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Recap from the 73rd Annual Meeting of Members

EnerStar members updated on cooperative improvements

EnerStar Electric Cooperative members recently celebrated the co-op's annual meeting held on Saturday, March 17, in Paris. After a complimentary pancake and sausage breakfast served by cooperative employees, members heard an update regarding the past year at the co-op and plans for the future.

EnerStar CEO Peter E. Kollinger addressed the many improvements at the cooperative over the past year. This is a summary of his discussion points during the business meeting.

Rising energy costs and market uncertainty

First on Kollinger's list was giving members an idea of where electric rates are heading. To do that, Kollinger explained what was happening on the national level.

"On the national level, uncertainty is the driving force, and unfortunately, that makes it hard to prepare for the future," said Kollinger. "Electric utilities look at the long term with some contracts being 25 year plus. But the current political climate makes it very hard to focus on our two biggest priorities: affordable and reliable power." He explained that pending rules and environmental regulations on power



Outgoing board member Tom DeWitt of Newman was honored for his years of service to the cooperative, of which seven of those years he served as board chairman. He was also recognized as an outgoing director by the Association of Illinois Electric Cooperative Association in Springfield, Illinois.

generation plants are creating uncertainty in the power market.

But he did pass on the positive news that Wabash Valley Power Associations (Wabash), the generation and transmission cooperative that serves EnerStar, has been transitioning from a co-op that relied on plentiful coal to a co-op that believes in adding diversity to its fuel sources due to governmental regulations.

"In the last year, Wabash has

reduced the use of coal to produce electricity by 12 percent" Kollinger said. He added the move by Wabash may perhaps shield its cooperatives from skyrocketing rate increases due to increasing legislation.

Future retail rates and holding down co-op expenses

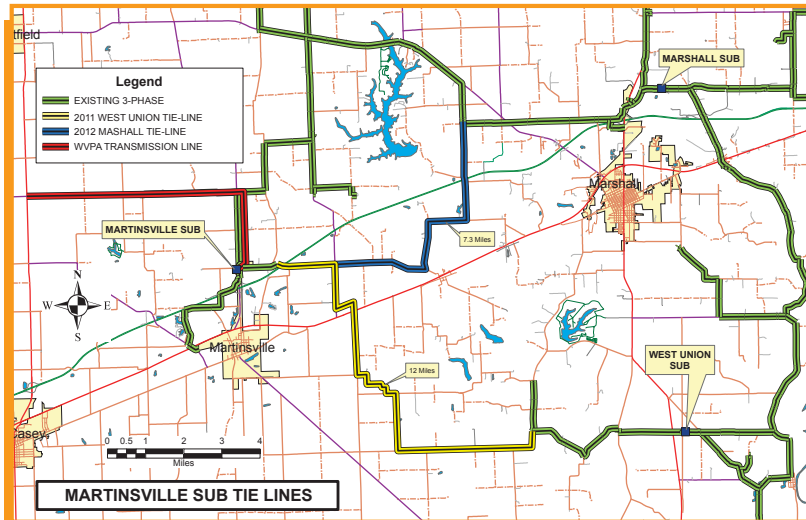
Even with the changes at Wabash, Kollinger announced that a rate increase is inevitable but added the EnerStar Board operates with the clear intent of keeping cost increases at a minimum.

He said EnerStar will conduct a Cost of Service Study in conjunction with the Association of Illinois Electric Cooperatives. This study will determine the cooperative's rate restructuring which is scheduled for the first quarter of 2013.

Kollinger explained that even though the cooperative's operating costs have steadily increased, the cooperative had been able, up to this point, to hold off on any rate increases. The current rate structure was implemented five years ago. The only increase members have had is the Power Cost Adjustment, which is a direct result of increase in the wholesale cost of electricity.



As is tradition, co-op members enjoy a complimentary breakfast before the meeting.



Construction is nearly complete on the first tie-line that will connect the new Martinsville substation to the West Union substation. Later this spring, construction will begin on a second tie-line which connects the Martinsville substation to the Marshall substation. When complete, all EnerStar substations will be linked, enabling the co-op to “back feed” any of our substations during extended outage from our electric transmission provider.

During this time, the cooperative worked toward keeping costs down. It delayed borrowing money for six years until the fall of 2011. “Our stalled economy has worked in our favor by setting historically low interest rates,” Kollinger said. “This allowed the cooperative to re-price loans at lower rates.” The cooperative has also reduced costs by utilizing new technologies and realigning its work staff.

Kollinger explained that the February 2011 ice storm could have been catastrophic for the cooperative with costs in excess of \$900,000. However, the co-op received \$540,000 in reimbursements from FEMA, which provided some relief. He added that even today, co-op employees are still making repairs as a result of the ice storm.

Installation of advanced digital meters.

In 2011, the cooperative completed the system-wide installation of new advanced digital meters. The meters provide much more than just meter readings. Kollinger said they

create two-way, 24-hour communication between the member’s meter and the cooperative office. It means the cooperative office can detect blinks, outages and other power quality issues. Kollinger is pleased with the improved efficiencies and new programs that are a result of the new meters.

Major Construction Projects

Last year, the cooperative completed two major construction projects. In March 2011, the cooperative energized its new Martinsville substation. This substation will improve reliability in the southwest portion of the service territory.

The cooperative has nearly completed a 12-mile, 3-phase tie-line that links the Martinsville substation with West Union substation. Kollinger stated that construction went smoothly and that he appreciates the support shown by the land owners along the way. The new tie-line allowed the cooperative to replace about 200 poles and wires where in some locations, dated back to the 1940s. When those lines were

originally constructed, electric lines crossed fields and private right-of-way to go the shortest distance possible. But moving the electric lines out to the road allows for easier access which results in quicker outage restoration.

Kollinger explained that with the tie-line construction, all the cooperative’s substations will be linked and during an extended outage, EnerStar will be the ability to “back feed” any of the substations. This lessens the impact of transmission-related outages and benefits all cooperative members by improving reliability.

In conclusion, Kollinger highlighted several system upgrades; which included a second 7-mile tie-line, connecting the Martinsville substation with the Marshall substation that will be built in 2012; substation transformer upgrades and the replacement of sections of original copper wire and poles which date back to the 1940s. He added that forestry efforts will continue to be a high priority because keeping right-of-ways clear greatly reduces power outages as evidenced this year



The annual meeting is a great time for co-op members to meet with employees to learn about new services or get advice on reducing energy consumption

by fewer numbers of tree-related outages than in prior years.

Improved Outage Communications

Next on the agenda, Kollinger discussed improved outage communications. “During the ice storm, one thing we heard from our members was that the cooperative needed to improve outage communications,” Kollinger said. “We have taken several steps to do just that.”

First on the list was the cooperative’s new agreement with a group called Cooperative Response Center (CRC). CRC is a cooperative owned and operated member call center. When local telephone lines are busy, callers will be automatically forwarded to CRC to expedite service. CRC is directly tied to EnerStar’s customer information and

outage management systems. “We will receive your outage information just as quickly as if we took the call ourselves,” said Kollinger. He emphasized that members should call the cooperative’s toll free line at 1-800-635-4145 regardless of their calling location or if using a cell phone, as this is the number that will roll over to CRC if necessary.

To further improve outage communications, PowerText is now available. This service sends a text message to members’ cell phones in the event of a major substation or feeder outage. Once power is restored, a second text goes out to the member. Then if the member has an individual outage, they can call the office.

The cooperative also added a Facebook page and a Twitter feed to better communicate with the

membership. While not manned 24-hours a day, the social media sites will be used to update members on not only major outage information but cooperative happenings as well.

New program – Prepaid Advantage

PrePaid Advantage is a pay-as-you-go plan that offers the opportunity for members to pay when they want, in the amounts they want. Instead of receiving a traditional paper bill that is generated once each month, electric use is calculated daily and funds are pulled from the prepay account. Prepay members never pay a late charge, and avoid paying large deposits. At this time, PrePaid Advantage is available to most residential customers. Current members with increased meter



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The EnerStar annual meeting is a family affair with many generations of members attending.



Duane Noland, CEO of the Association of Illinois Electric Cooperatives, shares with co-op members about happenings in Springfield and Washington.



deposits should contact the cooperative office to see if PrePaid Advantage would work for them.

More convenient ways to pay

Kollinger stated that EnerStar E-Bill debuted in June 2011 allowing members the option to pay bills online, and about 15 percent of members are already taking advantage of the program. There are several options available to members through EnerStar E-Bill, and Kollinger encouraged members to consider the paperless billing statement option.

Sometimes phone lines are busy

due to power outages. There is also increasing regulations about handling credit card numbers via the telephone. Therefore, the cooperative added a new Pay-By-Phone option. Members now have a direct, secure telephone number at 888-999-4201. Members can make payments, store payment information, and check account balances.

Also for the members' convenience, EnerStar signed an agreement with CheckFreePay by which members can now make electric payment at remote payment locations, the most accessible being Walmart. "We are very pleased to

offer this service," said Kollinger. "There is a nominal fee for this service charged by the vendors, but it has already helped our members save time and money, especially in Clark County."

Peak Load Control switches being added.

For those members who choose, Kollinger concluded his presentation by informing members that EnerStar is now offering a load control program administered through the cooperative's power supplier, Wabash Valley Power. "All cooperative members will benefit from this program

Sign up for PowerText!

Get text alerts to your mobile phone regarding major power outages!

It's easy to sign up and a free service!



**To sign up visit
www.enerstar.com/alerts**

Standard text messaging rates may apply

One Number Does It All

*Regardless of your calling location...
Regardless of time of day...*

**24 hours a day/7 days a week, call
1-800-635-4145**

This number will handle all your calls and we can best serve you on this number. And remember, store the number in your home and cell phones!



as it will help lower our wholesale power costs," said Kollinger. "But members who volunteer for the switches will receive a bill credit based on the number of devices controlled." The cooperative has 250 switches to install prior to June 1. Members signing up can receive bill credits of \$27 for electric water heaters and \$45 for air conditioners and for pool pumps per season. (see related story on page 16f)

The Annual Meeting offers EnerStar members an opportunity to vote on candidates to represent them on the board of directors. At the meeting held on March 17, two incumbents and two newcomers were seated. They include from left to right: John Fell, incumbent for District 4, Gene Higginbotham, incumbent for District 7, Tom Jones, seated for District 8, and Kevin Julian, seated for District 2. Also pictured is EnerStar CEO Peter E. Kollinger.



Thank You

EnerStar would like to thank the following vendors who donated door prizes to the 73rd Annual Meeting of Members

Your support is greatly appreciated!

Special thanks to Specialty Battery for the use of the golf carts

B & B Propane
Benjamin's Office Connection
Brown Duck
Brownstown Electric
Buchanan Communications
Carquest - Jim Vadas
Citizens National Bank of Paris
Computer Wares
Dewitt Advertising

Dueco, Inc.
Edgar County Bank & Trust
Farm Credit Services
Faulk Garage
First Bank & Trust
First Neighbor Bank, NA
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Hughes Supply

Illini FS
Murphy Farm Seeds
Nu-Gas
Paris First Bank
Rachel's Red Barn
State Farm - Terry Elston
T & R Electric
United Utility Supply
Vermeer Sales & Service



Enerstar's office will be closed Monday May 30 in observance of Memorial Day

EnerStar Electric Cooperative Direct Load Control

Save some money for you!
Save some money for your cooperative!

Hurry! Switches are limited and must be installed by June 1. Call now!

What is Direct Load Control?

EnerStar is launching a new initiative to help its members better manage their electric bill while at the same time reducing the co-op's demand for electricity. The Direct Load Control (DLC) program allows the coop to curtail electricity usage when the demand for electricity, as well as the prices for electricity, are at their highest.

How does Direct Load Control work?

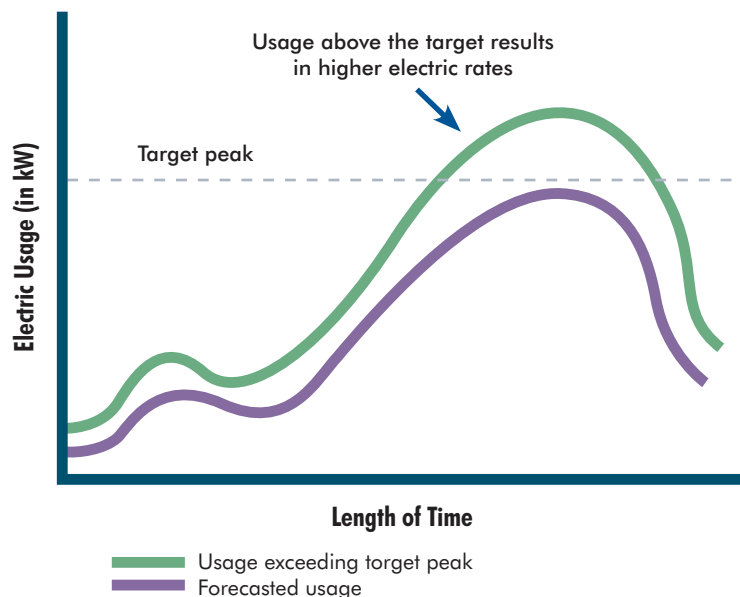
On extremely hot or cold days, the demand for electricity significantly increases and as does the price of wholesale power. When prices are up, EnerStar's wholesale power provider may elect to activate the DLC switches and shut the power off on controlled devices for short periods of time. This will reduce or even avoid the need to purchase additional electricity. The more members that join the program, the better we can control our power costs!

Who can volunteer for the program?

Primary residences of members in good standing may volunteer to have following devices controlled through an automatic load control switch: *water heaters, air conditioners, pool pumps and irrigation systems.*

Are there incentives to participate?

Since we are taking steps to reduce our demand for electricity, all cooperative members will benefit from



DLC. However, volunteer members will receive a bill credit each September for their participation.

Electric Water Heaters	\$27/year
Air Conditioners	\$45/year
Pool Pumps	\$45/year
Irrigation Systems	Incentives vary, cooperative will determine the credit amount

Will I be inconvenienced during a DLC event?

There is very little inconvenience to the member and most may not even realize an event is occurring. Air conditioners are cycled for 15 minutes at a time but the fan still

operates so air continues to circulate. On water heaters, most members' lifestyles are such that they do not have a large demand for hot water during these peak times and the hot water in the tank is an adequate for their needs.

When does a DLC event usually take place?

DLC events occur under the following situations: Monday through Friday, never on weekends and holidays; typically on hot summer afternoons and occasionally, cold winter days; usually start around 3:00 pm and last 3 to 4 hours; and on average, about 5 to 8 times per year

PREPAID ADVANTAGE Coming Soon

It's here - PrePaid Advantage!!! This pay-as-you-go plan offers you the opportunity to pay when you want, in the amounts you want. Would it be easier for you to make weekly or biweekly payments rather than one larger payment each month? If so, PrePaid Advantage may be for you.

PrePaid Advantage accounts never pay a late charge and avoid paying higher deposits. The deposit is only \$25 per meter when on the program. The member decides how much money should be kept in the Prepay account. The beauty of the Prepay program is that it fits YOUR budget. You can buy enough energy to last until payday, or you can buy enough to last several months. The choice is yours!

There are several convenient payment options for PrePaid accounts. You can stop by our office, pay online using EnerStar E-bill, or use our new Pay-By-Phone service at 888-999-4201! Both the E-Bill and phone service let you check your account balance and securely store your payment information for future use.

In addition, members will receive a low balance notice by e-mail. This

will give you time to purchase power before the meter actually stops. If you do not purchase more power, the meter will stop and the power will turn off. Should this happen, once a payment is made, your power will be reconnected in about 15 minutes after you push a button on the meter. It's easy to do.

Your electric service will be no different when on a PrePaid Advantage. You will have the same reliable electric service you have always had. Since you receive low balance and pending disconnect notifications prior to disconnect, you will know if you are experiencing a power outage or have just run out of funds in your PrePaid Advantage account. And, if you have a power outage, EnerStar crews will still be on standby, ready to assist you. To report power outages, call us at 800-635-4145.

EnerStar members can, especially those with an increased meter deposit, easily convert to a PrePaid Account. If the account is at a zero balance, the existing deposit can be applied to the account, often covering the \$25 PrePaid Advantage deposit and the initial funds required of \$75. Any remaining deposit will then be used to cover your existing

electric account balance.

If your current balance due exceeds your original deposit amount, you can still switch to PrePaid Advantage. We will use your deposit to pay down your bill, and then work out a payment plan for the remainder. Rest assured, our member services representatives will work with you to provide a smooth transition to the PrePaid Advantage program.

PrePaid Advantage works best for people who want to take control of their electric account and energy use. By monitoring your consumption on a regular basis, you will begin to notice patterns in your day-to-day use. Any variation from this pattern, such as a house guest, or a vacation, will become evident. Also, monitoring and controlling daily use can help keep your power costs down. Statistics show that prepay electricity programs help lower electric consumption due to member awareness of usage patterns. It is another benefit of the program and you might just save some of your energy dollars!

Call EnerStar today at 800-635-4145 so we can get you more information about switching to PrePaid Advantage!



Your fridge needs a retirement plan.

Get \$35 when you recycle your old fridge. Plus, save up to \$150 a year in energy costs.

It doesn't make financial sense to keep an old fridge or freezer in your garage or basement - not when it uses up to four times the energy of newer models. And throwing it away isn't a good long-term plan for the environment. Why not let us recycle it? We'll haul it away free of charge, you'll get \$35 and you can save up to \$150 a year in energy costs. Talk about a good return on investment.

Call 877-395-5535 or visit www.enerstar.com for pickup.

GET \$35

SAVE UP TO \$150/YR IN ENERGY COSTS



Refrigerators and freezers must be in working condition, and must be between 10 and 30 cubic feet in size, using inside measurements. Wabash Valley Power Association (WVPA) contracts with JACO Environmental, an appliance recycler, to pick up and recycle refrigerators and freezers that are in working condition. This program is funded by WVPA and is available to residential electric members in EnerStar Electric Cooperative territory on a first-come, first-served basis until funding is expended. Customers must own the unit(s) being recycled. Limit two units per residential address. A check will be mailed to participating EnerStar Electric Cooperative members within 4-6 weeks after the appliance collection. Some restrictions apply. © EnerStar Electric Cooperative

Power Moves Effort Provides Energy Efficiency Grants

Action for a better reaction

EnerStar Electric Cooperative and Wabash Valley Power, our wholesale power provider, are pleased to introduce “POWER MOVES,” an effort that offers broad energy efficiency programs to communities and electric cooperative members. POWER MOVES offers programs for your home, farm, and commercial and industrial facilities that will result in energy savings and will also provide the education and tools you need to improve efficiency.

Visit powermoves.com today to learn more information about the efficiency programs being offered

in 2012. The website will also allow you to access the “Home Energy Calculator” and will provide a way for you to see how changes in your home’s lighting, HVAC system or insulation level will affect your electric bill.

If you are thinking of making changes to improve efficiency for your home or business, please contact EnerStar’s Energy Advisor Tim Haddix at 800-635-4145, extension 117, or e-mail him at thaddix@enerstar.com for helpful advice. And visit powermoves.com today because it takes action for a better reaction!



Wabash Valley Power Association is proud to introduce its new energy efficiency program, POWER MOVES. Visit the program’s website, powermoves.com, today to find out more about this program that will help you save on your energy bill. Wabash is the wholesale power provider for 26 electric cooperatives in Illinois, Indiana, Missouri and Ohio, including EnerStar Electric Cooperative.

2012 Rebates

FOR HOME

- Refrigerator/freezer recycling
- CFL discounts
- Heat pump water heater
- Air-source, geothermal and dual-fuel heat pumps
- Home energy assessment-coming spring!

FOR BUSINESSES

- Lighting
- HVAC
- Farming/ag operations
- Custom-let’s see if we can help!



Touchstone Energy®
TOGETHER WE SAVE

Through Touchstone Energy® our cooperative’s members have access to www.togetherwesave.com

Togetherwesave.com ...

Is a highly innovative energy efficiency website

Togetherwesave.com ...

Provides free tools, videos and interactive exercises to help you reduce your energy costs

Togetherwesave.com ...

Has been visited more than 38 million times

Visit togetherwesave.com today and see how little things can add up

Touchstone Energy IS the power of human connections
www.touchstoneenergy.coop

