

September 2012

Mission Statement:

Improving the quality of life of our member-owners.

James B. Riddle

Executive Vice President/
General Manager

Board of Directors

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

Office Closing

Labor Day,
Monday, September 3

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. To report an outage, call 800-606-1505
4. Make sure you have the name as listed on the account and if possible, the account number.



Integrity, Accountability, Commitment to Community and Technology. Those are the four core values of Touchstone Energy, our national branding cooperative that provides us with many of the tools, products and services that we use to better serve you, that we could not provide by ourselves. Quite often we talk about the first three values, but not too frequently on technology.

Webster's Dictionary defines technology as "the branch of knowledge that deals with the creation and use of technical means and their interrelation with life, society, and the environment, drawing upon such subjects as industrial arts, engineering, applied science and pure science." In layman's terms, to us it means using science, new products and new services to improve our members' quality of life, to provide them with better service and to solve problems.

AMI

How do we use technology to improve our service to you? Let's start with the meters we installed several years ago, what we call advanced metering infrastructure or AMI. Before these meters, the majority of our members had to read their meter on the 20th of the month, calculate the bill, and send in the reading and payment. You can only imagine the issues with that system---unread meters, meters misread, subtraction errors and incorrect payments. Each one of those generated a billing error notice that had to be mailed out and each member reading had to be posted by hand in the office.

Today, with AMI, you no longer have to remember to read your meter, we read it remotely across our power lines (our system does not use radio waves) and we send you a bill each month. We no longer have to mail error notices or make

huge mailings of billing material. The AMI system makes the billing process more accurate, simpler, less expensive and more user friendly.

An additional benefit of the AMI system is that instead of just one reading a month, we get a daily reading. When members question their consumption, we can look back and see how much was used each day. Many times we've been able to help members diagnose a problem by knowing what day the increased usage started.

eBill

We also use technology to assist you in paying your bill. By accessing the ebill system from our Web site, you can make payment by credit card or echeck at any time of the day. You can print out your past bill if you lost it or look at past usage history to compare consumption.

Outage management

We also use technology to better manage outages. Years ago, supervisors on call would take members' calls, write service locations on yellow note pads and attempt to sort out the outages by hand. You can imagine how challenging that was if a large storm passed through the region.

Today, when a storm causes large outages, your call is routed to a call center that can receive numerous calls at once. Your service location is noted and it shows up on our outage management software immediately. Supervisors can see at a glance what lines are out, how many members are

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Jim Riddle

Executive
Vice President/
General Manager



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

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affected and can dispatch crews effectively. Although the AMI meters do not report that they are out of power (if service is out, the communication module inside can no longer communicate across the power lines), supervisors can selectively 'ping' a meter to see if it has service. If the system can communicate with the meter, we know it is in service, but if it cannot communicate with the device, then we can assume power is out.

By pinging meters along a line, supervisors can diagnose if just one phase is out on a three-phase line or if the entire line is out. They can also tell if the outage is just at the end of the line or if the whole feeder is out. All of this information allows them to make quality decisions on how best to dispatch crews.

Security deposits

We also use technology to determine how much security deposit a member should post for service. Years ago, the policy was that all new members had to pay a security deposit. That meant even those with no risk of default had to pay a deposit and the deposit amount was not reflective of the risk or level of exposure the Cooperative might have. Today we are able to use third party risk analysis software that estimates the possibility of default. Members with a low risk no longer have to post a deposit. Those with higher risk, post deposits more reflective of that risk.

EasyPay

And now today, we're taking the AMI system we installed years ago to a new level with new technology that will assist many of our members. Our meter manufacturer is now able to install a switch inside the AMI meters we use. We're coupling this with an in-home display device that will allow us to offer a prepaid billing program we call EasyPay.

Each day, the system will read the meter, figure how much electricity was used since the last reading, calculate the dollar amount of that usage and send the information to the in-home display. The members will be able to see the status of their account, their average daily usage, how much they used yesterday, this month, and

last month. They can also access the same information on the Internet by going to our ebill system.

When their prepaid credit is less than four days of average usage, the system will warn them they are nearly out of credit. Should they let the amount get to zero, the meter will shut itself off (except on holidays and weekends). To restore service, the members can make a payment on their account on our Website, by calling the office with a credit card or by making a payment at one of the offices. Within a short time of payment being made, the meter will turn itself on.

Why is the EasyPay system and technology good for our members? With the state of the economy and recession, some of our members are having a tough time. They may be faced with larger deposit requirements, a large bill they cannot get caught up on or just having a



tough time budgeting their bills. With EasyPay, the Cooperative's risk exposure to default is much lower, so deposit requirements will generally be the same. And for some members, making a \$25.00 per week payment is much easier than having to pay \$100.00 each month. For members that currently have a large deposit posted, it can be a way for some of that deposit to be returned to them.

If the EasyPay program sounds like something that can assist you, please contact any of our member service representatives for more information.

EasyPay is not for everyone. However, for some of our members, it will make it easier to start service, continue service and quite often help members manage their daily usage. It is just one more way we try to use affordable technology to improve our members' quality of life and to improve the quality of service we provide to you.

Board Elections

At the 74th Annual Meeting of the Members on July 26, members re-elected Randall Campbell, Chester; Paul Hicks, Carbondale; and Paul Pyatt, Pinckneyville, to represent them for an additional three years on the Board of Directors.

The three join Larry Ebers, Steepleville; Allen Haake, Murphysboro; Ken Jarrett, Jacob; Gilbert Kroening, Carbondale; Kevin Liefer, Red Bud; and Raymond Mulholland, Marissa, on the Board.

After the meeting, the Board held a re-organizational meeting and selected Liefer as President, Campbell as Vice-President and Jarrett as Secretary-Treasurer for the upcoming year.



Left to right: Executive Vice President/General Manager Jim Riddle, Paul Hicks, Randall Campbell, Paul Pyatt.

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

AC Replacement

Some of you might be considering replacement of your air-conditioning system after the extreme heat of this summer. Not only can this represent a major cash outlay right now, selecting the right (or wrong) system can affect your costs and comfort for years to come. Here are some questions and information that might assist you in making the right decision.

Should I replace all of the equipment at the same time?

Unless the existing system is relatively new and something catastrophic has happened to either the indoor or outdoor unit and you can get an exact match for the failed unit, you should replace both units at the same time.

When replacing air-conditioners and heat pumps, consider units with a two-stage compressor. Two-stage systems use less energy and tend to remove more moisture from the air increasing the comfort level. To take advantage of the two-stage system, the indoor unit should have a variable speed fan. Older air handlers will have a single speed fan and will need to be replaced. Matching a new two-stage compressor outdoor unit with the right air-handler will make sure you have the most efficient and comfortable system for your investment.

Does my duct work need to be replaced?

Only an inspection by a qualified heating and air-conditioning technician can answer that question. For your system to work properly, all duct work should be properly sized (including the return system), air-sealed and insulated. Make sure the technician inspects the existing duct work, especially if any portion of it is in an attic or crawlspace. Quite often older flex duct in attics develops substantial air leaks as the plastic ages and may need to be replaced.

What size system should I install?

This is one of those cases where larger is not better. An over-sized air-conditioner will cost you a larger



initial investment, cycle more frequently which is less efficient, will remove less moisture from the air and may cause your duct work to be noisy due to the larger air-handler required.

To make sure he installs the right size for your home, the technician should perform a detailed load calculation. This takes into account the insulation levels of the home, the square footage, amount of glass and all of the other items that cause the home to need cooling. It will also insure the proper amount of air is distributed to each room.

When replacing an existing system, many technicians install the same size as the old one. This is making the assumption that whoever installed the original system installed the right size and that no changes have occurred to the home. If you've added insulation, installed more efficient windows and doors or made other improvements, you may be able to install a smaller unit. Or if you've added on, you may need a larger one.

No matter, the technician that wants to install the best system for you will always do a load calculation.

How efficient a system should I install?

The easy answer to that is "the most efficient one available". But that's not a very realistic or informed answer.

Upfront costs, operating costs, utility rates and how long you expect to stay in the home are just a few of the things you may want to consider.

The more efficient the system, the more you should expect to pay upfront. Higher efficient units will have more coils so they can transfer heat more efficiently, and they'll have more efficient fans and compressors.

Many of the software packages technicians use to complete the load calculation also allow them to make operating estimates. They can show how much a more efficient unit will save over a basic system. Once you have that information and how much more it will cost up front, you can decide what level of efficiency is the best investment for you.

Does the thermostat make a difference?

Absolutely. That little box on the wall is the mechanism that drives the system. Newer electronic thermostats have many options that can help your system be more efficient. Variable speed air handlers and two-stage compressors need thermostats with more intelligence than single speed air handlers and single stage compressors.

Intelligent thermostats can vary how the components work together to help reduce humidity in the home. They can also be used to raise the temperature setting during periods when no one is home to reduce energy use.

Some units have the ability to chart run time so you can see how much your system has operated each day. And many can remind you when it is time to change the filter.

That said, you may not need the most expensive thermostat with the most options. Just remember, the thermostat drives the system, so make sure you have one that can take advantage of the options your system has to offer.

How do I select a contractor?

Selecting the right contractor is the key to a successful cooling or heating system. Generally speaking, cheap is not the best. As labor and material

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

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costs are typically fairly consistent from contractor to contractor, one with a 'low-ball' price means he probably isn't going to do something the other contractors felt was needed.

Here are some tips to help you decide.

Licensing: ask what, if any licenses, certifications and qualifications they and their technicians have. Are they members of any contractor associations? (Associations typically provide quality training opportunities.)

Did the contractor inspect your home and duct system? Did they do a detailed load calculation to ensure they have the right size?

Can the contractor supply you with estimated annual operating costs for different efficiencies?

Does the contractor have adequate staff to install your system promptly and then to promptly respond to service calls. What guaranties, warranties and follow-up services are offered?

Get at least three written estimates for the work with detailed information. Will the existing duct be modified, replaced, repaired, sealed or insulated? Get in writing when installation can begin and when it can be expected to be completed.

Remember, your cooperative member

service personnel are a good independent source of information. Although we cannot make recommendations on contractors or specific brands of equipment, we can offer you unbiased answers to questions you may have.

SEER Ratings.

SEER (seasonal energy efficiency rating) is the number you can use to compare the efficiency of different systems. The higher the number, the more efficient the system. By law, 13 SEER is the minimum efficiency available.

Economy 13 SEER	Efficient 14.5-17.0 SEER	Very Efficient 18.0-24.5 SEER
\$	\$\$	\$\$\$
The minimum SEER available. These systems will be single speed compressors and air-handlers.	Larger coils, better motors and electronic components. Anything over 14.5 SEER is considered Energy Star. Two stage compressors and variable speed air-handlers typically have 16 or higher SEER ratings.	These units have even larger coils and more efficient components. As you reach the upper end of the scale, you will find variable speed compressors, matching the operating speed of the system to the needs of the home for that moment.

Scholarship winners

Three students were selected by random drawing at the 74th Annual Meeting to receive \$1,000 scholarships to continue their education. Over 30 students had registered for the drawing.

The three lucky students were Abbie Lehman, Marissa; Blake Nanney, Chester; and Jared Olson, Campbell Hill.

Applicants for the scholarships had to be a dependent of a member in good standing of the Cooperative, be present at the Annual Meeting and must enroll in a full-time undergraduate program at a two or four-year college, university or vocational school for the fall 2012 term.



Pictured l-r: Outgoing President Paul Pyatt, Abbie Lehman, Blake Nanney, Jared Olson, and newly elected President, Kevin Liefer.



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Teamwork: We work together to provide excellent service.