



Consolidated Electric Cooperative, Inc.

Your Touchstone Energy® Partner



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July 14, 2009

Dear Member:

I feel that it is very important that I address the issue of increasing rates personally. The electric utility industry, including investor-owned and cooperatives, is feeling the affects of the recession as well as increased costs of coal, emission controls, maintenance and production. As a result of these contributing factors, Buckeye Power Inc., Consolidated Electric's wholesale power supplier, will be implementing a 16% rate increase this summer. This increase is a substantial change from the past – for example, our revenue per kWh has increased only 2.5% on average over the past 5 years. Since the generation costs make up 62% of your bill, the increase will be approximately 10% for your total bill or about \$10 per month for our average residential member.

I would also like to take this time to reassure you that Consolidated Electric has taken steps to control expenses. For example, we formed an employee cost reduction team earlier this year to review any and all ideas – many of those ideas have already been implemented. We have reduced the use of consultants and contractors, requested price reductions from vendors, and have asked employees to do more.

Other ways that we are assisting members is through Consolidated Electric's energy efficiency programs that are available to members. Please refer to the enclosed brochure.

If you have any questions or concerns, I encourage you to call our office at 800.421.5863. We will do our best to answer your questions and we look forward to working with you on ways that you may be able to reduce your monthly bill. We will also continue to communicate ways to save through our member communications.

Sincerely,

Jerry Lauer
President/CEO

Consolidated
Electric's family of
companies:

