

Manager's Column

Missouri Electric cooperatives as well as cooperatives across the nation, municipals and investor owned utilities all are seeing an onslaught of multiple EPA and FERC regulations that are designed to creep costs up rather than hit consumers all at once. This is perceived by politicians to be more palatable to the voters. Meanwhile, the air out of our coal fired power plants has never been cleaner than it is today, yet no matter what we do to try to get a fraction of a percent cleaner, it seems that it will never be clean enough to satisfy today's aggressive regulators.

Howard Electric's power costs in 2012 have once again gone up. As President Dale Kirby reported at the 2011 annual meeting, "In 2009, Associated Electric Cooperative raised our power cost and we absorbed that increase. We will not be able to absorb the 2012 increase too, so we will need to adjust rates next year."

Howard Electric's cost of power went up January 1st, 2012, but we are going to at least delay this rate adjustment until the April 1st bills, getting you through the winter season. The increase in April will not be large. We will have more details on the new rates next month.

We do however continue to be concerned about Washington regulators determination to force rate creep on all coal fired power plants with even newer regulations timed to get politicians past the next election.

Howard Electric Cooperative in 2012 will also be upgrading our computer service and phone service. These upgrades will allow us to better serve you, our member owners. The phone system will allow us to handle higher call volume while routing you to the person most capable of helping you with minimal hold time and transfers. The new software will allow us to provide you a more detailed monthly statement and allows us to operate more efficiently. Although there are increases in cost for these upgrades, by far our biggest expense and main driver for the need to adjust rates is our power costs.

As voters, we will either agree with the candidates that espouse that the environment is in terrible shape and we need to raise energy costs to pay for additional regulations, or we will agree with the candidates that espouse that our over regulation has not only hurt American jobs, but has also hurt the poor who struggle to pay for these new regulations.