



Electricity vs. greenhouse gases

First of all, effective Oct. 1, the following will take place: a Tennessee Valley Authority base rate increase of 8 percent and a PEC increase of 2.25 percent coupled with a TVA fuel cost adjustment decrease of 11 percent. All of this together means the average electric bill should remain about the same for the next few months.

If you think that was complicated, let's discuss carbon dioxide and other greenhouse gases (GHGs). According to the Department of Energy (DOE), many chemical compounds found in

the Earth's atmosphere act as "greenhouse gases." These gases allow sunlight to enter the atmosphere freely. When sunlight strikes the Earth's surface, some of it is reflected back toward space as heat. GHGs absorb and trap the heat in the atmosphere.

Many gases have the greenhouse properties. Some of these occur in nature, including water vapor, carbon dioxide, methane and nitrous oxide, while others are man-made. If the concentration of GHGs remain stable, then the sun's energy that reaches the Earth will equal that energy that is radiated back to space, and the Earth's temperature will remain roughly constant. The DOE further states that a panel of scientists has determined that the Earth's climate has warmed about 0.8 degrees Celsius over the past 100 years.

With this information and much debate, the House of Representatives has passed a bill to limit GHGs. This house bill, containing more than 1,400 pages, is an attempt to control

global warming — but at what cost? The bill is now in the Senate, and we are hopeful that common sense will prevail at some point. The bill would penalize users of electricity that is generated by carbon. In the Southeast, the majority of our electricity comes from carbon fuel.

As a country, we need to invest in new

technology to reduce GHGs, not shut our economy down by taxing our abundant American energy source. New nuclear power plants and clean-coal technology are part of the bridge to help the U.S. reach energy independence and a clean environment. Windmills and solar panels alone are not the answer. There has also been some discussion in Congress about taxing cattle as they are a known generator of GHGs. We hope they have moved away from that, lest some bureaucrat propose a catalytic converter for all cows and bulls, too. Do you think Congress should tax everything considered a GHG?

I have often stated that my greatest concern for the cost of your electricity resides in Washington, D.C. This is an example of that.



Karl Dudley
President
Pickwick Electric
Cooperative
kdudley@pickwick-
electric.com

**Serving members in all of
 McNairy County and
 portions of Chester,
 Hardeman and Hardin
 counties in Tennessee and
 Alcorn and Tishomingo
 counties in Mississippi**



530 Mulberry Ave.

P.O. Box 49

Selmer, TN 38375

Phone Numbers:

731-645-3411

731-632-3333

1-800-372-8258

Web site:

www.pickwickec.com

**These five pages contain local
 news and information
 for members of Pickwick
 Electric Cooperative.**



2009 district meetings held

Each year, Pickwick Electric Cooperative holds meetings in three of its nine districts for the purpose of electing directors to serve three-year terms. Locations of this year's meetings were Selmer (District 5), Ramer (District 7) and Michie (District 9).

The District 5 meeting was held on Monday night, Aug. 10, at the Selmer Civic Center. There were 45 members registered for the meeting with an estimated crowd of 65 in attendance. Jimmy Dickey was re-elected without opposition to serve a three-year term.

An estimated crowd of 90, including 63 who registered as members, attended the District 7 meeting held on Tuesday night, Aug. 11, at Ramer Elementary School. Incumbent director Shawn Smith was re-elected without opposition to serve a three-year term.

Incumbent Jamie McAfee was re-elected without opposition to serve a three-year term during the District 9 meeting held at Michie Elementary School on Thursday night, Aug. 13. Of the estimated 65 who attended the meeting, 50 registered as members.



Jimmy Dickey
District 5 director



Shawn Smith
District 7 director



Jamie McAfee
District 9 director

PEC's Web site redesigned

At Pickwick Electric Cooperative, we constantly search for ways to be more efficient and deliver the best service possible. However, as we implement these new ideas, we realize that progress usually requires change. One area that was targeted for improvement was the cooperative's Web site.

PEC recently contracted with Apogee Interactive to redesign and rebuild the cooperative's site. With the new design, members can obtain a wealth of information such as energy-saving and safety tips, how to read your meter, payment information, and programs offered; a kids' community; and a host of other topics that pertain to the cooperative. We also have a variety of forms available to print that may save you a trip to our office. These changes now make our Web site a valuable tool that helps us communicate and interact with residential and business customers, vendors, the media and kids. The Web site is still expanding, and we're working to increase its functionality. We believe that as more users discover and use the Web site, the more they'll value PEC and its programs.

We encourage you to become familiar with our Web site, www.pickwickec.com, and help us pass along the new information that this redesigned site offers. As always, we appreciate your input in areas where the site can be improved. You can make comments or suggestions online by filling out the survey under "Contact Us" or by giving us a call. This site replaces the old site of www.pickwick-electric.com.



Pickwick Electric Cooperative
"Owned by those we serve"

PEC and TVA launch In-Home Energy Evaluation Program

Beginning Oct. 1, Pickwick Electric Cooperative and the Tennessee Valley Authority are making it easier than ever to become energy-efficient while also saving money. With the new In-Home Energy Evaluation Program, you can reduce your power use and receive a cash incentive or financing assistance for installing home energy improvements. The recommended energy-related home improvements you make are eligible for reimbursement of 50 percent of the installation cost, with a maximum limit of \$500, or for convenient financing.



Here's how it works:

- Contact Pickwick Electric Cooperative to arrange for an in-home energy evaluation by a TVA-certified evaluator. The home must have had permanent electric service from the distributor for a minimum of one year. There will be an upfront fee of \$50, but if the participant spends \$150 or more to implement recommended actions, the fee will be reimbursed.
- The evaluator reviews your home and creates a report outlining the potential energy-efficiency modifications and available cash incentives or financing.
- Modifications must be made by a member of the TVA Quality Contractor Network, except for self-installed insulation, caulk and weatherstripping rehabilitation. The evaluator will provide the names of qualified contractors.
- All home improvements must be completed within 90 days. Once the work is finished, it will be inspected to ensure that everything is installed properly to maximize savings.
- After the inspection, you must submit receipts for the completed work to be eligible for the cash incentive. For financing, your contractor will be

paid directly upon successful completion of the inspection. Incentives will not be paid when financing is used.

Cash incentive option

No matter how many modifications are made, \$500 is the maximum reimbursable amount for all approved work done. Some modifications have

lower maximum amounts, and some require distributor preapproval (see list on page 19). Most items are eligible for financing of all installed recommended measures and subject to credit approval or up to a maxi-

mum of \$500 cash incentive.

The minimum loan amount is \$1,500 and can be financed for up to three years, payable via your monthly electric bill.

Some items may also be eligible for federal tax credits. For information, see fact sheets available from the **Tax Incentives Assistance Project** site, www.energytaxincentives.org.

The following items are not eligible for cash incentives or financing:

- Water heaters (including tankless)
- Clothes washers or dryers
- Dishwashers
- Refrigerators
- Insulated garage doors
- Storm doors
- Window film/solar screens
- Radiant barriers
- Room air conditioners
- Programmable thermostats (existing HVAC)

For more information on the In-Home Energy Evaluation Program, incentives and financing options, call Pickwick Electric Cooperative at 731-646-3786 or 731-646-3825.

ELIGIBLE IMPROVEMENTS

Energy Efficiency

Recommendation	Requirements	Incentive	Financing
Replacement windows	<ul style="list-style-type: none"> • Must meet Energy Star requirements 	\$500	No
Storm windows	<ul style="list-style-type: none"> • Must meet <i>energy right</i>® requirements 	\$500	Yes
Duct repair/replacement and sealing	<ul style="list-style-type: none"> • Existing HVAC only • Air distribution only 	\$500	Yes
Rehabilitation work	<ul style="list-style-type: none"> • Minor repair work such as broken glass, glazing or prime door replacement • Removal of attic fan, resulting repair • Reinstallation of knee wall or floor insulation • Distributor preapproval 	\$250	Yes
Replace HVAC • All heat pumps included • Dual-fuel heat pumps if preapproved by distributor	<ul style="list-style-type: none"> • Must meet Energy Star requirements • Must be installed by a QCN contractor • Distributor preapproval for dual-fuel • Split system must be replaced as single unit • Must meet <i>energy right</i> requirements 	\$250	<ul style="list-style-type: none"> • Heat pumps • Dual-fuel heat pumps • Heat pump plan financing limits apply to equipment
Attic insulation/ventilation (must be static)	<ul style="list-style-type: none"> • Must meet <i>energy right</i> requirements (weatherization) 	\$500	Yes
Floor or perimeter insulation and ground cover	<ul style="list-style-type: none"> • Must meet <i>energy right</i> requirements (weatherization) • Where allowed by codes 	\$500	Yes
Exterior wall insulation	<ul style="list-style-type: none"> • Knee walls only (conditioned space) • R13 or greater with foam board 	\$500	Yes
Water heater insulation and pipe insulation	<ul style="list-style-type: none"> • Electric only 	\$50	Yes
Air sealing (including weatherstripping and caulk)	<ul style="list-style-type: none"> • Must meet <i>energy right</i> requirements (weatherization) • Must be performed by QCN contractor (or self-installed as noted below) 	\$500	Yes
Self-installed insulation, caulk, weatherstripping, rehabilitation (as defined above)	<ul style="list-style-type: none"> • Only the cost of materials can be claimed • Distributor preapproval 	\$250	No
HVAC tune-up	<ul style="list-style-type: none"> • Must be performed by QCN contractor 	\$150	Yes

Pickwick Electric Cooperative

Balance Sheet, June 30, 2009

ASSETS		EQUITY AND LIABILITIES	
ELECTRIC PLANT			
In service — at cost	\$ 69,639,726	Memberships	
Construction work in progress	<u>2,024,914</u>	Patronage capital	
	\$ 71,664,640	TOTAL EQUITY	
		\$ 33,243,430	
LESS: accumulated provision for depreciation	<u>15,905,204</u>	LONG TERM DEBT	
NET ELECTRIC PLANT	\$ 55,759,436	Less current portion	<u>25,765,028</u>
		CURRENT LIABILITIES	
OTHER ASSETS AND INVESTMENTS		Current Portion of Long-term debt	662,036
Other assets	63,661	Accounts payable — purchased power	2,329,089
Notes receivable — TVA program	1,906,059	Accounts payable — other	378,214
Other investments	<u>979,239</u>	Customer deposits	1,289,389
TOTAL OTHER ASSETS AND INVESTMENTS	<u>2,948,959</u>	State sales tax payable	50,433
		Accrued taxes	310,421
CURRENT ASSETS		Accrued interest	100,521
Cash and cash equivalents	2,402,859	Accrued payroll	119,687
Accounts receivable (less allowance for doubtful accounts of \$88,980 in 2009)	2,416,148	Accrued vacation	425,934
Other receivables	648,270	Other current liabilities	<u>81,775</u>
Materials and supplies	475,671	TOTAL CURRENT LIABILITIES	<u>5,747,499</u>
Other current assets	<u>104,614</u>		
TOTAL CURRENT ASSETS	<u>6,047,562</u>	TOTAL EQUITY AND LIABILITIES	\$ 64,755,957
TOTAL ASSETS	\$ 64,755,957		

We have audited the accompanying balance sheet of Pickwick Electric Cooperative, Selmer, Tennessee, as of and for the year ended June 30, 2009, and the related statements of revenue and patronage capital and cash flows for the year then ended. These financial statements are the responsibility of the Pickwick Electric Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the comptroller general of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Pickwick Electric Cooperative, as of June 30, 2009, and the results of its operations and its cash flow for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated July 24, 2009, on our consideration of Pickwick Electric Cooperative's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

Williams, Jerrolds, Godwin, and Nichols, PLLC
Certified Public Accountants