



Your Touchstone Energy® Cooperative 

**June 2011**

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Steeleville, IL 62288  
(618) 965-3434  
(618) 965-3111 fax

10169 Old Highway 13  
Murphysboro, IL 62966  
(618) 684-2143

(800) 606-1505 after hours  
www.eeca.coop

Office Hours: 8 a.m. - 4 p.m.  
Monday - Friday

## Mission Statement:

Improving the quality of life  
of our member-owners.

### James B. Riddle

Executive Vice President/  
General Manager

## Board of Directors

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

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## What are capital credits?

Margins credited to cooperative members each year based on their purchases (in the case of electric cooperatives, electricity) from the cooperative. Used by the cooperative as working capital for a period of time, then paid back to individual members.

Sources: East Kentucky Power Cooperative;  
Use or Usage

## What to do if the power goes off

1. Check your main fuses or circuit breakers to ensure none of them have tripped.
2. Look at your meter. If you can read the numbers on the LCD display, there is power to the meter; you will need to check further for a breaker that has tripped or a fuse that has blown. If there are no numbers present on the display, there is no power to the meter.
3. During office hours, call:  
Steeleville..... 618-965-3434  
Murphysboro..... 681-684-2143  
After hours, call..... 800-606-1505
4. Make sure you have the name as listed on the account and if possible, the account number.

Over the last several months, we've been discussing how Egyptian Electric Cooperative is different than other electric utilities; we work to keep your electricity affordable, we control costs and we put you, our members first. We've talked about the status of the Prairie State Energy Campus near Marissa; I've discussed the ways we are looking out for you; and last month, I talked about why additional generation will be needed in the near future. Because we are different and we are looking out for you, our members, I also know we are accountable to you and that you have the right to know as much about your electric cooperative as I do. I seriously doubt many utility executives would have the frank discussions we've had over the last several months and at the area meetings we've held.

One part of our accountability to you is our impact on the environment. The goal at Southern Illinois Power Cooperative (SIPC), the generation and transmission cooperative that we are a part of, is to produce the electric energy our members need at a reasonable cost, while being good stewards of the environment. In today's world of regulatory requirements, that's a tall order, but they do an excellent job of doing it.

At the existing plant, SIPC has regularly installed and updated pollution control equipment. The original plant was built with precipitator and scrubber technology installed which removes over 90 percent of the mercury in coal. And, SIPC even uses southern Illinois coal which has lower mercury content than western coal.

Earlier this decade, SIPC installed a selective catalytic reducer (SCR) to reduce the nitrous oxide (NOx) emissions from the plant and further reduce mercury emissions. During this time, SIPC also built a new boiler to replace the original boiler from 1963. Unit 123 was built with fluidized bed combustion technology to assist with the removal of sulfur oxide (SOx) and with a filter "bag house" that removes dry particulate from the combustion process.

Just recently, SIPC installed more energy efficient motors on some of the pollution control equipment, reducing the internal requirements of the plant and allowing more energy to go to meet the needs of our members.

To meet your growing needs for energy, SIPC is a participant in the Prairie State Energy Campus near Marissa. This new state of the art power plant will be a leader in using new technology to generate electricity from coal in an environmentally friendly manner as possible. Just a little bit of the technology that will be used:

- Boilers that are designed to be efficient while using low NOx burners.
- SCR to further reduce NOx and mercury emissions.
- Dry electrostatic precipitators to remove 99.9 percent of the particulates in the air stream.

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## Jim Riddle

Executive  
Vice President/  
General Manager



**Integrity : We are credible, trustworthy, honest and believable.**

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- Wet electrostatic precipitators to further remove particulates.
- A scrubber to remove 98 percent of the sulfur dioxide and further reduce mercury output.
- Cooling towers to condense the steam from the generators so that the water can be recycled back to the plant.
- Mine mouth coal delivered via a belt-line rather than truck, eliminating the pollutants created by trucks and the wear and tear on public roadways.

There are many in the utility industry that believe Prairie State will be the standard which other power plants will be required to measure up to in environmental compliance. This technology comes with a cost, but we believe it is the right thing to do.

Some believe coal should not be used to generate electricity. There is no doubt there are emissions when

using coal to produce electricity. The vehicles we drive produce emissions as well and few of us are willing to give up that convenience. We have all taken steps to reduce the emissions from our vehicles (catalytic converters, unleaded fuel, etc) because they are the most reasonable method of transportation we have at this time. The same holds true of producing electricity with coal. We are taking every step available to reduce emissions because coal fired power plants are the most viable method available to meet our region's growing electricity needs.

Reality is, this is a global issue and not a local issue. Even if SIPC could be transformed into a system that was 100 percent renewable energy, with absolutely no environmental impact or output, the global climatic situation (if in fact there is one) would not even notice its absence. It would be unconscionable for us to burden the members of Egyptian

Electric Cooperative with higher energy costs, and the loss of jobs and income to reach levels other utilities and nations are unwilling to achieve.

While saying that, we do know we have a responsibility to be good environmental stewards. I firmly believe Egyptian Electric Cooperative and SIPC are doing just that. In a 2009 member survey, over 90 percent of you indicated you are willing to pay no more than an additional 10 percent on your rates to reduce global warming.

Our goal therefore is to provide you with the energy you need, keep costs as low as possible and be good environmental stewards. Once again, a tall order, but I will promise you we will do our best because we are your electric cooperative and we are "Looking Out for You."

## 2011 Annual Meeting Scholarship

**A**n Egyptian Electric Cooperative college or college-bound student will walk away from the 2011 Egyptian Electric Cooperative Annual Meeting on July 21 as a very happy individual.

The Cooperative will be giving a \$1,000 scholarship to a member, or dependent of a member, that attends the Annual Meeting and has completed and returned the Scholarship Application by July 12. The selection will be made by drawing during the Annual Meeting.

- The applicant must be a member in good standing of Egyptian Electric Cooperative, or is the dependent of a member of the Cooperative who is in

good standing, and must have been a member for one year prior to July 1, 2011.

- All applications must be signed by the applicant and parent or legal guardian (if a dependent) and returned to the Cooperative by 4 p.m. July 12. Incomplete applications will not be accepted.
- The applicant, or if a dependent of a member, and the parent or legal guardian must attend the Cooperative's Annual Meeting on July 21, 2011 at the Steepleville American Legion. The applicant and parent/legal guardian (if a dependent) must be present at the time of the drawing.

- All applicants must check in at the registration table before 7:30 p.m. the evening of the Annual Meeting.

- The applicant must be enrolled, or have applied for enrollment, in a full-time undergraduate course of study at an accredited two or four-year college, university or vocational school for the Fall 2011 term.

- The scholarship will be sent directly to the recipient upon verification of enrollment.

Applications are available by contacting an Egyptian Electric Cooperative office or downloaded from our Web site, [www.eeca.coop](http://www.eeca.coop) and clicking the scholarship link in the Quick Links area.

**Accountability : We act in accordance with our core purpose and values.**

## Policy Changes

**A**t a meeting on April 25, 2011, the Board of Directors adopted changes to two of its policies, Policy Bulletin No. 104, Membership Security Deposit and Policy Bulletin 109A, Disconnection of Service for Non-Payment.

The changes to Policy 104 mainly deal with deposit situations where the member has had service disconnected for non-payment. In the past, policy stated the Cooperative could collect up to 2.5 times the average monthly bill when the member has been disconnected for non-payment. The new policy changes this to 3 times the highest bill during the preceding 36 months.

The policy change was made to reduce the Cooperative's financial exposure of providing electric service to those that have demonstrated a lack of desire to make payment arrangements with the Cooperative.

Policy 109A deals with the actual disconnection of service for non-payment. Should this occur, the new policy provides that payment must be by cash, money order, cashier check, or accepted credit card(s). No personal or third-party checks will be accepted.

Additionally, the policy provides that, should the member make payment prior to 3 p.m. on the day of disconnection, service will be

restored the same day at no charge. However, should payment occur after 3 p.m. but before 4 p.m., an after-hours service fee of \$150 will be required for service to be restored the same day. If payment is made after 4 p.m., a \$200 after-hours service fee will be required for same day reconnection.

Due to increased costs, including fuel, the Board also agreed to increase the connection fee \$5 to \$25. These policies are now in effect.

## 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. Investors invest in a company primarily for one reason; they expect a return on their investment.

A cooperative, on the other hand, distributes excess revenue to its members in proportion to their contribution of the revenue. The more you contribute to the revenue through your purchases (in our case, electricity), the more that's returned to you if there is excess revenue. We

call these refunds of excess revenue – *capital credits*.

The money represented by members' capital credits (sometimes referred to as patronage capital) is used by your cooperative to repay its long-term debt, to maintain reserves for financing of plant replacements, storm damage and other contingencies, and for other proper purposes. Because patronage capital has to be used in this manner, your board of directors has determined it is not in the best financial interest of the Cooperative to currently refund capital credits to the members.

Instead, the amount of patronage capital due you is recorded on an account established in your name and made a permanent part of the Cooperative's records. The amount

credited to your account may in the future 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 early discounted 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](mailto: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.

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Follow EgyptianCoop on Twitter to keep informed of outage status & important things you should know about your electric cooperative!

**Commitment to Community: We show compassion, care and courtesy to our members and the communities we serve.**

Illinois Country Living • June 2011 • 16c

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In 2008 and 2009, Egyptian Electric actually incurred a net loss from operations each year, so there were no margins to allocate to the members. In 2010, the Cooperative had sufficient margins to cover these losses and still have excess revenue to be allocated to the members in the amount of \$1,199,568.88. The Cooperative also received non-cash capital credit allocations from our memberships in Southern Illinois Power Cooperative (SIPC, our generation and transmission

cooperative) and Cooperative Finance Cooperative (CFC, our banking cooperative) in the amount of \$769,339.74.

To calculate the amount of margins allocated to you for 2010, you will need to know two amounts for each account in your name, the total dollar amount billed and the total kWh's billed in 2010.

Multiply the total kWh billed by .0696574246 and subtract the result from the total amount billed. Multiply this number by

.1098691055 to get the amount of the capital credit allocated to you from Egyptian Electric's operations.

To get the capital credit amount allocated to you by our membership in SIPC and CFC, once again multiply the total kWh billed by .0696574246 and subtract the result from the total amount billed. Multiply this number by .0704642063 to get the amount of capital credit allocated to you from Egyptian Electric's membership in SIPC and CFC.

**For example, let's say you used 19,966 kWh and were billed \$2,222.12. To calculate the capital credit amount for Egyptian Electric operations, we would do the following:**

19,966	then,	\$2,222.12	and finally	\$831.34
X .0696574246		<u>-1,390.78</u>		X <u>.1098691055</u>
1390.78		\$831.34		\$91.33

For the SIPC and CFC allocation amount:

19,966	then,	\$2,222.12	and finally	\$831.34
X .0696574246		<u>-1,390.78</u>		X <u>.0704642063</u>
1390.78		\$831.34		\$58.57

This member would have capital credits in the amount of \$91.33 for Egyptian Electric operations and \$58.57 for SIPC and CFC operations credited to their account.

In May, we will be printing the amount of capital credits allocated to your account for 2010 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.



**In observance of Independence Day, the office will be  
CLOSED on Monday July, 4th**

**Teamwork: We work together to provide excellent service.**