



Talk Power

“YES” Vote

► United members approve referendum to amend Articles of Consolidation. Measure reduces from 8 percent to 5 percent the representative percentage of United members required to conduct official cooperative business.



United Cooperative Services members have exemplified what the democratic process is all about and that it thrives within the communities this cooperative serves. A total of 26,662 members (a majority of the membership) cast votes on a recent ballot referendum mailed to all members this summer to amend United's Articles of Consolidation. The referendum was considered by absentee mail ballot and at a special meeting called on behalf of the membership

on Sept. 27, 2010 at United's Cleburne office.

The proposed amendment, which was recommended for adoption by United's Board of Directors, easily passed and as a result, the quorum requirement pertaining to the percent of United members that must be present in person or represented by absentee mail ballot for transaction of all meetings of the members was reduced

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LOOKING OUT FOR YOU!

Some Fairy Tale Advertising Offers Have Sharp Teeth



Misleading direct mail advertising offers are an unfortunate fixture in marketing schemes today and they victimize any unwary resident who is willing to accept and pay for a product or service value that appears too good to be true.

More often than not, those “ripe” offers don’t completely deliver the advertised promises and the resulting damage is often financially crippling to homeowners who are duped by exaggerated or false claims.

One such direct mail advertising flyer has resurfaced recently. The company targets mobile home residents in the United service area and implies that the cost of ductwork and HVAC improvements purchased through the advertiser (a contractor) would be fully reimbursed by North

Texas power providers who, according to the company and its representatives, were mandated to pay for all such improvements.

The broad claim has since been found to be false.

In the past, some United members have incorrectly assumed the flyer had been sent from Brazos Electric Power Cooperative since a portion of the company’s name has Brazos in it. As a result, the Brazos association made the offer appear more credible. However, Brazos Electric Power Cooperative is not promoting the offer, and the flyers clearly blur the lines between reality and fiction.

United Cooperative Services has in the past contacted sales representatives at the company, who defended the flyer’s offer and directed United to the Texas Energy Efficiency website (www.texasefficiency.com) when the co-op questioned the validity of the company’s advertising claims. The website provides links to energy efficiency rebate programs administered by investor-owned utilities throughout Texas, as well as each utility’s specific requirements for rebate eligibility and application.

As is often the case though, the contractor’s advertising claims were found to be misleading and inaccurate. None of the investor-owned utilities linked to the website promised 100 percent reimbursement for significant home energy efficiency improvements. In fact, most of the utilities’ published commitments for any reimbursement were either vague or superficial in scope, and any improvement costs were subject to approval—then only after the work was completed.

The advice United members should remember before ordering any type of work through an unfamiliar vendor is, “If it sounds too good to be true, it probably isn’t true.”



DIRECTOR SERVICE AWARD

United Board of Directors Vice President Larry Bays, left, presented fellow director Tommy Cantrell with a United jacket in commemoration of Cantrell's fifth year of service on the board during the September Board of Directors meeting. Cantrell represents United members in District 3, which encompasses the co-op's Bluff Dale, Tolar and Southwest Hood County service areas. In addition to his United leadership, Cantrell has also served on the Morgan Mill School Board and has been active in the Morgan Mill Volunteer Fire Department, the Erath County Fire Fighters Association and the Morgan Mill First Responders.

Initiative's approval will aid co-op's future electoral, business processes.

REFERENDUM

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to 5 percent from 8 percent. The final vote tally, as determined at the special Sept. 27 meeting by the accounting firm Auldridge Griffin, was:

FOR: 23,967
AGAINST: 2,401

The need for such a ballot initiative stemmed from a decline in participation at United's annual business

meeting. By amending the Articles of Consolidation to require a 5 percent quorum reduces the risk of substantial cost and delay that would occur in the event a quorum requirement for a scheduled annual meeting is not satisfied.

"This is what the electric cooperative democratic model is all about," said United CEO Ray Beavers. "The membership has a voice in the direction United Cooperative Services goes and they were given the opportunity to have their voices heard and they were clear in their response. We are thankful that our members take such an interest in their cooperative," said Beavers.

LOCALIZING

ENERGY INNOVATION

OUR ENERGY RESOURCES

► Renewable energy is becoming a prominent player in distributed generation, but like all other modern-day energy resources, its preference among consumers is governed by its cost.

—By ED NUNEZ—

There was a time when fossil fuels such as coal, gas and oil were widely regarded as mankind's emancipation from a relentless search for new, plentiful and affordable energy sources.

Before that, we depended on fire, or the whims of the sun, the wind and the water to usher us closer to civilization. Electricity came along, and it was thought to be sublime. Then, nuclear energy was lauded as our eternal power savior.

Our insight now for how the universe works has brought us to new heights in technology, but also to a realization that increased demand for energy is driving up its cost—no matter the type.

Indeed, the perfect energy source

and delivery system may still elude us, but one relatively new concept in energy delivery and management is winning favor as a potential solution to both rising energy demand and costs.

Distributed generation (DG) could turn the tables on conventional electric energy delivery and the costs associated with its infrastructure.

Distributed generation is defined as a power generation source that is located near the point of use. It generally refers to a small-scale generation source that is located on or near the owner's property.

Therein lies the savings potential DG could provide, especially on a larger scale.

Rather than spending enormous capital resources to bring remotely generated power to the masses, let's site a smaller more efficient generation source at the location where it's most needed—in our backyard or at the fringes of our neighborhood.

The most common energy sources for DG applications are solar, wind, landfill gas, diesel-fueled engines, and natural gas fueled micro-turbines. Once sited, such energy sources can then be interconnected to a local utility's distribution system.

Nevertheless, the interconnec-

tion process is more complicated than it might seem because DG systems generally have to meet certain criteria before an electric utility will approve interconnection of the site to its distribution system.

At United, for example, the interconnection voltage must be less than or equal to 60 kilovolts. The interconnection requirements at United for DG systems may also differ based on their peak kW size, and are broken down into two classifications—below 50 kW and up to 10,000 kW.

Even if they constitute a relatively small segment of the cooperative's overall membership, a growing group of United members have taken a leap into renewable energy and have been successfully using solar and wind power to produce energy at their homes. United currently has 28 members who are generating some of their own power at 30 DG locations systemwide. These applications are broken down as nine solar sites and 21 wind turbine installations.

On a national level, wind generates electricity that powers millions of American homes and businesses and is one of our nation's fastest-growing sources of energy, according to the Department of Energy. However, only about 8-10 per-

cent of that wind generation capacity is available during peak demand periods.

From a local perspective, United members who have installed wind turbines are producing between approximately 1 kW to 5 kW at peak output. While the scale of such residential DG sites will never yield a large amount of energy production, they do offset a portion of monthly residential energy needs and demands, and thus, monthly energy usage and cost.

But whether a consumer's interest is in solar or wind energy resources, it is important to note that every renewable energy site can contribute to electric capacity—ultimately reducing the energy demand that all utilities must make available. For United and other utilities, demand reduction will become more and more relevant in planning for additional wholesale power purchases and their related costs.

Still, consumers are searching for the perfect energy resource and mix. And renewable energy has its own set of pitfalls.

For example, even though Texas has the market cornered in wind production, its preponderous breezes are often quieted by hot Texas summer temperatures—an unfortunate twist that marginalizes most of the state's huge wind farm capacity enough to make it an impotent resource when the rest of the state is sweating out the potential for another record peak in energy demand. Wind energy does contribute to supply, but more often when a needed boost in capacity isn't critical.

Then, there are the aesthetics. Not all consumers live on 40 acres, and not all neighbors appreciate the physical attributes of distributed generation sites.

Another conventional drawback of green energy, such as wind and solar, is its economic feasibility for the average residential consumer. In today's energy market, it would take a long time to

receive a profitable return on such an investment.

Investment costs for a residential wind turbine installation typically average \$4,000 - \$7,500 per kW of production capacity, but total cost is also related to tower height and style, distance to interconnection point, and site excavation difficulty.

Solar power is another mainstay in renewable energy and it involves the conversion of sunlight into electricity.



Sunlight can be converted directly into electricity by using photovoltaic cells.

Photovoltaic cells generate electrical power by converting solar radiation into direct current electricity through semiconductors that exhibit the photovoltaic effect. The fundamental building block of traditional solar panels is the photovoltaic cell. Photovoltaic cells require protection from the environment and are usually packaged tightly behind a glass sheet. Cells are interconnected to form photovoltaic modules, which ultimately make up solar panel arrays to accommodate the potential demand from larger electric loads. A single module will power a small electronic device. However, for a house, many modules must be arranged together into arrays to adequately serve the needed energy demand.

Approximate installation cost for solar power is \$8,000 per kW, so a 2 kW system would cost approximately \$16,000. After additional consumer incentives are taken into consideration, the cost to generate electricity through

solar power is estimated to be more than twice the average rate charged by the average electric utility.

Thanks largely to energy efficiency tax credits and incentives, consumer interest in DG initiatives during the last 10 years has grown immensely, and in spite of the considerable investment cost and return potentials for such technologies.

According to the Energy Information Administration in 1999, the annual photovoltaic domestic shipment in or to United States territories was 21,201. In 2008, the numbers reached an all-time high of 524,252. But while those figures clearly illustrate that consumer support for alternative energy resources is on the rise, such an option still isn't affordable for many Americans who are already struggling to pay their power bills.

In an effort to promote energy innovation and to encourage the tangible contribution DG technologies can bring to its distribution system, United implemented its own internal incentive to

members who are considering an investment in renewable energy. Qualifying alternative energy projects now receive monthly net metering at no additional charge. Net metering requires specific hardware and materials needed to measure the difference between electricity that is supplied by cooperative distribution lines, as well as the electricity generated by the member's power system during a specific billing period. To help members understand how DG can be implemented and to provide additional information on net metering, United created a section on its website (www.united-cs.com) that houses all of the information members need to know, including interconnection requirements and an application form.

United has also included DG grants in its energy innovation portfolio. Residential members who in-

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From Civic Halls to School Gymnasiums



There is no group too small, nor venue too big, when it comes to United's wish to take the cooperative's outreach to members to a higher level and to any location within the co-op's 14-county service territory. The informal community settings have prompted frank discussions among attendees that would have been more difficult in larger settings, the result of which has contributed to an exchange of ideas that will help shape future cooperative planning. United CEO Ray Beavers visits here with a group of members attending a recent community meeting at Lingville School.

Maximizing Member Purchase Power

In these tough economic times, there are numerous local merchants and service establishments that have chipped in to help United members realize substantial savings. What's more, they've been offering valuable discounts to co-op members long before today's recession put a stranglehold on commerce here and afar. United's Co-op Connections Card has been putting buyers and sellers together, and as a result, members have been able to hold onto more of their money while also supporting their local economies.

Introduced in late 2007, the Co-op Connections card offers members valuable savings discounts at more than 220 local and national businesses. Local jewelers, photographers, electricians and HVAC dealers, RV Dealers are just a few of the sectors where United members can save their money.

"There are so many savings being offered to our members through the Co-op Connections Card, but what I really value

in this program is that the buyer and seller are benefited, allowing commerce to take place here in our communities, helping to sustain our local merchants," said United CEO Ray Beavers. "Many of these local business owners are members of the cooperative, so it makes me proud that we can help drive business to their organizations while also helping members save money," he added.

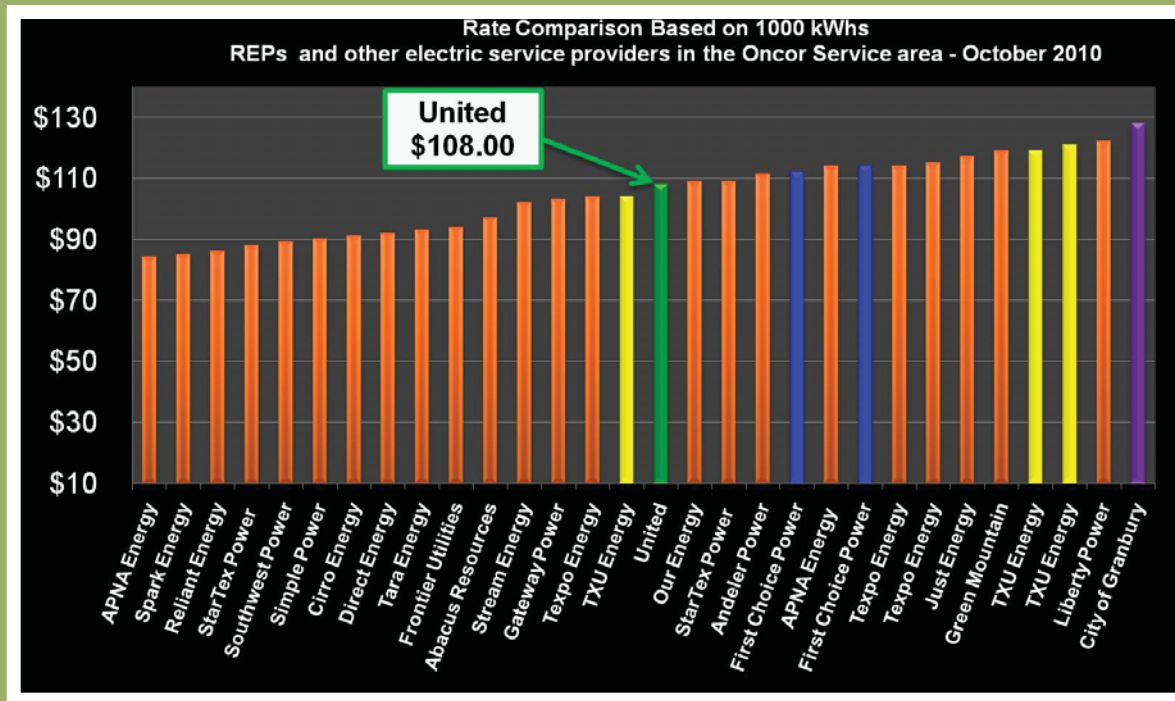
Another major benefit of the Co-op Connections Card has been the savings associated with most prescription medications. Since launching the program in November 2007, United members have saved more than \$325,000 on

their prescriptions by using the card at local pharmacies. That amounts to more than \$10,000 saved each month.

Members are encouraged to log on to United's Web site (www.united-cs.com), click the Co-op Connections Card icon on the left side of the home page and explore all of the savings potential here in the co-op's local communities as well as nationwide.



RATE WATCH



The rate comparisons shown above represent a portion of all rates offered in the North Texas utility market for the month of **OCTOBER 2010** and do not include new participants that have posted only temporary or introductory rates. Even though they are often lower than the average among all deregulated retail providers, those introductory rates are often short-lived retail enticements—and historically, they still track higher than United’s rates. A complete comparison of rates offered in Texas’ electric retail market may be obtained at www.powertochoose.org.

Weighing Distributed Generation’s Attributes

RENEWABLE ENERGY

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stall approved, renewable DG systems at the residence where they receive electric service from United may apply for one grant per DG unit, and a maximum of two grants per member. The DG installation must be completely installed and operational in 2010, meet United’s DG specifications and be inspected by a United representative prior to receiving a grant. DG grants are capped at \$500 for wind applications and \$1,000 for solar applications. The interconnected DG

capacity must exceed 500 watts. Applications for an EnergySmarts DG Grant may be downloaded from United’s website or may be picked up at the nearest area co-op office.

And finally, additional funding for DG installations may be available through the American Recovery and Reinvestment Act, which is administered by the

Department of Energy. Consumers who install solar energy systems (including solar water heating and solar electric systems), small wind systems, geothermal heat pumps, and residential fuel cell and micro turbine systems can receive a 30 percent tax credit for systems placed in service before December 31, 2016; the previous tax credit cap no longer applies.



POWER TALK
Ray Beavers, CEO

It's already November, can you believe it? Cool weather, cop budget work, board of directors strategic planning, preparation for the New Year coming and Thanksgiving are the things I think about this time of year.

Thanksgiving, for me anyway, is as much about the blessings I've lost as it is in remembrances of the blessings I have. I've added to my list of thanks since my dad passed away a couple of years ago because when I consider how grateful I am for all the blessings that have enriched my life, there is no greater blessing than my dad and all he did for me. The reason I know what love is all about is because I had two fathers that have guided me. I had a loving dad who was everything to me, but also a loving heavenly Father who has graced me with many personal gifts so I could use those gifts to do His work as a person of faith.

My dad was one of the hardest workers I ever saw and although his bank account was never a good measure of that toil, he still gave to others whether through his meager possessions or of himself. Dad was, I believe, an example of what God intended for all of us—to be faithful servants to Him, but also to our fellow man.

have today, and the family struggled dearly. My dad and mother also struggled, but of course, not as badly. Dad had taken a cow and calf and sold them to a wealthy farmer in the area, and then used the proceeds to buy all he could for the Bales family. Mother said the kids were so excited they could hardly contain themselves, not to mention the tears and the outpouring of thanks from Mr. and Mrs. Bales.

It wasn't until many years later that I was given the special gift that has made this poignant story such a keepsake in my life. At the conclusion of dad's funeral service, I was walking to the car, stopping to give hugs and shaking hands with those who were present when a tall gentleman, about 65 years-old, approached me. I showed him my hand and said, "I'm Ray Beavers. I don't think I have ever met you." The man shook my hand with tears in his eyes and said, "I am one of the Bales boys. I haven't seen your dad in over 50 years, but when I heard of his passing I could not imagine not coming to pay my respects to someone so dear. Your dad will always be a very special man to the Bales family." Needless to say, I hugged Mr. Bales and told him we definitely shared something in common—our love and



Thanks Dad

I don't know why so many of us wait for that one day each November to pause and give thanks for all of life's truest blessings. Is it because we spend the rest of the year thinking of what we don't have? It would seem our society often needs some time for introspection. More often than not these days, when people do things out of kindness, those instances are treated as a rarity when, in reality, those acts of kindness should rightly be an everyday occurrence—the way in which we live our lives.

I'll share with you a story about my dad's giving. This story was told to me by my mother and brother before Dad's memorial service, and the event they described occurred before I was born. It was Christmas Eve in 1951, and my mother and brother became concerned because my dad left before daylight and didn't tell them where he was going. He finally came back home that evening pulling an empty cattle trailer, and the back of the pickup was full of toys, clothes and groceries. Now, here is where the story gets its wings. There was a family of 12—the Bales—with 10 kids, a mother and a father who had lost his leg in a farm accident. Eventually the family lost their farm and had to move to an abandoned one-room schoolhouse for shelter. For folks like them, there was no government assistance like we

appreciation for such a giving man as G. C. Beavers.

When I think of giving, I know what selflessness looks like by watching what my hero and mentor did for all the years he walked on this Earth. He was a great example. He set such an example because he felt so blessed to have the love and giving of our Savior. So now I give thanks; Dad, thank you for all you did for me, and most of all, for the great example you set for me to follow. Thank you God for the many blessings you have bestowed upon me through the gifts and talents that I have. Thank you my family for the love and giving you have always showered upon me. Thank you to the employees of United for your commitment and loyalty to a great organization. Thank you to the United board for the support you have always given me. Thank you to the United membership for your kind words and support.

I love Thanksgiving because it is a day when we join hands and offer praise for our many blessings. Even so, I try very hard to keep those thanks close to my heart for longer than one day. Each of our blessings are worthy of our appreciation the whole year, don't you think?