



**Egyptian  
Electric**

Your Touchstone Energy® Cooperative 

P.O. Box 38  
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

# ILLINOIS™ COUNTRY LIVING

July 2010

## Official Notice of 2010 Annual Meeting

### OFFICIAL NOTICE 72nd ANNUAL MEETING

**7:30 P.M. JULY 27, 2010**

Action will be taken on the following matters:

1. Report on the number of members present, in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.
3. Reading of the unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees and committees.
5. Election of board members.
6. Unfinished business.
7. New business.
8. Adjournment.

Raymond Mulholland, Secretary  
Board of Directors  
Egyptian Electric Cooperative

The 2010 Annual Meeting of Members will be at 7:30 p.m., Tuesday, July 27, 2010 at the American Legion Hall in Steeleville, IL. Registration will begin at 5:30 p.m. and each registered member will receive a \$10 electric credit plus a free gift.

Before the meeting, food and refreshments will be served in the park next to the American Legion beginning at 5 p.m. During the meeting, members will hear reports on the condition of the cooperative and elect three directors. During the business session, a children's program will be offered in the small hall next door.

We look forward to seeing you on July 27.

*Registration Card. Cut out and bring to the meeting  
as your official registration.*

It's annual meeting time for Egyptian Electric Cooperative once again. This year marks the seventy-second time the members of the Cooperative have met to hear the reports of how their cooperative performed over the preceding year.

We know that our members come to the annual meeting for various reasons; hot dogs and ice cream, attendance prizes, or to hear if there might be a rate increase in the upcoming year. I can promise you there will be hot dogs, ice cream, and attendance prizes this year.

I know the big question is, "Will rates increase over the coming year?" This issue is something the Cooperative's management and board look at very seriously. The board, as your elected representatives, has two goals when considering rate issues. The first is to keep rates for our members as low as possible and equitable between the different classes of members (residential, small commercial, industrial). The second is to ensure the Cooperative has the revenue it needs to pay wholesale power costs, maintain the electric distribution system and make improvements to the system to deliver electric energy to the Cooperative's members in a reliable manner.

These goals are actually contradictory to each other and mean the board must make decisions that balance each goal. To do that, we use a process called a cost of service and rate study. At the present time we are undergoing a study with the assistance of a consultant, our statewide association in Springfield. We are very fortunate they have an engineer on staff that has vast experience in rate making. This saves us considerable expense as otherwise we would have to contract with an outside firm which is generally rather expensive.

A rate study assists the management and board in making rate decisions that are fair and equitable to all classes of members and ensures the Cooperative has the appropriate funds to maintain and improve the

electric system. The cost of providing service is allocated to each class based on real costs of serving those members in that category. Once costs are established, they are subtracted from the revenue that class contributed. The goal is to ensure each class is contributing to its fair share of costs and is not being subsidized by another class. If this is the case, then rates may need to be modified to ensure all are treated fairly.

One of the major costs that go into the rate study is the wholesale cost of electricity. In 2008, the last time Egyptian had a rate increase, we instituted a power cost adjustment if our wholesale cost of electricity rose above \$0.0584465 per kilowatt-hour (kWh). With increased costs of purchasing coal, the cost of buying electricity from the grid and other increases in producing electricity, our wholesale costs have ranged from \$0.07335 to \$0.06477. That means you have seen anywhere from two cents to slightly over one-half a cent per kilowatt-hour added to your rate. At present, we have seen the lowest wholesale power cost adjustment since the adjustment was instituted in 2008. While that is good news, we do not anticipate it going lower in the future.

At this time, the rate study indicates that we do not currently need a rate increase. It does show that we may need to look at modifying the rate somewhat. As we doubt wholesale power costs will go down in the future, we are debating whether we should incorporate a portion of the wholesale power cost into the rate structure. If we do this, it would mean the published rate would go up, but the wholesale power cost adjustment would be decreased accordingly.

The rate study does indicate that we need to look into a couple of other modifications to rates and your board and management will review these as we move forward. One of these is the facility charge. The facility charge is intended to cover the costs of having electric service available; a transformer, meter, service wires and a portion of the electric distribution system needed to serve you. The rate study indicates this should be somewhere over \$35 per month. This is an area that will be discussed extensively.

The other modification we will look at in the future is the use of a declining block rate. This type of a rate structure charges more for the initial electricity (kWh's) used but goes down the more electricity is used, rewarding high users. We currently charge 10.4 cents for the first 500 kWh and 7.7 cents for everything over that. With the awareness of the need for energy efficiency to lessen our impact on the environment, many utilities are moving to a flat rate where the electricity is the same no matter how much is used or to an inverted rate where the price actually goes up the more electricity is used, thereby encouraging conservation. We do need to examine whether our rate structure reflects the current power market environment.

In these tough economic times, I am proud to say that we have been able to maintain the costs here at Egyptian and have not increased the portion of the rate we need to be able to serve you, especially considering the devastating and costly storm we suffered last year. I believe it is a testament to the quality of employees, management and directors that serve you. See you at the annual meeting on July 27.

**Jim B. Riddle**  
Executive  
Vice President/  
General Manager



# Board Of Directors Annual Meeting Invitation

## Attend and get your \$10 credit

On behalf of the board of directors of Egyptian Electric Cooperative, I extend a personal invitation for you to attend your cooperative's Annual Meeting. The meeting is Tuesday, July 27, 2010, at the Steeleville American Legion Hall. The hall is air-conditioned and is usually very comfortable in spite of the summer heat. We are planning a short business meeting to conduct the necessary business affairs of the cooperative. Before the meeting, food and refreshments will be served in the park adjacent to the Legion beginning at 5 p.m. There will be entertainment inside the hall starting about 5:30 p.m. A children's program is planned in the small hall next door during the business session. Plan to come early and join in the socializing.

Every member registering gets a free gift PLUS a \$10 electric credit for attending. Registration begins at 5:30

p.m. If you are registered by 7:30 p.m., you'll be included in the drawing for our 72nd Anniversary prize of \$300 cash and the two grand prizes of \$100 electric credits.

It seems the most effective method of getting word to the members about the Annual Meeting is for those reading this announcement to tell others about it. Please help us out and remind your friends and neighbors about the Annual Meeting. Better yet, bring them with you and let's have a big turnout. This is your opportunity to participate in the operation of your cooperative and we promise you an enjoyable evening.

Gilbert Kroening  
President of the Board

## Where at? "Watts" up? And Who's on?

Gather up your family, friends and neighbors and join us for our picnic in the park followed by a short business meeting in the air-conditioned hall at the American Legion in Steeleville. The employees and directors are busy preparing for the 72nd Annual Meeting of Egyptian Electric. There will be outside activities before the meeting as long as it doesn't rain. Hot dogs, soda and ice cream bars will be served from 5 until 7 p.m. in the park pavilion. Should it rain, the food will be served in the small hall. Seating outdoors is limited so you might want to bring lawn chairs. We have a children's program planned in the small hall starting at 7:30 p.m. with something special for the youngsters.

Shortly after registration begins, Duane Grapperhaus from Breese, IL, will take the stage in the air-conditioned hall while you're waiting for the meeting to begin. With over 35 years experience in performing your favorite songs, Duane is looking forward to your requests and will encourage you to sing along or even dance in the aisles before the meeting starts at 7:30 p.m. Come early so you can sit back, relax and enjoy the entertainment!



# MINUTES OF THE NOMINATING COMMITTEE

May 18, 2010

The Nominating Committee, in Compliance with the by-laws of Egyptian Electric Cooperative Association, met in Steeleville, Illinois, in the office of the Cooperative, on May 18, 2010, at 8:00 p.m., to nominate candidates for the office of Director of the Cooperative to serve for a three-year term and to be voted upon by the membership of the Cooperative in its Annual Meeting to be held on July 27, 2010, in the Steeleville American Legion Hall.

Attorney William Broom opened the meeting by stating that the purpose of the Nominating committee is to nominate candidates for the office of Director of the Cooperative, and that the terms of Mr. Allen Haake, Mr. Ken Jarrett, and Mr. Kevin Liefer were expiring this year.

A roll call of the members of the Nominating Committee was taken; and Mr. Russell Biggs was absent. Attorney Broom stated that the first

order of business would be to select a chairman and a secretary of the meeting.

Mr. Stuart Langrehr was duly selected as chairman of the committee, and Attorney William Broom was selected as secretary of the meeting.

The chairman requested the secretary to read the minutes of the last year's Nominating Committee meeting. The minutes were approved as read by all members present.

The chairman instructed the committee that three or more nominations could be made by the committee and placed on the ballot. Following a discussion on this, it was unanimously agreed to nominate three candidates.

Mr. Rick Fager nominated Mr. Allen Haake, Mr. Kenneth Hollmann nominated Mr. Ken Jarrett, and Mr. Stuart Langrehr nominated Mr. Kevin Liefer for the office of director of

the Cooperative. Mr. Arthur moved that the nominations be closed and that they be nominated by acclamation, and that their names be placed on the ballot to be voted upon at the Annual Meeting of the members on July 27, 2010.

The motion was seconded by Mr. Prest and unanimously carried.

There being no further business, motion was duly made and seconded that the meeting be adjourned. Motion carried.

Stuart J. Langrehr, Chairman  
Ken Hollmann  
John Helmers  
Robert D. Arthur  
Donald L. Stallman  
Richard Fager  
Roger S. Morgenstern  
Loren Prest

## REGISTRATION INSTRUCTIONS

Registration will open at 5:30 p.m. and will be similar to last year. Please cut out the postcard on the front cover with your name and bring to the meeting. It will simplify the registration process. The person registering must have his/her name on the account. There is no proxy voting. We will have three lines inside the main hall for registering members. They will be located in the offset in the back of the large hall. All registered members will receive a \$10 credit on their electric bill plus an attendance gift. You must be registered by 7:30 p.m. to qualify for the \$300 anniversary prize and the two \$100 electric credits. To be eligible for our prize drawing and receive your \$10 credit and an attendance gift, you must register.

## PROGRAM AND EVENTS

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|-----------|---|
| 5:00 p.m. | <b>Serving begins in the park</b><br><i>-- Hot dogs, chips, soda &amp; ice cream bar</i><br>Outdoor activities                            |
| 5:30 p.m. | <b>REGISTRATION BEGINS (Legion large hall)</b><br>***free gift for each registered member   |
| 5:45 p.m. | <b>Entertainment by Duane Grapperhaus (large hall)</b>  |
| 7:00 p.m. | <b>Outdoor activities end</b>   |
| 7:30 p.m. | <b>Drawing for prizes</b><br>Anniversary Prize - \$300 cash<br>2 - \$100 Electric Credits Grand Prizes<br>Children's Program (small hall) |
| 7:35 p.m. | <b>Business Meeting begins</b>  |

*In case of rain, food will be served in the Legion small hall and outdoor activities will be cancelled.*