

Currently Speaking

**Guernsey-Muskingum
Electric Cooperative, Inc.**
17 S. Liberty St.
New Concord, Ohio 43762
740-826-7661 — 800-521-9879
www.gmenergy.com

Board of Directors

Duane ParksChairman
Ed Bay.....Vice Chairman
Jim Rex.....Secy.-Treasurer
John EnosDirector
Jay GrayDirector
Brian HillDirector
Shirley StutzDirector
Daniel J. GunsettCounsel
Garry MbiadGeneral Manager/CEO

Electric Rates

Farm and Home Service rate schedule R-1

Service Availability Charge

\$16/month

First 500 kWh/month

@ 11.519¢/kWh

Over 500 kWh/month

@ 9.395¢/kWh

Seasonal Residential Service annual rate schedule S-1

Service Availability Charge

\$192/year

First 800 kWh/year

@ 19.519¢/kWh

Over 800 to 6,000 kWh/year

@ 10.395¢/kWh

Over 6,000 kWh/year

@ 9.395¢/kWh

(Your minimum annual charge will be \$192 per year for service between March 1, 2011, and Feb. 29, 2012.)

Commercial Service rate schedule C-1

Service Availability Charge

\$16/month

First 1,500 kWh/month

@ 11.519¢/kWh

Over 1,500 kWh/month

@ 9.395¢/kWh

Rider T —

Kilowatt-hour Tax applies to all rate schedules.

First 2,000 kWh/month .465¢/kWh

Next 13,000 kWh/month .419¢/kWh

Over 15,000 kWh/month .363¢/kWh

Election of directors

The provisions for electing members to the board of directors are included in the Guernsey-Muskingum Code of Regulations. If you wish, please call your cooperative for a copy or go to www.gmenergy.com.

In summary:

ELECTION OF BOARD MEMBERS: One or more member-consumers are eligible for nomination to each available position on the board. Nominees must reside in the cooperative district they are nominated to represent. All nominations are made from the floor at the annual meeting.

VOTING: Each member shall be entitled to one vote and no more upon each matter submitted to a vote at the meeting. All questions shall be decided by a vote of a majority of the members present at the meeting. The spouse of a member not present may vote on behalf of such a member at the meeting.

One director from each of the following districts will be elected for a three-year term:

District 2 – includes *Muskingum County* townships of Adams, Highland, Monroe, Perry, Rich Hill, Salem, Salt Creek, Union, Washington and Wayne; and *Coshocton County* township of Linton.

District 6 – includes *Guernsey County* townships of Center, Jefferson, Londonderry, Madison, Monroe, Oxford, Washington, Wills and Salt Fork.

District 7 – includes *Guernsey County* townships of Jackson, Millwood, Richland, Spencer and Valley; and *Noble County* townships of Beaver and Wayne.

Looking for free light bulbs?

Your free light bulbs will be waiting for you at your 74th Annual Meeting. Each member who attends will receive a \$10 energy credit off their bill and free light bulbs.



Did you know?

The greatest opportunity to spend time with family, friends and neighbors; learn about your cooperative; and meet with your cooperative board and employees is at the Annual Meeting on Saturday, April 9. Your Annual Meeting takes only a few hours so bring your family for what is always a few hours of fun, education and business mixed with food and fun.

Your Touchstone Energy® Partner



74th ANNUAL MEETING

SATURDAY, APRIL 9, 2011

Larry W. Miller Intermediate School, New Concord

REGISTRATION AT 9:30 A.M.

BUSINESS MEETING BEGINS AT A NEW TIME

PROMPTLY AT NOON!

Bring the whole family!

Every registered member receives:

Free Light Bulbs

\$10 Energy Credit

Lunch - Hot Dogs

A few lucky members will win:

An Electric Grill

Electric Appliances

More Energy Credits



Visit displays by:

**The Cambridge Amateur Radio Association
Southeastern Home Care
Muskingum Soil & Water Conservation District
Area Agency on Aging
Northside Pharmacy
Guernsey County Master Gardeners**

More Fun Includes:

**High-Voltage Line Safety Demonstrations
One-A-Chord
Mark Wood Strolling Act**

The kids will enjoy:

**Getting their picture taken dressed as a lineperson
Pedal Tractor Pull
The Mark Wood Fun Show during the business meeting**



Display items

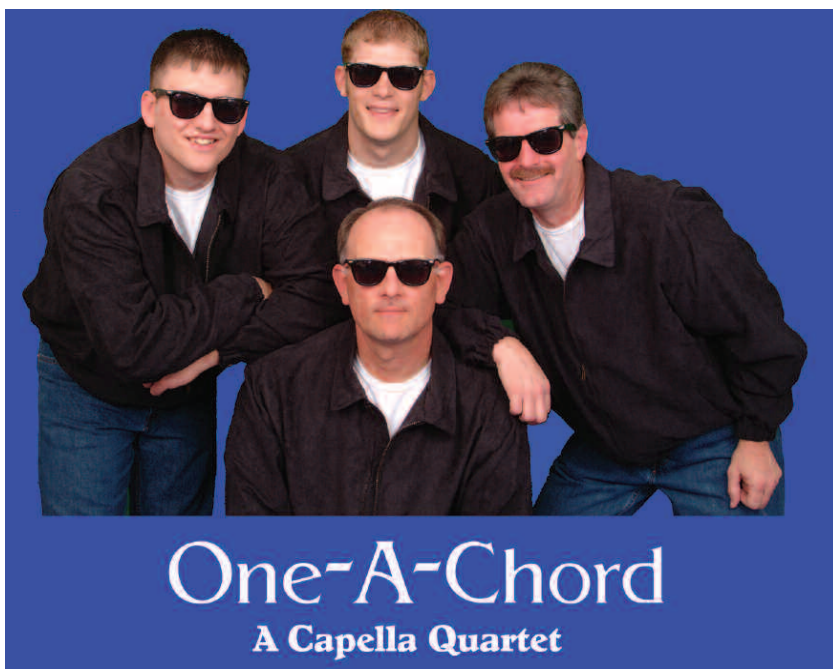
This year for the annual meeting we are asking members to bring in a non-electric antique appliance. This will give all of us the chance to see the way we “used to do it.”

The gift for bringing in an item is three compact fluorescent bulbs, and the joy of giving others an enjoyable display. See you on April 9!



Annual Meeting entertainment

We are pleased to bring One-A-Chord A Capella Quartet to your 74th annual meeting. One-A-Chord's first album “Shades of the Past” was selected by the Contemporary A cappella Society of America as the Best A cappella Doo Wop Album of 2005. Members Tyler McCort, Terry McCord, Tony Huntsman and Brad Wilson will delight you with an array of doo wop, classic oldies and gospel songs beginning at 11 a.m. on the main stage.



OFFICIAL NOTICE – MEDICAL CERTIFICATION

Medical certification forms are available upon request at the Guernsey-Muskingum Electric Cooperative, Inc., office at 17 S. Liberty Street in New Concord. The purpose of the medical certification is to temporarily delay termination of service for nonpayment when the medical condition of a resident of the household is such that disconnection would further endanger their health. During the certified period, the member should endeavor to pay the bill, make arrangements for payment or obtain assistance for payment of the bill from a social agency.

In all cases where discontinuation of service would be especially dangerous to the life and welfare of the occupants within a household, the consumer should contact the cooperative and request a “Medical Certification” form. This form must then be completed and certified by a licensed physician or local board of health and filed with the cooperative.

Kids' pedal tractor pull

Kids from age 3 through 10 bring your parents to the 74th Annual Meeting so they can watch you participate in a pedal tractor pull. Look for the contest in the big tent from 10 to 11:45 a.m. And while you are in the tent be sure to get a hot dog grilled on an electric grill from one of our linemen.



Children's Entertainment

At noon, while mom and dad are learning about their cooperative, kids will see the zany Mark Wood Fun Show. During his interactive show he will make kids of all ages laugh with his crazy comedy, magic and juggling.

And as tradition since 1998, kids 12 and under who stay until the business meeting has concluded will get to take home their own bean bag animal. This year's animal is a cow. So kids, send your parents into the business meeting while you watch Cowboy Mark Wood, and then pick up your animal.



Saving more than souls at church

Since most houses of worship rely on small or non-existent budgets for capital projects, low- or no-cost measures that reduce energy consumption generally produce the best results. Some simple steps involve changing the way congregants and staff use the building. Big-ticket items, such as replacing heating and cooling systems with more energy-efficient units, may not be practical until existing equipment reaches the end of its useful life.

A comprehensive energy audit remains the best way to identify cost-effective efficiency improvements in a church. Below are some suggestions for reducing energy consumption:

- Turn off the lights when not in use. While occupancy sensors can be cost-effective, posting reminders to ensure that the lights are turned off often does the trick. Timers are useful in lobbies, entries, and vestibules to ensure that lights stay off during daylight hours.

- Replace incandescent light bulbs with compact fluorescent light bulbs (CFLs).
- Control “plug loads,” such as microwaves, computers and televisions that continue to draw power even when turned off. Unplug these appliances when finished using or before leaving the building.
- Heat and cool during occupied hours only. Make sure that heating and cooling controls are set at minimum levels or are switched off during periods of no use.
- Turn down water heater thermostats. Bathrooms and kitchens used primarily during worship services are good targets for lowering water temperatures.

(Continued on page 24F)



Guernsey-Muskingum offers a safe and easy connection for portable generators



If you have or are planning to purchase a portable generator, Guernsey-Muskingum Electric is offering an option for connecting it that is safe and easy. GenerLink™ allows you to provide power to all parts of your home without using extension cords or needing an electrician. We install the GenerLink behind your electric meter as shown in the picture.

SAFE

GenerLink eliminates the use of extension cords and other connections that can be hazardous to members and cooperative employees.

GenerLink detects when a generator is operating and automatically disconnects from the utility grid, eliminating dangerous back-feed.

EASY

GenerLink is equipped with GenerLok™, a

unique interlocking cord system that provides a quick and easy connection of a portable generator.

GenerLink is easily installed by a cooperative employee behind a member’s electric meter and requires no rewiring of the member’s electrical system.

With GenerLok, members have the flexibility to run virtually any appliance, up to the capacity of their generator by simply energizing appliances from their breaker panel.

Like many of our products and services to members, we have priced the GenerLink to just cover costs, as our prices include installation.

GENERLINK™	PRICE
30-Amp Non-Surge Protection (MA23-N)*	\$658.05
30-Amp Surge Protection (MA23-S)*	\$738.30
40-Amp Non-Surge Protection (MA24-N)*	\$770.40
40-Amp Surge Protection (MA24-S)*	\$861.35

*price includes 20' cable; additional cable is available for \$50 per 20'

You can call member services at 800-521-9879 with any questions, when calling to place an order please have the manufacturer, model number and size of your generator.

Leave no lint behind

Household chores like laundry seem fairly safe. But hidden problems like lint buildup in a dryer could lead to higher energy bills due to inefficiency and, ultimately, hazardous conditions in your home.

“Lint is the bane of our existence,” declares Brian Wallace, president of the Coin Laundry® Association. “We have to clean lint, not only as a safety issue, but to keep our energy costs down and ensure proper performance.”

At coin-operated laundries, dryers are key to customer satisfaction. Other amenities pale if clothes don't dry fast enough, so laundry owners remain adamant about maintaining proper air flow through commercial dryers. With 30 to 50 dryers at an average laundry, operators clear trashcans of lint everyday from their screens.

The same principle applies at home, although on a smaller scale.

“Cleaning the lint filter after every cycle is one habit we want to encourage,” recommends Jill Notini, communications and marketing director for the Association of Home Appliance Manufacturers (AHAM). “Repetition builds a habit.”

AHAM urges consumers to clean the lint filter after each load and occasionally remove the filter and wash it with a nylon brush and hot, soapy water to remove residue. This simple chore not only improves air flow and energy efficiency, but also reduces the chance of a dryer fire.

Statistics on dryer fires show no difference between the natural gas and electric dryers, according to John Drengenberg, consumer affairs manager for Underwriters Laboratories (UL), Inc., a firm that tests and sets minimum standards for electric-consuming items. “If you forget to clean the lint screen too many times you're going to get a buildup, and that's where ultimately you could have a problem.”

Manufacturers whose products carry the UL mark are required to ship dryers with safety instructions that specify cleaning the lint screen before or after each load. These instructions also recommend keeping dryer

ASK YOUR ENERGY ADVISOR



Ray Crock,
Energy Advisor

exhaust openings and adjacent surrounding areas free from accumulated lint, dust and dirt, and having qualified service people periodically clean the dryer's interior and exhaust duct.

Without adequate air circulation, heat flow becomes stymied, clothes take longer to dry and it costs more to operate the appliance. Like ovens and stoves, dryers apply extreme heat on potentially flammable materials.

“You wouldn't leave something cooking unattended for long periods of time—at least you shouldn't, for safety and edibility,” Drengenberg notes. “Dryers, though, often run up to an hour or more, forgotten in a basement, garage or utility space.”

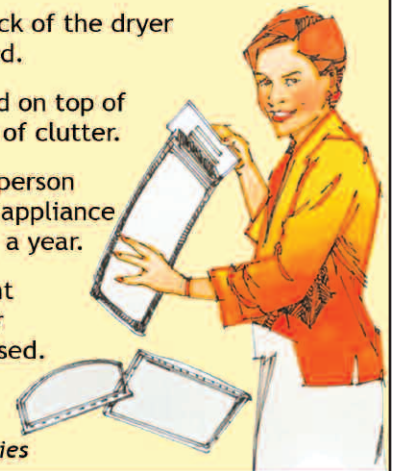
This out-of-sight, out-of-mind practice makes it essential that a dryer be maintained on a simple and regular basis.

Source: Underwriters Laboratories

Stay safe, energy efficient and lint free

For energy efficient and safe dryer performance, lint must be removed from the dryer and vent to allow air to circulate freely. Here are ways to avoid lint buildup:

- Clean the lint filter after each load.
- Occasionally remove the lint filter and clean it with a nylon brush and hot, soapy water.
- Periodically clean the back of the dryer where lint can be trapped.
- Keep the area around and on top of the dryer clean and free of clutter.
- Have a qualified service person clean the interior of the appliance and venting system once a year.
- Thoroughly clean the vent system if you notice your drying times have increased.



Source: Underwriters Laboratories

Co-op Notes

Geothermal heating/cooling system — \$300 rebate

We have a \$300 rebate to help pay for the most efficient underground heating, cooling and hot water system available today. A radio-controlled switch is required on the unit and on your electric water heater of at least 40-gallon capacity. More than 250 of our members are using geothermal.

Dual Fuel — \$300 rebate

If you install a new add-on electric heat pump with a fossil-fuel back-up and have an electric water heater, which is at least 40-gallon capacity, you are eligible for a \$300 rebate. Radio-controlled switches are required to be installed on both the heat pump and water heater. Please call your cooperative for details. Over 800 members are using Dual Fuel.

Cool Returns — \$100 rebate

Are you having central air conditioning installed or a new electric heat pump with electric resistance heat back-up? Allow your cooperative to install a radio-controlled switch and receive a \$100 rebate check. More than 100 members are using cool returns.

Water heater with a hole

The four-inch hole in the side of our tank is great for cleaning out sediment. This rebated tank is available for free delivery. We also have \$50 or \$100 checks to send you if you purchase a tank somewhere else. Give us a call for details.

Water heater installation available

If you purchase your water heater from G-M, our

members services technician, Tim Fisher, will install your water heater for an additional charge. Give us a call.

Radio-controlled switch

“What a deal!” If you don’t already have a radio-controlled switch for your electric water heater, at least 40-gallon capacity, please call and Tim Fisher will install one.....FREE. More than 5,300 G-M members have a RCS on their water heaters. This entitles you to a discount and free maintenance (except cleaning) including parts and labor on your electric water heater. Some exclusions apply, call us for details.

GenerLink™

We want you to use your portable generator safely. Call the member services department at GMEC and ask them about GenerLink™. GenerLink eliminates the use of extension cords and other connections that can be dangerous to members and linemen.

Meter Reading

You can enter your meter readings on-line at our website, www.gmenergy.com. And as always you can mail your readings or call us 24 hours a day with meter readings.

Co-op Connections Card

The Co-op Connections® Card is free to all GMEC members and one card can be used by the entire family. The card can also be used to receive discounts nationwide on lodging, entertainment, dining and more. Visit www.gmenergy.com and click on the link to explore the possible discounts available to you.

Saving more than souls at church (continued from page 24D)

- Change filters. Filters should be changed on a monthly basis — more often if the congregation is located next to a highway or construction site.
- Clean condenser coils. Condenser coils should be washed thoroughly at the beginning and end of the cooling season.
- Check cabinet panels. Ensure that panels to rooftop air-conditioning units are attached with all screws in place, and make sure gaskets are intact to prevent air leaks. This check should be performed on a quarterly basis.
- Direct airflow. Close registers in any unused rooms to direct air where it is needed. If some rooms overheat

while others are too cool, call a qualified heating and cooling contractor.

- Close vents. In place of air conditioning, many older buildings have natural ventilation systems to remove hot air in the summer. Be sure to close these vents in the winter.
- Seal gaps. Use caulk and weather stripping to seal gaps around windows, doors, chimneys and other structural elements, including the foundation.
- Insulate hot water pipes with pipe insulation. Fix leaky faucets, showerheads, pipes and toilets.

Sources: E Source, Energy Star, U.S. Dept. of Energy

Report *from* Management



Garry Mbiad
General Manager/CEO



Duane Parks
Chairman

In 2010, your Cooperative installed 152 new services to members throughout our territory. Our membership continues to be about 80 percent residential, so these were mostly farms and homes just like yours. This number is down from previous years, and for the first year in a very long time, we had a slight net loss in membership from 2009. Thanks to a cold winter and a hot summer, we increased kilowatt-hour sales compared with 2009 by almost 5 percent at more than 242 million kilowatt-hours sold. The Avon Distribution Center in the East Pointe Industrial Park in Muskingum County ramped up its operation in 2010, which also helped. Our margins, or the money remaining after expenses, totaled \$1.3 million. The portion of margins, resulting from local operations, was the majority of these dollars, which is unusual. Most years, we receive about half of our margins from local operations and the other half in the form of capital credits from Buckeye Power. Buckeye Power was not immune to the economic downturn and increasing costs at the power plant. These resulted in a loss for Buckeye Power in 2009, but Buckeye bounced back in 2010 to yield more than \$300,000 in margins to your Cooperative. Buckeye is on track to have a good year in 2011, which means positive margins to us.

Energy cost increases hit everybody in 2010, though not as much as 2009; and your Cooperative was not an exception. Any cost increases from Buckeye Power are passed onto our members, as power supply costs are about half of your electric bill. Buckeye Power continues to face additional costs as it invests in new pollution control equipment at the Cardinal Plant and acquires future stable power supplies including renewable energy resources. Our goal is to hold the line on electric rates as long as possible but continue to make the necessary investments to ensure reliable service. Locally, we have continued a number of cost-saving initiatives in 2010, the most notable being a bidding of right-of-way clearing by the mile and unit basis. In 2010, a few positions remained unfilled due to attrition. Starting in 2011, our pension and medical insurance programs were modified to reduce future costs. Some of the efforts are large, some are small but they all enable us to help hold the line on the cost of your electric service.

The year 2010 turned out to be a record year for member outages, not the type of record we like to get. We endured a February 2010 storm that turned out to affect the largest number of members in our history. It also turned out to be the costliest storm in our history. We also had a couple of smaller but intense storms in August and October and a number of transmission outages; at our urging, improvements to the transmission system have taken place. I am proud of the efforts our employees made to re-

store service. Major storms are always difficult, but the “misery index” of the February 2010 storm was probably the highest of any storm I have experienced with the Cooperative. It was miserable for the member stuck at home in the cold with no power and it was miserable for the Cooperative employees working in adverse conditions. Thank God we came through it with no injuries.

We spent \$2.8 million in utility plant construction improvements in 2010. This was less than in 2009, but covered a number of power line rebuilds and pole replacements. We continue to improve our electric plant, and 2011 will be at a faster pace than 2010. Our right-of-way program continues strong in 2011.

In 2009, we started a system-wide geographical information system inventory that will precisely locate every pole, meter and device on our system. Although this comes at a cost, we feel the potential cost savings will be much larger as we are better able to plan, document, maintain and model your electric system. This project was completed in December 2010, and already we are seeing benefits.

In 2011, major modifications to the Antrim and Senecaville substations will take place in the second and third quarters. Also, our automated metering pilot program will expand in the U.S. 40 substation area, with some testing in the Antrim and Senecaville areas late in the year.

Your Cooperative is a not-for-profit utility owned by those it serves — you, the members. Any money remaining after expenses is returned to you as capital credits. These flow back to our members on Main Street instead of investors on Wall Street. In 2010, your Board of Directors continued our policy of refunding capital credits to the membership, and more than \$515,000 was returned to our members. Most members receive these as a capital credit reduction on their December 2010 electric bill. Since our inception, the Cooperative has returned more than \$10 million to members or former members. This is an example of your ownership of the Cooperative.

An informed membership is very important for your Cooperative. It separates us from being just another electric company. Your Annual Meeting will be held on April 9, 2011. Please take this opportunity to attend and visit with your neighbors. Talk to employees and directors and learn more about your Cooperative. We ask you to join us for an early lunch, and right at noon the official business meeting will be conducted. You will hear reports from officers and elect directors. We look forward to meeting you at your Annual Meeting. Thank you for your support of your electric Cooperative.

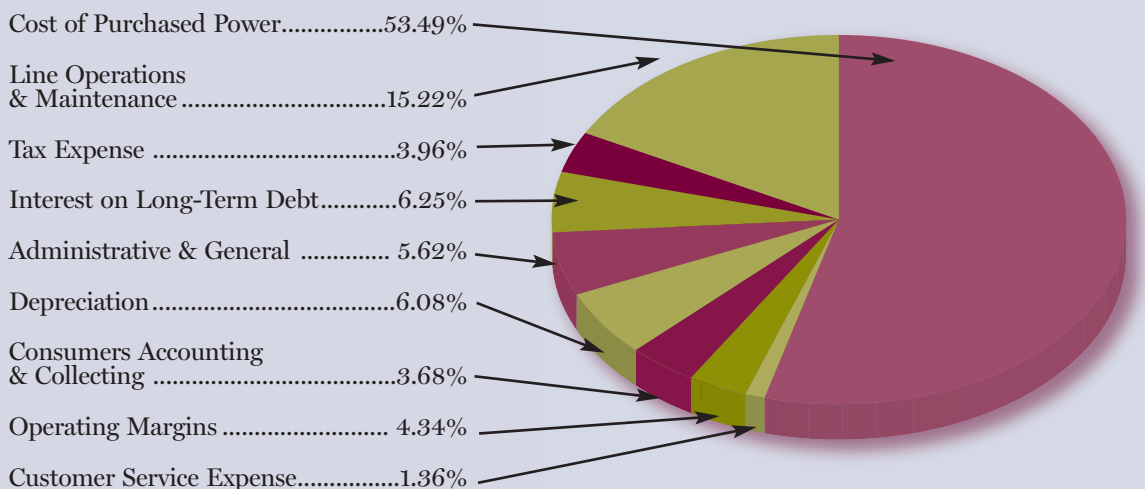
STATEMENTS OF REVENUE AND PATRONAGE CAPITAL

For the years ended December 31, 2010 and 2009 (see independent auditors' report)

	2010	2009
OPERATING REVENUES	\$ 28,388,598.42	\$ 25,810,304.48
OPERATING EXPENSES:		
Cost of Power	\$ 15,401,358.05	\$ 13,806,044.82
Distribution – Operation	2,069,731.49	1,769,388.30
Distribution – Maintenance	2,747,131.70	2,158,163.64
Consumer Accounts Expense	1,098,846.61	950,945.02
Customer Service and Information Expense	359,601.66	350,907.72
Administrative and General	1,563,874.02	1,449,433.93
Depreciation and Amortization	1,648,090.92	1,570,388.86
Taxes 1,068,158.00	1,021,113.00	
Interest on Long-Term Debt	1,478,037.36	1,546,315.73
Other Interest Expense	30,672.12	65,869.94
Total Operating Expenses	\$ 27,465,501.93	\$ 24,688,570.96
Operating Margins Before Capital Credits	\$ 923,096.49	\$ 1,121,733.52
BUCKEYE POWER, INC., CAPITAL CREDITS	313,130.88	-0-
OTHER CAPITAL CREDITS:	52,042.43	52,265.57
Net Operating Margins	\$ 1,288,269.80	\$ 1,173,999.09
NONOPERATING MARGINS:		
Interest and Dividend Income	\$ 57,223.97	\$ 55,306.58
Miscellaneous Nonoperating Income (Expense)	(2,241.10)	8,346.32
Total Nonoperating Margins	\$ 54,982.87	\$ 63,652.90
NET MARGINS FOR PERIOD	\$ 1,343,252.67	\$ 1,237,651.99
PATRONAGE CAPITAL – Beginning of Year	25,289,606.58	24,518,033.82
Retirement of Capital Credits	515,588.03	479,900.57
Capital Credits Reassignable	(10,731.00)	(13,821.34)
PATRONAGE CAPITAL – End of Year	\$ 26,128,002.22	\$ 25,289,606.58

(A complete copy of the Auditors' report and notes is available at the cooperative office.)

HOW YOUR POWER BILL DOLLAR WAS SPENT



BALANCE SHEETS

December 31, 2010 and 2009 (see independent auditors' report)

	2010	2009
ASSETS (Notes 1 and 2)		
ELECTRIC PLANT: (Note 3)		
In Service – at cost	\$ 63,625,462.41	\$ 61,837,552.12
Construction Work in Progress	715,089.11	434,808.58
Subtotal	\$ 64,340,551.52	\$ 62,272,360.70
Less Accumulated Provision for Depreciation and Amortization	(15,174,643.62)	(14,353,973.76)
Net Electric Plant	\$ 49,165,907.90	\$ 47,918,386.94
OTHER ASSETS AND INVESTMENTS:		
Investments in Associated Organizations (Note 4)	\$ 10,763,271.60	\$ 10,892,608.28
Other Investments – Nonutility Property	83,081.22	86,186.46
Note Receivable – Less Current Maturities	1,705.07	4,965.89
Total Other Assets and Investments	\$ 10,848,057.89	\$ 10,983,760.63
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 487,463.39	\$ 400,919.60
Cash – Construction Funds	-0-	-0-
Special Deposits	1,000.00	1,000.00
Current Maturities of Note Receivable	3,260.84	3,071.40
Accounts Receivable (less accumulated provision for uncollectible accounts of \$183,734.18 in 2010 and \$160,006.29 in 2009)	3,373,240.64	3,297,437.22
Other Current Assets	26,163.32	18,977.95
Materials and Supplies	952,660.78	955,493.98
Prepayments	35,201.65	33,912.65
Total Current Assets	\$ 4,878,990.62	\$ 4,710,812.80
DEFERRED CHARGES (Note 5)	\$ 1,773,183.57	\$ 1,043,977.97
TOTAL ASSETS	\$ 66,666,139.98	\$ 64,656,938.34
EQUITIES AND LIABILITIES (Note 1)		
EQUITIES:		
Patronage Capital (Note 6)	\$ 26,128,002.22	\$ 25,289,606.58
Other Equities (Note 7)	418,895.06	418,895.06
Total Equities	\$ 26,546,897.28	\$ 25,708,501.64
LONG-TERM DEBT:		
RUS Mortgage Notes Less Current Maturities (Note 8)	\$ 27,002,093.27	\$ 27,255,586.82
CFC Mortgage Notes Less Current Maturities (Note 8)	6,944,093.63	3,969,539.58
Other Long-Term Debt – NRECA Less Current Maturities (Note 9)	-0-	95,246.15
Regulatory Liability	835,689.51	791,940.85
Total Long-Term Debt	\$ 34,781,876.41	\$ 32,112,313.40
CURRENT LIABILITIES:		
Current Maturities of Long-Term Debt	\$ 1,229,854.00	\$ 1,156,546.00
Note Payable – Short-Term	150,886.05	1,579,416.43
Accounts Payable – Purchased Power	1,490,362.71	1,432,281.66
Accounts Payable – Other	552,144.98	792,322.77
Consumer Deposits	281,093.59	259,676.36
Accrued Taxes	1,053,430.23	986,522.72
Other Current Liabilities	285,429.08	301,364.72
Total Current Liabilities	\$ 5,043,200.64	\$ 6,508,130.66
CONTINGENT LIABILITIES (Note 10)		
DEFERRED CREDITS (Note 11)	\$ 294,165.65	\$ 327,992.64
TOTAL EQUITIES AND LIABILITIES	\$ 66,666,139.98	\$ 64,656,938.34

(A complete copy of the Auditors' report and notes is available at the cooperative office.)

GUERNSEY-MUSKINGUM TRENDS

