

MICHIGAN Country Lines

Big Air Brothers

Trevor & Greg Burroughs



4 PSCR Explained

8 Free Travel & Scholarships

**29 Confessions Of An
Olympics Watcher**



Power Supply Cost Recovery (PSCR) Explained

BOARD OF DIRECTORS

TERRY LAUTNER

President

946-4623 • tlautner@coslink.net

TOM VAN PELT

Senior Vice President

386-9047 • tvanpelt@coslink.net

MELINDA LAUTNER

Secretary

947-2509 • mlautner@coslink.net

JACK POPE

Treasurer

378-2451 • jjpope@acegroup.cc

BETTY REYNOLDS-MACIEJEWSKI

Director

947-0463 • themanorhouse@coslink.net

BILL HOXIE

Director

929-9602 • bhoxie@coslink.net

JOHN OLSON

Director

938-1228 • jolson@coslink.net

WAYNE NORDBECK

Director

378-2354 • wnordbeck@coslink.net

LAVERNE MAGINITY

Director

378-2356 • turkeyroost@coslink.net

General Manager

Tony Anderson

Co-op Editor

Nick Edson

OFFICE HOURS

Monday-Friday 7 a.m.– 4 p.m.

TELEPHONE NUMBERS

231-486-9200 or 1-800-442-8616 (MI)

ADDRESS

P.O. Box 298, Grawn, MI 49637

www.cherrylandelectric.com

TO SUBMIT A METER READING:

- 1) Call or use our 24-hour touch tone voice-mail hotline, ext. 207
- 2) E-mail your meter reading at:
CEC@cherrylandelectric.com
- 3) Fax your meter reading at: 231-486-9404

PAY STATIONS:

Lake Ann Grocery
Cherryland Electric office

Your Touchstone Energy® Partner



By Tony Anderson
General Manager

THE LAST TIME we talked in this column, I detailed the general rate increase needed to help cover the co-op's daily operating expenses. This time, I would like to explain changes in our wholesale power costs that we are less able to control, as they are affected by ongoing fluctuations in the open market.

The main change in our wholesale costs that we are less able to control is related to a term called Power Supply Cost Recovery (PSCR). This PSCR adjustment was approved by the Legislature in 1982 and has since appeared as a separate charge on your Cherryland Electric Cooperative (CEC) bill. More than 20 years later, it is still one of the least-understood charges passed on to you, as co-op members, each month. It resides below the availability charge on your monthly electric bill under the title, "PSCR adjustment," and is commonly used by all Michigan utilities.

What Is Wholesale Power?

Wholesale power is the bulk electricity Cherryland must buy in order to provide electric service for each of the 32,000-plus meters we serve. Nearly 70 cents of every dollar CEC spends is on wholesale power, which can be an unpredictable commodity. Prior to 1982, these costs were escalating quickly across the industry (much like they are today), causing all utilities to have repeated rate increase filings with the Michigan Public Service Commission (MPSC). This caused a logjam at the MPSC and a financial burden for state utilities because excessive delays in recovering these power costs were eating away at the 30 cents left in each dollar for normal operations.

What Is "PSCR adjustment"?

The Legislature responded by creating the PSCR adjustment, which allows a utility to adjust the cost of wholesale power each year on a "pass through" basis after a more streamlined MPSC approval process.

The term "pass through" is a key point in this discussion, and simply means that if wholesale power goes up 50 cents per member more than what was budgeted for the year, then the same 50 cents is passed on the next year as a PSCR adjustment. It also works if wholesale costs are less, as CEC members saw a PSCR adjustment *credit* in 2005 that reduced monthly electric bills.

In a nutshell, PSCR is a rate mechanism that allows a utility to pass to customers the actual costs paid for wholesale power and fuel. The MPSC does not allow a utility to profit on these costs, but does protect the 30 cents needed to pay all the other monthly expenses for distributing electricity.

No Rate Increase During Last Decade

While Cherryland's PSCR adjustment has gone up and down over the last 23 years, you have not seen a general rate increase for these distribution expenses during the last decade, partly because of the stabilization protection provided by the PSCR.

You may wonder why the PSCR adjustment must fluctuate and whether an accurate prediction each year would avoid peaks and valleys. These thoughts would be correct if we owned a crystal ball. While CEC's wholesale power supplier, Wolverine Power Cooperative, does have long-term contracts, 20-30 percent of its supply is at the mercy of the open market. Volatility in all fuels such as oil, natural gas, propane and coal make the open energy market simply unreadable and unpredictable. So, we simply skip the "ball gazing," do the math, make the best estimates possible, and change the PSCR annually, as necessary. Again, this provides stability to our everyday distribution expenses and keeps your rates more level.

Why Do You Need To Understand This?

The PSCR will be at its highest point in recent history in 2006. Volatility in the open market on top of all-time growth in energy demand caused CEC to have large wholesale costs not collected in 2005. Lags in the

Safety At Home Starts With You

A FEW YEARS AGO, I was installing a protective plug in one of our electrical outlets.

I figured it would keep my young daughter from sticking her fingers in the socket.

What I didn't figure on was that by letting her watch me put the protective plug in, it would raise her curiosity.

It did.

A few minutes later, I walked in the room and there she was, attempting to take the protective plug out of the socket.

I learned a valuable lesson that day: Limit your children's access to electrical outlets and appliances—even the ones that seem harmless.

Children love to mimic their parents' activities. Keep that in mind whenever you're using a heated electric appliance such as an iron, or one with blades or other sharp objects, such as a blender or can opener.

Ironing, for example, can look fun to a child. But left unattended to discover how to turn the device on, a little homemaker-in-the-making can suffer a severe burn or even start a fire.

"Sometimes, devices that seem harmless to adults can harm a child who doesn't know

how to use them safely," cautions Cherryland's operations manager, Jim Carpenter, who oversees safety training.

Carpenter also offers other safety tips for parents:

- Operate appliances when children are not around.
- Store heated and sharp devices out of your children's reach.
- Search for appliances with child-proof "on" switches.
- Unplug sewing machines and other appliances when you're not using them.
- Install a lock on your oven door.

• When you do operate appliances in front of children, use them in a safe manner and teach youngsters how to use them safely.

It's never too early to begin teaching safety lessons in your home. But the bottom line is this: You are the teacher because little eyes are always watching what you do.

Tim Keenan is assistant safety director for Cherryland Electric Cooperative



Look for Cherryland At The Home Show

Don't miss the Home Builders Expo Feb. 18-19!

IT'S SHOW TIME AGAIN. The 22nd annual Traverse City Home Builders Expo will be held on Feb. 18-19 at Traverse City East Junior High.

Once again, Cherryland Electric Cooperative will have a booth at the expo. We'll be in Booth No. 29 in the Gold room. Please stop by and check out our efficient Marathon Water Heater.

While you are there, find out how you can fight back against the rising costs of fossil fuels by converting to one of the many forms of electric heat now available at Cherryland Electric.

These forms of heat include electric resistance, electric thermal storage, and the versatile Electro multi-fuel forced air systems.

Combined with air-to-air heat pump technology, these systems are some of the most efficient on the market today.

Check out the chart below, which shows the stable and consistent pricing of electricity over the years compared to the more dramatic climb of fossil fuels.

If you are a Cherryland Electric Cooperative member, the savings are even greater on our dual fuel-interruptible heat rate at a savings of over 40 percent. See you there!

Steve Coger is Cherryland's energy use advisor



PSCR Explained, from page 4

MPSC approval process delayed pass-through of our 2003-2004 PSCR adjustments.

So, due to uncontrollable markets, growth and regulation, we are forced to roll three years (2003-2005) into our 2006 PSCR adjustment. Everyone at CEC is even more disappointed in the timing, as it coincides with our general rate increase.

The positive side is that the increased PSCR should only last for 12 months. And, each member's pocketbook will be affected differently because the PSCR is based on the electricity used in each home. The best way to calculate your increase is to compare a January 2005 bill with a January 2006 bill.

Going forward, I hope this gives you an understanding of the PSCR adjustment. Also, we are working with the MPSC on how to prevent having to roll three years together in the future. The MPSC recognizes the system's burdens, and change appears likely. Your patience and understanding is much appreciated.

The Cost of Comfort

Average household heating expenses are expected to surge this winter.

	Average for 1999-2004	Winter of 2004-05	Winter of 2005-06	Pct. Change From 2004-05
Natural Gas	\$586	\$742	\$1,096	47.6%
Heating Oil	\$865	\$1,199	\$1,577	31.5%
Propane	\$885	\$1,102	\$1,427	29.5%
Electricity	\$685	\$717	\$755	5.4%

Note: Projections for 2005-06 are based on mid-range temperature outlook for the winter. Expenses are based on typical per-household consumption from October through March. Percentages may not correspond exactly to data listed due to rounding of expense figures. Source: Department of Energy, Energy Information Administration.

Win a trip to Washington, D.C.

Michigan Electric Cooperative **TEEN DAYS**
 April 19-21, 2006
 Rural Electric **YOUTH TOUR** to Washington
 June 9-15, 2006



If you're a 10th or 11th grader at any public, private, or home school whose family receives their service from Cherryland Electric Cooperative, you are eligible to apply to win.

Students chosen to attend Teen Days—a three-day camp, April 19-21, 2006, to learn about electrical safety and meet other teens from around the state—will automatically be considered for the Rural Electric Youth Tour to Washington, D.C., June 9-15, 2006. Both trips are all-expenses-paid.

Request an application and return it to Cherryland Electric no later than **April 7, 2006**. You will also be asked to submit a typed or printed letter with the following information: parents' or guardians' names; your grade level and age; activities you participate in, such as sports, drama, band, clubs, etc.; your grade point average; any awards or honors you may have received; and a brief explanation of why you wish to attend Teen Days.

For more information, or to apply, call or write:

Nick Edson
 P.O. Box 298, Grawn, MI 49637
 231-486-9222
 E-mail: nicke@cecelec.com

More information is also available at:
www.countrylines.com
 Click on "Youth Programs"



Cherryland Offers \$2,400 Student Scholarship

HIGH SCHOOL SENIORS whose parents or guardians currently receive monthly electric service from Cherryland and live in our service area, may apply for a \$2,400 college scholarship (\$600 for each of four years).

Selection is based on extracurricular activities, community involvement and/or after school employment. A minimum required GPA is 2.75 on a four-point system. To

continue receiving the scholarship, a student must maintain a minimum college course load of 12 credits per term or semester and receive a 2.5 grade point average.

Applications are due by Friday, *April 7, 2006*. Students may apply in three ways:

1. Complete the form below; or,
2. Contact your high school guidance counselor; or,
3. Call Nick Edson, coordinator of

public/member information at Cherryland Electric, 231-486-9222, Ext. 222, or e-mail nicke@cecelec.com.

Send application to: CEC Student Scholarship, 5930 U.S.-31 South, P.O. Box 298, Grawn, MI 49637.

Cherryland Offers Adult Scholarship

CHERRYLAND ELECTRIC Cooperative is offering a \$250 Adult Education Scholarship to one of its members.

The scholarship goes toward covering the cost of a course or courses taken in a calendar year.

The scholarship will be awarded based on need, grades and community service. It is a one-time scholarship award.

Members may request an application by e-mailing Nick Edson with their name and address at nicke@cecelec.com, calling him at 486-9222, or writing him at Cherryland, 5930 U.S.-31 South, Grawn, MI 49637.

Cherryland Electric 2006 Student Scholarship Application

Name _____

Address _____

City/State/Zip _____

Home Phone _____

Cherryland Account # _____

Cherryland Bulletin Board

Community Caring Board Makes Awards

THE BIG NEWS at the December meeting of Cherryland's Community Caring Board wasn't the money the cooperative gave to needy people.

Instead, it was the final meeting of one of the Caring Board's charter members, Ann Phillips, whom we featured in the January issue of *Country Lines*.

At the meeting, the Caring Board awarded \$4,460.08 to cover bills for four needy individuals.

They also gave \$3,500 to the community-based Holiday Hills Ski Area, a nonprofit organization that is also a Cherryland Electric member.

Questions about the Community Caring program? Call Brenda Burrows at 486-9266 or 800-442-8616, Ext. 266.

Anderson Named to Board of Directors

CHERRYLAND ELECTRIC COOPERATIVE General Manager Tony Anderson continues to play a strong role in the Traverse City area community.

Anderson was recently named to the board of directors of the Traverse City Area Chamber of Commerce, as well as Big Brothers, Big Sisters of Northwest Michigan.

He also was a 2005 graduate of Leadership Grand Traverse.

Under Anderson's leadership, Cherryland has been a community leader in helping purchase a rescue boat for Blair Township and safety vests for the Leelanau County Sheriff's Department.

Cherryland Member Joins Mariner Staff

CHERRYLAND MEMBER DAN ROHN has joined the coaching staff of the Seattle Mariners baseball team.

Rohn, who makes his home in Grawn along with his wife Mindy, was the 2005 Pacific Coast League Manager of the Year. It's the third time he has earned the honor.

Seattle plays in the American League. Rohn is no stranger to the big leagues. The Alpena native, who is in the Central Michigan University Sports Hall of Fame, played for the 1984 Chicago Cubs, along with short stints with the Cleveland Indians and Oakland A's.

Rohn leaves for spring training in early February. Mindy Rohn teaches vocal music at Interlochen Arts Academy.

Baseball Team Needs Host Families

THE TRAVERSE CITY Beach Bums minor league baseball team is looking for host families.

Host families would provide a private room and access to laundry facilities. Two is the ideal number of players per host family so players or staff can share transportation. Families would host the players from mid-May until mid-September.

Host families will receive season tickets. For more information, call Leslye Wuerfel at 943-0100.

Teens Can Win Free Trip To Washington, D.C.

TWO TEENAGERS whose parents or guardians are Cherryland Electric Cooperative members are eligible to win a trip to Washington, D.C., this summer.

Four Cherryland teens will be selected to attend Teen Days in Cadillac, April 19-21, where they will learn about electric co-ops and mix with teens from other Michigan co-ops.

Two of the four teens will then be picked for a week-long, all-expenses-paid trip to Washington, D.C., in June.

To receive an application, call Nick Edson at (231) 486-9222 or write to him at Cherryland Electric Cooperative, P.O. Box 298, Grawn, MI 49637.

For more information on Cherryland's scholarship and youth programs, see page 8.

\$2,400 College Scholarship To Be Awarded

HIGH SCHOOL SENIORS, whose parents or guardians receive monthly electric service from Cherryland and live in the cooperative's service area, may apply for a \$2,400 college scholarship (\$600 for each of four years).

Selection is based on extracurricular activities, community involvement and/or after-school employment. A minimum grade point average (GPA) of 2.75 is required. To continue receiving the scholarship, a student must maintain a minimum college course load of 12 credits per semester and receive at least a 2.5 GPA.

Applications are due by Friday, April 7, 2006. For a scholarship application, contact Nick Edson at Cherryland Electric Cooperative, P.O. Box 298, Grawn, MI 49637. To reach him by phone, call 486-9222.

The Power's Out and You're On Oxygen, What Now?

IF THE POWER goes off and you're on oxygen or have other medical needs that require electricity, what do you do?

We serve over 4,600 co-op members throughout a service territory that stretches into four counties. Because of the size of our service territory, the distance our crews travel and the unpredictability of Mother Nature, we are not able to guarantee continuous

electric service. Nor are we able to detect the cause of an outage and estimated restoration time accurately until crews

arrive at the outage location.

Therefore, in the event you lose power and have a medical situation which makes having power a necessity, we recommend

In the event you lose power and it is a necessity, we recommend you have an alternate emergency plan in place, such as a gas-powered generator or a plan to temporarily relocate.

that you have an alternate energy plan in place. Some alternatives are a gas-powered generator for backup service, temporarily relocating to a friend or family member's residence that does have electricity, or contacting the Red

Cross for emergency shelters.

Cherryland Electric Cooperative strives to provide the most reliable service possible.

Reduce Your Heating Bills

IF YOU ARE WONDERING what you can do to reduce your heating bills immediately, consider the following suggestions. They are arranged on order of urgency and importance.

- ◆ Use a programmable thermostat that automatically adjusts your thermostat set point back at night and during the day when no one is home. Or remember to change the temperature set point manually every day.
- ◆ If you stay alone in a large house, try to confine your activities to one room and leave the remainder of the house at the low nighttime set point. Heat your daytime activity room to a comfortable temperature with an electric space heater.
- ◆ Use electric blankets or quilts for sleeping comfort and to allow a lower nighttime thermostat setting.
- ◆ Change your furnace filter as often as it gets dirty. Buy several when you shop so that you will have one when you need it.
- ◆ Seal large air leaks around plumbing pipes, wires, chimneys and other penetrations through your floors and ceilings. You can find these from your attic or basement.
- ◆ Make sure that all your storm windows are closed during winter weather.
- ◆ If your storm windows are broken or missing, repair or replace them.
- ◆ Open drapes and blinds on your home's south-facing windows during the day to let solar heat in.
- ◆ Be sure that your walls are filled with insulation and that your attic has at least 8 inches of insulation. Nothing can compensate for lack of insulation. Insulate your walls and attic if they need it.
- ◆ If you must replace a gas furnace, choose a 90 percent efficient model to save on heating costs.

The last two ideas may require some planning and budgeting. Your local utility or energy expert can provide advice.

*John Krigger is a nationally recognized author of numerous energy efficiency books, including *Surviving the Seasons*, and *Residential Energy: Cost Savings and Comfort for Existing Buildings*. For more info, visit his Web site www.srmi.biz.*

Keeping Kids Safe Around Appliances

PARENTS WHO PLUG protective covers into their home's outlets are taking the first step toward keeping their children safe from an electrical mishap. But if your youngsters watch you plug those covers in, don't be surprised when they figure out how to pull them all out!

We advise parents to limit their children's access to electrical appliances—even the ones that seem harmless. Children love to mimic their parents' activities. Keep that in mind whenever you're using a heated electric appliance such as an iron, or one with blades or other sharp objects such as a blender or can opener.

Ironing, for example, can look fun to a child. But left unattended to discover how to turn the device on, a little home-maker-in-the-making can suffer a severe

burn or even start a fire.

"Sometimes, devices that seem harmless to adults can harm a child who doesn't know how to use them safely," cautions Robert Palmbo, safety director for the Michigan Electric Cooperative Association.

Palmbo offers additional tips for parents:

- Operate appliances when children are not around.
- Store heated and sharp devices out of your children's reach.
- Search for appliances with child-proof "on" switches.
- Unplug sewing machines and other appliances when you're not using them.
- Install a lock on



your oven door.

- When you do operate appliances in front of children, use them in a safe manner and teach youngsters how to use them safely.



Confessions of a Winter Olympics Watcher

HERE'S A CONFESSION from someone who likes to watch the Winter Olympics on TV.

I'd much rather be in my living room reading a good book with a warm fire than out cross-country skiing on a 7-degree day with nose fluid freezing on my face.

Maybe it's just me, but as I get older, I'm all about the creature comforts of life.

Yet, when my wife watches those TV preview clips for the Olympics and sees those daredevils on the bobsled, she turns to me and says, "Now that is something you would enjoy doing."

And she's right...30 years ago. There was a time when I was a bit of a daredevil. In the interest of writing a better story, I did some hang gliding and rode in a sulky as I guided a horse around a racetrack.

Those kinds of daredevil experiences took my breath away. They were exciting and invigorating. I couldn't wait for my next mountain to climb when I finished.

Now I can't wait for my next couch to settle into.

That's why I'm looking forward to turning on my TV set in the weeks ahead. I love to watch the sports I never tried—especially ski jumping, bobsledding and downhill racing.

So as we head into the 2006 Winter Olympics, here's a look at my all-time

favorite athletes from these games:

1. Eddie the Eagle. Maybe the worst ski jumper of all time. A goofy-looking guy who the world embraced because he had FUN. He was always first in the smile category and last in the ski jumping standings.

2. Katarina Witt. Elegance and grace on ice. Gold medal winner. I didn't miss one of her performances on TV. Oh yeah, she's beautiful.

3. The 1980 U.S. Hockey Team. The truth is, I was in Montreal when the U.S. pulled off its monumental upset over the Soviets. So I saw the game live. When I called back to Traverse City to tell my friends what happened, they didn't believe me.

4. Bonnie Blair. One of the greatest competitors in the history of the Winter Games. She helped elevate speed skating in the U.S.

5. Jim McKay. Not an athlete, but the voice of ABC's Wide World of Sports and the Olympics for many years. I know that the networks have brought in Bob Costas and Al Michaels at different times. But to me, Jim McKay was the best Olympic announcer of all time.

6. Dick Button. Second on that announcing list has to be Dick Button. A former figure skating star himself, Button knows how to describe figure skating so the average viewer can understand it.

7. Tonya Harding. The rough and tumble figure skater who was linked to the attack on her nemesis, Nancy Kerrigan. Since then, she has tried her hand at boxing, wrestling and anything where she could make a buck. She was everything an Olympian shouldn't be.

8. The Jamaican bobsled team. They became so infamous that a hit movie was made about their efforts.

9. Jean Claude Killy. Great ski racer. But the best thing about him is the name. It just rolls off your lips. And Killy is pronounced KEY-LEE. I feel like I speak fluent French when I say three names: croissant, Jean Beliveau and Jean Claude Killy.

10. Any Curling Competitor. A lot of people laugh about curling because it appears people are using a broom to sweep the ice. Well, they are.

But most people don't understand what curling is all about. So, here is a brief explanation so that you will be considered an Olympic expert. Consider this another Cherryland service. The players try to get a 42-pound granite stone to travel to the other end of the rink and stop close to the tee.

The point of the game is that after all 16 stones are played, you have to have a stone of your team's closest to the center of the Tee. They begin at a place called the "Hack" and the target at the other end is called the "Tee." It is a little like bowling, but on ice with a stone that has a handle.

Throw a few of these terms out when you're watching the Winter Olympics on TV and your friends will be hanging on every word. Either that or your wife will wonder how you ever got to be so knowledgeable about a broom when you don't use one around the house.

You Can Serve on Cherryland's Board



Each year, three co-op directors are elected for a three-year term.

ANY QUALIFIED Cherryland Electric Cooperative member can be elected to serve on the cooperative's board of directors.

To be nominated in 2006, candidates should file a petition with the secretary of the cooperative not earlier than the first day of March and not later than 4 p.m. on the last business day of March.

Nominating petitions shall be signed by not less than 25 active members of the cooperative in good standing, and all signatures must be obtained within 60 days prior to the date the petition is filed. Nominating petitions shall be in the form prescribed by the board. They are available

at Cherryland's headquarters in Grawn.

Nominating petitions must specify the geographic service area for which the candidate is being nominated.

The term of the office is three years and three directors are elected at each annual meeting.

In 2006, three directors will be elected—one from Grand Traverse/Kalkaska and the other two are at-large seats.

Potential nominees must meet the qualifications for the office of director as set forth in the bylaws under Section 2 of Article III. Any member interested in becoming a candidate is invited to visit the cooperative's office and learn about the duties performed

by the directors.

In the event no qualified candidate is nominated to fill the vacancy of a director whose term has expired, the newly elected board of directors will appoint sufficient directors to fill the vacancies.

The election will be by a majority vote of the board and must be done within 60 days of its first meeting. Directors elected in this manner will serve until the next annual meeting, when members will be given an opportunity to nominate and elect directors to fill the balance of the regular three-year term.



**CHERRYLAND ELECTRIC
COOPERATIVE**



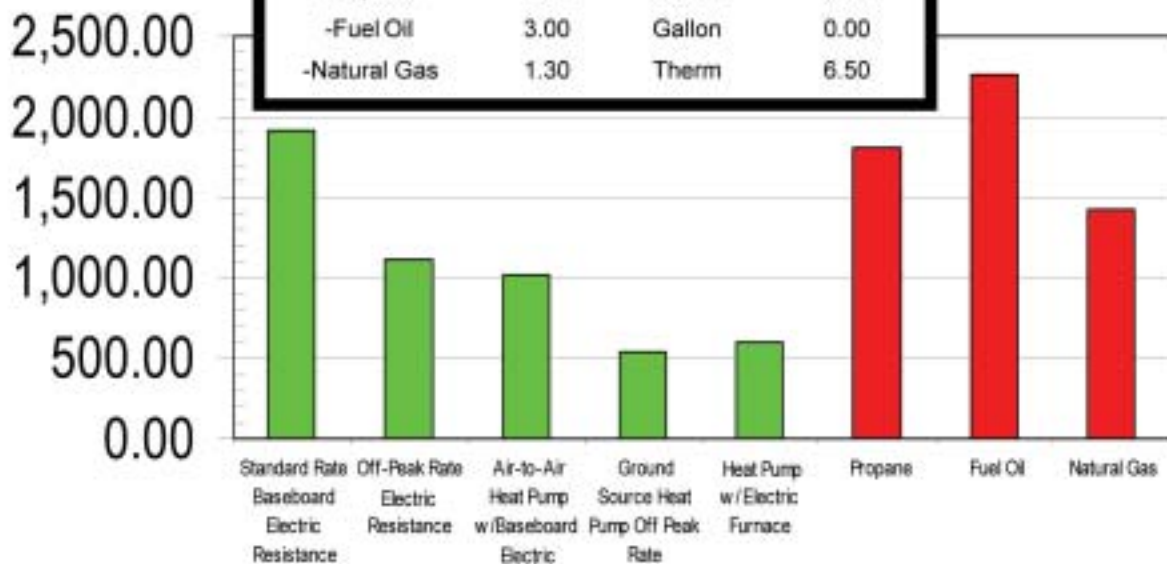
SAVE YOUR HEATING DOLLARS

ARE YOUR HEATING BILLS OUT OF CONTROL? COMPARE CHERRYLAND ELECTRIC'S INTERRUPTIBLE HEAT RATE OF 4.75 CENTS PER KWH TO TODAY'S FOSSIL FUEL PRICES!

Annual Heating Fuel Cost Comparison

AVERAGE HOME WITH A 42,000 btu HEAT-LOSS

<u>Fossil Fuel</u>	<u>Cost</u>	<u>U/M</u>	<u>Base Chg.</u>
Propane	1.65	Gallon	0.00
-Fuel Oil	3.00	Gallon	0.00
-Natural Gas	1.30	Therm	6.50



CHERRYLAND ELECTRIC COOPERATIVE

FOR MORE INFORMATION ABOUT CHERRYLAND'S INTERRUPTIBLE HEAT RATE, CONTACT STEVE COGER, ENERGY USE ADVISOR AT 231-486-9238