

Michigan

COUNTRY LINES

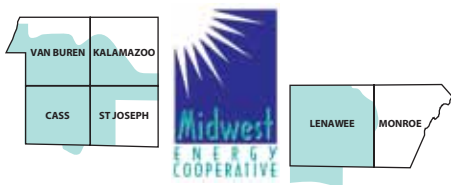
Fun Food *for* Kids



4 Nonprofit Politics
And Your Rates

5 Your Co-op's
Annual Report

9 Free Energy
Forums In July



PRESIDENT & CEO
Robert Hance

CASSOPOLIS OFFICE
P.O. Box 127 (901 E. State Street)
Cassopolis, MI 49031-0127
M-F, 8 a.m.– 5 p.m.
Drive-up window: M-F, 8 a.m.–5 p.m.

TELEPHONE
269-445-1000 or 800-492-5989
Fax: 269-445-3792

PAW PAW OFFICE
59825 S. LaGrave
Paw Paw, MI 49079
M-F, 8 a.m.–1 p.m. and 1:30–4:30 p.m.

ADRIAN OFFICE
1610 E. Maumee St.
Adrian, MI 49221
M-F, 8 a.m.–5 p.m.

TELEPHONE
517-263-1808 or 800-492-5989

INTERNET TeamMidwest.com

E-MAIL info@teammidwest.com

EDITOR
Patty Nowlin

BOARD OF DIRECTORS

Clarence (Topper) Barth *Chairman*
Three Rivers

Kenneth Swope *Vice Chairman*
Adrian

Colyne Sorsby *Secretary*
Cassopolis

John Green *Treasurer*
Dowagiac

Ron Armstrong, Lawton

Jerry Campbell, Decatur

James W. Dickerson, Bloomingdale

Harry Gentz, Blissfield

Ben Russell, Constantine

Nonprofit Politics & Rates

Has this felt like the longest political season on record, or is it just me?

At national, state and local levels, it seems like the inter- and cross-party bashing has been particularly heated and unsavory this year, and the political rhetoric even more pronounced. I'm a very politically engaged and astute person, but it's getting old and we still have a lot of time before the general election.

Personal opinions aside, I want you to know that your electric co-op is constantly working across all levels of the political spectrum to make sure your voice is well-represented as it relates to energy policy and other issues that impact you as an owner of Midwest Energy. We have no corporate political affiliation; our only motivation is to make sure that anyone who drives policy—Republican, Democrat, Independent or some hybrid of these—is well informed about and aware of the impacts of their decisions on our members. *You* are our only affiliation.

Climate change is a perfect example. Great sound bites are born out of the desire to clean up our environment, but retrofitting coal-powered generating stations or shuttering those stations altogether in favor of renewable generation will result in major increases to power supply costs. The environmental folks clearly have the attention of the legislators, and we need to be sure we have equal time and attention to promote a balanced approach between environmental concerns and the impact on electric ratepayers. We accomplish that through our own initiatives, and as an active player in well-organized and orchestrated state and national efforts.

The same commitment holds true related to your rates. We are regulated by the Michigan Public Service Commission (MPSC). It's not a simple relationship, but it boils down to the simple point that we propose rate structures for the various classes of members (residential, commercial, irrigation, etc.) and the MPSC

ultimately blesses our proposal or works with us on something they consider more palatable. As a member-owned utility, we have no motivation to propose ludicrous rate structures; that serves no one in a cooperative business model. But we do engage in many conversations with MPSC staffers, just as we do with legislators, to make sure that we help them make appropriate decisions for you.

The MPSC provides an online monthly comparison of average rates among regulated electric utilities. In their May 1 report, the average residential rate for 1,000 kilowatt hours (kWh) for all regulated utilities, including cooperatives and investor-owned, was 13.51 cents/kWh. Midwest Energy's rate at that level of use was 12.79 cents/kWh. We work hard to provide high levels of reliability and great value, and I believe we are doing just that.

Just like any other business, our costs are going up. As shown on the annual report on the next page, about 66 cents of every dollar you pay us goes towards power supply. That's money you pay in and we pay right back out. The remaining 34 cents is the cost of running our distribution system. We have worked hard over the years to manage these costs, and based on the MPSC comparison I believe we have done an excellent job. However, after a careful and thorough review of costs, we have submitted to the MPSC a modest rate increase request that averages 2.34 percent. If approved, this will go into effect early this fall and a portion of the increase will likely be reflected in the service charge.

Next month, I will share more information about our recent cost-of-service study and how that may impact rates in coming years. We work hard to manage expenses while providing a highly reliable and valuable service to you, and we intend to be fully transparent about what we're doing and why. We advocate, evaluate, communicate and deliver. As owners of this business, you deserve nothing less.



Robert Hance
President/CEO



2011 Annual Report

Independent Auditor's Report

We have audited the accompanying balance sheets of Midwest Energy Cooperative as of December 31, 2011 and 2010, and the related statements of revenue, patronage capital, and cash flows for the years then ended. These financial statements are the responsibility of Midwest Energy Cooperative's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midwest Energy Cooperative and subsidiary as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Harris Group
March 5, 2012*

Director's Compensation Disclosure

Elected directors of Midwest Energy Cooperative are provided with an annual retainer of \$1,200 and a \$500 per diem for meetings attended on behalf of the cooperative. The chairman receives an annual retainer of \$2,200 and \$550 for meetings.

STATEMENTS OF REVENUES

Years ending December 31, 2011 and 2010 (Dollars in 000)

	2011	2010
Operating Revenues	\$ 68,022	\$ 65,628
Operation & Maintenance Expense	58,019	55,902
Depreciation, Taxes, Interest, Etc.	9,778	9,496
Operating Margin	225	229
Capital Credits	1,658	1,516
Other non-operating income (exp)	823	984
Net Margins (LOSS)	\$ 2,706	\$ 2,730

BALANCE SHEETS

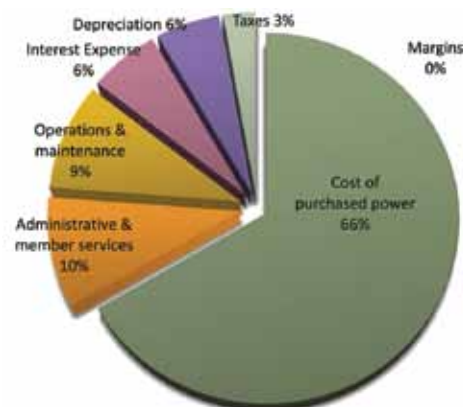
Years ending December 31, 2011 and 2010 (Dollars in 000)

ASSETS		
Utility plant in service, net	\$ 100,168	\$ 95,249
Other assets and investments	17,739	16,072
Current assets	7,166	10,922
Deferred charges	2,610	4,683
Total Assets	\$ 127,683	\$ 126,926
EQUITIES AND LIABILITIES		
Equities	\$ 33,093	\$ 34,935
Long-term debt	76,272	72,539
Accumulated operating provisions	6,982	2,999
Current liabilities	10,702	9,534
Deferred credits	634	6,919
Total Equity and Liabilities	\$ 127,683	\$ 126,926

Where Our Sales Come From



Where Your Dollar Goes



Midwest in the Community

Giving back to our communities is one of the core values of Midwest Energy. We believe in doing what we can, individually and as a family of employees, to strengthen and support the communities in which we live, work and serve. Following are some of the ways we impacted our communities over the last few months.

In April, Midwest employees provided our hotline safety demonstration program to nearly 600 fourth grade students as part of our 2012 Safety Month Contest. Students from Britton, Clinton and Deerfield schools in southeast Michigan and Watervliet, Hartford and Paw Paw schools in southwest Michigan were presented with the interactive safety demonstration, then provided with supplies to draw a poster to show what they learned. Each participating classroom will select one poster to represent their class, and a team of Midwest Energy employees will select one winning design from each school, as well as one overall winner from all entries. The winning classrooms will be treated to a field trip, courtesy of Midwest, and each student will be presented with a Safety Month t-shirt featuring the 2012 winning design.

Watch the July/August issue for a picture of the winning design and pictures from our field trips!

Midwest Energy Cooperative offices will be **CLOSED for the **INDEPENDENCE DAY** holiday on Wednesday, July 4.**

Payments may be made at the drop box and will be posted on the next open business day.

Have a happy and safe Independence Day!



A team of 10 Midwest employees and family members brought some warmth and sunshine into the lives of local residents on a cold, wet April Saturday as they hosted and served at the St. Paul's Episcopal Church soup kitchen in Dowagiac. Roxanne Roush (left), wife of vice president of operations Mike Roush, and Patti Clymer, billing representative, work together in the food line to dish up both food and hospitality to guests.

Lineman Mark Kangas (right) and field technician Rich Drews (below) were part of the team of employees who presented hotline safety demonstrations to nearly 600 fourth grade students as part of the 2012 safety month contest.





Your Perspective PHOTO CONTEST

April Winner!

The votes are in and Angel Wold, a member from Lawton, is the April winner of our 2012 Your Perspective Photo Contest. The photo of a pasture on a beautiful autumn day secured the most votes by Apr. 30 and won Angel a \$20 bill credit. There's still plenty of time to submit your entry. Visit us at Facebook.com/TeamMidwest for details and official rules.



Free Energy Forums in July

Looking for more efficiency, safety and comfort in your mobile or manufactured home? Midwest Energy Cooperative invites you to join us at one of our free forums where you will learn about some of the unique challenges involved in weatherizing in this housing sector. Presenters will address:

- ▲ How to make your existing home more comfortable, safe and energy efficient;
- ▲ What to look for in a weatherization contractor;
- ▲ Where to find local resources and financing;
- ▲ What to look for when purchasing a new mobile/manufactured home.

These events are free and open to the public. Sessions will be held from 6-8 p.m. on Tues., July 17, at The Centre in Adrian; Wed., July 18, at the Van Buren Conference Center in Lawrence; and Thur., July 19, at the Southwestern Michigan College Mathews Conference Center West in Dowagiac.

For more information or to reserve your spot, please call Lori at 269-445-1139 or visit TeamMidwest.com.

Employee Accomplishments



Kerri Wade



Angie Edge



Greg Hodgson



Brad Jensen

Midwest Energy Cooperative supports our employee family in seeking training and education to allow us to provide the highest levels of leadership and member service. This month we're pleased to share recent accomplishments among our employees.

Kerri Wade, vice president of administrative resources, and Angie Edge, controller, graduated from the Robert I. Kabat Management Internship Program (MIP), a series of workshops offered by the National Rural Electric Cooperative Association (NRECA) in conjunction with the University of Wisconsin. The program guides participants through all facets of the electric utility industry, equipping them to manage and lead employees and operations to best serve members and other constituents.

Greg Hodgson and Brad Jensen, members of our operations team, recently completed the necessary 7,000 hours and required course material to graduate from the apprenticeship program, earning the title of journeyman lineman.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

NOTICE OF HEARING FOR THE CUSTOMERS OF MIDWEST ENERGY COOPERATIVE CASE NO. U-16426-R

- Midwest Energy Cooperative requests Michigan Public Service Commission approval to reconcile its 2011 power supply cost recovery costs and revenues, revise specified tariffs, and increase its revenues through its times interest earned ratio (TIER) ratemaking mechanism.
- The information below describes how a person may participate in this case.
- You may call or write Midwest Energy Cooperative, 901 East State Street, P.O. Box 127, Cassopolis, Michigan 49031, (800) 492-5989 for a free copy of its application. Any person may review the application at the offices of Midwest Energy Cooperative.
- The first public hearing in this matter will be held:

DATE/TIME: June 26, 2012, at 9:00 a.m. This hearing will be a prehearing conference to set future hearing dates and decide other procedural matters.

BEFORE: Administrative Law Judge Theresa A. Sheets

LOCATION: Michigan Public Service Commission, 6545 Mercantile Way, Suite 7, Lansing, Michigan
The Mercantile Way building sustained flood damage and remains closed until further notice. Please consult the Michigan Public Service Commission website at: michigan.gov/mpsc for updates on hearing locations or call 517-241-6060.

PARTICIPATION: Any interested person may attend and participate. The hearing site is accessible, including handicapped parking. Persons needing any accommodation to participate should contact the Commission's Executive Secretary at (517) 241-6160 in advance to request mobility, visual, hearing or other assistance.

The Michigan Public Service Commission (Commission) will hold a public hearing to consider the March 30, 2012, application of Midwest Energy Cooperative (Midwest) to reconcile its 2011 power supply cost recovery (PSCR) costs and revenues. Midwest represents that its 2011 net overrecovery is \$445,432, including prior years' balances. Midwest is also seeking specified tariff changes, and a \$1,581,193 or 2.34% increase in its rates through its TIER Ratemaking Mechanism for the 12-month period ended December 31, 2011.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at: michigan.gov/mpscdockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to: mpscdockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 241-6180 or by email at: mpscdockets@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by June 19, 2012. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Midwest's attorney, Bret A. Totoraitis, at Dykema Gossett PLLC, Capitol View, 201 Townsend Street, Suite 900, Lansing, Michigan 48933.

Any person wishing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his or her wish to make a statement of position. All information submitted to the Commission in this matter will become public information: available on the Michigan Public Service Commission's website, and subject to disclosure.

Requests for adjournment must be made pursuant to the Commission's Rules of Practice and Procedure R 460.17315 and R 460.17335. Requests for further information on adjournment should be directed to (517) 241-6060.

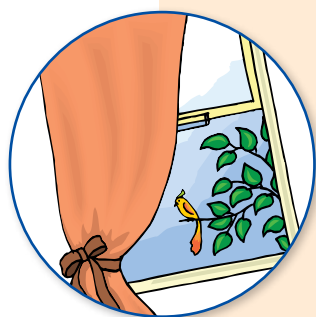
A copy of Midwest's request may be reviewed on the Commission's website at: michigan.gov/mpscdockets, and at the offices of Midwest Energy Cooperative, 901 E. State Street, Cassopolis, MI. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 241-6180.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.54 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1982 PA 304, as amended, MCL 460.6h et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

May 9, 2012

10 Simple Ways You Can Help Conserve Electricity During Peak Energy Periods

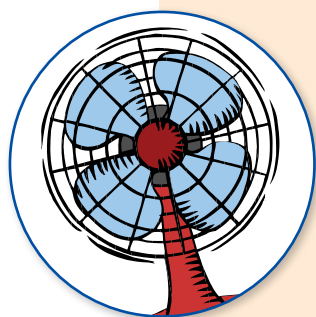
In the heat of summer, it's not uncommon for your co-op to experience peaks of high energy use. During these peaks, we ask that you do what you can to help conserve energy. You'll not only help your electric cooperative through the brief period of peak energy use, you'll also reduce your own consumption.



1 Set your thermostat at the highest comfortable temperature—76 degrees or higher—and keep it there. Each degree a thermostat is raised can save up to 4 percent of the cost of operating an air conditioner and help the power companies keep the electricity flowing. If you have window air conditioning units, keep them on the highest temperature setting.



2 Postpone the use of major appliances, such as clothes dryers and dishwashers, until late in the evening or early in the morning.



3 Turn off all unnecessary lights. Also check for any computers, TV sets, stereo equipment and other appliances that may be on but aren't in use. Not only do they use extra electricity, they add heat to the house and that makes your air conditioner work harder.

4 Close drapes and blinds on the sunny side of the house. The sun streaming in through a window can add considerable heat to a room and make it harder to cool.

5 Reduce the amount of space that must be cooled in your home by closing off rooms that aren't being used. If you have a den, a utility room or bedrooms that aren't in use, close the air conditioning vents in those rooms and shut the door. With window units, simply shut the doors to unused rooms or shut off any window air conditioners that are located in these rooms.

6 Keep the door to your refrigerator and freezer closed as much as possible. A refrigerator with the door standing open uses a lot more energy than the one with the door closed.

7 Make sure the filter on your air conditioner is clean. Good air flow is a key to keeping cool, so make sure your system isn't working harder than it has to. In addition, make sure vents are clear of furniture or other objects that might block air flow.

8 Use your microwave instead of a conventional oven—it uses up to 70 percent less energy and also releases far less heat into the kitchen.

9 If your water heater runs on electricity, limit your use of hot water so the unit doesn't run as often.

10 Use fans to keep air moving. Ceiling fans use about as much energy as a light bulb, which is far less than an air conditioner. With a fan, you can set the thermostat on your air conditioner to an even higher temperature and still stay comfortable.

Watch for Signs of Heat Illnesses

Keep the fun in your summer by knowing how to recognize and prevent heat-related illnesses.

HEAT STROKE The most serious of heat illnesses, this can be deadly and swift. Your body temperature could rise to 106 degrees F or more in as few as 10 to 15 minutes. Heat stroke happens when your body temperature rises rapidly but cannot sweat quickly enough to cool itself. Symptoms include hot, dry skin or the opposite—profuse sweating, hallucinations, chills, throbbing headache, confusion or dizziness, and slurred speech.

When these symptoms occur, immediately call 911 and move the person to a shady area. Try misting the person with cold water, soaking his or her clothes, or fanning the body.

HEAT EXHAUSTION Heat exhaustion results from heavy sweating—extreme loss of salt and water. People prone to this include the elderly or those with high blood pressure or who work in hot conditions. Besides excessive sweating, symptoms include extreme weak-

ness or fatigue, dizziness, confusion, nausea, clammy skin, muscle cramps and shallow, rapid breathing.

Move the victim to a shaded or air-conditioned area, and have him or her drink cool, non-alcoholic beverages; a cool shower or bath is also recommended.

HEAT SYNCOPE Sunbathers may be prone to heat syncope, which is dizziness or fainting after lying (or standing) for long periods. Dehydration can contribute to heat syncope, so keep that water bottle handy when you go to the beach.

If you feel dizzy after lying for a long time, sit or lie back down in a cool place and sip on a cool beverage—water, sports drinks, or clear juice.

HEAT CRAMPS Folks who work or play sports in the heat may suffer from heat cramps, which result from low salt levels after heavy

sweating. The cramps are usually felt in the arms, legs or abdomen.

With these symptoms, stop what you're doing, sit in a cool place, and sip clear juice or a sports beverage. Take it easy for a few hours after the cramps are gone—if you return to your activity, the condition could transition to heat exhaustion or heat stroke. If you have heart problems, are on a low-sodium diet, or the cramps do not go away in an hour, call a doctor.

HEAT RASH Heavy sweating can cause a rash that looks like a red cluster of pimples or small blisters that usually show up on the neck or chest, groin, and crook of your elbow. You can't do much to treat this besides keeping the area dry and using baby powder to alleviate discomfort.

Source: U.S. Centers for Disease Control

MEMBERS-ONLY PRICING

Get your energy saving products at our Energy Optimization store!

Measure		Retail	Member Price
	13w CFL Bulbs (3pk) (Limit 4 3pks)	\$6.00	\$1.50
	Advanced Power Strips (Limit 2)	\$25.00	\$5.00
	Aerator Kits Kit includes: low flow showerhead, kitchen aerator and 2 bath aerators (Limit 2)	\$15.00	\$5.00
	LED Nightlight (Limit 4)	\$2.00	\$1.00

What's in it for you?

As a member, here's your chance for special deals—save up to 75%. Plus, you'll keep on saving money at home too. Be the energy-saving superstar of your neighborhood!



Must be a MI Midwest Energy electric member. See manufacturer for any warranty claims.

Online Home Audit

The Do-It-Yourself Way To Save Energy

On average, people spend 90 percent of their time indoors, so your home is more than a roof over your head—it's a place of comfort, safety and well-being where families relax and spend time together.

An investment in the energy efficiency of your home is an investment in your family and well-being. When you save energy, you:

- ▲ **Solve common household problems**—drafty rooms, ice dams, mold, moisture or musty odors.
- ▲ **Regain control.** Identify the parts of your house that use the most energy and tackle energy waste.
- ▲ **Feel better at home.** An energy efficient home can improve indoor air quality and overall comfort.

Home Energy Assessment

An on-site home energy assessment is the best way to determine where your home is wasting energy. A certified energy professional conducts a series of tests to assess air tightness, insulation levels, ventilation, heating and

cooling equipment, and combustion safety. You are then provided a report identifying energy-related improvements to help lower your energy use.

The only challenge is that an in-person home energy assessment may cost between \$300 and \$600 to complete. That price tag can put this assessment out of reach for a lot of folks. Fortunately, Midwest Energy Cooperative members have another option—an online home audit.

Affordable Alternative—Online Home Audit

Midwest Energy's Home Energy Optimizer is a *free* online tool that leads you through a series of questions about your home to evaluate your energy use and determine how your home may be losing energy.

The Home Energy Optimizer tool is also calibrated for your location and climate. You enter as little or as much information as you like, although more detail provides more accurate and customized results. Either way,

you receive personalized energy-saving tips, and you won't have to pay a cent for them.

For your convenience, you can save your responses and come back later. This is useful if you run out of time to answer the Home Energy Optimizer questions or want to change your answers in the future.

Getting Started

- Go to michigan-energy.org/midwest and click on the "Home Audit" link on the left-hand menu.
- **Enter details** about your home and answer the questions. Jot down your session ID.
- **Finish the audit and get a *free energy-saving kit*** that includes: 5 CFLs, 1 energy-efficient bath aerator, 1 energy-efficient kitchen aerator, and 1 energy-efficient shower head.
- **Take action.** Complete the easy energy-saving tips first, then move onto more advanced ones.

More Ways To Save

In addition to the Home Energy Optimizer, Midwest Energy offers many other Energy Optimization (EO) programs that help you manage your energy use. Learn more at michigan-energy.org or call 877-296-4319.




Put your home to the test—virtually

Is your home wasting energy? Now you can use your computer to find out. The online Energy Optimizer tool asks you questions about your home to help you determine its energy efficiency. You'll also receive customized energy-saving tips and ideas. Best of all, it's FREE!

PASS? FAIL?

ENERGY TIP: Complete an online energy audit and receive a FREE energy-saving kit.

Online: michigan-energy.org **Phone:** 877.296.4319

Energy Optimization programs and incentives are applicable to Michigan service locations only. Other restrictions may apply. For a complete list of participating utilities, visit michigan-energy.org.



Midwest ENERGY COOPERATIVE

Your Touchstone Energy® Cooperative 

TeamMidwest.com

EFFICIENCY. SAFETY. COMFORT.



FREE COMMUNITY event

Sign up today for one of our three forums, coming to a community near you.

Tuesday, July 17, 6-8 p.m.

The Centre
1800 W. US 223
Adrian, MI

Wednesday, July 18, 6-8 p.m.

Van Buren Conference Center
490 S. Paw Paw Street
Lawrence, MI

Thursday, July 19, 6-8 p.m.

Southwestern Michigan College
Mathews Conference Center West
58900 Cherry Grove Road
Dowagiac, MI

Mobile/Manufactured HOME ENERGY RETROFIT FORUM

Discover the secrets to managing home energy use.

Join us at one of our free forums where you will learn:

- 1 How to make your existing home more comfortable, safe and energy efficient.
- 2 What to look for in a weatherization contractor. Ask the expert panel.
- 3 Where to find local resources and financing.
- 4 What to look for when purchasing a new mobile/manufactured home.

PICK A DATE RESERVE YOUR SPOT BY JULY 13

www.TeamMidwest.com
(269) 445-1139

Sponsored by:



www.michigan-energy.org