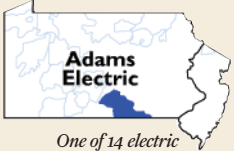




# Adams Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



One of 14 electric cooperatives serving Pennsylvania and New Jersey

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Check out [www.adamsec.coop](http://www.adamsec.coop)  
Local Pages Editor: Kami Noel

## FROM THE CEO/GENERAL MANAGER

# Recovering today's rising costs



by Steve Rasmussen  
CEO/General Manager

I mentioned during this year's March member meetings, during our June annual meeting, and in this space previously, that Adams Electric is facing rate increases in each of the next four years as we attempt to deal with rising costs.

The co-op is announcing the first adjustment with an insert included with the September bills. The rate adjustment will appear on the bills

members receive in November, and will reflect an overall increase of 7.4 percent for the average residential member.

Rate adjustments are seldom welcome, but we must do so at this time due to escalating costs. Details of the rate adjustment are published elsewhere in this issue.

Considering that most electric utilities are seeking rate increases between 30 and 100 percent, Adams Electric's 2009 rate change is far below those levels.

### How rates are determined

It is important to know that Adams Electric operates with rates based on cost-of-service studies. These studies help assure that costs of operation are spread equitably among all rate classifications.

Recent studies found that costs, in addition to rising, have shifted. Rates need to be adjusted to help the co-op meet its increased costs and ensure that each member pays a fair share of the cost of receiving reliable electric service.

### Why the rates are changing

There are a number of reasons why rates are changing, principally:

- ▶ The cost to purchase and distribute energy has continued to rise.
- ▶ The demand for power at peak times has also continued to rise.
- ▶ The cost of fossil fuels used to produce electricity has escalated and new energy supply contracts are more costly than expiring ones.

### Fielding questions

We have had several comments about the summer energy charge and why it appears on the bills during the months of June to September.

In 2008, Adams Electric introduced this charge under the "ENERGY SUPPLY" section of the bills to recover the higher overall cost of generating power during those months. Also, the level of demand for electricity during those four months is used to set the energy supply prices Adams Electric will have to pay in the following year. That is why we encourage members to conserve and to move their use of power to off-peak periods, particularly during the summer months.

The co-op had been absorbing these rising summer energy supply costs for years without passing them on to its members, but was no longer able to do so. Instead of levying a rate increase for the entire year, Adams Electric chose to recover those higher costs during the months when they occur.

The summer energy charge is based on each member's per kilowatt-hour use. It is a pass-through of seasonally higher energy supply charges that the co-op must pay. It will continue to be included on future bills during the months of June to September.

### What you can do

We need everyone's help in keeping future rate increases at a minimum. As a start, visit [www.adamsec.coop](http://www.adamsec.coop) or stop by a district office for information about how you can save energy around your home. Employees are available to help you in this area. If you have not already done so, volunteer to have a load control receiver installed on your electric water heater. If you are thinking about a new heating and cooling system, we can help you make the best choice.

Also, remember that if you have any questions about rates, please do not hesitate to contact us. 