

## Why a cooperative?

**M**idwest Electric was formed in 1936 by rural residents and area farmers who saw the value of electricity. They were denied service by the larger power companies, who felt it wouldn't be profitable, so they banded together and formed their own cooperative. Today, we remain true to that original mission.

Cooperatives are owned by their members—the people who receive services from them—and are found in many industries. For example, more than 900 electric co-ops serve 42 million Americans. According to the National Cooperative Grocers Association, 30 percent of farmers' products are marketed through more than 3,000 farmer-owned cooperatives in America. Familiar brands like SunKist, Land O'Lakes, Cabot Creamery, Ocean Spray, and Sun-Maid are all co-ops formed to help farmers distribute products.

In banking, 10,000 credit unions provide financial services to 84 million members across the nation. Co-ops have also been formed to provide child care, insurance, and housing. Nearly 30,000 cooperatives operate at 73,000 locations nationally.

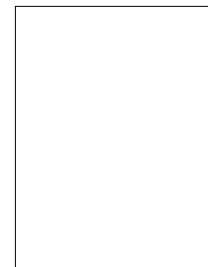
Just because we're not-for-profit doesn't mean we don't pay taxes. In 2008, Midwest Electric paid more than \$1.7 million in taxes (kilowatt hour, property and payroll taxes).

And, being member-owned also means we return our margins to you. In 2008, we paid nearly \$800,000 to our members. These are our margins from a previous year. It's called patronage capital and represents your equity ownership. We invest the margins in upgrades to your electric system, then return it to you at a later date.

In fact, we've paid out \$20 million in patronage over the years. That's 45% of our total lifetime margins earned, among the highest percentage for electric cooperatives nationally.

Those profits, or margins, stay local and don't go to investors half-way around the world. Current margins are being invested in our new advanced metering infrastructure (AMI) to bring state-of-the-art technology to our electric system.

Speaking of technology, we're also a leading cooperative nationally in terms of the number of our members who use



*Rick Gerdeman  
Manager/CEO*

## Manager's Column (con't)

e-commerce with us - such as making payments, sending readings or viewing use history through our website, or doing monthly automatic deduction payments.

You also have a strong voice with your cooperative. We are governed by a nine member board, comprised of your neighbors, with voting open to all members. We regularly hold member meetings and stay visible and accessible.

We're equally dedicated to our communities. Our Community Connection Fund has donated nearly \$550,000 to 379 area community projects, thanks to the 87% of our members who participate by rounding up their electric bill each month. And our economic development revolving loan fund, started with a free grant from USDA Rural Development, is making low-interest loans to help create and keep jobs in rural west central Ohio.

There is much more, such as our load management program featuring more than half of our members who lower their electric use during the occasional, but expensive, peak demand hours. And the lobbying we do on your behalf in Columbus and Washington to help keep electricity safe, affordable and available. And we emphasize open communications to keep you fully informed about the cooperative you own.

October is Cooperative month. Let's celebrate the value of membership!

## Economic development loan to help with jobs

Midwest Electric has awarded a \$50,000 low-interest economic development loan to Turn Four Holdings for the expansion of their facility in the St. Henry Business Park. The 5,000-square-foot addition will accommodate the growth of the vinyl decal product line as well as screen printing for tenant Homestretch Sportswear.

Additionally, SecureCom - a Verizon Wireless dealer and a communications and security installer and supplier - will open a store in the new facility. New jobs are expected for SecureCom as well as Homestretch Sportswear.

Turn Four also received a loan for the project from Peoples Bank, along with personal equity.

The Midwest Electric revolving loan fund was funded by a *free grant* from USDA Rural Development, and the purpose is to help create and keep jobs in rural west central Ohio. Loans to businesses such as Turn Four are paid back - with interest - to keep the fund growing.



*PHOTO: Turn Four Holdings owners Donna and Don Hess along with Matt Berry of Midwest Electric.*

## Use Class C for electrical fires

Electricity is one of the most common causes of fires and thermal burns in homes and workplaces. What should you do in case of an electrical fire?

Defective or misused electrical equipment is a major cause of electrical fires. If there is a small electrical fire, be sure to use only a **Class C** or multipurpose (ABC) fire extinguisher, or you might make the problem worse.

And don't ever put water on an electrical fire. Water is a good conductor of electricity, so you could get shocked or killed.



## Other Safety Tips

- Use only weatherproof electrical devices for outside activities.
- Make sure electric blankets are in good condition, and that they're certified by an independent testing lab such as UL, CSA or ETL. Power cords should not be frayed, cracked or cut.
- Don't tuck your electric blanket into mattresses or under children, and don't put anything on top of the blanket while in use, such as comforters or bedspreads.

## Electric thieves steal from you

We're customer-owned, so thieves who steal power are actually stealing from you.

Please be our eyes and ears. Pay close attention to activity around utility poles, substations, meters and other Midwest Electric equipment.

There are two types of electric thieves: (1) Those who steal electricity by either tampering with a meter

or by providing false meter readings; and (2) those who steal wire and other valuable materials from poles, storeyards, substations and other areas.

We have had some cases of meter tampering and electric theft. We have been successful in catching these criminals, and they end up paying much more in fees than if they had just paid their normal electric bill in the first place.

As far as the criminal justice system is concerned, ignorance is no excuse. According to the law, no witness to the crime is needed as evidence -- the case can be proven by the coopera-

tive showing that the meters or other equipment were tampered



with. The owner of the location is then presumed to be guilty unless they can present persuasive evidence that someone else committed the crime.

Also, meter tampering and equipment theft can be deadly - for the thief and also for others who may come near exposed equipment.

## Keepin' pressure on the Senate

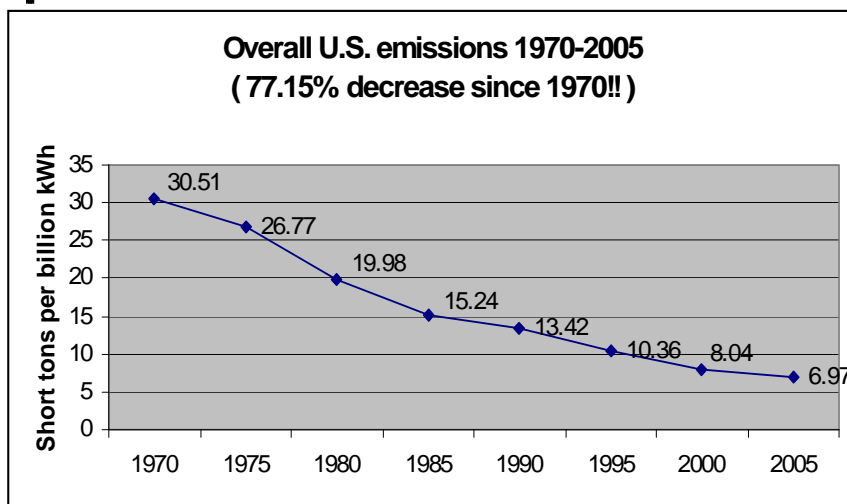


Midwest Electric Manager/CEO Rick Gerdeman was a featured speaker at a recent "Cap and Trade Rally," sponsored by EnergyCitizens.org.

An estimated 800 were in attendance and heard from local business leaders on how the cap and trade energy tax could impact their business, employees and customers. This was one of 20 rallies Energy Citizens is holding across the U.S. and the only event in Ohio.

The cap and trade bill narrowly passed the U.S. House of Representatives early this summer and is expected to be taken up by the U.S. Senate this fall. Please continue to visit [www.ourenergy.coop](http://www.ourenergy.coop) to send a quick note to your Senator.

## Power use up, pollution emissions down



Coal is the fuel source for 50% of the electricity generated in America and nearly 90% of the electricity in Ohio. Despite steadily increasing demand for electricity, overall pollution emissions have decreased nationwide by 77 percent since 1970! Buckeye Power Supply Cooperative, our wholesale power cooperative, is in the midst of \$900 million in environmental upgrades to our Cardinal coal-fired power plants. Source: U.S. Environmental Protection Agency. Pollutants include carbon monoxide, volatile organic compounds, sulfur dioxide, nitrogen oxide and particulate matter.

## Ask Midwest Electric

### Prepare for a high energy cost future

It won't be long until the mild summer we all enjoyed will be turning into winter and with it high energy bills. Now I want to ask you a question: Would you rather pay high utility bills (gas, propane, electric) this winter, next winter, and every year from now on, or would you like to try to reduce this use and control your energy costs?

Sooner or later all this discussion about climate change, tax increases, and increased operating cost will start showing up on your utility bills. "What if" the price you pay for energy doubles in the next three years?

The one thing I am sure of is all energy will cost more in the future than what it does today. Since I have worked at Midwest Electric I have seen propane prices increase 300%, natural gas



Dave Waltermire  
Energy Advisor

100% and electricity 25%.

This is now the quiet before the storm, so let's all be prepared.

There are many ways to reduce energy use and your bills: 1. Turn it off and unplug it. 2. Insulate, Insulate, Insulate.

3. Service the HVAC system. 4. Replace older less efficient equipment with more efficient upgrades. 5. Inspect and repair air leaks around doors, windows, and the foundation. 6. Use the Midwest Electric web site, [midwestrec.com](http://midwestrec.com), as a tool to show you ways to use less energy.

Most of us will spend 50% to 80% of our total energy costs to heat our homes. If you take the time to seal and insulate your home this amount will be reduced.

Give me a call if you need some advice on your energy use.

### What \$1 of Electricity Will Buy

Vacuum for 19 hours

Carve with an electric knife for 130 hours

Make coffee for 13 hours

Grill sandwiches for 10 hours

Cook with a crock-pot for 58 hours



*Electricity is Value*

### Energy Audits from Midwest Electric

- Basic walk through - FREE
- Phone consultation - FREE
- On-line - FREE, [www.midwestrec.com](http://www.midwestrec.com)
- Blower door test and diagnostic home evaluation - \$95

1-800-962-3830  
[www.midwestrec.com](http://www.midwestrec.com)



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