Wake ElectriConnection

For members of Wake Electric Membership Corporation

"The power to make a difference"

NOVEMBER 2008

Wake Electric Membership Corporation

2009 Rate Increase

Effective January, Wake Electric plans to increase the wholesale power cost adjustment (WPCA) by one penny—from 1.5 cents per kWh to 2.5 cents per kWh. The WPCA is an amount that is added to a member's bill each month reflecting increases and decreases in the cost of purchased power from the Cooperative's wholesale power supplier. The average household (which uses about 1,000 kWh per month) can expect to see about a $10 per month increase on its electric bill. This charge applies to all residential and street lighting rates and will be effective January 1, 2009.

As the need for more electricity grows in Wake Electric's service territory, these proposed rates are part of our larger effort to prepare for our energy future, which includes new sources of power, reduced emissions at power plants that generate our power and increased investment in renewable energy and energy efficiency.

Increases are also necessary given today's volatile fuel costs. Fuel costs spiked in the summer of 2008 to $140 per ton for coal and $14 per mmBTU for natural gas. We have seen natural gas price spikes before but gas represents only 10% of our energy mix. This is the first time we have seen coal prices so volatile and coal represents 40% of our energy mix. Also, coal prices have remained high even as other fuel prices have returned to normal levels.

Wake Electric last changed retail electric rates in June 1997. Under the new retail rates, WPCA charges were zero until late 2000 and but have increased steadily since 2002. A WPCA charge of 1.5 cents per kWh has been applied since July 2006.

Instead of actually raising rates, Wake has decided to recover additional fuel costs through the WPCA. The primary advantages to this approach are to avoid base rate changes until 1) there is hopefully some stability in coal prices and 2) federal energy legislation is approved in 2009 and we have a better sense of the future direction and structure of potentially significant changes such as renewable energy mandates and/or carbon dioxide constraints or taxes.

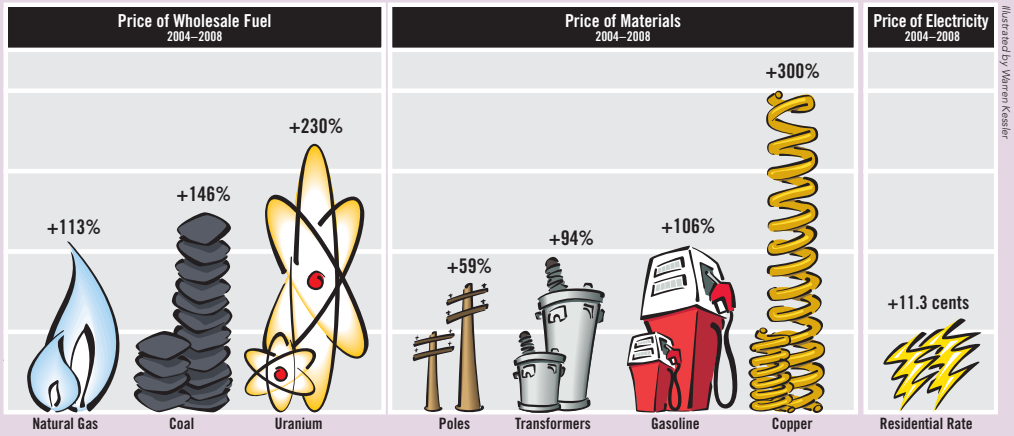
For tips on how to save on your electric bill and on energy efficiency, visit our website at www.wemc.com.

Look What's Happened to Prices

The cost of bringing you electricity reliably all day, every day, has risen dramatically during the past five years. Your cooperative is paying twice or three times as much for such necessities as gasoline, copper and steel. Also, the cost of basic fuels used to generate electricity has more than doubled in five years.

As a not-for-profit business, your cooperative must pay its expenses and sooner or later pass them on to member-consumers.

As seen in the chart to the right, while energy prices more than doubled in the past four years, Wake Electric between 2004–2008 maintained its residential rates at 11.3 cents per kWh. Although electricity has not seen the same size increase as other commodities, the price pressure is likely to continue upward as long as the other commodity costs rise.



Illustrated by Warren Kessler

Wake Electric Membership Corporation

A Touchstone Energy® Cooperative

Call to report outages: 919.863.6499 or 800.743.3155
Regular office hours: M–F, 8 a.m.–5 p.m.
Telephone hours: M–F, 7 a.m.–9 p.m., 863.6300 or 800.474.6300
Underground locating service: Call 811

Energy Efficiency—Proper Insulation

One of simplest ways to reduce your home's heating and cooling costs–and improve comfort–involves installing proper insulation. Doing so provides resistance to heat flow. The more heat flow resistance your insulation provides, the lower your heating and cooling costs.

Heat flows naturally from a warmer to a cooler space. In winter, heat moves directly from heated living spaces to adjacent unheated attics, garages, basements, and even outdoors. It can also travel indirectly through interior ceilings, walls, and floors—wherever there is a difference in temperature.

During the summer cooling season, the reverse takes place. Heat flows from the outdoors to the interior of a house.

To maintain comfort, heat lost in the winter must be replaced by your heating system. In summer, heat gained must be removed by your cooling system. Proper insulation, though, decreases heat flow.

Heat flow resistance is measured or rated in terms of its R-value. The higher the R-value, the greater the insulation's effectiveness.

When calculating the R-value of a multilayered installation, add R-values of individual layers. Installing more insulation in your home increases the R-value.

Insulation effectiveness also depends on how and

where it's installed. For example, insulation that gets compressed will not provide its full rated R-value. The overall R-value of a wall or ceiling will be somewhat different from the R-value of the insulation because some heat flows around the insulation through studs and joists. Therefore, it's important to properly install your insulation to achieve the maximum R-value.

For more information, visit www.eere.energy.gov

Apartment Living: Energy Efficiency Style

Many ways for cutting electricity costs in houses also apply to apartments. You can reduce electricity use in your apartment by focusing on these areas:

APPLIANCES AND ELECTRONICS

- Purchase energy-efficient products and utilize any efficiency-related settings. These include microwaves, toasters, computers, alarm clocks, televisions, stereos, DVD players, room air conditioners, etc.

LIGHTING

- Purchase energy-efficient lighting products, like compact fluorescent lamps.
- Switch lights off when not in use, and incorporate more daylight into your apartment using windows, window treatments, and skylights.

HEATING AND COOLING

You might need permission from your landlord or management company to implement some of these, or ask that they do the work:

- Caulk and weather strip around windows and exterior doors.
- Carefully select, install, and use window treatments or coverings.

WATER HEATING

- Again, you might need permission from your landlord or management company to implement some of these:
- Reduce hot water use

To learn more, visit www.eere.energy.gov

Reading Your Electric Meter

A residential electric meter measures how much energy you use. Energy use is calculated in kilowatt-hours or the number of kilowatts of power used times how many hours of use in a one-month billing period.

CALCULATING ENERGY USE

The equation for energy is: *Energy = Power x Time*

It's often abbreviated like this: *E = P x T*

The units of the equation are:
kilowatt-hours (Energy) = kilowatts (Power) x hours (Time)
or
kWh = kW x hr

By reading the meter at the same time each day, you will get an idea of the amount of electricity you used. By writing each daily reading in an "Energy Diary," you can "chart" increases and decreases in energy use. By making notes when a particular energy activity is done like doing the laundry or cooking, you will know how your "energy dollar" is being spent.

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