

PHONE NUMBERS & HOURS

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Office hours: 7:30 a.m.-4:30 p.m.
Monday-Friday

CUSTOMER CONTACTS

James Yates
Chief Executive Officer

Robert Schwartz
Director of Operations

Charles Lewis
Director of Office Services

Jody Long
Director of Finance and Accounting

Susan Wagoner
Director of Marketing

TO REPORT AN OUTAGE

- Check circuit breakers or fuses first.
- If possible, check to see if neighbors' lights are also out.
- Phone 765-473-6668 or toll free 800-844-6668 24 hours a day and report the outage. Give the name the service is listed under. If possible, give map location and account number from bill.
- Give us your phone number in case we need to call you back. State the problem, such as loss of power, partial power, dimming or flickering lights.
- Please be patient. Our crews will restore service as quickly as possible.

BOARD OF DIRECTORS

Charles W. Wilson, president
Donald E. Willson, vice president
Paul D. Childers, secretary-treasurer
Mark B. Hahn
D. Marion Hopkins Jr.
Dennis Jim Savage
Fred Warner

Are you a winner this month?

Here on these blue-edged pages, four account numbers are hidden. Find your account number, and call us during office hours by the last working day of the month, and a \$20 credit will appear on a future month's bill. Wondering what your account number is? Check your Miami-Cass REMC bill. It's on there twice. Every month, four members have a chance to win!

CEO COMMENTS

Building a better world

I want to briefly address three topics with you in my column this month.

First, I want to touch on the cooperative model or the cooperative way of doing business. Next, I will touch on our potential plans for some renovations of the REMC headquarters' building. Lastly, I would like to touch on electric rates.

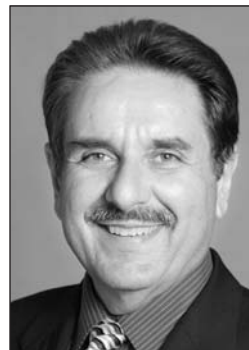
Next year, 2012, has been declared the International Year of Cooperatives. It's a chance for us to celebrate our legacy of innovation and to remind us of what's important in business — putting people first.

We all depend on electricity — it's an accepted part of our lives. But, more than two billion people around the world live without the comfort and promise of electricity. Through the National Rural Electric Cooperative Association's International Programs, linemen are volunteering overseas to build distribution lines, so electricity can reach those who still live without power. Next year, we have an opportunity to be a part of this international program for the first time in our 72-year history. Brandon Williams and Rob Schwartz from your Miami-Cass REMC have both volunteered to go to Guatemala for two weeks to help build needed power lines in three small villages in the northwest part of the country. Over the last 50 years, this program has delivered light and hope to 100 million people in more than 40 countries. That's how electric cooperatives build a better world.

Whenever a community faces a need — a challenge to make life better — the cooperative business model comes into play. By putting people first and innovating ideas to meet member needs, cooperative enterprises build a better world.

Co-ops exist to meet the needs of their members, period. You know that as a member of Miami-Cass REMC you set our priorities and elect leaders from among your ranks to lead the co-op on our board of directors. These folks will work hard to make our communities stronger.

One key to our community's strength lies within the opportunities our children have to grow and succeed. That's why we support the Electric Cooperative Youth Tour every year. This summer, we sent two high school seniors-to-be to our nation's capital to learn about leadership, teamwork, electric co-ops, and the ideals on which our nation was founded. We also provided six \$500 dollar scholarships to



James Yates
Chief Executive Officer

help send local students to college this year, continuing our commitment to support our community's future leaders. But we are a cooperative — we know we can't do it all on our own.

That's why we cooperate with you through our Operation Round Up program. Together over the past year, we've donated more than \$25,000 to groups like Helping Hands, Cass County 4-H and area volunteer fire departments. You, working with other members in our community, have donated almost \$200,000 since the program began in 2004. On behalf of the people whose

lives have been changed through your generosity and Operation Round Up — thank you!

Our employees are equally committed to helping our community thrive. After all, they live here too! Last year, I'm proud to report, our employees personally contributed more than \$4,000 to the United Way program, and they have continued to increase their giving every year for the last several years. That's commitment!

Now, I want to switch gears. Just before the economy fell apart in 2008, we were looking at the need to renovate the REMC headquarters. However, after the economy collapsed, it became apparent it was not the time to undertake this project. Now fast forward nearly four years, and the need is still there. To that end, this summer the board engaged the services of Dimensions Inc., an architectural firm from Kokomo, to study how we might renovate our building to better serve our member's needs. This is the same firm that designed our existing headquarters in 1985.

When we moved into our facility in 1986, we thought we had plenty of room. But, a lot has changed in the past 25 years. In 1986, we served 3,700 members. Today, we serve nearly 6,000 members — a 62 percent increase. In 1986, we had 18 full-time employees. Today we have 22. We are using every nook and cranny in our building. 358700

Our break rooms have now been turned into offices. Our monthly board meeting is held in a break room, which is not very conducive to a good business meeting. We have line material stored outside, which has also proven in the last two years to be a risk in itself. We have even turned the janitor's closet into a very small coffee nook. In 1986, when we moved into the building, we did not have a single computer. Today, we have nearly 20.

In addition, our board room is now solely dedicated to servers and other computer

please turn to page 10D

REMC members joined us for fun at the ...

The 72nd Miami-Cass REMC Member Appreciation Day/Annual Meeting was held on Sept. 17, a beautiful sunny day, at the Miami County Fairgrounds. Many members came out to enjoy the festivities and to help us celebrate another year.



CEO Jim Yates addresses the crowd.

Members were able to enjoy lunch, exhibits at the home show, the Fair Oaks Mobile Unit, Lutheran Air and rides in our bucket truck. Kids also had a chance to play on an inflatable slide and bounce house.

Emcee Randy Latta welcomed everyone to the annual meeting, which began at 1:15 p.m., and gave the invocation. The national anthem was then performed by Tammy Thomas.

Charlie Wilson, president of the REMC board, called the meeting to order. He encouraged all members to read their monthly *Electric Consumer* to stay informed of REMC business.

Latta welcomed several special guests including 2011 scholarship winners Andrew Morgan and Carlee Glassburn, along with Electric Cooperative Youth Tour trip participant Isaac Greeson.

CEO Jim Yates thanked the members for their active role in the co-op they own. He stated that if it were not for the 22 hard-working, dedicated employees at the REMC, it would be impossible to provide members with the reliable service they have come to expect.

He also thanked the board members for their dedication to the cooperative. Yates gave some thoughts regarding the cooperative model or the cooperative way of doing business, potential plans for renovations to the REMC headquarters and electric rates. He also shared ways employees and members are working together to build a better world. See the "CEO Comments" on page 7D for more details.

Greg Wagoner of Wabash Valley Power Association, our power supplier, provided an overview of power supply issues and how new government regulations could impact our future power cost and reliability. 16002

Jhonny and Sallie provided members with a knee-slapping good time. The duo performed many bluegrass and country songs. It was an enjoyable time for all members.

72nd Annual Meeting election results are in!

Miami-Cass REMC members re-elected Fred Warner and P.D. Childers to another term on our board of directors.



Members enjoyed a beautiful, sunny day for their Member Appreciation Day and 72nd Annual Meeting.



Kids enjoyed playing on the New Waverly Volunteer Fire Department fire truck.



Lunch was provided by All Occasions Catering.



Members had an opportunity to vote for the REMC board of directors and sign up to win prizes that were given away at the meeting.

REMC employees provided members and their families with bucket truck rides.



Member Appreciation Day/Annual Meeting

Six lucky REMC members will enjoy extra cash this fall after winning bill credits at the 2011 Member Appreciation Day / Annual Meeting.

Five \$100 and one \$500 bill credits were awarded. The \$100 bill credits went to **James Proffitt, Theresa Harvey, Randy Latta, John Ensign** and **Lyman Benner**. The grand prize

of a \$500 bill credit went to **Randy Townsend**.

In addition to the bill credits, five members received e-book readers. Those went to **Alvin Miller, Thomas Kistler, Brian Roller, Harold Wilson** and **John Krisher**.

Every member who attended was given a nightlight. 307803

Congratulations to all the winners!



Prize winners pose for a photo after the annual meeting.



Brady Brower of Then and Now Construction talks with one of our members during the Home Show.



Members of all ages enjoyed the entertainment from the Jhonny and Sallie Show.

Thank you!

Thank you to the following organizations for providing activities or for helping to make our home show a success.

- All Occasions Catering**
- Dukes Memorial Hospital**
- Fair Oaks Dairy Farm**
- Hack Construction and Windows**
- Hochstetler Energy**
- Jhonny & Sallie Show**
- Indiana Statewide Association of RECs**
- Randy Latta**
- Lutheran Air**
- Mexico VFD**
- New Waverly VFD**
- Then & Now Construction**
- United Way**
- Wabash Valley Power Association**

Additional photos can be found on the Miami-Cass REMC Facebook page.



The Jhonny and Sallie Show entertained the crowd with a mix of country and bluegrass songs.

See you at the 2012 Member Appreciation Day/Annual Meeting!



Touchstone Energy® Cooperatives
The power of human connections®

It's a matter of principles

October is National Co-op Month, and you might be surprised by the number of co-ops around you. Co-ops have been formed to sell produce and electricity, offer financial and banking services, provide housing and health care, and much more.

So where did the bright idea for co-ops come from? It's a matter of principles (seven, to be exact). The modern movement traces its roots to a store started by weavers in the town of Rochdale (pronounced Rotch-dale) in northern England in 1844. The group was guided by a set of principles drawn up by one of its members, Charles Howarth. When introduced into the U.S. by the National Grange in 1874, these "Rochdale Principles" fueled a cooperative explosion.

Although stated in many ways, the Rochdale Principles require that a cooperative must be open for anyone to join. Every member retains one voice, one vote. Electric co-ops hold member business meetings annually, allowing members to elect fellow consumers to guide the co-op and have a say in how their utility is run.

Education remains another big focus. Electric co-ops provide safety information in schools, share ideas on how to make your home more energy efficient to keep electric bills affordable, and make sure elected officials and opinion leaders know about the co-op business model. Because there is strength in numbers, co-ops tend to stick together when tackling regional and national issues.

Perhaps most important of all, co-ops are independent and community-focused, not tied to the purse strings of far-flung investors. Co-ops help drive local economic development, fund scholarships, support local charities, and work to make life better in the areas they serve — the heart of the cooperative difference.

Learn more about cooperatives and the principles that define them at www.go.coop.

The seven cooperative principles

First Principle:

Voluntary and open membership

Second Principle:

Democratic member control

Third Principle:

Members' economic participation

Fourth Principle:

Autonomy and independence

Fifth Principle:

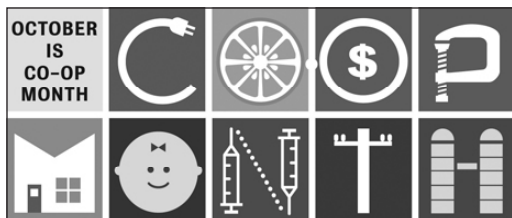
Education, training and information

Sixth Principle:

Cooperation among cooperatives

Seventh Principle:

Concern for community



CEO COMMENTS

continued from page 7D

equipment. And, like many organizations, ours continues to see more and more technology coming our way every year. We are also facing real data and employee security issues we weren't faced with when we moved into our headquarters 25 years ago.

Because of these, and many other factors, the board is now studying how to best renovate our existing building to alleviate these issues. At a time when interest rates are at historic lows and contractors are hungry for business, it becomes a prudent time for us to study how to improve our facility in order to best serve the membership of Miami-Cass REMC, now and into the foreseeable future. Fortunately by spreading the cost of renovations over the next 25 to 30 years, any rate impact would be extremely minimal. If you have any thoughts regarding this renovation, please feel free to let us know.

The final item I want to address is our electric rates. At last year's annual meeting, I informed you our retail rates would be adequate for the next 18 months. Now 12 months later, it appears our analysis was on target, as we are seeing our margins slipping into the red this summer.

Our last general rate increase was in 2008 and averaged 5.1 percent. Historically, we have seen a need to increase our rates in the four to

five percent range every four years. Next July, it will be four years since our last rate adjustment.

Yes, we have seen increases in our power supply cost from Wabash Valley Power Association, which we have passed on dollar-for-dollar through the wholesale tracker charge. The last wholesale tracker increase took place in January of this year. This increase added approximately 60 cents per month to the average bill.

We've worked hard to hold costs in line. All wages were frozen during 2010, and only minimal increases were given in 2011. Benefits were modified or even eliminated where possible. Almost all outside labor has been eliminated, and we have no plans to add additional full-time employees in the foreseeable future.

To help you control your energy use, we will continue to offer you energy-saving tips and ideas through our energy advisor program. We will also continue to offer free energy audits to members upon request. During the next 12 months, we will be studying an off-peak rate option that would give you some ability to control your monthly electric cost based on when you use electricity. Continue to read *Electric Consumer* for more on this and many other items.

I can assure you we will continue to do everything possible to hold our cost in-line while providing you reliable service at a reasonable price.

Thank you for your attention. It's our pleasure to serve you here at Miami-Cass REMC!!

BOARD UPDATE

Your board of directors at work: Results from the July meeting

1. Counted seven board members present.
2. Heard a presentation from CoBank by Lee Earhart, senior relationship manager.
3. The board accepted the audit report for the 12 months ending April 30, as presented by Mr. Ridlen, CPC, from London Witte Group.
4. The July 2011 WVPA board report was given by Fred Warner.
5. Charles Lewis, office services director, gave an overview of the capital credit process to date.
6. The CEO gave a presentation covering the annual key ratio trending analysis as prepared by our lender, Cooperative Finance Corporation. 640103
7. Minutes of the previous board meeting were approved.
8. June monthly operating, marketing and safety reports were reviewed and approved.
9. The May monthly director's summary and budget were reviewed and approved.
10. Approved a proposal from Dimensions, Inc. to complete a feasibility study and preliminary design drawings to remodel the REMC headquarters.
11. The board approved the purchase of a new digger derrick truck to replace the current truck which is over 10 years old.
12. Approved three-year contract with London Witte Group to conduct the REMC's annual audit for the years of 2012, 2013 and 2014.
13. Rob Schwartz, director of operations, reviewed distribution upgrades at Grissom for 434th and Baldwin Painting.

14. Reviewed the agenda for the director's system tour set for Friday, Aug. 12.
15. Set the next board meeting for Tuesday, Aug. 23, at 7:30 p.m.

Results from the August meeting

1. Counted seven board members present.
2. Fred Warner presented the August 2011 WVPA board report.
3. Marion Hopkins reported on the August 2011 ISA board report.
4. CEO's report was presented by Jim Yates.
5. Minutes of the July board meeting were approved.
6. July monthly operating, marketing and safety reports were reviewed and approved.
7. The June monthly director's summary and budget were reviewed and approved.
8. The board continued its discussion regarding expanding and renovating the REMC headquarters. The board also reviewed a preliminary sketch from Dimensions Inc.
9. Rescinded action taken by the board on July 27, 1965, declaring all patronage margins from 1939 through 1950 be held by the corporation as unallocated capital. Said margins shall be allocated to those members on the lines at that time.
10. Hopkins was selected ISA director to represent Miami-Cass REMC on the ISA board for 2012.
11. Selected voting delegate and alternate to represent Miami-Cass REMC at the 2011 ISA annual meeting in Indianapolis Nov. 14-15.
12. Set REMC budget meeting for Dec. 15.
13. Set the next board meeting for Tuesday, Sept. 27, at 7:30 p.m.