



Your Touchstone Energy® Cooperative

June 2012

P.O. Box 38
Steeleville, IL 62288
(618) 965-3434
(888) 554-8181 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

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.
3. During office hours, call: Steeleville... 618-965-3434 Murphysboro... 618-684-2143 After hours, call... 800-606-1505
4. Make sure you have the name as listed on the account and if possible, the account number.



If you haven't realized it's an election year, you probably haven't been reading any newspapers or watching television. If you've been bombarded with ads and campaign rhetoric, get ready for more; it will only get worse as we get closer to November. Even though we will be inundated with propaganda and the proverbial "talking heads", elections are a privilege we should not take for granted. Wars are being fought and lives given in other countries in the hope that they too might have the opportunity to openly elect their leaders.

Voting is a right our forefathers fought for many times over. Even though we no longer have to fight for this right, we do have the responsibility to exercise it in an informed and premeditated manner.

Electric cooperatives have strong feelings concerning elections. The second of the Rochdale Principles by which electric cooperatives operate is "Democratic Member Control." Not only are board members elected from the membership of the cooperative, but members vote on the bylaws by which cooperatives operate. And, very importantly, cooperative members have equal voting rights. Each member has one vote no matter how much electricity the household or business uses.

The fifth of the Rochdale Principles talks about education - the need to educate board members, employees, members and the general public. Similarly, in national elections, cooperatives believe our members should cast their ballot in an informed, educated manner.

To assist our members and the

members of other electric cooperatives in exercising their voting right and responsibility, our national association, the National Rural Electric Cooperative Association (NRECA) has developed a website, Vote 2012. You can access the site by going to our Web site www.eeca.coop and clicking on the link mid-way down on the left. At Vote 2012, you will find a link that will assist you in registering to vote. You'll also find information about electric cooperatives and some of our concerns and positions on some of the issues facing the electric industry in general.

I'm not going to discuss all of the issues of concern, you can read them yourself, but I would like to take a moment to point out a couple that will affect Egyptian Electric Cooperative, our generation supplier Southern Illinois Power Cooperative (SIPC) and you, our members.

CSAPR

The acronym (pronounce like the friendly ghost) stands for Cross-state Air Pollution Rule. While it may seem on the surface this might be a good rule from the Environmental Protection Agency (EPA), cooperatives and the electric industry believe there are some fundamental flaws in the rule:

- It requires more interstate air pollution reductions than

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Jim Riddle

Executive Vice President/ General Manager



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

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allowed by law.

- It uses flawed models to establish emission limits.
- It sets arbitrary state emissions budgets and unit allowances.
- It sets capricious compliance schedules.

CSAPR rules were finalized in August of last year, yet were scheduled to take effect in January of this year. Cooperatives have reduced SO<sub>2</sub> and NO<sub>x</sub> emissions by nearly two-thirds since the Clean Air Act was amended in 1990 and anticipate another 50 percent reduction to the remaining emissions in the next five years. By rushing this new rule, the EPA has set a time limit by which no power plant could reach compliance, and would therefore be forced to pay emissions penalties. At SIPC, it was anticipated that CSAPR could cost up to \$6 million per year. Our share of that at Egyptian would have been over \$1 million each year.

Fortunately the U.S. Court of

Appeals for the D.C. Circuit ordered a stay of the rule until a hearing and a decision on its legality could be reached. These arguments were scheduled to be heard on April 13, but as of this time, no decision has been announced.

### **EPA Greenhouse Gas Regulations**

Just recently the EPA announced a New Source Performance Standard that essentially eliminates coal as a possible fuel for any power plant built in the future. The standard requires any new source of generation to have an emissions level no greater than that of natural gas.

It is believed this level of emission can be reached, but it requires carbon capture and sequestration. This new technology/science is what the FutureGen plant announced for the Mattoon area was all about. If you recall, the administration canceled support of this project. With

government support, the project has stalled and will most likely never be constructed.

As there is no viable, known technology to reduce emissions to the levels the new rule requires, coal has essentially been removed as an energy source of the future. This comes at the same time many existing power plants are being closed due to concerns with the proposed CSAPR and while our economy is clawing its way out of the doldrums. While natural gas prices are at the lowest levels of many years, dependence on natural gas for all future generation will surely lead to price levels of the past.

### **Rural Energy Savings Program Act (RESPA)**

Cooperatives don't oppose legislation in general, just legislation that can negatively impact our members. When there is legislation that helps

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## **2012 Annual Meeting Scholarship**

**T**hree Egyptian Electric Cooperative college or college-bound students will walk away from the 2012 Egyptian Electric Cooperative Annual Meeting on July 26 as very happy individuals.

The Cooperative will be giving three \$1,000 scholarships to members, or dependents of a member, that attend the Annual Meeting and have completed and returned the Scholarship Application by July 13. The selections 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, 2012.

- 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 13. Incomplete applications will not be accepted.
- The applicant or dependent of a member, and the parent or legal guardian must attend the Cooperative's Annual Meeting on July 26, 2012 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 2012 term.
- The scholarship will be sent directly to the recipient upon verification of enrollment.
- Prior recipients of Egyptian Electric Cooperative Association Annual Meeting Scholarships are not eligible to receive a second scholarship.

Applications are available by contacting an Egyptian Electric Cooperative office or can be downloaded from our website, [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.**

## Pump up your pool's efficiency

After a summer workout in the yard, a swimming pool can provide a perfect summer retreat. But if it's a drain on your wallet, it may not be so perfect? Soak up these pool efficiency tips to save money while maintaining your personal oasis from the heat.

Every swimming pool is equipped with an energy guzzler: the pump. The bigger the pump, the higher the energy use. For every horsepower of pump, you can estimate it consumes approximately one kWh for every hour it runs. With an average of 720 hours in a month, a one-horsepower pump can use 720 kWhs, or over \$75 worth of electricity. A two-horsepower pump would use 1,440 kWhs or nearly \$150 worth. To minimize your energy use, make sure your pool uses the smallest pump possible. In this case, larger may not be better. New products like variable-speed pumps offer an effective way to save electricity. A knowledgeable pool supply or service firm can help choose a proper pump for your pool, taking into consideration its size, filter and piping.

Even greater savings can come from reducing the amount of run time your pump operates each day. Instead of running your pump all day every day, consider installing a timer to minimize how much your pump runs. Keep drains clear of debris, or your pump will work harder

to circulate water. Also, find a proper balance for backwashing the filter. Too much backwashing — the process of filtering and disposing of dirty water — wastes water, while too little strains the pump.

Here are some common myths that lead to extra pump time (and wasted energy):

■ **I need to run my pump to keep**

**chemicals mixed** – *FALSE*.

Circulate while adding chemicals, and they will stay mixed. There is no need to recirculate the water each day to “re-mix” the water.

■ **My pool will be dirty if I don't run my pump to constantly clean debris** – *FALSE*.

Try running your pump for six hours or less a day, as suggested by the U.S. Department of Energy's EnergySavers.gov. If the cleanliness is not to your liking, increase filtration time by 30-minute increments until you are satisfied. If six hours works well, try decreasing filtration time to find a balance with energy efficiency. To keep debris down without running your pump overtime, use a skimmer to manually clean the



water. Also, try using a timer to run your filter for several short periods during the day rather than allowing debris to pile up after one long continuous filtration.

■ **I need my pump to run continuously to keep algae at bay** – *FALSE*.

Proper chemical balance and brushing down pool walls are the best algae fighters.

Make sure your pool isn't draining energy dollars needlessly by adjusting pump time and investing a little legwork. You'll have a prime poolside spot to relax in afterward, and the relief you'll see on your power bill will be well worth the effort. Find more ways to save energy around your home at [www.TogetherWeSave.com](http://www.TogetherWeSave.com).

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our members, we actively support it. The RESPA, introduced on March 21, 2012, is one such piece of legislation.

RESPA would allow rural electric cooperatives to borrow money from the Rural Utilities Services (RUS – a division of the Department of Agriculture) and in turn make low interest loans to cooperative members for air-sealing,

insulation, heating/cooling systems and other home improvements that can be shown to reduce energy consumption.

I encourage you to visit our website and follow the Vote 2012 link, as well as the Our Energy, Our Future link on the left side of our home page. Please inform yourselves about the issues facing electric cooperatives and the electric

industry. Then, research the positions of the candidates on these issues. Blindly casting a ballot is not what our forefathers fought for.

I also encourage you to attend our Annual Meeting on July 26. Democratic member control and education are important parts of being a member of a cooperative. Don't take them for granted.

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

# 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 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 made 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 discounts early distribution of capital credits to estates 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@eeeca.coop](mailto:info@eeeca.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 2011, 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 2011.

Multiply the total kWh billed by .0676907222 and subtract the result from the total amount billed. Multiply this number by .1057692034 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, once again multiply the total kWh billed by .0676907222 and subtract the result from the total amount billed. Multiply this number by .0294263773 to get the amount of capital credit allocated to you from Egyptian Electric's membership in SIPC.

In June, we will be printing the amount of capital credits allocated to your account for 2011 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 2011 by account, just fill in the information below.

### EECA Capital Credits

Total amount billed in 2011	\$ _____ (a)
Total kWhs billed in 2011	_____ (b)
X multiplier A	.0676907222
Result	\$ _____ (c)
Line a – line c	\$ _____ (d)
X multiplier B	.1057692034
line d X multiplier B	\$ _____ EECA Capital Credits

### SIPC Capital Credits

Multiplier C	.0294263773
Multiplier C X line d	\$ _____ SIPC Capital Credits

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