

Message from Southern Pine General Manager Don Jordan

Electricity use, not rates, sent electric bills soaring

Recent high electric bills reflect the reality experienced by electric consumers throughout the region, as cold weather drove up everyone's electricity use. We at Southern Pine Electric Power Association are eager to help you understand what determines the amount of your electric bill and to suggest ways you can be more energy efficient.

There are only two elements, or components, that determine the amount of an electric bill—rates and the number of kilowatt-hours used:

- **Rates:** The rate schedule and associated fuel adjustments determine the cost for each kilowatt-hour that goes through an electric meter. For Southern Pine's members, these costs were recently reduced because of lower fuel prices. February kilowatt-hour costs are lower than those from January; January costs were lower than in December. Costs per kilowatt-hour are lower now than at this time last year.
- **Use:** Your electricity use is measured in the form of kilowatt-hours pulled through your meter to run heating and cooling systems and other appliances.

The reason your electric bill may be higher than in previous months is because you used more kilowatt-hours. (The exact number is displayed on your electric bill.) If your February 2010 electricity use had been the same as it was in February 2009, your bill would have been approximately 7 percent less, because of a reduction in wholesale power cost. Monthly bills are higher because of electricity use related to colder than normal temperatures.

This year's extremely cold weather caused our members' electricity use to soar—and even set a record in January. We know that many members' homes suffer from poor insulation and other energy-efficiency shortcomings that contribute to using high levels of electricity. While Southern Pine cannot control the amount of electricity someone needs to stay warm or run other appliances, we have long tried to make recommendations regarding wise energy use. (Please read "We have answers to your energy questions" on page 11.)

For years, we have worked with members to help them pay their electric bills. We participate in the LIHEAP program and have accepted hundreds of pledges from agencies that will help these members pay their bill.

Be assured that we are willing to work with and allow members extra time to pay their bills. It has been our policy and history to do this, and we encourage any member with a concern about their bill to contact us immediately. This winter, we granted numerous payment extensions to members who could not fully pay their bill but promised to pay later.

We've helped members ensure that their electric meters are working properly. Since Dec. 1 our employees have performed more than 100 meter tests for members whose bills were extremely high. The tests proved that all the meters were accurate and performing correctly.

Southern Pine employees have also conducted on-site home inspections for about 150 members since early December to help determine how they can weatherize their homes. We discovered many instances where improvements could make a real difference in their electricity use. We encourage our members to apply for part of the \$49 million in federal weatherization assistance available in Mississippi.

As a not-for-profit electric cooperative, we will continue to provide reliable service at the lowest cost possible. Members can help themselves and their cooperative conserving where possible and using electricity wisely.