

Rising Electricity Cost (con't)

and provide electric service.

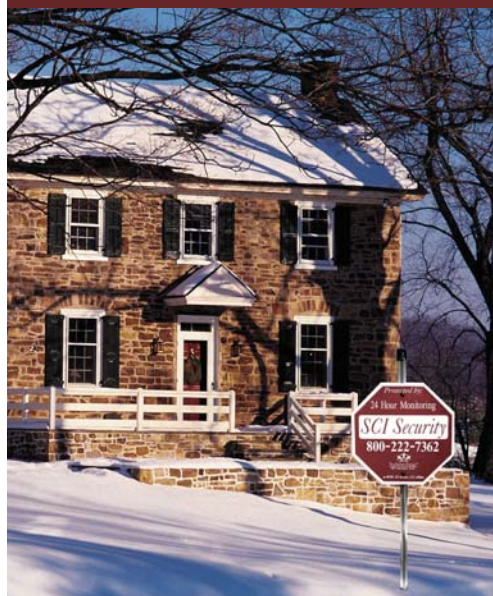
In addition, we continue to be very concerned about the cost impact of proposed climate change legislation. This legislation could potentially result in very significant increases in the cost of your electric service.

For more information regarding this issue please go to our website at www.sciremc.com and click on the "Our Energy, Our Future" link. "Our Energy, Our Future" is a grassroots campaign by electric cooperatives all across the country to contact our national leaders and ask them some very critical questions regarding climate change legislation and its potential cost to rate payers.

We recognize that higher electric rates are driving up the costs for families and businesses we serve. We would all like to

see energy prices return to the levels of five years ago but that simply is not going to happen. Most energy experts are predicting that electricity prices will continue to rise. As a not-for-profit member-owned cooperative, we do not profit from these higher rates. They are an increase in the cost of the power we purchase for resale to our members and we have no choice but to pass these increased costs on to our members. Please be assured we are doing everything we can to hold down operating costs while still providing reliable electric service. We will also continue to be a voice for our members regarding the potential impact of climate change legislation and will represent your best interests as this important debate continues.

Safety and Security



Bring added peace of mind to you and your family this holiday season.



Touchstone Energy®
SCI Services, LLC

Call Angie Bridgewater
800-222-7362 or 765-352-4771

Here when you need us ...
South Central Indiana REMC

Office
300 Morton Ave.
Martinsville,
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7:30 a.m. - 4:30 p.m.

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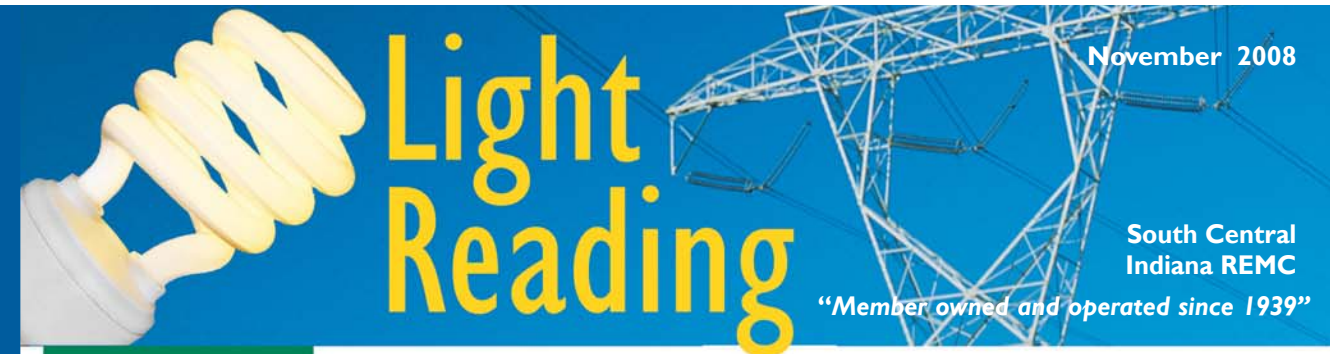
E-mail address
askus@sciremc.com

Call before you dig
811

Have a question, comment or concern for us?
Call, write, e-mail or visit our office.

REPORT A POWER OUTAGE

1. Call 1-800-264-7362, available 24 hours a day, seven days a week.
2. Provide the address and telephone number of the outage location.
3. Tell us, if you know, how the outage occurred: tree or line down, ice, etc.



What's inside ...

- Annual Meeting
- Member Survey
- Rising Electricity Cost
- Holiday Wishes

Annual Meeting Turn Out

Reliable electricity and affordability main focus of meeting

South Central Indiana REMC hosted their 69th annual meeting on Saturday, September 20th with a crowd of more than 1,547 attendees.

"Assuring our members have access to reliable and affordable electric service is probably the most serious crisis we have faced in the Rural Electric program," stated Kevin Sump, President and CEO of SCI REMC. "The more we can communicate with our members regarding legislative issues and how it affects the operational functions of their cooperative, and ultimately how it will impact their monthly bills is crucial."

The REMC has been encouraging members to participate in the grassroots campaign Our Energy, Our Future, urging them to monitor proposed legislation and make sure that elected officials and those running for office consider the cost to consumers when they consider proposed legislation. Power is not a luxury; it is a necessity and your Cooperative will continue to represent our members to assure their cost of electric service is reliable and affordable.

Four directors ran unopposed and were re-elected. Mark Smith-district 1, Norman Voyles-district 4, Steve Williamson-district 6 and Heather Mollo- district 10.

The renewable energy booth was engaging as was our popular water heater registration which set record highs as well. SCI



Services, LLC was on hand offering their security products and metered propane gas program.

While the free breakfast and the 25-\$100 door prizes are always popular, members seemed to enjoy the camaraderie of each other's company and the networking with the directors and employees of the REMC. "This is what being a cooperative member is all about," said Rex Franklin Chairman of the Board for SCI REMC. "We encourage members to get involved in their cooperative. They have a right to seek nominations, or vote for a director of the board and receive benefits that are exclusive to them."

Sites to Surf



Thanksgiving and food go hand-in-hand. This Thanksgiving why not create a unique transition and memory for generations to come.

<http://www.halloween-website.com/traditions.htm>

or

<http://genealogy.about.com/od/holidays/tp/thanksgiving.htm>



The SCI REMC board of directors is pleased to report that we will be paying capital credits to members. More than \$700,000 will be returned.

Most members will be receiving a check, although very small refunds will be applied as a credit to your November Electric Bill.

Any one with questions regarding capital credits should email:

capitalcredits@sciremc.com

Cost Trend Continues

Rising Electricity Costs

Recently the head of the Federal Energy Regulatory Commission stated that upward pressure on electric rates is expected to continue for some time, possibly for several years. Consumers across the country, including SCI members, are facing rising electricity costs due to higher fuel prices, higher capital costs, and continued uncertainty about environmental requirements.

Your Cooperative is experiencing these rising cost pressures. In October Hoosier Energy, our wholesale power supplier, increased the wholesale power cost tracker they charge us as part of our wholesale power rate to \$5.44 per 1,000 kilowatt hours. This increase will begin to affect our member's monthly bills starting in November.

In recent months our wholesale power cost tracker has been impacted by higher coal

and fuel oil prices, an increase in the price of power purchased on the market during peak periods, increased plant maintenance costs, higher transmission system charges, and additional environmental compliance costs. In addition, the heavy June rains across the Midwest saturated coal stockpiles and forced production cutbacks at power plants.

A number of factors have impacted the cost to produce electricity. Natural gas prices have doubled since 2002 and fuel oil prices increased 76% during that time period. Off-peak prices for power purchased on the market are more than 8% higher this year as compared to last year. These increases are in addition to skyrocketing prices for copper, iron, steel, cement, and other materials necessary to produce

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Hoosier Energy's Merom Generating Station, Sullivan County



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Light Reading

Our Warmest Wishes

Those of us at South Central Indiana REMC wish you and yours a happy and healthy Thanksgiving. In this holiday season, when we are all reminded of the many things for which we should give thanks, we want to thank you for being such great members. May you have a blessed healthy and happy holiday!



From the employees, staff, and Board of Directors of South Central Indiana REMC

Your Opinion Counts!!!

Member Survey Planned

A short telephone conversation or a few mouse clicks in response to an e-mail can help SCI REMC get to know you better.

Information about the types of heating and cooling systems, electronic devices and appliances (Hidden Number 2100100400) used by our consumers is helpful as your cooperative develops plans to provide reliable and efficient electric service throughout our communities.

During December 2008 and January and February 2009, a limited number of SCI REMC members will be contacted for a telephone or Internet survey. The information obtained will help the cooperative in planning future power delivery facilities

and developing marketing programs that are of value to our members.

You may be contacted by our survey representative and asked to tell us ways you use electricity and other information that helps us better know, understand and serve our members.

Of the 33,000 SCI REMC members, less than 400 members will be contacted to participate.

Service to members is our number one priority. Therefore, should you have any concerns or problems related to the survey please contact us at 1-800-264-7362 or 765-342-3344. You can also email us at askus@sciremc.com.

Our Changing Planet

One Bright Idea!

Energy savers can also be time-savers as suggested by the Strawder family of seven from Mooresville. "When cooking, I try to make extras-an extra chicken in the oven can be deboned and frozen for a later casserole or soup. An extra pie, cake or cookies can be frozen for a quick dessert or unexpected company. This way my oven bakes more at one time, to be used less later."

Keeping with the holiday theme and cooking another great idea from the Hopkins family of six in Gosport. "I open my dishwasher after the wash cycle for dishes to air dry instead of using electricity with the heat dry setting. I also save energy by using my crock pot often instead of heating up my oven. And I wash most everything in cold water."



Send your ideas to: Our Changing Planet 300 Morton Avenue Martinsville, IN 46151 Ideas selected for Light Reading will win a \$50 credit for the submitter's electric account.

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