

Sent to you by Gibson EMC – your Touchstone Energy Cooperative

The Tennessee Magazine

April 2010

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Trains**

**Purple Martins
Gadgets: Energy Drains**

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Weathering the 'perfect storm'

Help keep climate-change legislation fair, affordable and technologically achievable

Our nation's electric utility industry is heading into a "perfect storm." While the amount of electricity we use every day steadily increases, the capacity to generate and transmit that power is running short.

In the past, fossil fuel-fired power plants were the go-to option to meet growing new demand with proven technology, but looming federal regulations on carbon dioxide emissions are changing that. The cost of complying with new regulations could make electricity less affordable for everyone — a concern Gibson Electric Membership Corporation is fighting to voice.

In December, the U.S. Environmental Protection Agency (EPA), a part of the executive branch, declared that six key greenhouse gases from auto emissions, including carbon dioxide, are "endangering public health and welfare" of current and future generations. Emissions from motor vehicles of four of those greenhouse gases, including carbon dioxide, were also said to contribute to dangerous air pollution.

The endangerment finding puts a foot in the door for EPA to issue sweeping new rules that could impose strict limits on carbon emissions, including those from power plants. The cost of generating electricity would go up, and, in the end, those costs would hit consumer pocketbooks.

Congress is mulling over its own set of carbon dioxide regulations, and we must continue to ask that any resulting legislation be fair, affordable and technologically achievable. If passed, congressional legislation should also pre-empt use of any other existing laws, fixing a regulatory disaster that would only add to costs for consumers with a mess of overlapping regulatory red tape.

Whatever the political outcome, change won't come overnight. Fossil fuels currently account for more than 70 per-



**A message from
Dan Rodamaker**

Gibson EMC President and CEO



cent of all electricity generated in the United States.

New technology will be key to both keeping these traditional options up-to-date and refining new ways to affordably keep the lights on. Cleaner use of fossil fuels, an increased use of renewable energy and a big commitment to energy efficiency will all be necessary.

Electric co-ops have a history of providing safe, reliable and affordable electricity to their members, and no "perfect storm" is going to keep us from continuing to do our job. Co-op research projects are under way to expand the current limits of renewable energy, make coal- and natural gas-fired power plants cleaner and more efficient and possibly even capture carbon dioxide from plant emissions before they go up a smokestack and store them deep underground to keep them out of the atmosphere.

The Arlington, Va.-based Cooperative Research Network, of which our co-op is a member, was recently awarded a \$33.9 million grant from the U.S. Department of Energy to support a wide-ranging "smart grid" research project. In a joint effort, 27 electric co-ops in 10 states will match the grant money awarded to create a pool of nearly \$68 million for ground-breaking technology development.

With a smarter electric grid, we'll be able to deliver electricity to our consumers more efficiently — cutting the amount of emissions we'll need to generate as a result.

Co-ops have stepped up to challenges in the past, and I know that we will capably meet this challenge, too. But we need your help in relaying to Congress just how important it is to keep climate-change legislation fair, affordable and technologically achievable. To make your voice heard, join the Our Energy, Our Future grassroots awareness campaign at www.ourenergy.coop.



Gibson EMC adopts new residential deposit policy and provides Pay-As-You-Go option

The troubling economic situation facing our country has not left Gibson Electric Membership Corporation unaffected. Gibson EMC, like most utilities, is experiencing significantly higher “write-offs,” or uncollectible revenue, as a result of an economic downturn and increases in energy consumption and wholesale electric rates.

Uncollectable revenue is the amount of bills left unpaid by members who use energy and then file bankruptcy, move away or simply do not pay. While uncollectable revenue is not a new problem, the amounts have grown significantly.

As a result of these increasing amounts of uncollectable revenue and the need to protect existing members, the Gibson EMC Board has elected to modify the deposit policy on new services and reconnections — an amount equal to the sum of the member’s highest two consecutive monthly bills in the last 12 months, rounded up to the nearest whole dollar. Locations with inadequate history will be estimated considering pertinent structure information.

We believe this is a fairer approach to all members since the amount of the deposit will be directly related to a member’s electric bills rather than an arbitrary amount. An amount equal to two months of a member’s electric bills will be collected because this is the average time that has passed before service is disconnected for nonpayment.

Interest will accrue on all deposits, and we will credit a residential member’s deposit to his/her electric account three years from the month it was made. Upon termination of service, the

“Changes in Gibson EMC’s rates and fees are decisions we contemplate seriously. Because Gibson EMC is a member-owned, nonprofit cooperative, we always try to balance service to the individual member with our responsibility to the membership as a whole.”

– Dan Rodamaker
Gibson EMC President and CEO

deposit will be applied against any unpaid bill, and any balance that remains will be refunded.

On the third anniversary date of a security deposit, the deposit and any accrued interest will be credited to the member’s electric account unless there has been a cut-off for failure to pay an account within the past 36 months. In that case, the refund will

be extended until the member has established 36 consecutive months of service with no cut-offs for nonpayment.

A Pay-As-You-Go option

Gibson EMC has established another payment option that already has proven attractive to many members — Pay-As-You-Go, or PAY-Go. Our PAY-Go alternative allows members to pay for energy as they use it, and it gives them real-time information through which they can control energy costs like never before.

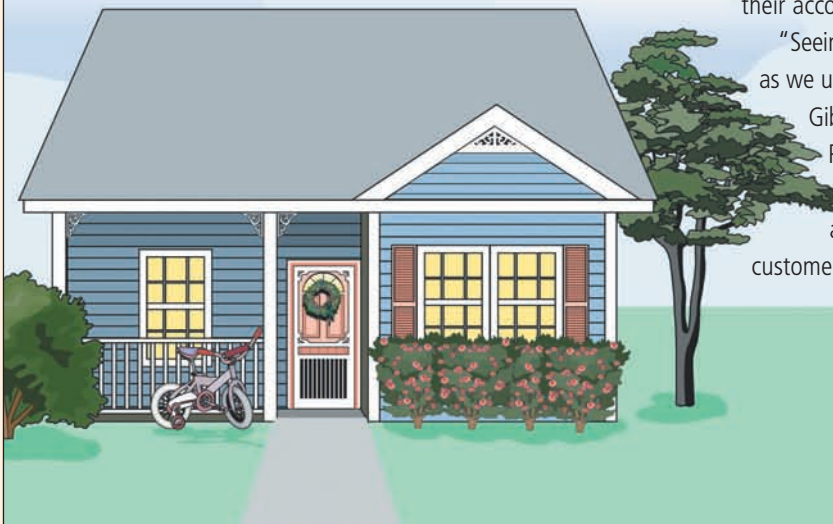
Stated simply, PAY-Go is a pay-before-consumption program and an alternative to traditional monthly billing that allows participants to determine how much and how often they pay. It can be compared to buying gas for your car. You buy the gas before you use it, and you buy more gas when you are about to run out.

Gibson EMC already has more than 250 members participating in our PAY-Go program. Because PAY-Go participants pose little credit risk to the cooperative, they are required to pay only a \$50 deposit for an in-home display, and they have the flexibility to make smaller, more frequent payments. If participants prefer, they can forego the display deposit and receive information about their account balance through e-mail.

“Seeing our dollar balance diminishing on the in-home display as we use electricity has made my entire family more aware,” says

Gibson EMC Vice President of Engineering and IT Charles Phillips. “Even my children are more energy-conscious.”

For more information about PAY-Go or other available programs and services, call your local Gibson EMC customer service center or visit www.gibsonemc.com.



Dyer County couple attend Young Leaders event

Adam and Karin Featherston of Newbern recently joined more than 200 others from across the state at the Young Leaders Conference Feb. 12-14 in Nashville.

The Featherstons represented Gibson Electric Membership Corporation at the annual conference, which brings young people together to develop leadership skills and learn about cooperatives and agricultural issues.

“If these young people can go home with one or two ideas that they can implement, then we have made a big difference in their lives,” said Tennessee Council of Cooperatives President Charles Curtis. “This conference also gives them a chance to learn from each other and gain confidence to become

more involved in their communities.”

The Council of Cooperatives, which co-sponsors the conference with Farm Bureau’s Young Farmers and Ranchers, is composed of a variety of cooperatives, including farm credit banks and dairy, farm-supply, telephone, electric (like Gibson EMC) and tobacco co-ops. Young Farmers and Ranchers is an organization for men and women, ages 18 to 35, with an interest in agriculture.

With the theme “Communicating Leadership Cooperatively,” the program covered social media networking, value-added ventures and the Tennessee Biofuels Initiative.



Karin and Adam Featherston of Newbern

“Thank you for investing your time to improve your skills as leaders and increase your knowledge of the cooperative advantages,” said Bart Krisle, CEO of Tennessee Farmers Cooperative, at the conference banquet.

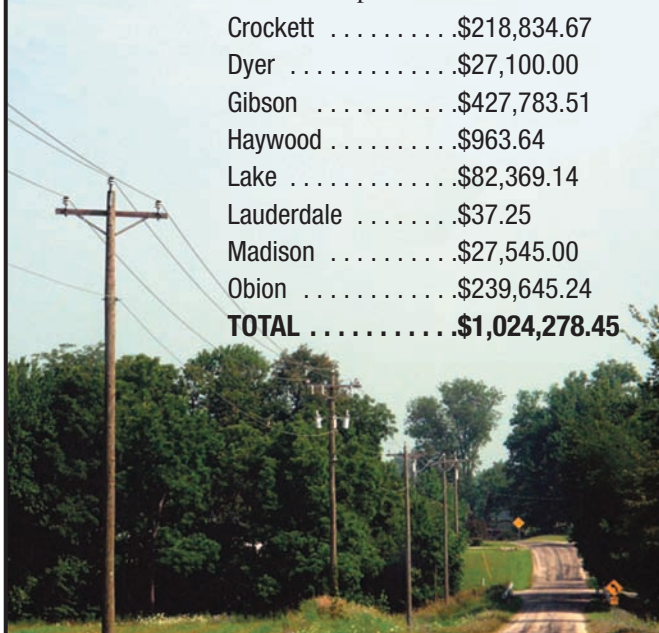
“You represent the future of agriculture and the future of cooperatives.”

Gibson EMC pays ad valorem taxes

Each year Gibson EMC pays ad valorem taxes to the towns and counties in which the cooperative has facilities or infrastructure. The amount of taxes paid is based on the assessed value of the infrastructure, including buildings, substations, transformers, poles and lines.

The 2009 ad valorem taxes paid to counties were ...

| | | |
|--------------|--------------|-----------------------|
| Crockett | | \$218,834.67 |
| Dyer | | \$27,100.00 |
| Gibson | | \$427,783.51 |
| Haywood | | \$963.64 |
| Lake | | \$82,369.14 |
| Lauderdale | | \$37.25 |
| Madison | | \$27,545.00 |
| Obion | | \$239,645.24 |
| TOTAL | | \$1,024,278.45 |



Protect yourself from bad weather

Bad weather can raise many concerns, whether it be the safety of your family or power surges that can damage your appliances and electronic equipment. Gibson Electric Membership Corporation hopes to help ease your concerns by offering Midland weather radios and Surge Alert protection.

Midland weather radios offer up-to-the-minute weather, hazard and civil emergency information, and they have emergency power backup. The affordable price is \$35, including tax. You may pay at the time of purchase or have it charged to your next Gibson EMC electric bill.

Surge Alert can protect your home against power surges caused by lightning or equipment inside your home such as a heating and cooling unit, a vacuum cleaner or even a refrigerator as it operates or turns on. Unfortunately, the most expensive electronics in your home are the most vulnerable. For example, personal computers, televisions and security system controllers are all susceptible to encountering power surges.

Gibson EMC can help you choose the Surge Alert components that will best suit your needs. The cost is only \$5.99 per month, plus a one-time installation fee of \$29.99. This fee includes a meter-base suppressor to help protect the motors and compressors on your large appliances from surge damage, plus one plug-in unit of your choice to protect your sensitive electronic equipment.

For more information on Midland weather radios or Surge Alert protection, call your local Gibson EMC customer service center.



Gibson EMC certified as a Tree Line USA utility

Gibson EMC is now certified as a Tree Line USA utility by the National Arbor Day Foundation. We are one of only three Tennessee cooperatives and nine municipal electric systems that enjoy this distinction.

The Arbor Day Foundation, in cooperation with the National Association of State Foresters, recognizes public and private utilities whose practices protect and enhance America's urban forests. The goal of the program is to promote the



Gibson EMC Forestry Supervisor Mark Greene, right, accepts a Tree Line USA plaque in recognition of Gibson EMC's accreditation from Tennessee Department of Agriculture Regional Urban Forester Shawn Posey.

dual goals of safe, reliable electric service and abundant, healthy trees across utility service areas.

The trimming and all phases of vegetation management are essential to ensuring reliable electric service. With more than 2,900 miles of electric line stretching over eight north-west Tennessee counties, tree limbs have many opportunities to come into contact with electric lines. This contact between tree limbs and electric lines is the primary cause for electric blinks and power outages.

While we must trim trees for safety and to maintain service reliability, we also make every effort to do it in a way that protects the health of the trees.

This spring, plan before you plant

If you plan to plant any trees this spring, don't forget to also plan the placement and selection of your trees.

Trimming trees and the placement of trees have a significant impact on electric service reliability. Trees that touch or fall onto electric lines can cause power outages, property damage and personal injury. This is why Gibson Electric Membership Corporation discourages customer-owners from planting trees near electric lines.

Looking up to see if electric lines are overhead or calling Gibson EMC to check the location of underground electric lines can protect your safety, your electric service reliability and the beauty of your trees.

■ If you do plant under or close to an electric line, choose a species that will not exceed 25 feet in height.

■ Medium-sized trees, those that grow no taller than 40 feet, should be planted at least 40 feet away from electric lines.

■ Trees that grow taller should be planted at least 50 feet from the electric lines.

Questions? Contact Gibson EMC or visit www.Arborday.org or www.treesaregood.com.

Plant the right tree in the right place

Plant taller trees away from overhead utility lines

Tall trees, such as:

- Maple
- Oak
- Spruce
- Pine

40 ft height or less

25 ft height or less

20 ft

50 ft

Medium trees, such as:

- Washington hawthorn
- Goldenraintree

Small trees, such as:

- Redbud
- Dogwood
- Crabapple

arborday.org



Save money and improve comfort with HVAC check

As much as half of the energy used in your home goes to heating and cooling. Making smart decisions about your home's heating, ventilating and air-conditioning (HVAC) system can have a big effect on your utility bills — and your comfort. Take these steps to increase the efficiency of your heating and cooling system ...

■ **Change your air filter regularly:** Check your filter every month, especially during heavy use months in winter and summer. If the filter looks dirty, change it. At a minimum, change the filter every three months.

A dirty filter will slow airflow and make the system work harder to keep you warm or cool — wasting energy. A clean filter will also prevent dust and dirt

from building up in the system — which can lead to expensive maintenance and/or early system failure.

■ **Tune up your HVAC equipment yearly:** Just as a tune-up for your car can improve your gas mileage, a yearly tune-up of your heating and cooling system can improve efficiency and comfort.

■ **Install a programmable thermostat:** A programmable thermostat is ideal for people who are away from home during set periods of time during the week. Through proper use of preprogrammed settings, a programmable thermostat can save you about \$180 every year in energy costs.

■ **Seal your heating and cooling ducts:** Ducts that move air to and from a

forced-air furnace, central air conditioner or heat pump are often big energy-wasters. Sealing and insulating ducts can improve the efficiency of your heating and cooling system by as much as 20 percent — and sometimes much more.

First, seal ducts that run through the attic, crawlspace, unheated basement or garage. Use duct sealant (mastic) or metal-backed (foil) tape to seal the seams and connections



Energy Efficiency

Tip of the Month

Federal tax credits are available for home energy-efficiency improvements, including windows, doors, water heaters and HVAC equipment for existing homes. For details, visit energystar.gov/taxcredits.

Source: U.S. Department of Energy

of ducts. Then wrap the ducts in insulation to keep them from getting hot in the summer or cold in the winter. Next, seal any other ducts that you can access in the heated or cooled part of the house.

■ **Consider installing Energy Star-qualified heating and cooling equipment:** If your HVAC equipment is more than 10 years old or not keeping your house comfortable, have it evaluated by a professional HVAC contractor. If it is not performing efficiently or needs upgrading, consider replacing it with a unit that has earned the Energy Star. Replacing your old heating and cooling equipment with Energy Star-qualified equipment can cut your annual energy bill by nearly \$200. But before you invest in a new HVAC system, make sure that you have addressed the big air leaks in your house and the duct system. Sometimes, these are the real sources of problems rather than your HVAC equipment.

Tennessee begins rebate program

As part of the American Recovery and Reinvestment Act, Tennessee has received \$5.9 million for efficiency and renewable energy for Tennessee consumers. Tennessee is giving this money as rebates when a consumer buys an Energy Star-rated air source heat pump, central air conditioner or room air conditioner.

The rebate for air-source heat pumps and central air conditioners is \$250, while room air conditioners will be eligible for a \$40 rebate. Rebates are given on a first-come, first-served basis. The program starts April 22.

“This funding will help Tennessee families lower their utility bills and have a positive impact on the environment,” said Gov. Phil Bredesen.

For more information about the rebates, visit www.tnecd.gov/recovery/energystar.

Board of Trustees nomination, election procedure

Gibson Electric Membership Corporation's Board of Trustees has the duty of appointing a nominations committee at least 90 days before the proposed date of the first district meeting at which co-op members are to elect trustees. The nominations committee consists of three to 11 members from the cooperative's service area.

The nominations committee prepares and posts a list of nominations for trustees at Gibson EMC's corporate office at least 40 days before each district meeting. Other nominations, signed by 50 or more cooperative members, also can

be made. These are due 30 days before each district meeting. All nominations are then posted.

Elected trustees serve three-year terms on a rotational basis. A trustee whose term expires will be elected by secret written ballot by members present at the district meeting. A plurality of votes cast determines the winner; drawing by lots resolves any tie.

If you have questions about the election process, call your local customer service center and ask for extension 1411.

Make a note! Gibson EMC's annual meeting will be Saturday, Aug. 7, at Crockett Co. High School.