



Adding more ammo to conservation arsenal

United Cooperative Services wasn't beating a dead horse when it began some months ago to revitalize its long campaign to promote energy conservation and awareness to United members. Instead, by industry standards at least, it was resurrecting a horse that died with the last energy crisis in the late 1970s.

As an added measure in the fight to educate members about the importance of saving energy, United last month bolstered its energy audit program by training a new

fleet of United energy experts.

Fourteen employees received an intense course in conducting home energy audits when Sam Harp, a noted Oklahoma energy veteran and

retired teacher from Oklahoma State University's state cooperative extension service, armed these new energy conservation students with a more scientific understanding of

the dynamics of energy envelopes, as well as instruction on a widely acclaimed and industry-proven audit software program that will bring a critical new dimension to United's audits—a quantifiable comparison of a member's cost and return on investment when making energy-conserving improvements.

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United Field Engineering Supervisor Denny Adams listens to an explanation of heat transfer theory during an energy audit training session conducted at headquarters. The training program represents United's continuing effort to help members conserve energy.

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**United Energy
Experts Compile
List of Worst Home
Energy Mistakes**



And before we laugh,
we should determine
if we've got some of
the same problems.
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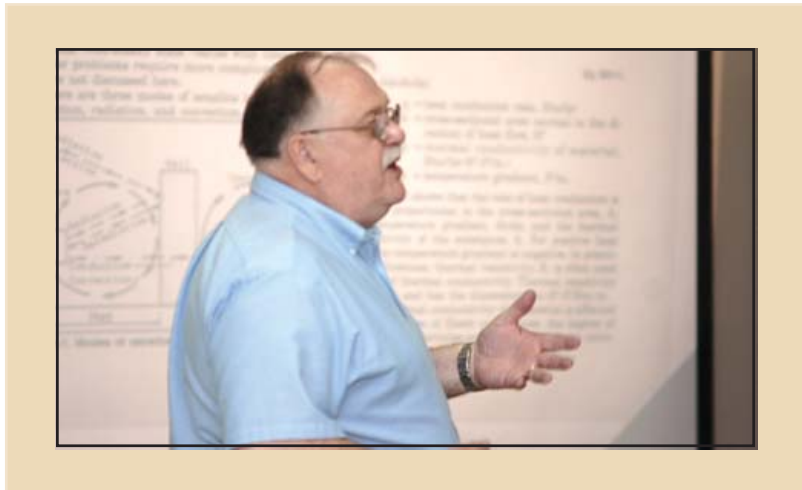
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Audit program ramped up



United's newest energy conservation soldiers try to wrap their arms around the math that proves some common sense recommendations for home energy conservation. Below, Sam Harp, a noted energy expert, educates employees on the virtues of home energy audits.

ENERGY



AUDIT 101

■ Debut of expanded United home energy audit program set for this summer

TRAINING

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“Sam Harp was incredibly knowledgeable, and gave us a good foundation for United’s energy audit efforts,” said United Field Engineering Supervisor Jason Dillard. “I wish, when I was building my home, that I could have spoken to someone with the same level of energy efficiency expertise. The training was an important first step and will be beneficial when we get into the homes for the next phase—actually performing an audit with the new computer program,” he said.

Full implementation for the new United audit push—which is the first of its kind and scope within Texas, and likely one of the few in operation today across the nation—is planned for this summer. And with it comes a new level of value-added service to co-op members.

In addition to a training with the new audit software, the class included a study of environmental formulas relating to different types of heat, heat transfer, conduction, radiation, convection and psychrometrics (air-water vapor mixtures).

Members Have a Say

As the Texas legislative session came to an end, it became all too clear that electric cooperatives and the member-owners they serve must stand together to ensure their interests continue to be protected.

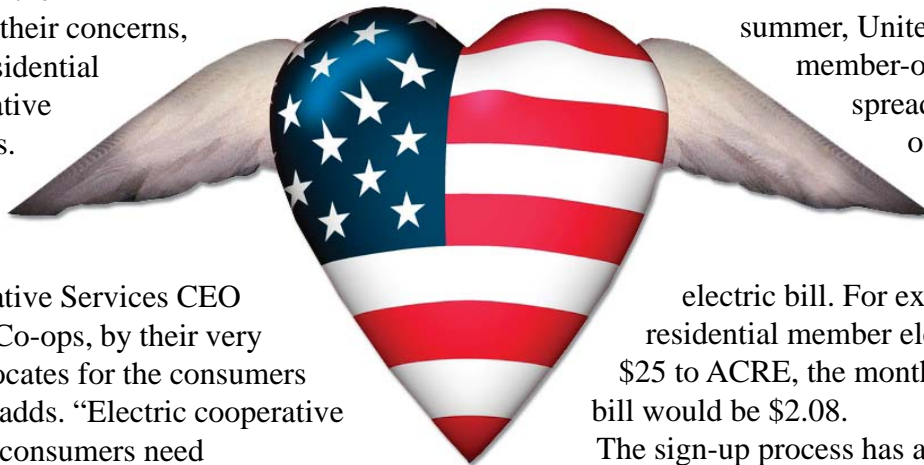
Fortunately, through a political action committee—called ACRE/Rural Friends (Action Committee for Rural Electrification)—not only do co-op employees have the ability to voice their concerns, but so do all residential electric cooperative member-owners.

“There’s strength in numbers,” says United Cooperative Services CEO Ray Beavers. “Co-ops, by their very nature, are advocates for the consumers they serve,” he adds. “Electric cooperative employees and consumers need representation in the legislature who understand the important issues affecting rural electric co-ops and who will fight for electric co-op consumers. ACRE/Rural Friends gives us that delivery platform.”

For years, United employees and many of their spouses have contributed thousands of dollars of their hard-earned money to ACRE/Rural Friends, which works to support candidates for both the U.S. Congress and the Texas Legislature who look out for the electric cooperatives and their member-owners. ACRE was organized to support only the

political candidates – those in office now and running for office – who will speak for and protect the interests of rural electric consumers and their cooperative electric systems.

Helping political wings take flight



How Can You Get Involved?

While many members have supported ACRE/Rural Friends, United will soon launch a method to make it easier to contribute. Beginning this summer, United residential member-owners can elect to spread their contribution over the course of a year by adding it as a line item on their monthly

electric bill. For example, if a residential member elects to contribute \$25 to ACRE, the monthly addition to the bill would be \$2.08.

The sign-up process has also entered the digital age. Residential members can choose to either sign up online at www.united-cs.com or print out the sign-up sheet, fill it out and mail it to United. ACRE members will receive periodic legislative updates.

“You don’t have to look too far to see that the energy debate is one of the most pressing issues being discussed and it’s not going away,” said Beavers. “It’s essential that we get the help of our members to ensure that the outcomes of these debates, now and in the future, are in favor of electric cooperatives and their members,” he said.

HOME ENERGY DISASTERS

■ United energy sleuths uncover more than a few, memorable efficiency problems

The names have been omitted to protect the identity of these denizens of efficiency calamity, but we can all learn a lesson from their energy waste. United's home energy experts were recently asked to recall some real-life examples of the energy "don'ts" if saving energy and its associated costs is a priority around your household.

The following list represents only a fraction of the energy efficiency infractions commonly discovered during home energy audits. And though the context of these examples may be laughable, each of these cases clearly demonstrates the lack of awareness that still resides within United's very own membership about energy efficiency—and so, too, our challenge to reduce their number.

WHO LET THE DOGS OUT?

- Pet windows built to accommodate kennels on side of house—3' X 5' windows open to outside with ramps built up to the windows to allow 24-hour pet access to house.
- A blanket was being used for a door. The member said this made it easier for their dog to get in and out!

GETTING ALL YOUR DUCTS IN A ROW

- Ductwork was loose or completely missing and members were able to see down to the ground through the vent in their floor. The members thought this was a very novel and convenient arrangement since the open floor kept their dogs warm, and also allowed the pets to seize the initiative for making their own way indoors.
- Gray vinyl ducts had disintegrated in a member's attic, and insulation had fallen off the ductwork. The only barrier between the air-conditioned duct and a very hot attic was a thin plastic membrane. Thinner wasn't found to be better.

- Duct had fallen down through the floor of mobile home. While the auditor was looking at the problem, a cat popped up out of the air supply register, looked around, then ducked back down.
- A member said he couldn't understand why his electric bill was so high and claimed it was warmer under the house than inside. After investigation, that was, indeed, the case. The duct connecting the two far sides of the double-wide mobile home was disconnected at both ends. To keep warm, the member had not only added space heaters inside the home, but had also set the heat pump to the Emergency Heat setting.

FULL SPEED AHEAD, FORGET THE AIR FILTERS

- An energy expert found that a dirty filter had been sucked up into air handler because of the vacuum it was creating. He removed it only to then find another filter wedged above the first—before finding a dirty AC coil that had been icing up for some time. The moral: the Sahara Desert's nightly winds probably offered greater cooling coefficients than the neglected AC unit, and the winds were free.
- One member admitted she had no clue what that "thing" (air filter) was, or why it was even in her HVAC system, after a completely clogged air filter was pried out of her AC unit.

PUT A DAMPER ON IT

- One member said it was too cold to go outside to smoke so he used his fireplace (4 ft. wide by 1 ft. deep) as a smoke exhaust. The member's heat pump could not keep up with heat lost

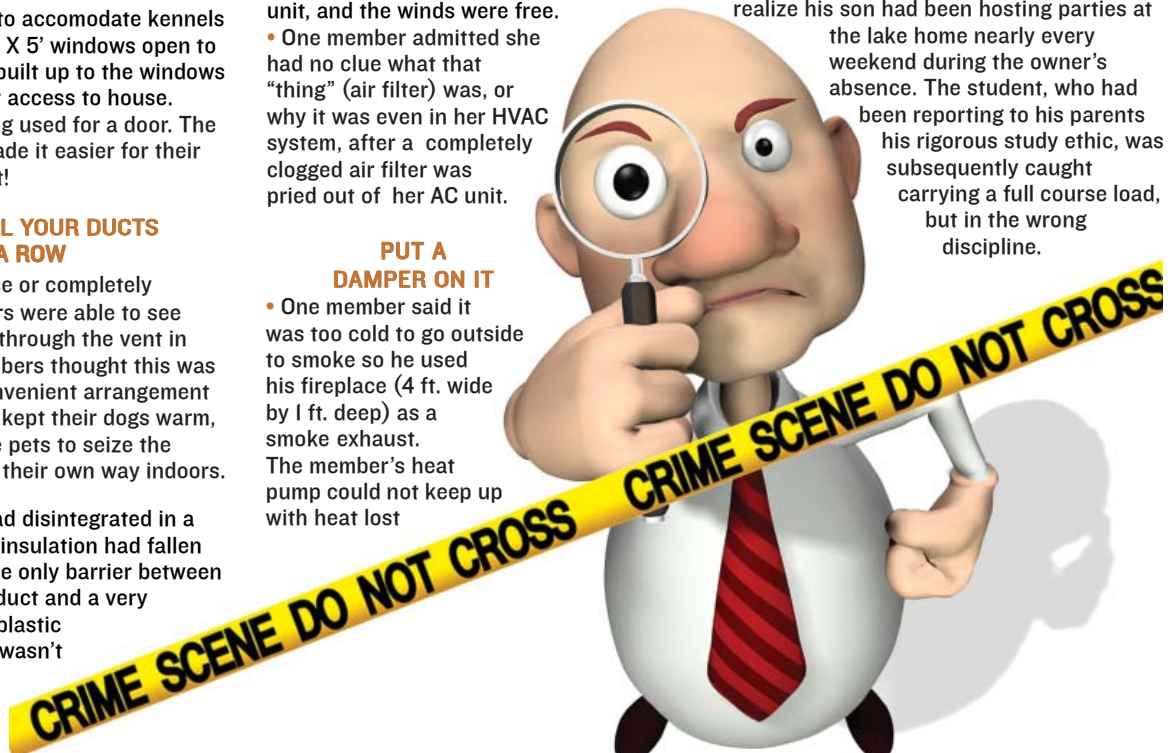
through the open fireplace damper, so the member installed four space heaters to help the struggling heat pump.

I KNOW I HAVE R38 INSULATION AND I HAVE THE RECEIPT TO PROVE IT

- Despite a member's adamant claim that his high electric bills were not the result of inadequate attic insulation, a United energy expert nevertheless checked the attic as part of the complete energy audit. The examination revealed the member might have had the equivalent of R-38 insulation if it would have been fully unbagged and blown in. Insulation had been piled to R-38 values within sight, but full R-38 coverage had never been applied to the entire attic—unopened bags of insulation were discovered in the attic's recesses.

TURN OUT THE LIGHTS, THE PARTY'S OVER

- A member who owns a lake home called and said there was no way his bill could be so high for an unoccupied residence—everything in the house was turned OFF while the family was away. At the time, the owner didn't realize his son had been hosting parties at the lake home nearly every weekend during the owner's absence. The student, who had been reporting to his parents his rigorous study ethic, was subsequently caught carrying a full course load, but in the wrong discipline.



Online Tools Can Help You Manage Energy Use



With rising energy costs grabbing the headlines these days, electric cooperatives like United Cooperative Services are providing members innovative tools to help them manage their energy use. While an actual onsite home energy audit is the best way to learn how to reduce energy use, United's online tools offer valuable insight into how members can control their energy use.

With a few clicks of a mouse, United members

can obtain information about their current energy consumption, as well as tips to reduce their use. Through a robust online home energy audit tool—called the Home Energy Calculator—on United's Web site (www.united-cs.com), members can identify the best ways to manage their home energy consumption.

United's Home Energy Calculator quickly calculates home energy use based on a detailed description of a home, its appliances, type of windows, etc. All energy applications, such as heating, cooling, lighting, etc., are included in the calculation. Armed with the findings, United members are able to estimate how much energy and money they can save by implementing energy efficiency improvements.

United also introduced last month a new online tool that calculates energy savings related to compact fluorescent light bulbs. By changing 25 incandescent bulbs to energy-efficient CFLs, a member could save \$148 annually and \$1,337 over the life of the bulbs.

Summer Can Put a Strain On Your Energy Use, Wallet

During the oppressively hot summer months, Texas' electric grid can be challenged during peak energy-use periods, typically in the 4 p.m. – 7 p.m. timeframe. When the grid struggles to keep up with demand, unscheduled outages could occur. It also forces the power being sold on the open wholesale market to surge. If during those 100-degree July days United's power demand peaks at extremely high levels, the co-op's power supplier could be forced to purchase some electricity on the

open spot market—and the price could be at a premium. For example, United members typically pay about \$0.11/KWh of electricity (based on 1,000 KWh of use). If on a 100-degree July afternoon the peak energy demand requires purchasing power on the open spot market, the price could be as high as \$1.50/KWh. That's a hefty price to pay.

United is a member-owned electric co-op focused on delivering power to its members reliably and at the lowest cost possible. Since we're all members, and therefore owners, of the

cooperative, we all can play a role in reducing energy costs.

United encourages members to set programmable thermostats during the summer at 78 degrees or higher. Hold off on doing laundry, operating the dishwasher or turning on hot water until after 7:30 p.m. If you're not using the light in the room, or if you're not in the room that has the light on, flip the switch. United will continue to offer helpful tips on reducing energy use. We're all in this together.

Beavers Named Recipient of Touchstone Energy Brand Champion Award



BRAND LEADERS—United CEO Ray Beavers visits with Michael Schaefer, left, CEO, Taylor Electric Co-op, Medford, Wis., and Eileen Tuttle, marketing and communications manager at Union Rural Electric Cooperative in Marysville, Ohio, after each were recognized for their exceptional leadership, effectiveness, innovation and consistency in promoting the national Touchstone Energy Brand. Beaver’s efforts to make member satisfaction a top priority at United Cooperative Services was the key consideration for his award. In all, only five of the prestigious Touchstone Energy Brand Champion Awards were given during the May 2007 Connect Conference.

United meets changing outdoor lighting mandates



United Cooperative Services strives to provide the latest innovations to the members it serves, while adhering to federal and state regulations and policies. Commitment to our members is an everlasting principle and serves as a constant reminder to all that being part of a not-for-profit electric cooperative has advantages. At United, our employees continually offer members information on products, services and industry issues that could affect how you use the electricity we deliver.

Changes in federal policy regarding area lights have led to a transition in how we address this specific area of our service portfolio. In that vein, we hope to ensure that United members are fully informed on changes to area light policies.

Key Facts

- The Energy Policy Act of 2005 prohibits manufacturing or importing traditional Mercury Vapor (MV) lamp ballasts as of Jan. 1, 2008.
- High-Pressure Sodium (HPS) lamps have replaced the MV lamps and are the only area light option.
- HPS lamps are more energy efficient than MV lamps.
- Light from MV lamps is typically “white.” Light from HPS is amber in color.
- If an existing MV ballast fails, United can only replace the ballast with a HPS light.
- New requests for area lights can only be fulfilled with HPS lights per federal mandate.
- An environmental fee could be assessed in the future for the disposal of MV bulbs.
- MV lamps eventually will become obsolete.

Key Benefits of the change to HPS Area Lights

- HPS lights produce more light—at the same cost—than the MV lamps (See table below).
- HPS bulbs are more environmentally friendly than MV lights and do not have to be disposed of in certified landfills.
- HPS lamps attract fewer bugs.

KEY COMPARISONS

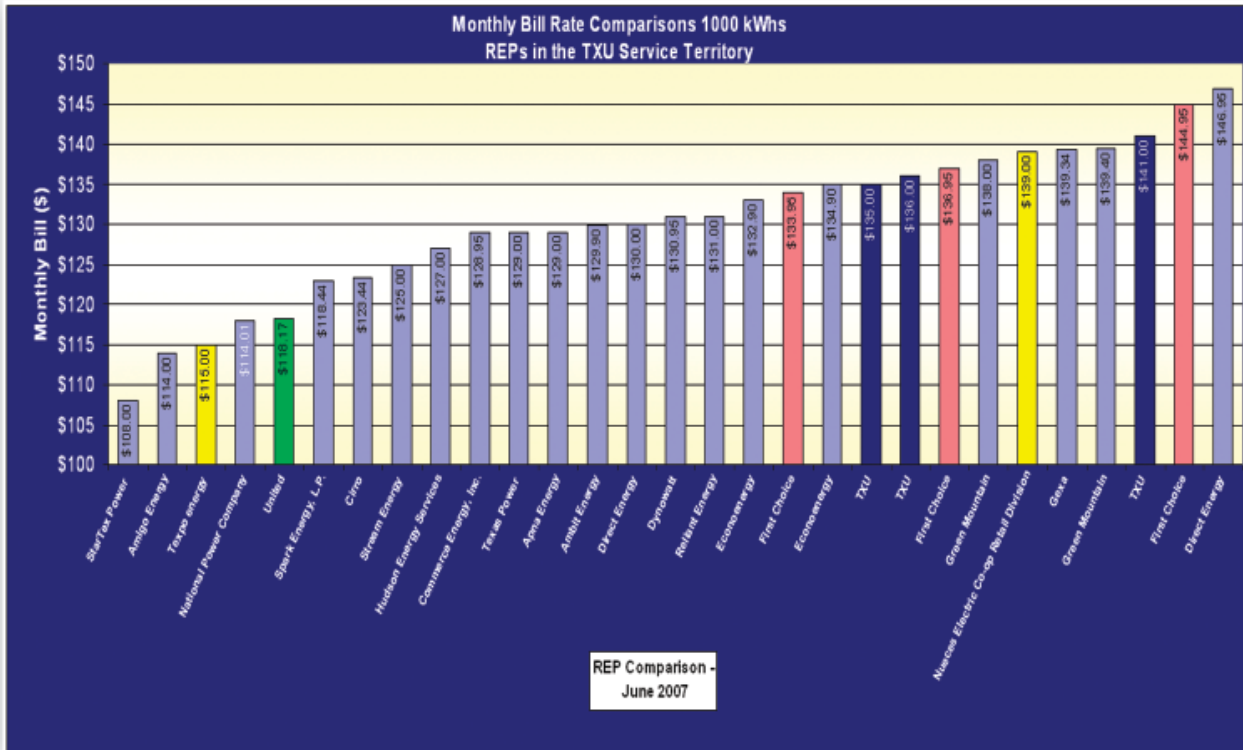
Bulb Type	Wattage Lumens (brightness)	Average Life
Mercury Vapor	175 Watts 6240	24,000 Hours
High-Pressure Sodium	100 Watts 8550	24,000 Hours

*Source: Eye Lighting International

Looking Out for the Membership

The transition to HPS (High-Pressure Sodium) lamps from MV lamps will be an ongoing effort. As always, United will continue to keep members fully informed about changes to all federal and state industry policies and regulations. As those changes occur, United will continue to offer innovative solutions, such as it has by providing HPS lamps.

RATE WATCH



HOW WE COMPARE — The rate comparisons shown above represent a small portion of all rates offered in the North Texas utility market for the month of JUNE 2007. A complete comparison may be obtained by going to www.powertochoose.org.



We all have the power to save energy and money!

Looking out for you.

www.united-cs.com



The Wonderful World of Politics

What started out to be an interesting legislative session in Texas ended with a thud. I really thought that the political establishment was actually going to take some very strong measures to deal with the many issues affecting the electric utility industry in our state. The session started off with the sense that the legislature was angry and determined to deal with TXU, while accusing the investor-owned utility of market abuse and profiteering on the edge of anti-trust violations. The public was crying out for something to be done, and even the media (as misinformed as they seem sometimes), was looking for solutions. Energy prices were on everyone's mind and the question was asked over and over, "What can we do?"

There were two major bills introduced in the House that would have definitely shook things up if the bills stayed intact and held onto their original wording. One bill would have reduced the market power of any utility within any zone to 20 percent of the market. Presently, TXU is over 40 percent of the northern zone. That bill bounced around through the entire session only to become a nearly ineffectual version of the original. The other bill was intended to lower the benchmark for pricing in the market. It ended up requiring TXU to lower its "old price to beat" rate by 15 percent and to give the Public Utility Commission of Texas (PUC) the authority to approve the sale of any utility. That bill passed, however it only forced TXU to do what the company said it would do prior to the legislation. In certain instances they will drop rates by 6 percent, and when the sale occurs, the rates will be dropped another 4 percent. The PUC now has the authority to approve any future merger, acquisitions and sales, but not the TXU deal.

A bill to deal with energy efficiencies passed even though the teeth were removed from the bill. There

will be new standards for building homes and commercial buildings. The PUC will be directed to work on new renewable energy standards. And an amendment was passed to increase the reimbursement of escheated funds to the cooperatives from \$1 million dollars to \$2 million dollars. These funds, which were targeted for scholarship and economic development, can now be used for energy conservation measures. The co-ops had a few concerns during the session. However, we came out fairly well. There was a bill resubmitted by Reliant (another large for-profit utility) that would have lowered the IOU's tax obligation to the state by \$1 million and the difference would have been made up by a new tax on the electric co-ops.

I'm sure you read that during the final moments in session there was a move to unseat the speaker of the House. It became so heated that a group of legislators stormed the front and an altercation ensued that was reminiscent of the "Wild West."

All of this said, I would not change our political system for any other in the world. I do get frustrated with what happens and moreso with what doesn't happen. I do wish that the focus would always be on the right thing happening. The problem is that most of the time the right thing ends up being a politicized.

We, as citizens and as public interest groups, must stay engaged, express our views and keep in touch with our elected representatives. We have to continue to make sure our elected representatives know we are involved through our actions (ACRE/Rural Friends) and our words (lobbying and contacting our representatives.) I speak to our elected officials regularly; they know who United is, and what Texas cooperatives mean to their members. That has tremendous value for our future. Rural Friends/ACRE members have helped make it that way and I hope that help never ends.



RAY BEAVERS
United CEO/General Manager