

Sales tax reseller exemption saved FEC members money

A Missouri Supreme Court decision that became effective last September reversed many years of state policy and practice with respect to state sales tax for virtually every business in Missouri. This decision did away with the so-called "reseller exemption." If implemented by the Department of Revenue, this ruling would have, for the first time, required generation and transmission co-ops to start collecting state sales tax from the distribution co-ops on retail electricity sales to tax exempt co-op members.

In essence, the court held that "someone up the ladder" had to pay the state sales tax even though the distribution co-op would remain prohibited from collecting the tax directly from the tax-exempt member. This necessarily would mean an increase in the co-op's overall cost of service, which in turn, would have to be recovered either through rate increases or reductions in capital credits to members such as you.

The Department of Revenue was required to start implementing the court's decision retroactively to last September unless legislation

was passed immediately to overturn the decision. The Association of Missouri Electric Cooperatives (AMEC) worked in cooperation with the Missouri Chamber of Commerce, Associated Industries of Missouri, investor and municipally owned utilities, the Department of Revenue, the Missouri Retailers Association, Boeing and many others in drafting legislation to overturn the court's decision.

Reps. Mike Sutherland and Brian Munzlinger each filed this legislation in the House, while Sen. Brad Lager filed it in the Senate. During the course of the legislative session, it was added as amendments to several other bills to increase its chance of passage.

AMEC, along with the stakeholders' coalition, pulled out all the stops in lobbying for the legislation, fighting off unrelated delaying amendments and moving it on to the governor's desk as quickly as possible.

As a result, Senate Bill 928 sponsored by Sen. Lager passed the Senate 31 to 0 on April 6 and then passed the House 150 to 1 on April 28. The bill was sent to Gov. Nixon on April 29 and he signed it in a public ceremony on May 12,

just prior to the end of the legislative session. SB 928 became effective immediately upon Governor Nixon signing it.

The Department of Revenue will not be implementing the court's decision. In these tough economic times, when the state is looking for new sources of revenue to balance the budget and fund the many programs it provides, it would have been easy for Gov. Nixon and our legislators, Sen. Lager, Rep. Mike Lair, Rep. Tom Shively, Rep. Bob Nance, Rep. Jim Guest, Rep. Therese Sander and Rep. Casey Guernsey, to throw up their hands and blame the Supreme Court for driving up your electric bill. Instead, they recognized the hardship this would put on ratepayers and the potential loss of jobs from other affected industries. 275328

Farmers' Electric Cooperative wishes to publicly thank our area legislators for their bipartisan support for this legislation, and especially for the emergency clause that made it effective immediately. Of all the things done in this legislative session, the passage of this bill was the most important for our state.

FEC's charity dinner-auction, golf tournament are set for August 8-9

Farmers' Electric's 18th Annual Area Youth Benefit Fund dinner-auction and golf tournament have been scheduled for August 8-9.

The dinner-auction will be held Sunday evening August 8 at the Chillicothe Elks Lodge. The golf tournament will be held the following day at the Green Hills Golf Course, also in Chillicothe.

"The AYBF has donated over \$450,000 to area families since FEC founded the charity in 1993," said Steve Shoot, manager of member services and coordinator of the events. "The support from our members and the surrounding communities has been tremendous."

Shoot said some of the items at this year's dinner-auction would include a signed Zach Greinke jersey and baseball in a unique one-of-a-kind display case, two V.I.P. passes to the final round of the 2011 Masters Golf Tournament and a beautiful walnut armoire.

The AYBF was established for the purpose of providing financial assistance toward the payment of medical bills for children 18 years of age and under. The fund is designed to assist families with children who have been

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The Power of Pennies will raise funds to pay medical bills for area children in need

Over 1,000 Farmers' Electric Cooperative members are making a difference every month by participating in FEC's Operation Round Up program.

The premise of Operation Round Up is really simple. Participants in the program have their bill "rounded up" to the nearest dollar each month. For example, if your energy bill for May was \$97.57 your bill would automatically be rounded up to the nearest dollar, which in this case would be \$98. The \$0.43 needed to round up this bill to the nearest dollar would be placed in your cooperative's Area Youth Benefit Fund charity.

The most money your account that could be rounded up each year would be \$11.88. The average is usually around \$6 over a 12-month period.

At this writing, the AYBF has donated just over \$450,000 to area families in need of assistance in paying their child's medical bills. Through your generous donation and the involvement of FEC members across north Missouri, your cooperative's charity can have a major impact on area families that are struggling to pay expensive medical bills for their children. 275525

Included with your July 1 bill will be a special letter that will provide information on how you can be a part of the Operation Round Up program. If you are already participating in Operation Round Up, we thank you for your support.



AYBF Round Up sign up is sponsored by Merrill-Lynch

The Operation Roundup sign up insert that accompanied your July 1 statement is sponsored by Merrill-Lynch of Chillicothe.

"Their sponsorship saved the charity a great deal of money," said Steve Shoot AYBF fund raising coordinator. "We thank John Marcolla, branch manager, and his staff for their support of our charity efforts."

Sign up now for a home energy audit and save money every day

A large majority of the residences in FEC's service territory are over 20 years old. An even larger majority of the homes in this area are woefully inadequate when it comes to being energy efficient.

For example, an attic that has five to six inches of insulation, which usually puts the insulation at the top of the rafter, isn't even close to the recommended insulation guidelines for this part of the country. Unfortunately, it is a fact, most of the homes in the area don't meet the old insulation guidelines.

Four years ago the Department of Energy changed its recommendation for insulation in north Missouri from an R-38 to R-49. To reach the R-49 recommendation, cellulose insulation must be 18-21 inches in depth.

The easiest way to determine what energy efficiency changes need to be made to your home is to have an energy audit conducted on the structure. The best way to determine the inefficiencies in your home is to have a blower door energy audit.

The blower door energy audit also includes a 75-point walk through audit that checks the insulation levels in your attic and other areas

FEC will pay up to \$500 on efficiency work on your home if you have an energy audit! Ask how to Qualify!



FEC Energy Audit Sign Up Sheet

Name _____

Address _____

City _____ State _____ Zip Code _____

Telephone Number (Area Code) _____

Mail sign up sheet with bill payment or drop it off at the Chillicothe office.

Together, We Have The Power To Make A Difference

of the homes which may need some attention.

The blower door energy audit usually costs \$250, but for the rest of this year, the audits are half-price at \$125. 300630

Plus, Farmers' Electric will pay for 50 percent of the energy work that you do at your home, up to a maximum of \$500.

If you have questions, contact the member services department at FEC and ask for Stan Hayward or Joe Hardie. Or, you can fill out the coupon above and place it in the mail with your bill or drop it by the office in Chillicothe and Stan or Joe will contact you to set up an appointment.

Jones, Brammer win trips to Washington, D.C.

Chillicothe, Gallatin students win FEC's 47th annual essay contest

Drew Jones of Chillicothe and Breanne Brammer of Gallatin won trips to Washington, D.C., courtesy of Farmers' Electric Cooperative.

Jones, a junior at Chillicothe High School, and Brammer, a junior at Gallatin High School, wrote the top two essays in the cooperative's 47th Annual Youth Tour to Washington essay contest. The high school students were chosen by a trio of judges out of 44 essays that were submitted by the February 26 deadline.

Jones is the son of Kristie Cross and Andy Jones. Brammer is the daughter of Kim and Dennis Brammer.

The junior class essay topic was "If signed into law, how will the cap and trade legislation now in Congress impact rural Missouri?"

Jones and Brammer left for Washington, D.C. with other essay contest winners on June 12 and returned June 17.

The annual essay contest in 2010 also featured a new competition for members of the sophomore class. The top four sophomore essayists won a trip to the Cooperative Youth Conference and Leadership Experience (C.Y.C.L.E.) in Jefferson City. The event is organized and sponsored by the Association of Missouri Electric Cooperatives, which is based in Missouri's capitol city.

The sophomore winners were T.J Schieber, Penney High School, Hamilton; Austin Chase, Hardin-Central High School; Elizabeth Sivill and Margaret Weed, both of Chillicothe High

School.

The sophomore class essay topic was "What can homeowners do to become more energy efficient?"

Schieber is the son of Tim and Traci Schieber, Hamilton; Chase is the son of Kimberly Chase, Hardin; Sivill is the daughter of Gary and Jayne Sivill, Chillicothe; and, Weed is the daughter of Frank Weed, Chillicothe.

The C.Y.C.L.E Conference will be held in July.

The topics and entry forms for the annual contest are mailed to every Junior class and Sophomore class instructor in late December. The deadline to have the essay entered into the contest is the last Friday of February.

The number of essays entered in the contest for 2010 was the largest in nearly 10 years. Twenty-six high schools received the essay contest information.

FEC provides transportation to and from Jefferson City where the winners to Washington meet with other fellow contestants from Missouri's participating cooperatives. Transportation is also provided to and from the C.Y.C.L.E conference, as well.

"One of the highlights of our year is when we get to reward academic excellence with these unique trips and conferences," said Steve Shoot, manager of member services for FEC.

FEC is a CFL disposal site for co-op members

If you have a burned out compact fluorescent light (CFL) or one that has been broken, you can drop them off at the FEC office in Chillicothe and we will dispose of the CFL.

We have purchased CFL disposal containers and we are making them available to FEC members.

Washington Street Food & Drink Company now with Connections Card

The Washington Food & Drink Company in Chillicothe is now offering a free dessert with the purchase of an entree for FEC members that show their Co-op Connections Card.

Over 100 area businesses are now offering discounts or specials to FEC Co-op Connection Cardholders.

If you find your equity number you win a prize!

Every month five sets of six numbers appear in FEC's Watts Up pages. They are actually your equity or member numbers.

If you spot your member number you have until the end of the issue month to contact the FEC office for a prize.

Just call 646-4281 or 1-800-279-0496. You actually get a choice from a variety of items if your number has been chosen that month.

Doug Rye says... "Geothermal heat pumps stand out!"

I trust that you are enjoying this series of energy improvement articles. Better yet, I hope you are implementing them. If you have or if you are, then you are now saving several dollars per month on your utility bills. Please remember that you make the improvements once, but you save money every 30 days.

It is always difficult for me to decide what I want to help you with next because I so badly want to help all of you now. Often I choose the improvement suggestions based on questions I receive at my office.

Many of you have called recently because your heating and cooling system has simply kicked the bucket. Your question is usually the same.

"What should the replacement be?"

Difficult to answer in this one

column since the proper answer is dependent on your particular house, but let's try.

The efficiency of most new heating systems is as follows: gas furnace, 80 percent; electric heat pump 250 percent; geothermal heat pump, 400 percent.



Energy Efficiency Expert Doug Rye

That really caught your attention, didn't it?

I thought it would. You see why I haven't recommended a gas furnace in the last 15 years?

Cooling systems, on the other hand, are rated by S.E.E.R., which stands for seasonable energy efficient rating or ratio. Now, since all cooling systems are electric, let's look at our choices.

Before 2006, all units were required to have a S.E.E.R. rating of at least 10. Now, the minimum S.E.E.R. rating is 13, which is a pretty good improvement. If your house is 2,000 square feet or less and is fairly energy efficient, I usually recommend a S.E.E.R. 13 heat pump as a replacement.

Keep in mind that heat pumps both heat and cool homes.

Now, if your house has an electric water heater, you can now remove the gas meter and

have no gas bill at all.

WOW! You wouldn't mind eliminating a bill entirely now would you?

If your house is bigger than 2,000 square feet, I might suggest that you install a geothermal heat pump.

Just call me at the office, 501-653-7931, and we can discuss that further.

A geothermal heat pump is the most efficient heating and cooling system available. Closed loop systems circulate a water-based solution through a "loop" of underground pipes. With this system, heat is transferred to or from the home to provide year-round comfort.

Some systems use horizontal loops in which pipes are placed in trenches. Others use vertical loops, which are best suited for areas where available land surface is limited.

Whichever heat pump you choose, proper sizing is very important in

order to obtain total comfort and maximize utility savings. Most homes have units that are oversized, which costs you more money upfront and in the long run as they don't operate efficiently and will use more energy.

Doug Rye is a licensed architect and popular host of the "Home Remedies" radio show.

Doug Rye can be heard on KGOZ, KKWK and KAAN

Every Saturday morning Doug Rye hosts a live call-in show on several area radio stations. He can be heard from 9-10 a.m. on KGOZ, 101.7, Gallatin, KKWK, 100.1, Cameron and on KAAN, 95.5, Bethany.

Too much humidity in your home or not enough humidity?

If the humidity in your home is above 50 percent you need a dehumidifier

If your home suffers from too much interior humidity—typically, relative humidity above 50 percent—a dehumidifier can help.

A list of Energy Star-rated dehumidifiers can be found at www.energystar.gov. The site also offers a useful table from the Association of Home Appliance Manufacturers for calculating the size of dehumidifier to purchase for the area to be dehumidified.

Capacity is measured in pints per 24 hours and is determined by the size of the space to be dehumidified and the conditions that exist in that space before dehumidification. 273847

For example, does the space feel damp and smell musty, are there damp spots on the floor, is seepage visible? Is the floor wet?

It's not the heat—it's the humidity

The energy efficiency of a dehumidifier is measured by the amount of water it can remove from the air per kilowatt-hour.

The higher the rating, the more efficient the dehumidifier. Most dehumidifiers come with a removable bucket, which collects the water removed from the air.

To improve the efficiency of the dehumidifier:

- Be sure air can circulate freely around the dehumidifier
- Shut doors and windows of the space being dehumidified while the unit is running
- Locate away from dust and dirt that could clog coils and grills
- BE SAFE—never set up water drainage or disposal near electrical circuits or devices.

Many dehumidifiers have built-in humidistats that allow you to set the desired relative humidity.

If the air is too dry in your home you should consider adding a humidifier

Humidifiers add moisture to the air, increasing comfort and improving energy efficiency in winter months.

Of course, it takes energy and water to run humidifiers, so before investing in one, first try less expensive methods for adding moisture to the air, starting with simply setting out bowls of water.

But if a humidifier is on your short list of must-haves, do your homework before you buy. Here's some information to get started from the Alliance for Water Efficiency.

Humidifiers come in two types: self-contained room and central or whole-house humidifiers, which are usually attached to central forced-air heating systems.

Room humidifiers have reservoirs that need to be refilled by hand every day or so. They tend

to be water efficient, only using one or two gallons of water a day. Except for the water used in weekly cleaning and rinsing the reservoir, all water is efficiently converted to vapor.

Central humidifiers are usually attached to a central forced air heating system. A water supply pipe attached to the humidifier provides a constant water supply.

A typical residential unit uses two to seven gallons per day when efficiently operating. Most such humidifiers include a drain line leading to a sewer system drain to allow excess water to drain in case the refill valve fails to close.

When properly designed, maintained and operated, humidifiers can be water efficient, but many waste thousands of gallons of water a year through leaks.

Wet grass and electric power tools are not a very good idea

It doesn't matter if its rain or a heavy dew, any form of moisture combined with electricity can be hazardous.

During the summer months its not unusual for the morning sunlight to reveal yards heavily laden with dew. While summer mornings are a good time to work outside, before the heat of the day arrives, it is not a good time to use tools that are powered by electricity.

Hedge trimmers, circular saws, drills or other electric power tools can create quite a safety problem if they are used in wet areas.

If tools are used under wet conditions, make sure you are plugged into a ground fault circuit interup-

tor (GFCI) outlet. The GFCI won't be able to prevent you from being shocked, should a problem occur, but it will stop the flow of electricity should it detect a problem.

Common sense tells you that if its wet outside, don't run extension cords across the wet areas. Why take the chance of being injured?

The best time to use power tools outdoors during the summer months is the evening after the hot temperatures of the day have subsided.

The dew has long since evaporated and any early morning rain will have probably dried the area sufficiently to make it safe to use your power tools.

Gary Hamilton retires after 32 years

Gary Hamilton, Gallatin, has hung up his tools and is officially retired. Hamilton's last day was June 15.

"We're still going to stay in the Gallatin area," said Hamilton. "I'm just going to have a lot more time for my hobbies and grandkids."

His first day on the job was May 8, 1978. He worked on a construction truck, based out of Chillicothe, until 1979, transferring to the Hamilton area. As a journeyman lineman he worked out of the Hamilton warehouse for 26 years, transferring to the Gallatin area in 2005.

He is very active as a volunteer fire fighter, including serving as

an assistant fire chief and fire chief. He has been a member of the board of directors for the Gallatin Fire Protection District for



Gary Hamilton

the last three years.

Hamilton graduated from Chillicothe High School in 1963. He worked for several different companies before being employed by FEC.

He likes to hunt and fish, plus there

will also be a little travelling during his free time, Hamilton said. There is also time to be spent with his six grandchildren.

He and his wife, Tanya, are the parents of four children.

Use these guidelines to prioritize your home energy efficiency projects

If you have a home that's over 20 years old, you may have some serious energy leaks in the structure.

There are a number of good reasons to begin the process of making your home more energy efficient. While some options are more expensive than others, the financial payback alone is a great incentive. Plus, you will be helping to make changes to improve the environment.

Additional reasons to initiate energy efficiency improvements are federal tax credits, rebates on specific appliances from FEC, and cash assistance from FEC for half of the work you do, up to \$500. (See *Energy Audit story on Page 2 of Watts Up*).

If you are serious about taking action to lower your monthly energy bills, it might be a good

idea to establish a prioritized list, ranging from inexpensive options to the more high cost improvements.

Low Cost Improvements

Make an appointment with your heating and cooling contractor for a maintenance inspection. When your equipment is running properly it operates more efficiently.

Also, keep your units clean and replace filters monthly. Ask your heating and cooling contractor if there is anything you should be doing to make the unit run more efficiently.

Replace your incandescent light bulbs with compact fluorescent light bulbs or LED light bulbs. 274220

Purchase an insulated water heater jacket and set the thermostat on the water at its low-

est possible setting (120 degrees).

Caulk and weather strip around doors and windows.

Set your thermostat for 78 degrees or higher in the summer and 68 degrees or lower in the winter.

Moderate Cost Improvements

Install a programmable thermostat.

Repair or replace ductwork

Landscape for energy efficiency.

Add insulation to your attic.

If you have a fireplace, make sure your doors are as airtight as possible.

High Cost Improvements

Add insulation to walls.

Replace any appliance older than 15 years with Energy Star appliances.

FEC charity dinner, golf tourney set for Aug. 8-9

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who have been ill or injured in which the parents do not have enough money or health insurance to cover the medical costs.

The fund primarily operate in the counties of Linn, Chariton, Livingston, Carroll, Ray, Caldwell, Davies, DeKalb and Clinton. A family who receives electricity from Farmers' Electric Cooperative, but resides in a county not listed above also qualifies for AYBF assistance. A family that resides in the counties listed above does not have to be a member of the cooperative to receive financial assistance.

A separate board of directors has been named to administer the Area Youth Benefit Fund. The AYBF is a 501 (C)3 charity.

Ten easy, quick ways you can save money every day

If you are looking for easy, quick things you can do to save money on your energy bill, just follow the ideas listed below.

1. Take a quick inventory of your home and see what you might be able to turn off or unplug, such as cell phone chargers, televisions, and lights when you leave a room.

2. In the summer set the thermostat to the highest comfortable temperature (at least 78 degrees, if possible). Changing the thermostat just one degree will save you about three percent on your cooling or heating bill.

3. Keep your air-conditioning filters clean. Make sure the space immediately around the air conditioner is open and clean of debris.

4. Keep your air vents free of obstruction. Don't let furniture block the vents from operating at maximum efficiency.

5. Close blinds or drapes on the sunny side of

the home during the hot summer months. Reverse the process in the winter when the sun is up. In either season, close the blinds or drapes whenever the sun goes down.

6. Compact fluorescent light bulbs or LED lights will save you up to 75 percent on your lighting bill and last a minimum of 10 times longer.

7. Wash full loads of clothes in the coolest water possible.

8. Refrigerator temperature settings would be between 34-38 degrees; freezer settings should be between 0-5 degrees.

9. Stop clothes dryer as soon as clothes are dry. Better yet, use the moisture sensor control to shut off dryer.

10. Dry loads one right after another. You will use less energy because the dryer is already heated.