

TAKE THE HEAT OFF SUMMER COOLING COSTS



Nearly *half* of your energy bill in the summer goes toward cooling your home – and given this summer's abnormally warm weather, staying cool has resulted in higher energy use. There are a variety of easy, low-cost ways to cut your cooling costs during periods of extreme heat.

See back for details

YOU SHOULD KNOW

Vectren seeking energy efficiency-oriented rate design

In Vectren's current electric rate structure, our recovery of the costs needed to safely and reliably provide electricity is tied **directly** to our customers' usage. In other words, our company's need to recover costs and your need to use less energy and lower your bills are working **against** one another. Furthermore, when the summer temperatures are hot and your air conditioner is using more electricity, the amount of money Vectren recovers goes up - and the opposite is true when the summer temperatures are cooler than normal.

To provide greater stability to your bills and our cost recovery, we have proposed a new rate structure, known as decoupling, to the Indiana Utility Regulatory Commission. This rate design would break the link between your electric usage and our ability to recover costs, thereby aligning our collective interests in using less energy and conserving natural resources. The impact of temperatures would be removed from your bill, and we would only recover costs granted in the last rate case. If the new rate design had been in effect this year, the higher earnings we recovered this summer as a result of the abnormally warm weather would have been returned to you through lower monthly bills. This type of rate design would also allow us to implement more energy efficiency initiatives to help customers use less given our ability to recover costs would no longer be directly tied to customers' usage.

Although we are still awaiting a decision from state regulators on whether this rate design will be approved, we wanted you to be aware of our efforts to implement changes that foster energy efficiency. We already have a similar decoupled rate design for natural gas, and it has worked well in helping customers use less energy and ensuring the company can provide safe, reliable service. Vectren should know by early 2011 whether this rate structure is approved.

Here are some simple tips to help conserve energy and keep your house cool during this period of extreme heat:

- **Regularly clean and/or replace your air conditioner filter** to help your unit run at full efficiency and supply better air flow.
- **Clear leaves and other debris away from your air conditioner's condensing unit** on the outside of your home and hose off any accumulated dirt.
- **Reduce energy costs and increase comfort with a programmable thermostat.** A programmable thermostat can maximize your energy savings without the hassle of manually adjusting your thermostat. The U.S. Department of Energy recommends a summer thermostat setting of *no lower than 78 degrees*. For each degree the thermostat is raised for a sustained, 8-hour period, you can save 1 to 3% in cooling costs.
- **Minimize the use of ovens, stoves, washers, dryers and other major appliances** that generate heat inside the home when used.
- **Close storm windows and doors** to keep hot air out and cool air in.
- **Reverse the direction of your ceiling fan.** By changing the direction to *counter-clockwise* in the summer, the fan will circulate the cool air. With this cooling effect, you can raise the thermostat 3 to 4 degrees and feel just as comfortable. *Keep in mind that ceiling fans cool people, not rooms.* If a room is unoccupied, turn off the ceiling fan to save energy.
- **Close your blinds or curtains to keep sunlight out.** The sun's rays will warm your home and cause additional air conditioning use.

Having trouble paying your bill?

Vectren offers a number of assistance and payment arrangement options.

Simply call **1-800-227-1376** to speak with a customer service representative.



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Live Smart



Visit **Vectren.com** or call **(866) 240-8476** for more energy tips & resources.