




MID-OHIO ENERGY COOPERATIVE, INC.

A Touchstone Energy® Cooperative 

www.midohioenergy.com



Pay bills- Kenton or Marion office, by mail or online.

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John Metcalf.....President & CEO
Mark Terrill.....Dir. of Operations
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Don Fleming.....Accountant
Brent Burggraf.....IT Mgr./Office Mgr.
Tim Street.....Dir. of Comm. & Mbr. Ser.
Brian Barger.....Mgr. of Special Projects
Tracy Daughenbaugh...Operations Sup.,
Kenton
Gary Vanderhoff.....Operations Sup.,
Marion
Barry Boes.....Lead Lineman, Marion
Don Doersam.....Lead Lineman, Kenton

Line Crew

Kent Driskill	Casey Ledley
Dan Lucas	Kip Luikart
Chris Napier	Aaron Newland
Todd Phillips	Jared Robinson
Aric Stover	

Office Crew

Carol Emptage	Ellen Ränge
Sue Lessig	Kathy Sherman
Kim Middleton	Karen Sutherland

Office Hours:

8 a.m. to 5 p.m., Mon. - Fri.

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555 West Franklin St., P.O. Box 224
Kenton, OH 43326-0224

Marion office: 740-382-1234
2859 Marion-Upper Sandusky Rd.
Marion, OH 43302-9303

Call Toll Free: 888-382-6732

A Proactive Approach to Limiting Power Costs

With the conclusion of the joys experienced with the holiday season comes the expense of the new year's bills! With the economy at a 50 year low and double digit unemployment, paying for those holiday bills are harder now than ever.

In 2009, Mid-Ohio Energy's members witnessed the highest single year rate increase since the late 1970's. Several factors contributed to nearly 16% of retail rate increase for the average member. The major causes were contributed to unusually mild weather, the downturn in the nation's economy, and the cost of unfunded environmental compliance mandates.

With the current economic downturn, a great number of manufacturing jobs were lost in this region of the United States. Many plants who were large energy users are now idle or permanently closed. Coupling that with many states' renewable energy mandates, including Ohio, which require large amounts of renewable energy to be added, causes an excess of energy in this region of the United States. Even though Mid-Ohio Energy or Buckeye Power does not directly serve many of these loads, the effects of excess energy ripples throughout the energy market in the form of lower generation pricing. This sounds good for the consumer at first, but the reality is bad for many energy suppliers like Buckeye Power who rely on excess energy sales as part of its normal income. Buckeye Power, as with most other generation providers, must have the assets in place to meet the peak electrical demand of its members. This normally comes on hot summer afternoons or cold winter evenings. However, the rest of the time, say 4:00 a.m., demand is greatly reduced. Companies like Buckeye Power rely on a strong energy market to sell its excess power in order to off-set the huge investment necessary to meet the peak energy usage. Currently the energy market has dropped below the fixed cost of nearly all generating plants in the region including those owned by Buckeye Power.



*John Metcalf
President & CEO*

Last year Buckeye Power suffered its first operating loss in many decades due to abnormally low excess-energy sales. This loss comes at a time when large environmental expenditures are being mandated to comply with current clean air legislation. In

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Controlling Rates

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order to maintain the necessary capital to operate, as well as the ability to maintain an adequate financial position that allows the organization to borrow funds, it became necessary for Buckeye Power to raise rates higher than its forecast. Even with the recent increase of nearly 13%, Buckeye Power still remains the lowest cost energy provider in Ohio. A recent drop in rates for other market-based utilities will be temporary. These utilities have been paying higher costs for years, and when the energy market recovers, these rates will raise once again. Buckeye Power's approach is to provide reliable, stably-priced energy long-term.



Another factor affecting Buckeye Power's energy sales, as well as Mid-Ohio Energy's sales, is the unusually mild weather. 2008 and 2009 have been extremely mild years with unusually warm winters and unusually cool summers. In fact, 2009 was one of the coolest years on record. Mild weather means soft energy sales which affects the revenue of both Buckeye Power and Mid-Ohio Energy. This was the primary reason Mid-Ohio Energy increased service charges \$ 4.00/ month this past October, an increase to the average member of nearly 3%.

Now that you know the reasons for the recent increases, here is what is being done to help soften future increases. First let's discuss Buckeye Power. Producing power is a very capital-intensive endeavor. Over 90% of Buckeye Power's costs are not controllable. Items such as environmental compliance and controls, taxes, and fuel are examples of non-con-

trollable expenses over which Buckeye has very little control. However, items such as administration, patronage and marketing/advertising programs are examples of controllable expenses. Recently, the management and Board of Buckeye Power identified millions of dollars of expenses that will be delayed or eliminated in an effort to reduce cost.

Similar programs have been implemented locally at Mid-Ohio Energy. Last fall, your local board instructed management to develop a cost containment strategy. The goal of this plan was to make significant cost reductions without sacrificing public/employee safety, reliability, or services to the membership. The plan presented looked at all of Mid-Ohio Energy's controllable costs and identified potential savings. As with Buckeye Power, Mid-Ohio Energy only has control over a portion of its expenditures. Nearly 25% of all expenditures at Mid-Ohio Energy are controllable while over 75% are non-controllable. Similar to Buckeye Power, non-controllable expenses such as taxes, insurance, cost of power, and depreciation are out of the control of the Board or management team. Wages, benefits, construction projects, line replacements, tree trimming, patronage, and marketing programs are examples of controllable expenses.

The presented plan reduced operating costs by eliminating all line construction contracting crews, shifting all line construction projects to in-house crews and delaying some scheduled construction projects, thus

saving over \$1.2 million per year. In addition, a permanent reduction in the cooperative's overall workforce by 10% was made through attrition, saving the cooperative members over \$300,000 per year. Other reductions include an employee wage freeze and modification of benefits, and delay in fleet and equipment purchases. We have also implemented technologies which provide real cost savings versus current processes. Your board approved this cost containment strategy that will save nearly \$2 million this coming year. However, these savings cannot continue long-term without causing a negative impact to reliability, morale, and member services. Your cooperative is one of the most efficient electric utilities anywhere. Mid-Ohio Energy operates with fewer employees than the average electric cooperative, municipal, or investor-owned utility when compared to the number of consumers and size of territory, without sacrificing safety or reliability. Recent industry surveys show that Mid-Ohio Energy's controllable expenses are some of the lowest in Ohio even before the implementation of cost containment plans. This has been accomplished by conservative operating principals, well designed systems, well trained long-term employees, and the implementation of technology.

As you can see many external and internal forces drive your electric rates. While I cannot promise rates won't continue to rise, I can promise that your board and employee team are very concerned about our members and will continue to do all we can to alleviate the impact of future increases.

Barry Boes to Lead Marion's Line Crew

Lineman Barry Boes has been named to the position of Lead Lineman for Mid-Ohio Energy's Marion crew. Boes has been a lineman for Mid-Ohio Energy for the past seven years.

The position of Lead Lineman plays an important role in the cooperative's operations, it requires a great deal of responsibility. Upon arrival to a job location, the Lead Lineman conducts a tailgate discussion to detail tasks and make sure that all aspects of a job go smoothly. Lead linemen are responsible for safety, communicating with members on the job site, and making sure that everyone is on the same page.

Director of Operations Mark Terrill says Boes was a great fit for the position. "Barry takes the time to make solid decisions. He's a good leader that has the respect of his fellow lineman," said Terrill.

Boes has prior experience in the position,

filling in whenever former line leader Dave Allen was not present at a job site. Boes was able to learn from Allen, who retired this past October after more than 40 years of service to the cooperative. "Dave was dedicated to his job and he set a good example for the rest of the linemen to follow," said Boes.



Boes

Barry enjoys working with his fellow crew members and is excited about the new position.

Away from work, he enjoys spending time with his wife Brandi and their three children Audrey, Nevin, and Abigail.

Mid-Ohio Energy looks forward to having Barry lead Marion's crew for many years to come.

Save in 2010, use your Co-op Connections Card!

Have a New Year's resolution to reduce daily expenses? Mid-Ohio Energy reminds members about local and national savings through the Co-Op Connections Card.

What is the Co-op Connections Card?

This member card program offers you valuable discounts on products and services at local businesses, as well as other businesses throughout the U.S. And the best thing about the program it's FREE to members!



How does the program work?

Every Mid-Ohio Energy member received a free Co-op Connections Card. When you shop locally, look for the Co-op Connections logo on the window and at the register. Or, if you don't see it, just ask! Show your Co-op Connections Card and receive the discount the business offers. It's just that simple.

Pharmacy discounts on perscriptions!

Co-op members can use their Co-op Connections cards at more than 48,000 national and regional pharmacy chain stores, including Wal-Mart, CVS, Walgreens, Target and many more.

Call us if you need a replacement card and/or a list of participating local businesses, 888-382-6732.

Check out a few of the participating local businesses this New Year! For a full list, visit our website at www.midohioenergy.com

Hardin Co. Historical Museum; Kenton 10% off Kenton Toy Collectors CD's/DVD's.

Kenton Family Eye Care, Inc.; Kenton 10% on frame & lens purchases. 5% on lens only purchases.

LF IT Services; Marion \$10 off computer repair service.

Marilyn's Artistry; Alger 10% off overall estimate. Earn an extra 10% off on any referral after job completed.

Plaza Inn Casual Family Restaurant; Mt. Victory 5% off.

Goldrush Jeweler; Kenton 20% off purchase. Not valid with any other offer (some exclusions apply).

CFL Exchange Program Continues

While you're out exchanging those well-intentioned Christmas gifts that just didn't fit, take some time to make an exchange that will provide benefits well beyond the holiday seasons. Stop by the offices of Mid-Ohio Energy and exchange 9 incandescent light bulbs for 9 – 19 watt (75 watt equivalent) compact fluorescent light bulbs (CFLs). To date Mid-Ohio has exchanged over 11,000 bulbs with members.

This program is an effort to save both the members and the cooperative money. The cost to provide the CFLs is less than the wholesale cost to provide the next incremental kWh of power, which is how the cooperative saves on the total power bill. On average, each of the 19-watt CFL will save \$56 in electricity cost over its lifetime, compared to a standard 75-watt incandescent bulb.

Indoor lighting accounts for approximately 12 percent of total household energy use. CFLs use about 75 percent less energy than traditional incandescent bulbs. Therefore, by replacing your incandescent bulbs with a more efficient bulb enables you to light your home

effectively while using less energy. Stop by and start conserving energy today!

The CFL program is not a giveaway program but rather an exchange program. Each member is eligible to exchange a maximum of 9 incandescent for 9 CFLs during the program, which will last through June 2010 or while supplies last.



Help reduce those winter heating bills! Members can exchange a total of 9 incandescent bulbs for new energy-efficient CFLs.



**We wish you
and your family a
Happy New Year!**

**As a reminder,
our offices will be closed
on New Year's day.**

**Emergency Service is available 24
hours a day.**

**(419) 673-7289 Kenton
(740) 383-1234 Marion**

2010 Annual Meeting Date Set

April 13th, 2010

Mark your calendar!

Please plan to attend this important annual event. The meeting will be held at the Hardin County Fairgrounds in the Community Building. Stay tuned for more info in future issues of Country Living.

New members for October 2009

Juan Arreola	Mary Kestel
Lanette Augenstein	Jason Kilgour
Adam Billenstein	Michael Kin
Todd Billenstein	Melissa Lawrence
Linda L. Bowles	Martina Legge
Jim D. Burris	Sarah Long
James W. Champ	Taylor D. Marocco
CITI Mortgage	Earl Wayne Mayes
John H. Conkle	Jerry W. Merritt
Jennifer A. Craig	Jason Modd
Eric Dapra	Jim Morrison
Dale Doty	Pamela S. Mounts
Robert Drake	Sheila Myers
Martha Feichter	Kenneth A. Riggs
Sabrina A. Fetters	James Schirtzinger
Thomas R. Fitzpatrick	Leon Schmucker
Keith R. Flesher	Denise Shample
Brenda S. Fox	Heather Smith
Christy L. Frank	Anne Stuck
Robert Gist	Lesa Thacker
Hazel Gordon	David Vaughn
Gracely Brothers	Sharon Warner
Jessica L. Hensel	Cheryl Workman
Bonnie Hinamon	David Zaring