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MARCH 2009

Hot Watts

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Your Touchstone Energy® Cooperative



Winter blast leaves some members without power

On January 26th Oklahoma Governor Brad Henry declared all of the state's 77 counties under a severe winter weather watch or warning for freezing rain, ice, snow and possible flooding due to ice-clogged waterways.

Even though Cookson Hills Electric service territory was not hit as hard as some cooperatives, we had our share. Cookson serves most of Sequoyah and Haskell Counties and parts of Muskogee, Cherokee, Adair, Pittsburg and LeFlore Counties.

The areas accumulating most of the ice was in the Porum, Enterprise, Webbers Falls, Tenkiller, Keota and Eastern Sequoyah County. After assessing the widespread outages caused by the winter storm, Cookson Hills Electric's Manager, Kendall Beck, called for Mutual Aid assistance to restore power to our members as fast and safely as possible.

Several contractors and electric cooperatives from neighboring areas answered the call. Depending on damage sustained by our equipment, outages times varied for many of Cookson members, but service was restored to all but a very few members by Friday, January 30.

Cookson Hills Electric crews worked hard in difficult conditions to restore power as quickly as possible and are still replacing some of the 72 poles that were broken or damaged by the storm.



During severe storms and outages, log onto www.cooksonhills.com to check progress on service restoration.

Application for Driscoll Scholarship due April 10

The employees and Board of Directors of Cookson Hills Electric Cooperative award four \$500 scholarships to high school seniors each year in memory of Herman Driscoll, long time employee and general manager of the cooperative who believed in the importance of education.

Eligible seniors are those whose parents or guardians are members of Cookson Hills Electric. Other criteria include: good character and citizenship; a grade point average of 2.0 or higher; and ambition to obtain further

education at a state accredited college or technical school.

Applications are available online at www.cooksonhills.com. Please return the application along with two letters of recommendation by April 10th to the following address:

Scholarship Committee
Cookson Hills Electric Cooperative, Inc.
Attn: Teresa Shaw
P.O. Box 539
Stigler, OK 74462

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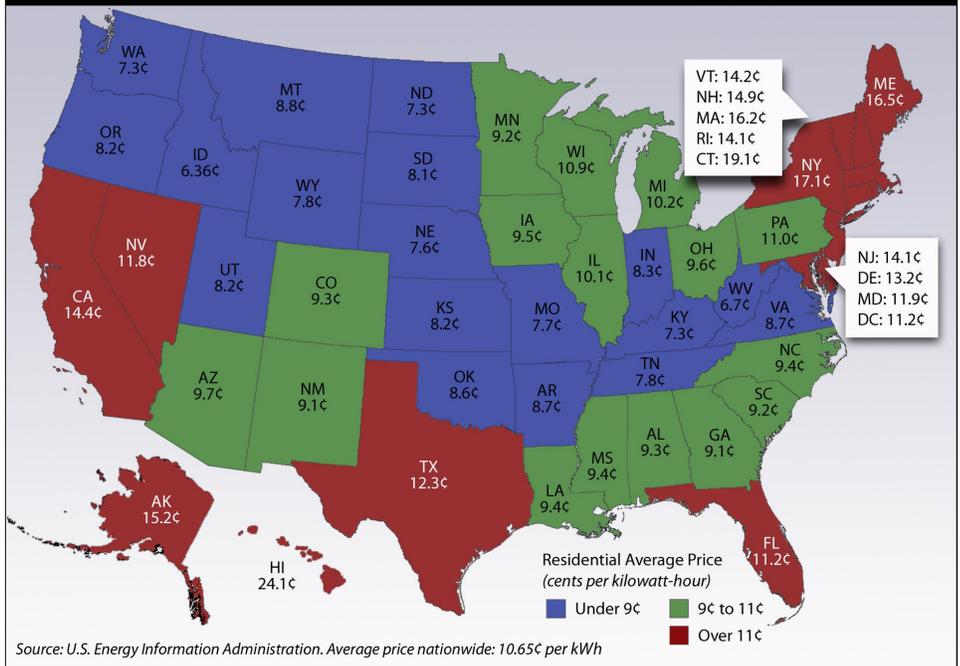
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**Cookson Hills welcomes members to
submit photos, and articles which will
be subject to Cookson Hills editing.
Any submissions must be received
before the 12th of the month prior to
the publication date.**

**If You Find Your
Account Number Hidden
in This Issue of *Hot Watts*
You'll Receive a \$25 Credit on
Your Electric Bill**

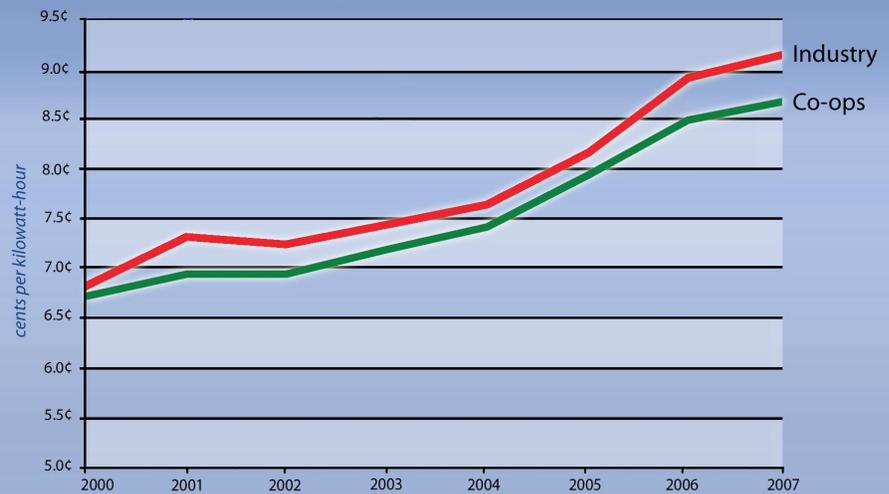
Average Prices for Residential Electricity (2007 figures, in cents per kWh)



Note: Oklahoma's average residential rate rose from 8.64 cents per kilowatt hour in 2007 to 9.45 in 2008; Arkansas' 2007 average residential rate of 8.73 rose to 9.46 cents per kilowatt hour. Louisiana's average residential rate was 10.55 cents per kilowatt hour in 2008, up from 9.43 cents in 2007. The average residential rate in Texas of 12.48 cents per kilowatt hour in 2007 climbed to 12.94 in 2008.

Co-op electric rates lower than industry average

Residential electric rates have steadily increased in recent years due to rising costs for fuel, construction materials, and labor. However, the average price for electricity paid by electric cooperative consumers has remained consistently lower than the industry average.



Still the best deal in town: Electric cooperatives' mission to provide power at the lowest possible cost holds true even as industry costs continue to rise.

Costs, rates continue to rise

—BY KENDALL BECK

In May of this year, Cookson Hills Electric Cooperative will experience a rate increase that is projected to be in the 8 to 12 percent range for the members. With the need to build new electric generation and upgrade existing electric infrastructure like poles, wires and transformers, it appears that the rates will continue to rise in the future.

So, what's the cause?

As Yogi Berra once said, "The future ain't what it used to be." In the electric industry over the last twenty years or so, we could count on rate stability because there was an ample supply of electric generation; stable fuel costs; electric transmission systems had more than enough capacity to carry the loads from the generation sites; and electric distribution systems were able to deliver safe, reliable electric service to your homes and businesses.

But today, the rate stability that we enjoyed for years is now catching up. The country's appetite for electricity continues to increase, and the surplus capacity the electric generation facilities had is dwindling to the point that new generation must be planned and constructed at a cost that has never been heard of before. The consequence of not having enough generation and/or transmission capacity is rolling electric blackouts in regions where there is not an ample supply of one or both.

So, what's driving these costs?

There are several reasons, but I'll just touch on two key components — fuel and new generation.

One of the largest components for producing electricity is fuel. As I've stated many times, Cookson Hills Electric's power is mainly produced from coal on normal 75-degree days. As the temperature becomes extreme,

and the electric load increases to cool or heat homes and businesses, more electricity is required. To meet that requirement the electricity is produced by natural gas. For comparison reasons, natural gas costs approximately three times as much to produce one-kilowatt hour of electricity when compared to coal. As the cooperative's member consumption continues to climb, more natural gas is blended into the cost, which is one component that is increasing the rates.

The common response I hear is to build new coal power plants to help alleviate this increase. One thing we must keep in mind is that the coal power plants used to produce your electricity today are 30 years old. They were built at a fraction of the cost of a new coal power plant, which is estimated to cost \$2 billion today.

Another problem is the environmental standards that are, or will be, placed on new coal power plants. These standards will make the power plants extremely costly to construct and maintain. I am aware of only one coal power plant that is being planned today in the United States. This is largely due to the fear of the unknown future environmental regulations of coal. Therefore, because natural gas is noted as a clean burning fuel, only new natural gas fired plants are being planned and constructed. Of course, the problem with natural gas is the volatility of the price.

Wind farms, a renewable generation source, are popping up all over the country. As the technology continues to advance with wind generation, the future looks promising. However, these are being constructed in remote locations, and new electric transmission lines must be constructed in order to bring the power to main transmission lines, again increasing the cost to



Kendall Beck, Cookson Hills Electric Cooperative, general manager

deliver this renewable electricity.

As far as electric rates, Cookson Hills provides its members with some of the best rates available. For those that like to surf the Internet, you can log onto http://www.eia.doe.gov/cneaf/electricity/epm/table5_6_b.html to check each state's average electric rates.

It presently shows that through October 2008 Oklahoma residential customers paid an annual average was 9.45¢ per kilowatt-hour. The Arkansas residential annual average was 9.49¢ per kilowatt-hour. Cookson Hills' residential members paid an average of 8.40¢ per kilowatt-hour through the same period.

In the future, it is predictable that electric rates will continue to climb across the country, and the only option for consumers to control electric bills will be to conserve electricity. There are several things that you can do to help reduce your electrical consumption. Members can change light bulbs to compact fluorescent lights, raise the thermostat a couple of degrees in the summer and lower it a couple of degrees in the winter. Many more helpful tips can be found on the cooperative's website at www.cooksonhills.com.

As always, if you have any questions please feel free to give me a call.

Cookson in the community

17 ways to save by the 17th

Don't just wear green on March 17 to celebrate St. Patrick's Day. **Act green** with 17 quick and easy tips to save energy by March 17.

- ❖ Turn the heat off or at least lower it as soon as the weather turns milder. Even one or two degrees can add up to great savings.
- ❖ While it's cold, keep blinds open in the daytime to allow heat in. When it's hot, close them during the day.
- ❖ Install a programmable thermostat to help you save energy while you're away at work or asleep.
- ❖ Wash your clothes in cold water and do only full loads.
- ❖ Change your heating and air conditioning filters regularly.
- ❖ Cook dinner 1848202 in the microwave or a crock pot.
- ❖ Don't preheat the oven for any recipes except bread.
- ❖ Keep your refrigerator full, but allow air to flow between items.
- ❖ Repair windows and doors with air leaks or install weatherstripping.
- ❖ Turn on your ceiling fans so you don't have to crank the air conditioning up too high.
- ❖ Replace your incandescent bulbs with compact fluorescent light bulbs.
- ❖ Reduce the temperature on your water heater to 120 degrees.
- ❖ Fill empty space with water or ice or unplug second refrigerators if you can't keep them full.
- ❖ Use your clothes dryer's moisture-sensor cycle.
- ❖ Turn off the dishwasher's drying function, and crack the appliance's door to allow dishes to air dry.
- ❖ Shut off your computer if you will be away for more than 20 minutes.
- ❖ Unplug cell phone chargers, laptop computers and other small appliances when not in use. They still use trace amounts of electricity when they're plugged in, even if they're turned off.



Cheryl Mills, marketing director for Cookson Hills Electric Cooperative, gave a safety presentation at the Vian 4-H Club's February meeting.

Lisa Lee, volunteer leader for the 4-H group, says one of the purposes of the 4-H program is to learn and experience life skills through experiential learning programs.

Mills' lesson warned students to keep ladders, antennas, kites and poles away from power lines leading to the

house and taught them how to respond to dangerous situations.

Members of the group pictured above are, *front row*, Tucker Lee, Lance Leaf, Kaytie Bell and Ayani Drowningbear; *middle row*, Sydney Remer, Cheryl Mills, Kyle England, Dillin Coleman, Matt Haraway, Hunter Bray, and Hannah Vickers; and, *back row*, Zack Vickers, Hunter Lee, Ashton Vickers and Lisa Lee, 4-H leader.

The girls pictured are Vian 4-H Club members Ayani Drowningbear, *left*, and Kaytie Bell.

SHORTS

April 10, 2009, is the deadline to submit your application and two letters of recommendation for the Herman Driscoll Scholarship.



Energy Efficiency

Tip of the Month

Use a programmable thermostat to vary your home's temperature based on your schedule. Lower your thermostat when you're not home or at night to save as much as 10 percent on heating and cooling costs!

Source: U.S. Department of Energy