

New Hampshire Electric Co-op

TODAY

- Seeking Board Candidates
- Why Rates Are Higher
- Green New Office in Alton
- FreezeAlarm™
- Co-op Country Welcomes Wind Power

NOVEMBER 2008

Your Electric Co-op's Newsletter



FEATURE ARTICLE:

Good Works At Work

Local Businesses Are Driving Success of Co-op Food Bank Challenge

Co-member businesses are flexing their fundraising muscles and filling the shelves of the New Hampshire Food Bank.

Using the creativity and community spirit that have made these businesses successful, Co-op member businesses have donated at least \$12,000 to the Co-op Food Bank Challenge in the past month alone. With matching funds from the NHEC Foundation, that's \$24,000 that will help the Food Bank overcome record low inventories and the high cost of transporting donated food to shelters, soup kitchens and pantries across the state of New Hampshire.

NHEC and the NHEC Foundation will be matching donations to the Co-op Food Bank Challenge until we hit our \$100,000 goal. Thanks to Co-op members and member businesses, that goal is within reach.

Remember – you can track the progress of the Food Bank Challenge and learn how to make your own tax-deductible donation at our web site – www.nhec.coop.



DRESSING DOWN

Employees at Meredith Village Savings Bank raised \$1,200 for the Co-op Food Bank Challenge by paying for the privilege of dressing casually on Fridays during the summer. For a minimum donation of \$3, employees could shed the tie and the skirt and support a good cause. Here, MVSBE employees present the Co-op's Judy Gove with a donation.

Special thanks to these Co-op member businesses for their generous support of the Co-op Food Bank Challenge:

Common Man Family of Restaurants
Meredith Village Savings Bank
Plymouth Chamber of Commerce
Resource Management, Inc.

I TOOK THE CO-OP FOOD BANK CHALLENGE!

Clip this coupon and include it with your check made payable to:
NHEC Foundation (please write Food Bank Challenge on the check memo line).
Mail to NHEC, 579 Tenney Mountain Highway, Plymouth, NH 03264.

Name: _____

Amount: _____ Please do not send with your bill payment!



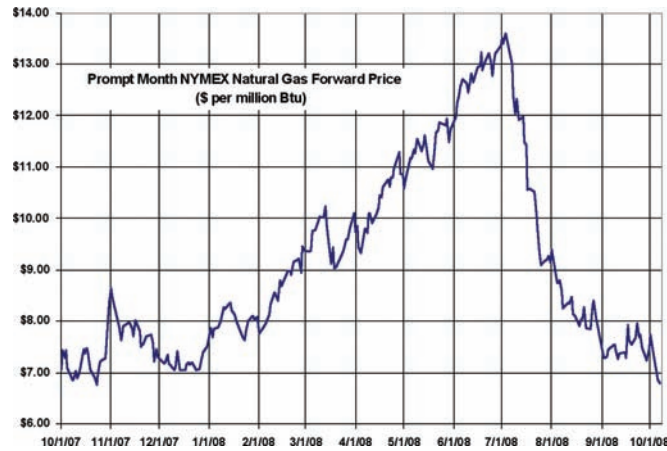
Why Are Rates Higher?

Due to changes in the Co-op Power and Regional Access Charge portions of your bill effective October 1, 2008, the typical residential member using 500 kilowatt-hours of electricity per month saw a bill increase of approximately 6.7%.

Two factors are driving these rate increases - large seasonal swings in the cost of natural gas and the cost of several initiatives to expand and improve the New England electrical transmission grid.

Thirty to forty percent of the power produced in New England is generated using natural gas, making the cost of power very susceptible to volatility and seasonal swings in the price of natural gas. Like other commodities, natural gas prices experienced a big spike this past summer and have come down recently (see the graph at right). It is now looking like winter gas and wholesale electricity prices will be substantially lower than last summer, and comparable to last winter. Unfortunately, costs from the May through mid-July spike

were significantly more than the Co-op (and other electricity providers) had anticipated when we set our Co-op Power prices last May. So, we are heading into this winter with a sizable under-recovery of summer costs that need to be included in the winter



Co-op Power rate. Such seasonal under-recoveries (or over-recoveries) are collected (or refunded) over a full twelve month period (rather than just the next season) so as to lower the degree of fluctuation in the Co-op Power rate.

A significant increase in the Regional

Access Charge portion of your bill is the result of several billion dollars worth of improvements currently underway on the New England regional transmission grid. These improvements are aimed at relieving transmission bottlenecks in locations such as southern Connecticut and the Boston area. Although the improvements are not happening in Co-op service territory, all New England utilities that rely on the grid are required to contribute to the projects. The Regional Access Charge is set by the Federal Energy Regulatory Commission.

Another minor increase in your bill is due to the increase

in the Systems Benefit Charge (SBC) to increase the funds available for the energy assistance program (EAP). The SBC is regulated by the New Hampshire Public Utilities Commission and the EAP is a statewide program to provide electric bill assistance to the state's most needy consumers including Co-op members.

Co-op's New Alton Office is Clean and Green

The Co-op has a larger base of operations in the Alton area with a smaller environmental footprint.

The 8,400 square-foot garage and office building located off Route 28 near Prospect Mountain High School features the latest measures designed to save energy and protect the wetlands surrounding it.

Flynn Construction Corporation of Nashua teamed with NHEC to build the facility and install energy efficiency measures that include all fluorescent lighting; the doubling of standard roof and wall insulation; installation of a "Cool Roof" to reflect sunlight and reduce solar heat gain; installation of an Energy Recovery Ventilation (ERV) system that recovers heat from vented air during the heating season; and installation of a Low Temperature Heat Pump (LTHP) to heat and cool the office area.

A compressed air system was also installed to boost the air brake pressure on NHEC line trucks after they have sat idle overnight, eliminating the need to start and idle the vehicles until on-board compressors come up to pressure. Finally, floor drains in the five-bay garage will carry



snow melt and drippings from the line trucks to a holding tank to capture road salt and grime as well as water used to wash the

trucks. The contents of the holding tank will be sampled and tested before being pumped out, removed from the site, and disposed of properly.

The new facility replaces the operations center the Co-op has occupied on Main Street since the 1960's. It houses nine Co-op employees, including the line crews and equipment that maintain the electrical system in Alton and eight surrounding towns.

Seeking Candidates for Board of Directors

Four seats on the 11-member Co-op Board of Directors will be up for election to three-year terms in 2009. In a cooperative, the members themselves elect candidates they feel will best represent them on the Board of Directors. Voting takes place by mail ballot in May 2009 with board members installed at the June annual meeting. The Co-op seeks broad

representation from a diverse group of individuals and encourages all qualified members to consider running for one of the open seats. You must be a Co-op member in order to run for a position on the Board. For more information about how to get your name on next year's ballot, contact Sharon Yeaton at 603-536-8801, or nhechq@nhec.coop.

How is the Board Elected?

The business and affairs of the New Hampshire Electric Cooperative (NHEC) are governed by a Board of 11 Directors chosen by and from the membership. Directors are elected for three-year staggered terms, with at least three to be elected each year.

Q: How are Board members chosen?

A: Board members are elected by a mail ballot vote of Co-op members.

Q: How can a Co-op member become a candidate for election to the Board of Directors?

A: In accordance with the Co-op's bylaws candidates can be nominated by a Nominating Committee or may petition to be included on the director election ballot.

Q: What is the Nominating Committee?

A: Each year, the Board of Directors appoints a Nominating Committee of not less than five (5) nor more than eleven (11) members who are selected so as to give equitable representation on the committee to the membership of the Cooperative. The Nominating Committee is an independent panel that has no interaction with the Board of Directors after being appointed. In preparing its list of nominations, the Nominating Committee meets numerous times to review resumes and questionnaires and interview candidates. The Committee considers a candidate's background, skills

and the value he or she could bring to the governance of the Cooperative. The Nominating Committee must prepare and post its list of nominations for director at least 90 days prior to the Annual Meeting in June.

Q: How many candidates are nominated by the Nominating Committee?

A: There are no bylaws governing the number of candidates put forward by the Nominating Committee. The Committee may nominate more candidates than there are open seats, or fewer.

Q: Are there alternatives to the nomination process?

A: Yes. In accordance with the Co-op's bylaws any one hundred (100) members may make other nominations in writing over their signatures not less than sixty (60) days prior to the Annual Meeting. Qualified petition candidates will have their names listed on the director election ballot with candidates nominated by the Nominating Committee. A notation on the ballot will indicate whether a candidate was nominated by the Nominating Committee or by petition.

Q: Where can interested candidates get more information?

A: A copy of the NHEC Code of Bylaws is available online at www.nhec.coop, or contact Sharon Yeaton at 603-536-8801 or nhechq@nhec.coop.

WATTS HAPPENING!

Board of Directors Meetings

The NHEC Board of Directors regularly meets on the last Tuesday of each month at the Cooperative's headquarters in Plymouth. Please check the Board of Directors page on the Co-op website at www.nhec.coop, or call Sharon Yeaton at 603-536-8801 to confirm the current month's meeting time and location.

Don't Touch That Line!

There's been a car accident and a utility pole is down. Heavy snow dropped a large tree branch across a power line. There are any number of scenarios in which power lines can come into contact with people on the ground. No matter what caused that line to come down, DON'T TOUCH IT! You should assume that any wire you see is energized. In fact, don't hang around the area of a downed line at all. A power line in contact with anything on the ground is a potentially lethal situation. If you see power lines down, call your local fire department or your electric company.

Holiday Office Closings

The Co-op's walk-in payment center at its Plymouth headquarters will be closed for the following holidays:

Veteran's Day, November 11
Thanksgiving Day, November 27
Day after Thanksgiving, November 28
Christmas Day, December 25
New Year's Day, January 1

FreezeAlarm™ – Peace of Mind All Winter

You don't have to worry about power outages, frozen pipes and water damage with the FreezeAlarm, the innovative product that monitors your home's electricity and temperature and calls you in the event of trouble.

Choose from three models available from the Co-op – all three will automatically call you in the event of a power outage, or if the temperature in your property drops below a pre-set point. The Deluxe version allows you to adjust the temperature in your home remotely using your telephone, while the Deluxe with Water Alarm will notify you in the event of a water leak. This is the ideal product for second or seasonal homeowners! Call the Co-op today for complete details at 1-800-698-2007, or read more online at www.nhec.coop.

The BACK PAGE

Wind Power Comes to Co-op Country



Nearly 70 years after the Co-op got its start in a nearby field, the Town of Lempster is home to another energy first – the first large-scale wind farm in New Hampshire.

The Lempster Wind Power Project dominates the skyline in this small southwest New Hampshire town. Twelve graceful wind turbines nearly 400 feet tall dot the ridge on Lempster Mountain and will soon be producing enough electricity to power 10,000 typical

New Hampshire homes.

And like those pioneering days in 1939 when the Co-op set out to light up the New Hampshire countryside, the future seems bright for wind power here in the state. NHEC will be purchasing 10% of the wind farm's output, increasing its renewable energy portfolio and supporting the sustainability of clean,

green wind energy in New Hampshire.

With the sharp increase in the cost of fossil fuels, major wind developers are finding it easier than before to site and build new generation facilities. Iberdrola Renewables, the owner of the Lempster Wind Power Project, says it will be spending \$8 billion in the U.S. between 2008 and 2012 and plans to install 1,000 MW of wind power each year in the U.S.

Similarly, the State of New Hampshire and

your Co-op have made residential wind power more attractive than ever. While the State has recently passed legislation exempting small to medium wind turbines from local zoning height restrictions and offered incentives up to \$6,000 to residents who install wind turbines, the Co-op is also offering rebates of up to \$5,000 for members who install turbines in Co-op service territory.

For more information about the Co-op's program of rebates for wind turbines, solar photovoltaic and solar hot water systems, visit our energy efficiency website at www.smallSTEPS.coop.

Is My Property Right for Wind Power?

Wind power generation has seen a dramatic increase in popularity over the last few years. Technological advances make it more and more feasible to install wind power generators for individual homes. The newer systems are more efficient and quieter than their older equivalent wind generators.

Not every geographical location, however, is suited for installing a wind power generator. A consistent wind, with average speeds of approximately 11 miles per hour is required to make a wind energy system feasible.

Wind availability maps are published by the U.S. National Renewable Energy Lab (<http://redc.nrel.gov/wind/pubs/atlas/>). You can get a general idea from these maps if you are living in an area with sufficiently high winds. There is a New Hampshire Wind Map, but it can be hard to make out the suitability of your precise location. Fortunately, you can easily contact a wind power manufacturer, such as those listed on the Co-op's website, www.smallSTEPS.coop, and they can tell you if it is feasible to install a wind power generator for your home.



FRED SAID:

"There is enough potential wind energy in New Hampshire to power 200,000 typical homes."*

Who is Fred? He's Fred Anderson, President & CEO of the Co-op and he's big on energy efficiency!

*Source: American Wind Energy Association



For member service please call
1-800-698-2007
Monday-Friday, 8-5:00
or visit us online at
www.nhec.coop

To report an outage please call
1-800-343-6432

New Hampshire Electric Cooperative
579 Tenney Mountain Highway
Plymouth, NH 03264