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CONTRACTOR LOCATIONS

Contractor Company Name: Quality Pole Inspection & Maintenance (QPI&M)
Foreman: Terry Craddock
Foreman's Cell Phone Number: 817-504-3793
Project Name: Pole Inspection
Substation: Georges Creek 1202
Map Number: 31-31-91

Contractor Company Name: Blackwell Electric
Foreman: Charlie Green
Foreman's Cell Phone Number: 325-330-0242
Project Name: ETP Cresson Site 3 WO# 785055
Substation Bono 06
Map Number 31-27-46-16

Contractor Company Name: Blackwell Electric
Foreman: Jamie Brumbalow
Foreman's Cell Phone Number: 254-216-0309
Project Name: Pole Rejects
Substation: Tenaska
Map Number scattered

Contractor Company Name: Blackwell Electric
Foreman: Larry Byrd
Foreman's Cell Phone Number: 817-688-0988
Project Name: CR01 Feeder Conversion
Substation: Crowley
Map Number: 31-22- 95-94

Contractor Company Name Blackwell Electric
Foreman Dan Styers
Foreman Phone #
Project Name: CR01 Feeder Conversion
Substation: Crowley Starting on north end

A GENTLEMAN AND A SCHOLAR



SOME SPENDING MONEY — United Cooperative Services Board President, Jack McCaslin, right, awards Daniel Thompson of Stephenville a \$10,000 Energy Scholarship as the highlight of the cooperative's 18th annual scholarship banquet, held recently in Cleburne. Please see story, **PAGE 2**.

IT'S AN OPTION:

Return on investment not yet proven for distributed generation

■ United accepts distributed generation; economic viability still uncertain

Distributed power is the process of putting small-scale power generation sources near available electric distribution lines to provide power that is independent of regular retail electric supply. Electric utility companies like United Cooperative Services have made provisions to buy any surplus power generated by these distributive generation sources if they fall within set cooperative guidelines.

United Cooperative Services has

Please see **GENERATION, PAGE 7**



United Awards \$85,000 at annual scholarship banquet

■ Sixty-eight students recognized in 2006 United Honor Roll

Three Stephenville brothers received the top three scholarships awarded to outstanding area member students Thursday, July 27,

2006 during United Cooperative Services' 18th Annual Energy Scholarship Award Banquet, held in the Cleburne Civic Center. And their sister, the fourth member of the quadruplets, was not left out of the mix, either.

Ray Beavers, United general manager/CEO, announced Reagan and Patrick Thompson as the winners of the co-op's two \$5,000 academic scholarships, and their brother Daniel as this year's 10,000 award winner while United's Board President, Jack McCaslin, presented the awards. Kayla



DANIEL THOMPSON



PATRICK THOMPSON



REAGAN THOMPSON

Thompson, their sister, was recognized as one of 65 other honorees who each received \$1,000.

"It's remarkable that the Thompsons were each selected scholarship award winners considering that the judging process for these scholarships is conducted in three separate locations and is a blind and unbiased process," Beavers said. "Every student represented here tonight is an exceptional student, and they are all deserving, but the Thompsons were judged the top

candidates. It's gratifying to see one family do so well."

Following a meal for the honorees and their families, United Cooperative Services board of directors awarded \$85,000 in scholarships to students representing the co-op's individual member districts across a 14-county service area. More than 200 United members attended this year's event.

"I can't think of a better way to re-invest money into our local communities than to invest in these students — they are our future," Beavers said. "I'm elated to have this opportunity to jump-start these young men and women's paths into higher education and the careers of their choice."

This year's crop of scholarship winners were selected from more than 170 area applicants in 19 communities including; Alvarado, Joshua, Burleson, Mansfield, Cleburne, Grandview, Venus, Granbury, Tolar, Gordon, Strawn, Crowley, Godley, Clifton, Hico, Meridian, Walnut Springs, Stephenville and Dublin. To date, 668 students have received \$685,000 in academic scholarships from United Cooperative Services during an 18-year period.

To remain eligible for the scholarships, the students must complete two

HEAD START



THE WORLD IS THEIR OYSTER

Area high school students discuss their future plans prior to the award ceremony at United Cooperative Service's annual Energy Scholarship Banquet.

Please see **SCHOLARSHIPS, PAGE 8**

ENERGY WISE

Geothermal exchange systems offer energy savings through advanced technology

How would you like to have heating and air conditioning system in your home that saves energy, is environmentally friendly, rids your yard of unsightly A/C units, reduces the costs of heating water, and reduces maintenance costs?

Geothermal exchange systems provide heat in the winter and cooling in the summer, and are substantially more efficient than alternative systems according to industry reports.

What They Do

Like conventional heat pumps, they are essentially air conditioners that can also run in reverse to provide heat in the winter. Their primary difference is that they rely on the nearly constant temperature of the earth for heat transfer instead of the widely fluctuating temperatures of outside air.

The unique aspect of the geothermal exchange system, and the key to its reported efficiency, is the ground loop. The ground loop provides the means of transferring heat to the earth in summer, and extracting heat from the earth in winter.

The ground loop consists of several lengths of plastic pipe typically installed in horizontal trenches or vertical holes that are eventually covered and landscaped.

Water inside the ground loop piping is pumped through a heat exchanger in the geothermal heat pump. In the summer, it absorbs heat from the refrigerant hot zone and carries it to the ground through the ground loop piping. In winter, it absorbs heat from the earth through the ground



loop, and then transfers that heat to the refrigerant cold zone.

The length of the ground loop will be determined by the heating and cooling loads, which are determined in turn by the size of your home, its design and construction, its orientation, and the climate where you live. The efficiency of either the horizontal or vertical ground loop depends on the type of soil (rocky, sandy, clay-laden, etc.), the geology of the deeper terrain in your area, and the amount of land available.

Generally, horizontal loops are less expensive to install, but require more land area. Vertical holes require much less land area, but require the expense of drilling.

Another ground connection option—an open loop system—involves using wells instead of closed loop piping. Where water is plentiful, it can be pumped out of a well, through the heat exchanger at the geothermal heat pump, and then pumped back into another well to return to the groundwater. Since

the water merely absorbs or gives up heat, it is not altered in any other way, and it leaves the geothermal unit as pure as it was when it entered it.

Low Maintenance

Geothermal exchange systems also provide year-round humidity control, and modular designs can make zoned heating and air conditioning practical—for even more comfort control through the entire house.

According to industry reports, geothermal exchange systems can save 20-50 percent in energy cost annually.

Public Notice

of Intent to Consider and Determine Whether to Implement New Federal Standards

On June 26 and July 24, 2006, the Board of Directors (Board) of United Electric Cooperative Services, Inc. adopted resolutions initiating a proceeding to consider and determine whether to implement the new federal standards in the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 U.S.C. § 2621(d)(11)-(15), as amended by the Electricity Modernization Act of 2005, enacted by Congress in the Energy Policy Act of 2005, Pub. L. No. 109-58, 119 STAT. 594, effective August 8, 2005. The new federal standards for consideration are:

1. Smart Metering (16 U.S.C. 2621(d)(14))

Time-Based Metering And Communications—

Each electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology. Each electric utility shall provide each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively.

2. Interconnection (16 U.S.C. 2621(d)(15))

Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility serves. For

purposes of this paragraph, the term 'interconnection service' means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

The Cooperative notes that it has adopted Distributed Generation Procedures and Guidelines which provide for interconnection services.

3. Net Metering (16 U.S.C. 2621(d)(11))

Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term 'net metering service' means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-

continued on next page

site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.

The Cooperative notes that it has adopted Distributed Generation Procedures and Guidelines which provide for net metering services.

4. Fuel Sources (16 U.S.C. 2621(d)(12))

Each electric utility shall develop a plan to minimize dependence on one fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.

The Cooperative notes its wholesale power supplier determines the fuel mix used to generate electricity that is purchased by the Cooperative.

5. Fossil Fuel Generation Efficiency Standard (16 U.S.C. 2621(d)(13))

Each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.

The Cooperative notes its wholesale power supplier determines the efficiency of the fossil fueled generation plants from which electricity is purchased by the Cooperative.

Request to Participate: Persons who wish to participate in this proceeding should complete the accompanying Request to Participate form and deliver the completed form to the Cooperative at 3309 North Main Street, Cleburne, Texas 76033 or mail it to P.O. Box 16, Cleburne, Texas 76033. Requests to participate must be received no later than the intervention

deadline, October 9, 2006. A person who requests to participate after this date may be limited to filing comments and may not be admitted as a party or allowed to present evidence.

Public Comments: Persons who wish to comment on this proceeding, but not present evidence or otherwise participate in the hearing, may send their comments in writing to the Cooperative at the address above. Comments are not evidence and will not be placed in the evidentiary hearing record, but may be considered by the parties.

Prehearing Conference: A prehearing conference has been set for October 13, 2006 at 11:00 o'clock a.m. The parties may participate in person by appearing at the Cooperative headquarters, 3309 North Main Street, Cleburne, Texas. Each party should be prepared to discuss the PURPA standards and issues relating to the standards of concern to that party at the prehearing conference and other matters identified by the Board and/or presiding officer. The presiding officer may determine the procedures to be used and may set the procedural schedule.

Hearing: After all parties are admitted, a public hearing will be convened at a date to be determined by the presiding officer in coordination with the President to consider the evidence and positions presented by the admitted parties participating in the proceeding regarding whether the Board should adopt the federal Smart Metering, Interconnection, Net Metering, Fuel Sources, or Fossil Fuel Generation Efficiency standards.

Requests for further information about the proceeding should be sent to Cameron Smallwood, an engineer for the Cooperative, at 817-556-4000.

Docket No. 2006-TX164-0001

IN THE MATTER OF CONSIDERING WHETHER TO IMPLEMENT SMART METERING, INTERCONNECTION, NET METERING, FUEL SOURCES, AND FOSSIL FUEL GENERATION EFFICIENCY STANDARDS PURSUANT TO 16 U.S.C. § 2621(d)(11)-(15) § BEFORE THE BOARD OF DIRECTORS OF UNITED ELECTRIC COOPERATIVE SERVICES, INC.

Request to Participate

1. Print Name: _____
 2. My contact information is:
 Street Address: _____
 City, State, Zip: _____
 Telephone: _____
 Fax Number: _____
 Email: _____
 3. I am (check one):
 A member of the Cooperative.
 An affected electric utility.
 A member of an affected electric utility.
 Other Status: Please briefly explain your relationship to the Cooperative and the reasons you are interested in participating in this proceeding:

 4. Please indicate the federal standards you would like to address:
 Smart Metering
 Interconnection of an on-site generation facility
 Net Metering of an on-site generation facility
 Fuel Sources
 Fossil Fuel Generation Efficiency.
 5. Check the block that describes the extent of participation you desire:
 I wish to only give my comments on the federal standards
 I wish to be admitted as a party and present evidence at a contested hearing.
- Date: _____

(Signature of Participant)

REQUEST TO PARTICIPATE:

Persons who wish to participate in this proceeding should complete the Request to Participate form at left and mail or deliver the completed form to the Cooperative at 3309 N. Main, P.O. Box 16, Cleburne, Texas 76033. Requests to participate must be received no later than the intervention deadline, October 9, 2006. A person who requests to participate after this date may be limited to filing comments and may not be admitted as a party or allowed to present evidence.

Distributed generation is a small part of United's diversified service portfolio

GENERATION, continued from **PAGE 1**

made distributed generation procedures and guidelines available on its website at www.united-cs.com for members who are considering an interconnection on United's distribution system with wind, solar, or fossil fuel-driven distributed generation.

Two levels of distributed generation are presently offered: a smaller class of distributed generation that produces less

“OUR EXPERIENCE HAS SHOWN THAT A RETURN ON INVESTMENT FOR DISTRIBUTED GENERATION WOULD BE VERY DIFFICULT, IF ACHIEVABLE AT ALL.”

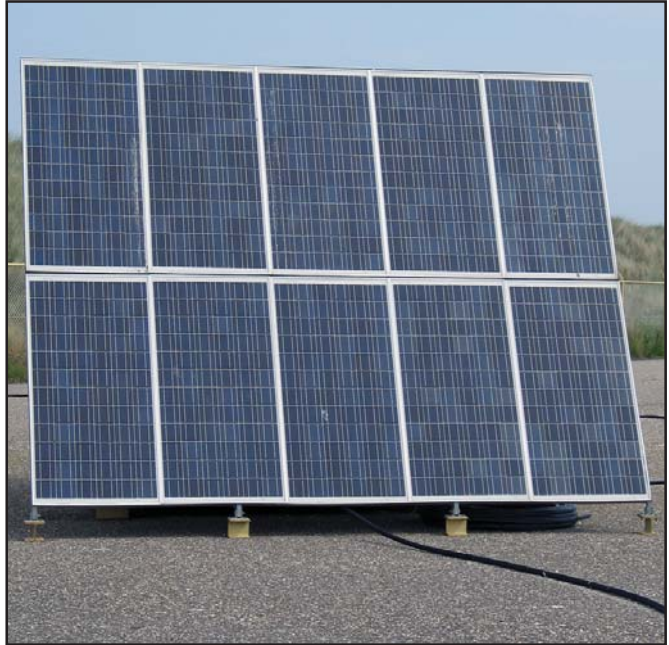
CAMERON SMALLWOOD
VICE PRESIDENT OF PLANNING

than 50 KW, and a larger class that generates more than 50 KW but less than 10 megawatts. Net metering is available within a billing cycle for the smaller class, while power generation purchased from the larger class will be at United's avoided energy costs.

Interconnection charges for the smaller class of distributed generation is \$10 per month per meter location, which is in addition to a member's regular energy usage and the normal customer charge. The interconnection charge for the larger class is \$34 per month where distributed generation is installed.

United currently has five members who have installed the smaller class of distributed generation systems, and the co-op will soon add another in the larger classification after testing is completed.

“Considering the prices we are each charged for energy today, our experience has shown that a return on investment for distributed generation would be very difficult, if achievable




HARNESSING THE SUN — Solar panel arrays similar to the one above are one option for consumers who may be considering distributed generation interconnection.

at all,” said Cameron Smallwood, United's vice president of planning.

Smallwood cited the recent installation of a small wind turbine and solar generation system, with a capacity of 3.8 KW, as an example of the enormous costs associated with a relatively small system.

“The cost of that system, including installation, ran \$30,000,” he said. “On average, and under ideal conditions, installations similar to this example would be lucky if they offset half of the consumer's bill at United Cooperative Services. And since United's rates are lower than any retail electric provider in North Texas today, that estimated return on investment would be even more difficult to achieve.”



Your Touchstone Energy® Cooperative 

“The Power That Connects Us”

Linemen win four trophies at rodeo

■ Team earns three firsts and one second place finish

More than 300 linemen, competing in four separate utility divisions, suited up and went gaff to gaff during the 10th

Annual Texas Lineman's Rodeo held July 15 at Nolte Island in Seguin. And when the last 40-foot pole had been stabbed, United's team came away with three climbing trophies and a barbecue cook-off championship thrown in for

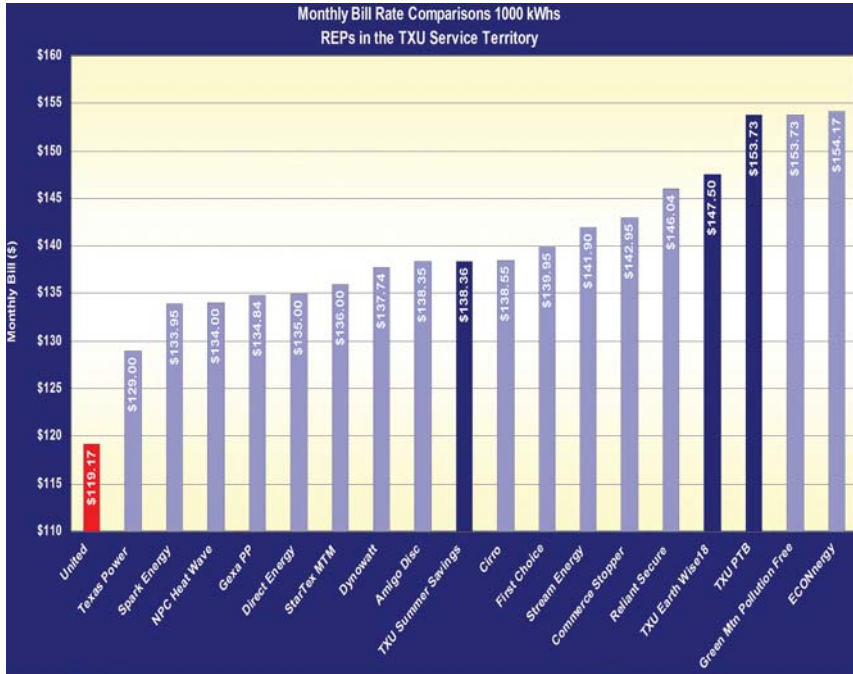
good measure.

The rodeo showing was the culmination of the team's twice-weekly practice sessions started in February.

This year's United team was composed of Ted Gebhart, Jeff

Pannell, Mark Buckner, Bobby Herring, Shawn Hawthorne, Chase "Peanut" Noland, Eddie Nunez, Carlos Martinez, Mike "Frog" Ferguson and Allen Neal.

Jeff Pannell kept his name at the top of the rodeo association's premier climber's list after he easily swept the field in the Individual Journeyman Pole Climb event, winning first place with a time 18.95 (Pannell won the event last year in the apprentice division). Shawn Hawthorne raced to a first place finish in the Apprentice Pole Climb with a time of 22.62 seconds. United's 2006 Journeyman Pole Climb Team, composed of Jeff Pannell, Ted Gebhardt and Mark Buckner claimed second place with a combined time of 24.40. And Eddie Nunez's briskets were judged the rodeo's best.



RATE WATCH — The rate comparisons shown above represent a small portion of all rates offered in the North Texas Utility market for the month of August. A complete comparison may be obtained by going to www.powertochoose.org.

SCHOLARSHIPS

continued from **PAGE 2**

consecutive semesters at an approved college beginning this fall, and must enroll in at least 12 semester hours and maintain a 2.0 grade point average.

Winners from **Alvarado** were: Jacob Rowe, Nathan Barnes, Kaitlyn Turner. Winners from **Joshua** were: Jeff Kinnear, Rachel Pelton and Jamie Lowe. Winners from **Grandview and Venus** were: Amanda Diyer, Garrett Gohlke, Mark Humphrey and Christina Munoz. Winners from **Burleson and Mansfield** were: Jordan Woody, Evan Sanchez, Brandon Taylor, Daniel Willey,

Jacquelyn Boehm, Brittan Colburn, Rebekah Fahey, Emma Harman, Maegan Marshall, Brett Riker, Jacob Lee Tolliver, and Julia Williamson. Winners from **Clifton, Hico, Meridian and Walnut Springs** included: Caitlin McDonald, Lense Mabry, Ryan Koonsman, Chad Oldham, Amanda Olson. Winners from **Cleburne** were: Louis Baker, Maddison Black, Jared Hutyra, Brandt Self, Chandler Sinclair, Monica Vasquez and Jazz Wood. Winners from **Crowley and Godley** were: Max Price, Jared Hanna, Melissa Hightower and Jonnie Thurston. Winners from **Gordon and Strawn** were: India Crain, Jessica Edwards and

Jake Cormack. Winners from **Granbury** were: Michael Campagna, Amber Causey, Carolanne Dunaway, Molly Mabery, Ibeth Mojica and Brittany Morris. Winners from **Tolar** were: Dacie Bishop, Whitney Spraggins and Megan Sullins. Winners from **Stephenville** included: Kayla Thompson, Daniel Thompson, Regan Thompson, Patrick Thompson, Krista Wilcoxon, Whitney Wood, Jonathon Evans, Ted Gautier, Mika Hale, Kyle Hoffman, Brock Holt, Kylee Hudson, Dustin Hughes and Charly Sandidge. Winners from **Dublin** were: Andrea Grisham, Barrett Hutchison, Slaten Miller and Rhonda Stephen.