



January 2012

RURAL
MISSOURI

Sac Osage Electric Cooperative

News

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Visit us on the Web - www.sacosage.com

Attention: High School Juniors

You could win a trip of a lifetime!

The Board of Directors has stepped out in support of our youth. The Youth Tour Program and CYCLE Program are opportunities for juniors in our community to develop skills and learn about history that will set them apart. By restoring this program to Sac Osage Electric Cooperative, the Board has shown their faith in the youth of our community to become the leaders of our nation.

Sac Osage Electric Cooperative is pleased to announce that we will be participating in the 2012 Youth Tour Program. It is a unique, educational and leadership experience for high school juniors to experience.

If you are a high school junior living within Sac Osage

Electric Cooperative's service area you could have a chance to win! We will select one outstanding delegate to win this all-expense paid trip to Washington, D.C., set for June 2012. The delegate will join more than 80 Missouri students and over 1,500 students from across the U.S. on this week-long tour of D.C., visiting memorials, museums, and getting a first-hand look at our government at work.

The first runner up delegate will be awarded an all expense paid trip to attend the Co-operative Youth Conference and Leadership Experience (CYCLE), set for July 2012 in Jefferson City.

The schools in the following counties in our service area can participate in the Youth

Tour and CYCLE contest: Cedar, Barton, Benton, Dade, Henry, Hickory, Polk, St. Clair and Vernon counties.

The 2012 Youth Tour Essay topic is:

"If chosen as a Youth Tour delegate you will be traveling to Washington, D.C. to experience and learn about America's rich history. What moment in American history do you wish you had been a part of and what would you have contributed?"



Jenna Durnell represented Sac Osage Electric Cooperative at the 2011 Youth Tour held in Washington, D.C. Clint stated "It was a trip of a life time that he will never forget. Being able visit all the memorials, museums and getting first-hand at our government at work was phenomenal."

Operation Round-Up Awards Local Projects

The Board of Directors authorized the Sac Osage Electric Operation Round-Up Committee to distribute funds collected from our members throughout the year to several local and regional projects. The committee members felt that it is during this particular time of year, this gift would be meaningful for each recipient to

provide additional resources for families through their organizations. The Operation Round-up program uses the power of co-operative members who participate to provide these additional funds.

As members of Sac Osage Electric Cooperative, you can voluntarily choose to have your monthly electric bill "rounded

up" to the next whole dollar. The most money individual members would possibility contribute is \$11.88 over a 12 month period. These excess payments are collected in a special account that is used for such special purposes. "This program is a very easy way for our members to help local and area families who need a little help", said Tom Killebrew, manager of the cooperative. Please contact our consumer service representatives to set up your account, and start putting your pennies to work. Together our little change may make a big change for someone else.

The Operations Round-Up committee awarded \$200 to the following organizations:

1. El Dorado Springs Christmas Basket Fund
2. Christmas Fund, Community Outreach, Nevada, MO.
3. Christmas Fund, Children's Welfare Advisory Board, Osceola, MO.
4. Christmas Fund, Stockton, MO.



**Sac Osage Electric will be closed
on Monday, January 2, 2012.**

Happy New Year!

January 2012

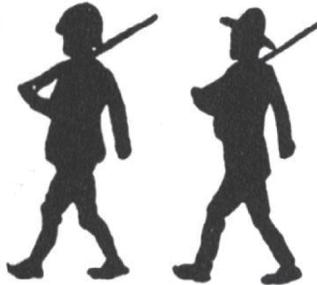
MLK Jr.'s Birthday

Martin Luther King Jr.'s birthday is observed on Jan. 16 this year. He was actually born on Jan. 15, 1929, just 2 days before Ben Franklin's birthday on the 17th. The two lived more than two centuries apart, but they shared a commitment to nonviolence. Benjamin Franklin was a statesman and diplomat during the American Revolution, a time of hot tempers and impromptu tea parties. Martin Luther King Jr. was born in a time of American segregation and civil injustice and was awarded a Nobel Peace Prize for his leadership in nonviolent protests.



Shays' Rebellion

Daniel Shays was a captain who had served "with distinction" in the American Revolution, but by 1786, he had become a poor farmer. During the depression that followed the war, farmers in Massachusetts lacked the political clout needed to obtain economic relief. When petitions proved futile, a large group of farmers persuaded Shays to be their leader. On Jan. 25, 1787, they attacked the arsenal in Springfield, Mass. They continued similar attacks until Feb. 4, 1787, when they were defeated by the militia in Petersham, Mass.



Plough Monday

Plough Monday (the first Monday after Epiphany, Jan. 9 this year) was the traditional day for men to return to work after the holidays, although little work was actually done that day. Dressed in clean white smocks decorated with ribbons,

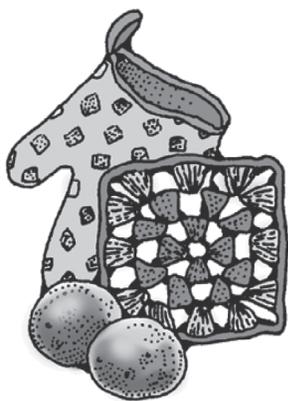


the men dragged a plough through the village and collected money for the "plough-light" that burned in the church all year. The men sang and danced their way from village to village to the accompaniment of musicians. In the evening, each farmer gave a supper for his men, with plentiful beef and ale for all.

For recipes, gardening tips and weather forecasts, visit:
www.almanac.com



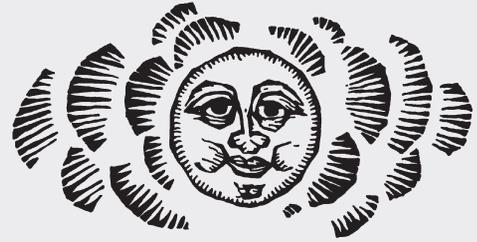
Recipe for New Potatoes with Mustard Butter



2 pounds small, new potatoes
6 tablespoons butter, melted
1 teaspoon prepared mustard
1 tablespoon chopped fresh parsley

Wash the potatoes and peel them if desired. Bring a large pot of salted water to a boil and cook the potatoes until tender, then drain. Mix together the butter, mustard and parsley. Pour the mustard butter over the potatoes. Serve warm. Makes 4 to 6 servings.

THE OLD FARMER'S



WEATHER PROVERBS

If January calends be summerly gay, it will be winterly weather till the calends of May.

On St. Distaff's Day (Jan. 7), neither work nor play.

Fog in January makes a wet spring.

A fire hard to kindle indicates bad weather.

When the North Star twinkles, expect stormy weather.

When oak trees bend with snow in January, good crops may be expected.

It will be the same weather for nine weeks as it is on the ninth day after Christmas.

A fair day in winter is the mother of a storm.



H O M E C O M F O R T

Weigh the options

You have many energy-efficient choices when replacing your heating and cooling system

Dear Jim: My old heating and cooling system must be replaced. With high energy costs and future energy price volatility, how can I determine the best type to go with? — Jack W.



by Jim Dulley

Dear Jack: It can make economic, environmental, and lifestyle sense to switch to an entirely different type of heating source for your home. The cost of fuels — such as natural gas, propane, heating oil, and electricity — has shifted dramatically during the past decade. Many new heating systems last 20 years or more, so with wide variations in fuel costs, long-term estimated operating costs and paybacks aren't always reliable.

Electricity prices are the most stable and will probably continue that way. For homes heated with electricity, air-source or geothermal heat pumps make good sense because they can heat, as well as cool, your home efficiently.

A standard air-source heat pump is basically a central air conditioner with a few extra parts. The outdoor unit looks exactly the same as a central air conditioner. It is called a heat pump because it literally pumps heat out of your house (cooling mode) or into your house (heating mode) from the outdoor air around the outdoor compressor/condenser unit.

Among central heating and cooling systems, geothermal heat pumps provide the highest efficiency and lowest year-round utility bills. While geothermal heat pumps have boasted much higher initial installation costs (due to the need to place loops, or tubing, to run through the ground or to a well or pond), the federal stimulus bill provides consumers with a 30 percent tax credit

on the cost of putting in a geothermal heat pump system through the end of 2016. This makes this option much more affordable.

The primary advantage of installing a heat pump of any kind is the system can be used year-round for both heating and cooling. This provides year-round savings and shortens the payback period. In contrast, a super-efficient furnace gets used only during winter and a central air conditioner only during summer.

I use a portable heat pump in my own home/office for year-round savings. In addition to cooling the room during summer, it also functions as an efficient portable heater during winter. It produces 14,000 Btu per hour (Btuh) of cooling and 11,000 Btuh of heating. This is much more heat output than a standard electric space heater using the same amount of electricity during winter.

The efficiency of a portable air conditioner is similar to a window air conditioner. Although this is less efficient than the newest central air conditioners, using one can still save money. By keeping just one or two rooms comfortably cool with clean air, you can set your central

thermostat higher and save electricity overall. Use it in the dining room for dinner, roll it into the living room for television, and then move it to the bedroom for sleeping.

They are typically mounted on castors so they can be easily rolled from room to room. Most operate on standard 120-volt electricity, so they can be plugged into any wall outlet near a window.

A portable air conditioner/heat pump operates similarly to a typical window unit. The internal rotary compressor, evaporator and condenser function in the same way. The primary difference is it is on castors and rests on the floor.

When choosing a heating and cooling system, there are other intangible factors to consider. Every type of system requires some maintenance that can increase the overall costs. A heat pump requires about the same amount of service as an air conditioner.

Have a question for Jim? Write to: James Dulley, Rural Missouri, 6906 Royalgreen Drive, Cincinnati, OH 45244 or visit www.dulley.com.



photo courtesy of WaterFurnace

A super-efficient geothermal heat pump is your best option for heating and cooling. Federal tax credits offered until 2016 make the system more affordable.



Manager's Column —



Tom Killebrew
Manager

Rising Costs Creates Pressure On Electric Rates

The staff at Sac Osage Electric Cooperative has been working for the last couple of months through the budget process. In putting together the 2012 budget, we carefully examined and had to justify every expense we incur in our operating budget. Some programs had to be cut back.

Other programs were eliminated for this budget year. We will absorb as much increased cost of operations as we can. In addition, we will implement efficiencies that provide both short term and long term cost savings without jeopardizing our service to our members.

The cooperative has been engaged in a lengthy study to determine how to manage our rising costs associated in serving our consumer-members. We have identified the greatest cost pressure is coming from the maintenance of our system.

Our greatest impact affecting us derives from the cost of transportation, data processing technology, maintaining clearance of our right of way, overhead expenses, and finally the continually upward trend of materials.

We are challenged with meeting our financial standards set by our lending agency, Rural Utilities Services. We must gen-

erate more revenue in 2012 to meet the federal financial loan criteria.

Therefore, the Board of Directors is currently considering the research provided in our study to determine the size of adjustments that must be made in the months ahead.

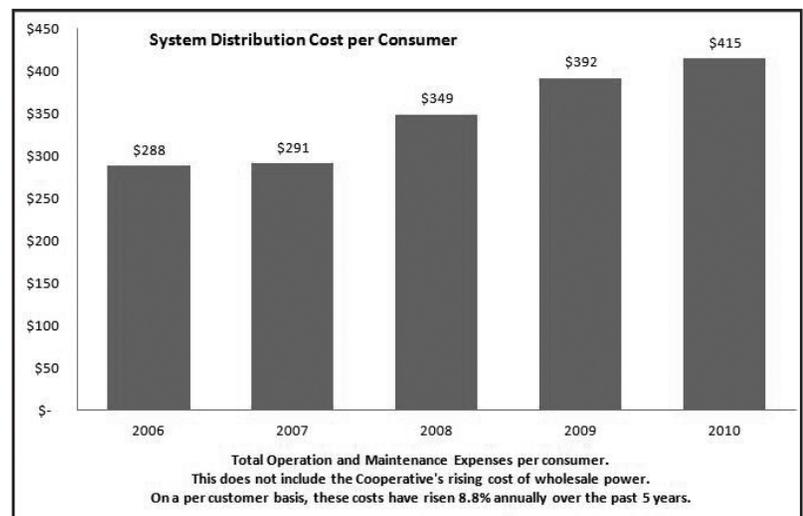
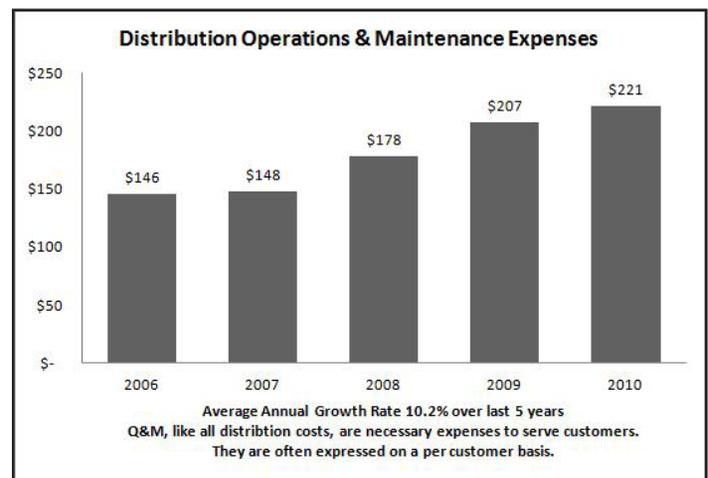
Since our wholesale power cost will not increase in 2012, our Power Cost Adjustment will return to zero cents and there will not appear any adders to your monthly bill for the remainder of this year. We are trying to avoid a large increase next year as we anticipate upward pressure on wholesale power supply costs to resurface in 2013.

The two charts indicate the trend of increasing costs the Cooperative has experienced over the years. The second largest distribution expense category after capital cost is Operations and Maintenance.

This category comprises the total cost of operating and maintaining the electric distribution infrastructure to deliver power. It includes the cost of operating and maintaining overhead and underground lines, poles, meters, transformers, member installations, tree-trimming and brush clearance

and all the labor associated to perform these services.

The actual cost we incur is a reflection of our number of meters per mile (or density), terrain, vegetation density, and labor costs. It is these costs that are driving this latest need for additional revenue.



Sac Osage Electric Cooperative is proud to participate in community activities like the El Dorado Springs Christmas Parade. The kids enjoyed seeing the bucket truck and of course the candy thrown from the truck. A special thanks to Ronnie Simmons, Journeyman Lineman, Mark Boultinghouse, Tree Trimmer and Janna Dody, Communications Coordinator along with Ronnie's son Kaiden and Janna's daughter Lainey and son Kole for participating in the Christmas Parade.

