

A monthly newsletter for the members of

Egyptian Electric Cooperative

Your Touchstone Energy Cooperative 

May 2015

www.eeca.coop
800-606-1505

Energy efficiency rebates

From time to time, our member service representatives get asked why Egyptian Electric Cooperative does not provide rebates to our members for installing energy efficient heating and cooling upgrades or increased levels of insulation. Let me assure you that your cooperative is not opposed to energy efficient heating and cooling systems or to energy efficient homes.

In fact, it is quite the opposite. Our energy advisers regularly talk with members about the advantages of high performance heating and cooling systems. They also can calculate the cost savings of better equipment, as can many of our heating, ventilation and air-conditioning (HVAC) contractors. They also conduct energy audits for members and advise them on the savings increased insulation, air-sealing and weatherization will provide.

If we promote energy efficiency and energy efficient homes, then why do we not give rebates to members who install new equipment or increased insulation? To answer that question, I believe it best to explain where the funds for rebates would come from if we were to give rebates.

As a not for profit cooperative, all funds the Cooperative uses come from you, our members. For us to make rebates, we would have to increase rates or create a special

rate to collect the funds to make those rebates with. In a for-profit company, their rebate funds also come from their customers. They may also divert funds that come from the profit they've made that would normally go to the stock holders.

The difference here is that our goal is to keep your rates as low as we possibly can; we want no more of your hard earned dollars than we need to operate the system with. Since I became your Executive Vice President/General Manager in 2009, I have consistently delivered this same message to you, to our Board of Directors and to our employees.

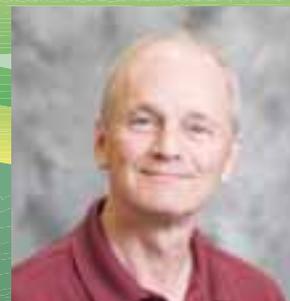
Does that mean we will never offer rebates? No. In the past, our statewide organization, the Association of Illinois Electric Cooperatives (AIEC) has been able to access government funds for us to provide rebates to our members for efficiency upgrades. The first of these was in the late 1980s and the funds came from the Exxon Oil overcharge fund and were directed at low income housing upgrades. The AIEC was also able to access funds from the American Recovery and Reinvestment Act (ARRA) in 2010 for the Home Energy Efficiency Program. These programs provided funds our members could use to make their homes and residences more energy efficient. We did not collect funds from one

member to give to another.

It also does not mean there never will be a time in the future where we would provide rebates or incentives to our members. The most likely scenario for this to happen though is for the rebate/incentive program to create a result that would benefit all members. For instance, instead of building additional generating plants in the future, it might be better to encourage all members to become more energy efficient so the existing facilities would meet the electric needs of all.

We do encourage members to use energy wisely and in the most efficient and effective manner possible. This is your cooperative and that's the right thing to do. It's also something we've done for many years in the cooperative world.

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Jim Riddle -- Executive Vice President and General Manager

Capital credit allocation

A primary difference between a for-profit investor-owned company and a cooperative, such as Egyptian Electric, is what happens to revenue above and beyond annual operating expenses. An investor-owned (for-profit) company disperses excess revenue (dividends) to its investors, those that own stock in the company.

A cooperative, on the other hand, allocates excess revenue to its members in proportion to their contribution of the revenue. The more you contribute to the revenue through your purchases, the more that is allocated to you when there is excess revenue. We call this an allocation of *capital credits*.

Year-end excess revenue is used by your cooperative to maintain reserves for financing of plant replacements, storm damage and other contingencies. Your board of directors has to balance the need for sound fiscal business practice with a desire to return patronage capital to our members.

The amount of patronage capital due you is recorded on an account established in your name and is a permanent part of the Cooperative's records. The amount credited to your account may at some point be paid in full or in part predicated on prudent business practices. Should the Board of Directors determine a refund of capital credits be made, they will be refunded in accordance with the by-laws of the Cooperative.

The board of directors has established a policy that discounted early distributions of capital credits to estates will be made upon request. If you or someone in your family is a beneficiary of the estate of someone eligible to receive a refund, please contact us at 1-800-606-1505 or email us at info@eeca.coop with the name and date of death of the deceased party. We will be happy to send you the applicable paperwork and other information.

To calculate the amount of margins allocated to you for 2014, you will need to know two amounts for each account in your name, the

total dollar amount billed (not what you paid) and the total kWh's billed in 2014.

To get the capital credit amount allocated to you, multiply the total kWh billed by .0843680598 and subtract the result from the total dollar amount billed. Multiply this number by .0401934056 to get the amount of capital credit allocated to you.

To calculate your capital credit amount allocated to you through our membership in Southern Illinois Power Cooperative, multiply the first calculation amount done above by .1524306272.

In June, we will be printing the amount of capital credits allocated to your account for 2014 on your billing statement. You should place this in your financial records for future use and reference. Please remember, this cannot be used to pay or reduce the amount of your bill. It is for record keeping only. If you have any questions, please feel free to contact our offices at any time.

To calculate your capital credits for 2014 by account, just fill in the information below.

EECA Capital Credits

Total \$ amount billed in 2014	\$ _____	(a)
Total kWh's billed in 2014	_____	(b)
Line (b) X multiplier A of .0843680598	_____	(c)
Line (a) - line (c)	_____	(d)
Line (d) X EECA margin factor .0401934056	\$ _____	(e) EECA Capital Credits

SIPC Capital Credits

Line (d) X SIPC margin factor .1524306272	\$ _____	(f) SIPC Capital Credits
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Egyptian Electric Cooperative Association

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Nominating Committee

The 77th Annual Meeting of the members of Egyptian Electric Cooperative Association will be on Thursday evening, July 23, 2015 at 7:00 p.m., in the Steeleville American Legion.

At that meeting, the terms of directors Randall Campbell, Chester; Paul Hicks, Carbondale; and Paul Pyatt, Pinckneyville; will expire.

The board of directors of the Cooperative has appointed the following persons as a Nominating and Credentials Committee:

Russell Biggs, Carbondale
Richard Fager, Murphysboro
Dan Gobert, Carbondale
John Helmers, Steeleville
Kenneth Hollmann, Gorham
Stuart Langrehr, Evansville
Roger Morganstern, Pinckneyville
Dwayne Mulholland, Marissa
Donald Stallman, Chester

The Nominating and Credentials Committee will meet at the Steeleville office of the Cooperative, 1005 West Broadway, Steeleville, Illinois, on Tuesday, May 12, 2015, at 6:30 p.m., for the purpose of nominating candidates for election to the board of directors. All interested members may attend the meeting.

Upon making their nominations, the Committee will post a list of the nominations for directors at the offices of the Cooperative. Any 15 or more members may make additional nominations in writing over their signature not less than 60 days prior to the annual meeting. Additional nominations may be made by members from the floor at the annual meeting.

Each active member of the Cooperative is entitled to one vote for each matter submitted to a vote at the annual meeting of

the members. Proxy voting is not allowed by the By-Laws.

Any member having questions regarding the matters above may contact any officer or member of the board of directors for clarification or further information.

Copies of the by-laws of the Cooperative are available and can be obtained at the Cooperative offices located at Steeleville and Murphysboro, the Cooperative's web site (www.eeca.coop) or mailed to you upon your request.

Respectfully submitted,

Steve Prest
Secretary-Treasurer

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Before energy codes and mandates, the electric cooperatives in Illinois, and especially your cooperative, have taken the lead in educating members and the construction industry on how to build energy efficient housing.

Our Building the Home of Your Dreams booklet is just one of the tools we use to educate our members on how to build a new home that meets the Illinois residential energy

code and one that is energy efficient and comfortable to live in. You can download your free copy from our website, www.eeca.coop. Just go to the My Home section and click on the Building a New Home page. You'll find the link there. If you don't have access to a computer, just call our office and we'll print one out for you.

If you ever have questions on what kind of walls to build, insula-

tion or the best heating and cooling system for you, please, never hesitate to contact our energy advisors.

They're here to help you and to give you the best, impartial information you'll most likely find. Their objective is give you the information you need to make an informed decision that is best for you, not to tell you what is best. They're here for you, just as all of our employees are.

Name change

Beginning with April bills, the Facility Charge was renamed the Service Availability Charge. This was not a new charge or a fee, just a name change to better reflect what the fee is actually for. Having electric service available has a cost to it, whether you use electricity or not. This includes the cost of poles, meters, wires, transformers, substations and all of the items required just so you can turn the switch on when you want.

We believe Service Availability Charge best describes this cost.

Safe use of generators

Many members rely on portable generators during power outages. The growing popularity of portable electric generators has resulted in millions being placed in homes and small businesses across the nation. It's estimated though that only a small percentage are hooked up correctly. Egyptian Electric Cooperative urges members to understand the proper safety steps that must be taken when using member owned and operated generators.

If installed and operated correctly,



the use of standby or portable electric generators poses little danger, but improper installation or use could be dangerous to you and threaten the lives of your family, friends, neighbors and electric utility crews trying to restore service.

"Consult and discuss your purchase options with a reliable vendor, your electric contractor, or Egyptian Electric," advises Shane Hermetz, Egyptian's assistant manager and system engineer. "A qualified vendor or electric professional will know existing safety codes and our safety requirements, and can help you select the best equipment for your needs and situation."

Properly connecting the generator into the system is a critical step for safe and effective use. A licensed professional should install a permanent, standby electric generator and can help with proper equipment for safely using a portable generator.

Have a qualified electrician

install a transfer switch. The transfer switch breaks the path of electricity between the power lines and your main electrical panel. This is the best way to protect you, your neighbors and repair crews from 'back feed.' Back feed occurs when an improperly connected generator begins feeding electricity "back" through the power lines. This can seriously injure anyone near lines, especially crews working to restore power.

"Safety for the operators and users of a generating system in the home and utility crews cannot be over-emphasized," says Hermetz. "A qualified electrician should be consulted to ensure proper installation and electrical grounding requirements, circuit overload protections and local codes are met."

Some homeowners choose smaller, portable generators to power essential electrical equipment during outages. Egyptian Electric offers these tips for the safe operation and use of portable generators:

■ **Read and follow all manufacturer operating instructions to properly ground the generator.** Be sure you understand them before hooking up the generator.

■ **Maintain adequate ventilation.** Generators emit carbon monoxide. Never operate a generator in your home, garage, or other enclosed building. Place it in a dry, outside location.

■ **Never plug a portable electric generator into a wall outlet or connect directly to a home's wiring.** This can energize utility power lines and injure you or others working nearby. Electrical back feed also can damage the generator and home electrical equipment.

■ **Turn off generator and allow cooling before refueling.** Gasoline and its vapors may ignite if they come in contact with hot components or an electrical spark. Store fuel in a properly designed container in a secure location.

■ **Protect your appliances.** Turn

off or disconnect all appliances and lights before you begin operating the portable generator. Once the generator is running, turn your appliances and lights on one at a time to avoid overloading the unit.

■ **Use proper extension cords.**

Use only safety-tested, shop-type electrical cords designed and rated for heavier, outdoor use to connect appliances. Many generators are equipped with twist-lock connects to reduce the chance of accidental disconnections due to vibrations.

■ **Shut down generator properly.**

Before shutting down a generator, turn off and unplug all appliances and equipment being powered by the generator.

■ **Remember maintenance between uses.**

It's important to drain the gasoline from the generator while it is being stored. It's also a good idea to inspect the fuel and oil filters, spark plug, oil level and fuel quality, and start the generator on a regular basis before an emergency situation happens.

Hermetz suggests that these safety guidelines and basic operating instructions be posted in the home and with the generator.

Board of Directors

Randall Campbell, President
Ken Jarrett, Vice President
Steve Prest, Secretary-Treasurer
Larry Ebers
Allen Haake
Paul Hicks
Gilbert Kroening
Kevin Liefer
Paul Pyatt

Executive Vice President/ General Manager

Jim Riddle