



Your Touchstone Energy® Cooperative 

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(618) 965-3111 fax

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Murphysboro, IL 62966
(618) 684-2143

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

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

November 2011

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

Office Closings

Veterans Day,
Friday, November 11

Thanksgiving,
Thursday, November 24
Friday, November 25

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.



Explaining the upcoming rate change

For quite some time now, I've been discussing a pending rate increase that will most likely take place shortly after the first of the year. One of my promises to you was that I would keep you informed and tell you what the new rates will be as soon as I possibly could. As much as I was hoping to be able to give you the final numbers this month, I am unable to do so. The reason for that is due to another promise ... that we would not take any more of your dollars than we need to.

As my staff and I worked through the budget and rates for next year during August and September, I was hoping to be able to finalize everything at the September board meeting and report to you this month. But as I worked through the process, I realized this was not something I wanted to rush or ask the Board to rush to a decision on. Your dollars are too important to you and should not be taken lightly by us.

One of the reasons I wanted more time was so that we could look for additional ways to cut the budget and reduce our expenses. We're doing that right now. My goal is to have those final numbers for you in the December magazine. As we work through this, there are several things I want to point out.

As a Cooperative, our motivation is how we can best serve you, our member-owners. As a not-for-profit Cooperative, we do not have a directive to maximize profits for shareholders or board members. Our salary is not based on profit sharing

nor do we receive stock options as a means to encourage us to maximize profits.

We will reduce expenses as much as we can. However, we are your electric supplier and we know you depend on us for reliable electric service. I will not reduce right of way or system maintenance. To do so would be penny-wise and pound-foolish. Reducing either of these two items might save in the short term, but if any kind of storm should roll through the area, reduced maintenance would increase the damage and our costs.

We anticipate 2013 power costs to be lower than 2012. This is because Norris Electric Cooperative in Newton has signed a contract to begin buying their power from Southern Illinois Power Cooperative (SIPC) in 2013. Rather than increase rates next year, then reduce them in 2013, we are planning to set your 2012 retail rate to cover the 2013 wholesale rate. This means we will definitely have a loss next year and will have to borrow to meet expenses, but we believe this to be better than raising your rates next year and then lowering them the following year.

The rate increase will most likely start with your March bill for

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Jim Riddle

Executive
Vice President/
General Manager



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

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February usage. SIPC will begin billing us January 1 for the higher wholesale rates, but to lessen the impact on you during what is typically the coldest month with the highest usage, we are going to wait one month before passing the new rates on to you.

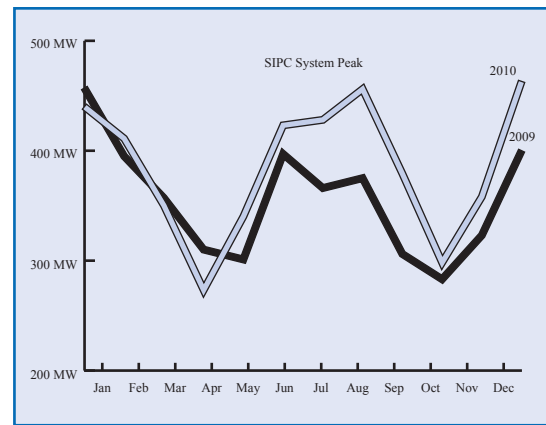
We will probably have a flat rate per kWh residential rate. In the past, we have used a two tiered declining block rate — after 500 kWh's the rate per kWh went down. A flat rate will lessen the impact on those that use smaller amounts of electricity, which is quite often those on fixed incomes. Members that use more electricity may not consider this fair, but the need for additional electric generation is being caused by those that use higher amounts of electricity; therefore, they should probably bear more of the additional costs.

As the need for a rate increase is being caused by SIPC's purchase of a portion (125 MW of the 1,600 total MW or 7.5%) of the new Prairie State Energy Campus near Marissa, some might question if this was a good decision. First, please remember the decision to purchase a small portion of Prairie State was made in early 2007. No one foresaw the

economic recession of 2008 and the resulting decline in manufacturing and energy use.

SIPC continues to see load growth since the 2008 recession. As you can see in the chart, SIPC's load grew considerably in 2010 and its peak loads exceed the base load generation capacity of the plant (290 MW). When SIPC loads exceed the capacity of the plant, they have to buy electricity from the grid. Due to increased environmental compliance costs, it is anticipated that many older, coal fired power plants will be taken out of service, just as Ameren recently announced they will be closing their plants in Meredosia and Hutsonville. These closings and a growing economy will cause the price of grid electricity to increase. The 125 MW of capacity from Prairie State was, and is, needed to ensure cooperative members have access to a stable supply of electricity.

Prairie State would have proceeded with or without SIPC's



participation, but Prairie State gives us the opportunity to acquire capacity that we otherwise would not have had access to. SIPC is unable to add capacity at its existing site due to environmental concerns and cooling water requirements. Attempting to build capacity on their own would have been expensive and exposed SIPC and its member-cooperatives to large financial risks. Partnering with others in Prairie State gives us capacity while minimizing the cost of construction and risk.

If higher usage and the resulting bills are a concern for you in the winter time, I do want to encourage you to sign up for our budget billing

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Sign up for budget billing

Do the highs of winter and summer get you down? Or should we say behind? We know for many of our members the higher usage months of winter and summer can be tough to budget for. Signing up now for budget billing can help relieve the stress of those larger months.

Egyptian Electric Cooperative's Budget Billing program allows you to level out those higher bills and pay the same amount each month. That's why it's called budget billing. You can budget for the same amount each month.

To participate in the budget billing

option, you must own your home and have lived there for a year or more.

We then take your annual usage and spread it out over 11 months. This provides you a cushion for unexpected weather and possibly keeps you from owing a large settle-up amount at the end of the budget billing cycle.

Although you pay the same amount each month, you still receive a bill showing you the exact amount of electricity you used and the amount of that month's bill. Then in May, we settle-up, deducting any credit or including any under-payment.

To remain in the program, you must keep your account current. Failure to do so may result in removal from the program.

Another option you may want to consider is the automatic payment plan (ACH). Each month the amount of your bill will be sent from your bank account (checking or savings) to the Cooperative on the due date of your bill. No more late fees, checking fees or paying postage.

To sign up for either of these payment plans, please contact the office nearest you.

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

2012 Thomas H. Moore IEC Memorial Scholarship Program

The AIEC Board of Directors in 1994 voted to establish an Illinois Electric Cooperatives (IEC) Memorial Scholarship Fund. The Fund is designed to financially assist deserving students in the “electric cooperative family,” while also providing a means for co-ops and individuals to honor deceased members of the co-op family through memorial gifts. The “driving force” behind the fund’s creation was Thomas H. Moore, Executive Vice President and General Manager of the AIEC from 1961 to 1994. The AIEC Board voted to rename the scholarship program to honor Mr. Moore following his passing in 2008.

The scholarship program prospered under the leadership of Earl W. Struck, who succeeded Mr. Moore and served as President/CEO of the AIEC from 1994 to 2006. Mr. Struck passed away in August 2007. The AIEC Board of Directors that month voted to honor Mr. Struck’s memory by naming the annual scholarship awarded to the son or daughter of an electric cooperative employee or director the “Earl W. Struck Memorial Scholarship.” Mr. Struck was born and raised in Murphysboro and was active in the 4H program during his youth. His parents were long time members of Egyptian Electric Cooperative.

The Illinois Community College System Foundation (ICCSF) administers the Thomas H. Moore IEC Memorial Scholarship Fund. Eight scholarships a year are awarded.

Four scholarships a year are awarded to students who are the sons or daughters of an Illinois electric cooperative member. An additional scholarship (the Earl W. Struck Memorial Scholarship) is awarded to a student who is the son or daughter of an Illinois electric cooperative employee or director. These five scholarships can be used at any two-year or four-year accredited college or university in the United States, including vocational/technical schools. The sixth and seventh scholarships are awarded for use at an Illinois community college, and sons and daughters of Illinois electric cooperative members, employees and directors are all eligible.

The above seven scholarships are for \$1,250 each and are not renewable. Applicants must be high school seniors and apply through their local electric cooperative. The deadline for submitting completed applications to the local electric cooperative is January 1 of each year.

The eighth annual scholarship, the “LaVern and Nola McEntire Lineworker’s Scholarship,” was awarded for the first time in 2011. This \$1,250 scholarship will help pay



for costs to attend the lineworker’s school conducted by the AIEC in conjunction with Lincoln Land Community College in Springfield, Ill. LaVern McEntire served as a line-man for McDonough Power Electric Cooperative from 1949 until 1991. He and his wife, Nola, helped to endow and establish the new scholarship to financially assist deserving individuals in becoming trained line workers.

Relatives of co-op employees or directors are eligible for the lineworker’s scholarship, as are individuals who have served or are serving in the armed forces or National Guard.

For more information and scholarship forms, please visit our Web site, www.eeca.coop under the Misc menu.

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program. Budget billing will not reduce your annual costs, but it will even out the high bills that can occur in the winter and summer. Now is a good time to sign up before winter bills get here.

By this time next month, we

should have final rates and plans approved and ready to announce to you. It is not the kind of news I enjoy delivering, but it must be done and we will do it as quickly as we can. If not for my desire to find additional reductions, we

would have had it to you this month, but I really want to make sure we do not take any more of your dollars than we absolutely must.

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

Ready for winter?

As they say, do not shoot the messenger. That said, before you know it, cold weather and winter will soon be upon us. With colder temperatures comes more energy use to keep our homes warm. Before winter hits, now is a good time to take a look around your home and make sure it is ready for winter.

Start with a systematic, top to bottom approach. Most homes leak air out the top (due to static air pressure, warm air being lighter and wanting to rise) and suck it in at the bottom (what goes out, must come back in).

In the attic, take note of the type of insulation and the amount. There are basically three kinds prevalent in this area — fiberglass batts, loose fill fiberglass and cellulose. Most everyone recognizes fiberglass batts. Loose fill fiberglass can look like shredded pieces of fiberglass batts or like white cotton balls. Cellulose is ground up paper and is generally grey in color.

You typically need about 12" of insulation in your attic to reach Department of Energy (DOE) recommendations (R-38) for our region. If yours is less than that, you may want to give serious consideration to adding more.

If your insulation is loose fill fiberglass, consider adding cellulose on top of it to make it perform satisfactorily. Building science discovered years ago that loose fill fiberglass lets air move through it, reducing its rated R-value. In fact, most energy experts with a building science background will tell you that for any fiberglass insulation to function properly, it should be encapsulated on all six sides to eliminate air movement. Cellulose insulation has a high density and can reduce air movement, so it works well on top of fiberglass batts and loose fill fiberglass.

While in the attic, look for places

where air from the living area below can rise into the attic. Take an especially close look at plumbing vent stacks, wiring circuits, recessed can lights, kitchen cabinet soffits, wall plates or any other spot the ceiling surface below is not contiguous. These areas let air leak from below and need to be sealed. Fiberglass insulation that is discolored is an indication air is moving through it—the discoloration is the dirt that has been filtered out of the air.

Cathedral ceilings should be examined to ensure all surfaces are insulated to the full R-38 attic requirement. Many times, vertical surfaces are thought of as 'walls' and only insulated to wall levels. In reality, these vertical surfaces separate living areas from attic temperatures and should be insulated to R-38, just like horizontal ceilings.

Finally, take a look at the integrity of the insulation, especially batt insulation. If you can see gaps or batts are humped up over wiring circuits, cold air can most likely reach the ceiling surface below. If you see these situations, consider having a few inches of cellulose insulation blown on top of the existing batt insulation to seal it off.

After your attic inspection, move to the basement or crawlspace (if you have a concrete slab floor, you're finished). We normally don't recommend insulating the floor between the basement or crawlspace, but rather insulating the perimeter. In a basement, this means insulating all exterior walls.

Many believe an unheated basement does not need to be insulated. Concrete has minimal insulation value; an 8-inch concrete wall has an R-value of .88, the same as a single pane glass. And, according to the second law of thermodynamics, heat moves from the warm to the cold. In other words, heat will move from the warm, heated rooms above to

the unheated basement. Contrary to popular belief, heat does not rise, warm air does and there is a difference. Warm air is light and does rise, heat will try to equalize by moving from the warm to the cold. We air-seal as discussed earlier to stop air rise; we insulate to stop heat equalization. That's why it is recommended all basements and crawlspaces be insulated.

Because basements and crawlspaces are below grade, fiberglass should not be used in these areas. Instead, consider rigid or spray applied foams. And when insulating a crawlspace, make sure there is a good vapor barrier over the soil to keep soil moisture from evaporating into the crawlspace and eventually into the home above.

As Mr. Riddle says in his article this month, our motivation as employees of the Cooperative is to serve you. We are here to answer your insulation questions and to guide you in the best ways to minimize your energy consumption. Feel free to email me (bcramer@eeca.coop) or call at any time. If you have a particular situation you have a question about, take a digital photograph with a camera or your cell phone and send it to me. That will help greatly in providing you with the correct measures for your particular situation.

As the Nike commercial says, "Just do it" now.



Teamwork: We work together to provide excellent service.