election for its Board of Trustees.

Trustees elected to a three-year term were District 1, C. Milton Johnson of Statesville; District 4, Terry Mitchell of Stewartville; and District 6, Jimmie Harrison, Jr. of Maplesville.

Approximately 2,839 members registered for the event (2,386 by mail ballot and 453 in person) allowing CAEC to conduct its annual business meeting which included a report of the 2007 audit from Jackson and Thornton and a message from President and CEO Tom Stackhouse concerning the future of the electric utility industry and rising fuel costs. The audit and minutes of the meeting are available to the members at www.caec.coop.

During the business session, Stackhouse informed members of the rising costs for fuel—fuel such as coal and natural gas needed to produce electricity. With demand for power and fuel sources increasing from such countries as China and India, he explained that a greater quantity of U.S. coal is being exported to meet that demand. At the same time legislation to tax domestic coal plants is being discussed in Washington. Stackhouse encouraged the membership

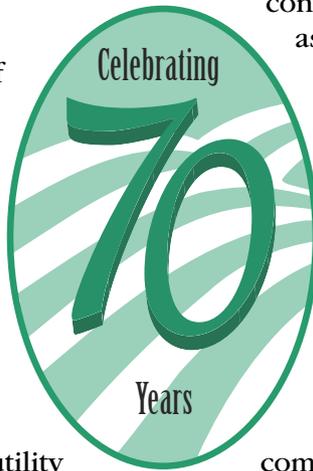
to participate in the national debate by reminding Congress that both sides of the issue—environmental responsibility and affordable electricity—need to be considered in any new legislation.

Members heeded the call to action by signing up for the Our Energy, Our Future campaign. Most members in attendance agreed to have letters or e-mails sent, on their behalf, to their congressional delegates in Washington D.C., asking questions concerning the future of fuel costs and the nation's fuel supply.

Action on a local level was also taken with members signing up for the peak shaving program. This effort targets electric water heaters, which can use approximately 14 percent of a home's annual electricity, by delaying the water reheating cycle to off-peak usage times, thereby helping to keep CAEC's wholesale power costs stable.

"As a nation we need to take a practical, common-sense approach to the proposed energy goals, from a technological and environmental standpoint as well as a cost perspective," said Stackhouse. "Actions we take now through efficiency, conservation or beginning a dialogue with our leaders in Washington, can affect our industry and our way of life for many years to come. Everyone who uses electricity should contact their representatives to ensure the availability of quality power at a reasonable cost."

For more information concerning either the Peak Shaving program or the Our Energy, Our Future campaign, visit our Web site, www.caec.coop.



Annual Meeting attendees had many activities to choose from, including sitting in the cockpit of the LifeFlight helicopter.



CAEC employees register members for Annual Meeting.



Unlike the last couple of years, the weather for 2008's Annual Meeting was picture perfect!

Safety Demonstration Provides Safety Skills for all Ages

Today, more than ever, electricity surrounds the lives of children. From MP3 players and video games to lights and power cords, electricity brings excitement to their lives. And like many things, electricity must be respected. That's why CAEC offers an Electric Safety Education Program to school classrooms and civic groups.

The program is designed to provide an educational and overall safety message about electricity through an entertaining demonstration. A portable, high-voltage safety display unit featuring "Neon Leon and Lightnin' Liz" teaches third- and fourth-grade students how to "be aware" and "beware" of electricity.



The town of Electric Junction serves as the backdrop of Leon and Liz's electrical safety lesson.



By traveling through Neon Leon and Lightnin' Liz's world, the demonstration utilizes real electricity and "neon" people to dramatically help both students and adults become aware of the importance of electrical safety. Lessons focus on power lines, water and everyday electrical mishaps to give the students the safety skills they need to make good choices when around electricity.

The program can also be modified to target adult and civic groups or high school students, and is available at no charge.

Safety is one of our top priorities. Whether in the field or in the classroom, CAEC will continue to educate its members and the public about the importance of safety. For more information concerning the Electric Safety Education Program or to schedule a demonstration, call (800) 545-5735 ext. 2213. [ca](#)



The Time for Simple Winterization is *Now*

As the heat of summer begins to fade, now is the perfect time to prepare your home for the annual visit from Jack Frost.

“Simply inspecting insulation and sealing gaps will help you save winter energy dollars,” said CAEC Energy Advisor Alice Bradshaw. “There are several ways to inexpensively winterize your home, to save money down the road.”

- **Inspect your insulation:** Since warm air rises, the single most effective way to save on heating is to have adequate attic insulation. If you don't know how to tell, look for your ceiling joists. If you can see them, you need more insulation.

- **Plug the outside gaps:** The next step is to keep cold air out. To do this, you must seal up all cracks on the exterior perimeter of the home. Areas around windows and outdoor faucets can let in a tremendous amount of cold air. Use standard

caulking and apply the caulk wherever you see any cracks, gaps or holes.

- **Plug the inside gaps:** Now, it's time to seal up the inside of the home. Cracks around windows, on perimeter walls and around electrical outlets on exterior walls can create a tremendous leak of warm air. Again, simply use a standard caulking gun, apply caulk to any areas where you can see a crack or feel a draft.

Also, have a yearly inspection of your heating and cooling system, by a professional, to make sure your system is in tip-top shape. And while you're thinking about your heating unit, buy a programmable or setback thermostat. This allows you to heat your home when you are there and lets the temperature drop a little when you are out. As always, if you're ever unsure, call a licensed professional for help. 

Keep Little Ones Safe Around Outlets

Each year, approximately 2,400 children receive emergency room treatment for injuries caused by inserting objects —paper clips, pens, safety pins, screws and nails, forks, tweezers, hair pins, keys, knives, coins and more —into electrical outlets.

Injuries can range from electric shock to burns —which can be serious. It is estimated that roughly 89 percent of the incidents occur in children less than 6 years old and could have been easily avoided by taking several proactive steps.

The simplest thing you can do is to place outlet covers (or caps) on all unused electrical outlets. These plastic covers are inserted into the outlet to “plug it up” so nothing (such as pens, forks or any other conductor of electricity) can be placed directly into the outlet. They are simple to remove and are a great, temporary way to ensure little ones



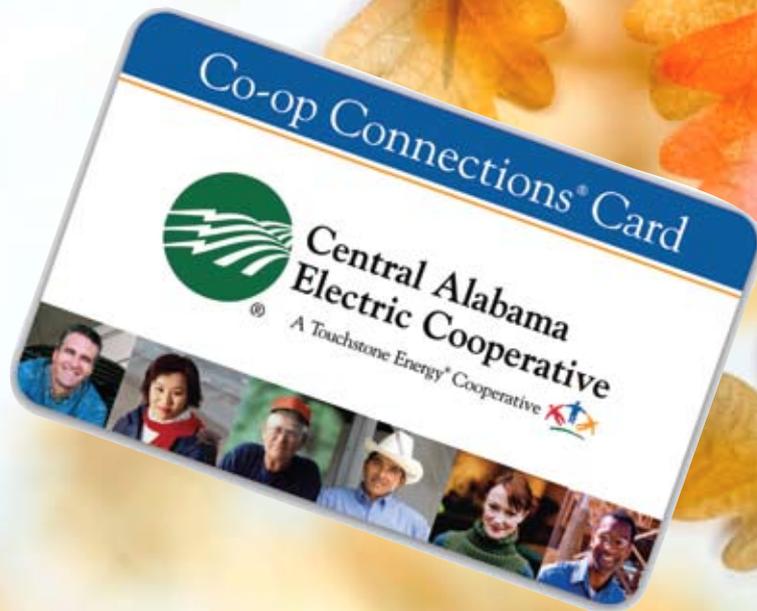
don't become shocked by sticking objects into outlets.

Another, more permanent way is to install tamper-resistant outlets (available at your local hardware store) that prevent foreign objects from being inserted. A shutter mechanism prevents children from sticking items into the outlet, while a spring-loaded system lets electricity flow only when equal pressure is applied simultaneously to both shutters (as with an electrical plug).

Finally, the highest frequency of home electrical injuries occurred at mealtimes, suggesting that many home electrocution and shock inju-

ries involve unsupervised children. You can't always be with them, so remember to talk to your children about electricity and teach them to stay away from electrical outlets. 

CAEC History Fact: CAEC was incorporated on Nov. 28, 1938. In 1975, through the Articles of Conversion, its name was changed to Central Alabama Electric Cooperative.



Fall Into Savings with the Co-op Connections Card!

Whether you're starting your holiday shopping or going out to enjoy a dinner at a local restaurant, the Co-op Connections Card can help you save big. With local and national vendors and companies offering exclusive discounts to Co-op Connections cardholders, you can keep a little extra money in your pocket. Just another benefit of cooperative membership!

For information on discounts and participating companies, visit www.caec.coop.

What does \$1 mean in today's world?

A dollar means *not* having to choose between purchasing medication or being warm.

A dollar means *not* having to choose between buying food or lighting your home.

For as little as \$1 a month CAEC members can support the Project SHARE program and help those in need from having to make these tough choices.

Help elderly and disabled Alabamians stay warm this winter by saying *yes* to Project SHARE.

To participate in Project SHARE and become a part of the network of neighbors helping neighbors, you can contribute \$1, \$2, \$5 or any other whole-dollar amount you choose. The amount you select will be automatically added to your utility bill each month.

Call (800) 545-5735 for more information, fill out the Project SHARE information on your next bill or complete the form below and return it to CAEC.



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

Yes, I agree to help those in need through Project SHARE.

Name: _____ Phone #(s): _____

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

Account #: _____

Email: _____



Central Alabama
Electric Cooperative

A Touchstone Energy® Cooperative

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Amount I wish to Donate to Project SHARE each month: ___\$1 ___\$2 ___\$5 ___Other (please specify)

Signature: _____