

Our energy future

Last year, your co-op completed 75 years of electric service to this area. So what does this new year hold for the electric utility industry? As a popular Bob Dylan song once said, “The times, they are a-changin’.”

Because of its abundance, coal has long been the major source of fuel for electric generation in this country and even more so in the Southeast, but with the concern for cleaner air, America is moving away from coal and is looking to renewable fuels to fill the gap.

With no plans for a new coal-fired plant in our future, China built 42 coal-fired generators last year and put four nuclear plants on-line. The Chinese are importing coal from the U.S. to power their enormous growth. The export of American products to China is, of course, a good thing, but with the quantity of coal they purchase, it will have an effect on the price we all pay for electricity.

The Tennessee Valley Authority generates all the electricity for Tennessee and parts of six other states. Officials have announced the agency will mothball some of

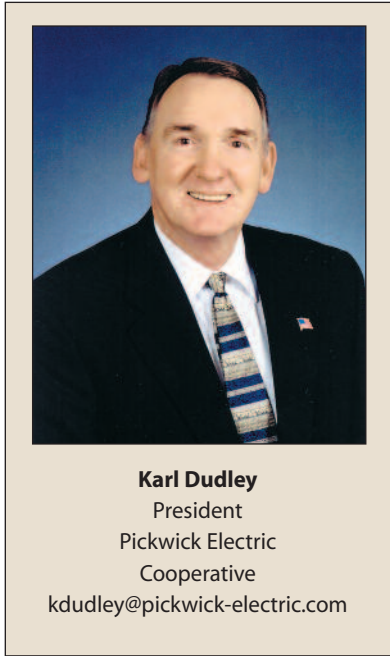
the older coal-fired steam plants and attempt to bring more nuclear generators to service. If successful, this should mitigate the high cost of coal and give the Valley a long-term, reliable source of energy.

While nuclear energy supplies about 80 percent of the electricity in Europe, it is responsible for less than a quarter of our energy in America. I believe nuclear power has the potential to become a major source of energy for the United States as we search for more viable

sources of renewable energy.

Is nuclear power safe? This is a real concern for a lot of folks, but TVA has nearly 50 years of safe operating experience in the nuclear field, and thousands of young Americans have lived on nuclear-powered ships in the U.S. Navy for more than 50 years. America has the engineering skills necessary to recycle spent nuclear fuel, and with the new, smaller nuclear generators, a lot less space will be needed for a nuclear plant site.

TVA is looking at renewable fuel generation, too, but wind turbines and solar panels are not yet

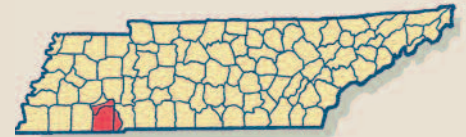


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Pickwick Electric Cooperative

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**These five pages contain local
news and information
for members of Pickwick Elec-
tric Cooperative.**



cost-effective for our area. Out in the Midwest where the wind blows continuously and in the desert Southwest where the sun shines abundantly and the heat is nearly unbearable, renewable wind and solar generators make sense.

As a country, the U.S. is moving forward with renewable energy, and last year we passed Germany in wind generation.

A few years ago, my wife and I took a trip out West. We got to see the vast wind farms that stretch across Texas, Oklahoma and Kansas. As far as the eye could see, hundreds of giant windmills were being constructed, but the thing that was most striking was the absence of people. With all this electric generation across open land, there were no major cities and very few small towns. That is the problem with renewable power: It requires lots of land and large power lines to carry

the electricity great distances to the cities that use it. The other problem is that renewable power is only available about 30 percent of the time at best, which means we need a way to store this energy.

This is America; we can engineer a solution to these problems and make electricity affordable for all our country. But we need a focused, committed national energy policy so we can move forward as a nation to energy independence. This will require real leadership in Washington, D.C., and with an annual electric bill exceeding \$300 billion for America, there is no better time than now to reach that goal.

Here at home, TVA and PEC have been pushing conservation and energy efficiency as ways to save on your electric bill, and we will continue to look for ways to help you reduce the amount of electricity you use.

Shawn Smith receives board certification training



Pickwick Electric Cooperative director Shawn Smith, left, receives his certificates for completion of director training from Tennessee Electric Cooperative Association General Manager Tom Purkey.

Pickwick Electric Cooperative director Shawn Smith has successfully earned certification through the Credentialed Cooperative Director and Board Leadership Certification programs in Tennessee.

The Credentialed Cooperative Director training, offered by the Tennessee Electric Cooperative Association to its member systems, consists of five courses designed to provide basic knowledge and skills required of cooperative directors. These courses are taught by National Rural Electric Cooperative Association (NRECA) instructors.

After earning the certificate, directors may enter the Board Leadership Certification (BLC) training. To achieve the certification, each director is required to complete a total of 10 credit hours of classroom study. These advanced courses, also taught by NRECA instructors, provide an excellent avenue for professional growth.

Energy-saving boxes: Too good to be true?

By Brian Sloboda, Cooperative Research Network

Most of us think we're too smart to fall for a scam. Yet every year thousands of folks are separated from their hard-earned dollars by putting their faith and trust in another person's sales pitch.

There's no shortage of hucksters pretending to help consumers save energy. These types of scams generally center on misstatements of science or confusion over an electric utility's energy-efficiency programs.

The most popular scam right now involves a device that promises to save energy without requiring you to make any changes in behavior, turn anything off or adjust the thermostat. People who sell these "little boxes" often claim outrageous energy savings — sometimes as much as 30 percent or more — couched around legitimate utility terms like power conditioning, capacitors and power factor.

The marketing spiel usually goes something like this: The model being sold will control alternating current power factor and reduce electric bills. It will condition your power and make appliances last longer. It uses no power and has no moving parts. It will make motors in your home run better.

Accompanying materials often caution that "your utility doesn't want you to know about this device." That last part is true — because these boxes are a rip-off.

What's the reality? While electric co-ops use various components to correct power factor for commercial and industrial consumers, power factor correction is not a concern with homes.

Engineers at the University of Texas-Austin concluded that one of the units could produce no more than a 0.06 percent reduction in electric use in an average house.

The Electric Power Research Institute, a Palo Alto, Calif.-based nonprofit research consortium made up of electric utilities, including electric cooperatives, recently tested one of the most popular residential power factor correction products and found that it generated average power savings of just 0.23 percent — far from the 30 percent claimed by its manufacturer. At that rate, it would take a typical homeowner more than 70 years to recoup his or her investment.

In short, these devices are nothing more than ordinary capacitors employed in electronic circuits to store energy or differentiate between high- and low-frequency signals. Companies selling these products change names quickly and often and move from town to town looking for new victims.


There are several questions you should ask a sales representative when reading an ad for the next magical cure-all:

1. Does the product violate the laws of science? For example, does it claim to be capable of "changing of the molecular structure ... to release never-before tapped power?" If true, the invention would quickly be sold in every store across the

nation, not marketed through fliers or a poorly designed website.

2. Was the product tested by an independent group? If the performance of the product was not tested and certified by a lab or entity not connected to the company selling it, be very skeptical.
3. Is it too good to be true? If so, it probably is. A video getting play on the Internet shows a consumer reporter for a television station testing one of these little boxes. By looking at electric bills before and after installation, he concludes the device is a good buy. However, an excessively hot or unusually cool day can cause one month's electric bill to run significantly higher or lower than the previous month. Wise consumers always ask to see electric use for the same month from the previous year(s), not previous month, and factor in weather anomalies for any savings claims.

Brian Sloboda is a program manager specializing in energy efficiency for the Cooperative Research Network, a service of the Arlington, Va.-based National Rural Electric Cooperative Association.




What's Power Factor?

Power factor is the ratio between the electricity we use (real power) and the amount of electricity a utility provides (apparent power), expressed as a number between 0 and 1. The average home has a power factor of 0.9, or 90 percent. This means even if an electrical system isn't performing at its best (1 or 100 percent), utilities deliver extra power to make sure consumers get what they pay for. When power factors come in below 1, special equipment like capacitors are used to keep an electrical system in balance.

Real World Example:

You buy a soda for \$2. The soda jerk may pour a bit extra in the glass to make sure it's full. You're not charged for any soda that spills over the rim.

Source: NRECA





Using less energy to keep things clean

Your Energy Star-qualified clothes washer or dishwasher operates very efficiently. That's likely one of the reasons why you bought it.

But there are simple ways to further reduce the amount of electricity each of these appliances consumes. Selecting a lower water temperature — a cold wash/cold rinse setting, for example — on your washing machine will save energy dollars. You can also choose a lower water level for smaller loads, trimming water use. Some Energy Star clothes washers even boast extra energy-cutting features such as pre-soak and “suds-saver.”

Much of the energy used by your dishwasher — as much as 80 percent — goes for heating water. An Energy Star-qualified dishwasher with a booster heater allows you to set the temperature on your home's water heater at a lower 120 degrees.

In addition, many Energy Star dishwashers offer efficiency settings such as “energy-saving” and



“short-wash” cycles that shave both energy and water consumption. Most models come equipped with an air-drying option that helps lower electric bills.

For other tips on how to save energy — and money — call the energy experts at Pickwick Electric Cooperative or visit www.pickwickec.com.

Holiday Closing

Pickwick Electric Cooperative

will be closed on

Monday, Jan. 17,

in observance of

Martin Luther King Jr. Day.



Energy Efficiency

Tip of the Month

Feel around doors and windows for airflow. Adding weather stripping or caulk around a leaky door or window can lower energy bills by keeping your heating system from working too hard to compensate for air leaving your home.

Source: U.S. Department of Energy

Lower your energy bill

Ten no-cost steps you can do this winter

1. Turn down you heating system's thermostat to 68 degrees during the day. Keep it lower at night and when no one is home for several days.
2. Have your water heater temperature lowered to 120 degrees and reduce hot water use by taking shorter showers and using cold water for laundry whenever possible.
3. Turn off lights, televisions and computers when not in use.
4. Remove and recycle your second refrigerator.
5. Keep curtains open on the south side of the house and closed on the north side during the day.
6. Clean refrigerator coils and set the temperature to 36 to 39 degrees and the freezer to zero to 5 degrees.
7. Make sure the fireplace damper is closed when not in use. Don't send warm air up the chimney.
8. Match the size of your pot or pan to the size of stove burner and cover it with a lid when cooking.
9. Once a year, drain about one gallon of water from your water heater to remove sediment.
10. Air-dry dishes instead of using the dishwasher's heat-drying option.



Stay Clear!

A downed power line may not be a dead line. It could cause serious injury or death.



FOLLOW THESE TIPS FROM PICKWICK ELECTRIC COOPERATIVE TO STAY SAFE:

- **Assume all power lines are energized and dangerous.** Even lines that are de-energized could become energized at any time.
- **Never touch a downed power line!** And never touch a person or object that is touching a power line.
- **If someone is injured as a result of contact with electric current, do not try to assist him or her.** You could be injured or killed. Call 911.
- **If a power line falls across your vehicle while you are in it, stay inside until help arrives.**
- **Call 911 immediately to report a downed power line.** Then call **Pickwick Electric Cooperative.**