



# HomePage

www.enerstar.com

## Rate Restructuring, Increase Coming in 2013

For the past several years, EnerStar has dedicated quite a bit of effort to keep our members informed on rising costs at the cooperative. Year after year, expenses have significantly increased, but we have been able to absorb those increases without a rate increase since 2007, other than increases in the Power Cost Adjustment, which are based directly on to our wholesale power supplier.

Rising costs are a two-fold problem that need our attention and hard decisions. EnerStar operates a complex electrical system that must deliver to each member the power they need, when they need it. The integrity of our electric system is critical. It must be maintained and that costs money, especially with the significant increases in material costs. Also significantly increasing is the cooperative's wholesale power costs. These costs can impact the financial stability of our cooperative.

### Rate design

The recently completed Cost of Service study confirmed that EnerStar can no longer delay the need for rate restructuring and increases in revenue. Rate design is a balancing act between meeting our revenue needs

while minimizing the overall financial impact to our members. As a not-for-profit organization, we must recover our costs of doing business, as well as maintain sufficient margins to reinvest in our electric distribution system. The Cost of Services study identifies the total revenue requirements for the cooperative. In the study, costs are allocated appropriately to each consumer class based on the service, equipment and infrastructure that is required to serve them. Once completed, rate structures are designed to meet the needs of each classification.

One result of the study determined that the true cost of the "Distribution Facility Charge," is \$44 for a single-phase account. The Distribution Facility Charge, or "monthly minimum," is the revenue required to cover all necessary infrastructure to have an electric meter set at a particular location regardless if any kilowatts are used. This is just \$2 higher than it was back in 2007.

When the current rate structure was implemented in 2007, the cooperative only charged \$26 for the monthly minimum and recouped lost revenue in higher kilowatt hour rates in the lower consumption blocks. For example, the first 250 kilowatt hours were the

highest rate block at 14 cents per kilowatt.

### New rate structure and increase April 2013

With all this in mind and after much consideration, the EnerStar board of directors will implement a rate restructuring with the April 2013 billing statements. The rate change will include an increase in revenue which will affect members differently based on their kilowatt hour consumption.

Regarding the monthly minimum charge, the cooperative will increase the "Distribution Facility Charge" to \$44 per month, which is the cooperative's true cost, on all single-phase accounts.

Because there will no longer be a need to recoup the lost revenue from not charging the actual rate, the kilowatt hour charge will be a flat rate of 11.95 cents per kilowatt.

With a complete overhaul of the rates, it is best to look at the bottom dollar, as in how this change affects the average member. The average residential member uses about 1000 kilowatts per month. Here are three scenarios based on the actual monthly consumption, but, in actuality, the increase can vary by month based on

*(Continued on page 16c)*

Single-Phase Electric Rate - Comparison of Old Rates to New Rates				
Billing Statement (Does not include tax)	2007 Rates (With PCA)	2013 Rates	\$ Increase	% Increase
500 kwh	\$97.10	\$103.75	\$6.65	6.8%
1000 kwh	\$155.70	\$163.50	\$7.80	5.0%
1500 kwh	\$209.31	\$223.25	\$13.94	6.7%

# Petitions Available for March Board Elections

**E**nerStar's 74th Annual Meeting is just around the corner! Therefore, cooperative members have the opportunity to run in the upcoming board of directors election. Members who are eligible candidates and can commit the time and energy to the member-owned corporation may want to consider this opportunity.

The role of director is a huge commitment – of time, energy and education – more than most members realize. Thankfully, there are members who are willing to serve in this important capacity. Decisions made can affect the membership into the next generation.

EnerStar has three director seats, which are three year terms, for the 2013 election.

Members interested in running for the cooperative board should contact the cooperative office to verify eligibility and receive a petition information packet. The packet includes all the necessary information one would need to learn more about the cooperative and the role of the director.

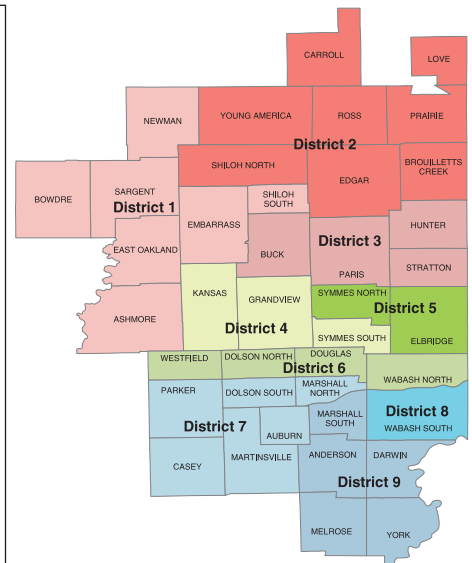
Board petitions require the signatures of 15 EnerStar members who live in the candidate's Voting District. All members signing petitions must have an original membership card on file and must be currently receiving electricity from the cooperative. Candidates will also need to check with cooperative personnel to make certain they reside within the correct Representative District.

Petition packets can be obtained at the EnerStar headquarters in Paris beginning November 27, 2012. They may also be obtained via mail or e-mail by calling the cooperative office at 800-635-4145 during normal business hours.

Petitions may be turned in to the cooperative office from January 2, 2013, to January 15, 2013. Candidates must also provide a short biographical sketch, 250 words or less, and a digital photo to be published with the Annual Meeting Notice. Candidates should also make plans to attend the 2013 Annual Meeting of Members on Saturday, March 16, in the Crestwood School gym in Paris.

## VOTING

<p style="color: red; font-weight: bold;">Voting District A - Representative District 3</p> <p><b>Currently served by Dale English, Paris</b></p> <p><i>The Townships of Buck, Paris, Hunter, and Stratton in Edgar County, Ill.</i></p> <p><b>3 year term</b></p>	<p style="color: green; font-weight: bold;">Voting District B - Representative District 4</p> <p><b>Currently served by David Sprigg, Marshall</b></p> <p><i>The Townships of Westfield and Douglas in Clark County, Ill.; all that portion of the Township of Dolson lying north of the 2000th Road in Clark County, Ill.; and all that portion of the Township of Wabash lying north of Inter- state Highway 70 in Clark County, Ill.</i></p> <p><b>3 year term</b></p>	<p style="color: blue; font-weight: bold;">Voting District C - Representative District 8</p> <p><b>Currently served by Tom Jones, Marshall</b></p> <p><i>All that portion of the Township of Wabash lying south of Inter- state Highway 70 in Clark County, Ill.</i></p> <p><b>3 year term</b></p>
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### 3 Voting Districts

A	B	C
1	4	7
2	5	8
3	6	9

Voting Districts A, B, and C each contain three Representative Districts in shades of red, green, and blue, respectively.

## Board Training – In the field

The electric utility is notorious for speaking in acronyms. kWh- MW- PLC - G & T - MISO. The list goes on and on.

Your electric cooperative's board of directors are members just like you who were elected to serve the membership. They all have their own "day jobs" and do not work in the electric industry, so training and education is critical to helping them "wear their co-op hats."



*EnerStar board members and employees take cooperative training into the field to see the new Martinsville substation.*



*EnerStar's Manager of IT, Jim Lewis, and board member Kevin Julian, Metcalf, discuss the cooperative's electric facilities.*

The electric utility is dramatically changing so keeping up is challenging enough, especially with all the jargon thrown in there!

Sometimes, sitting at the board table just is not enough so every once in a while, we need to take the training "on the road" so board members can SEE just what we are talking about. It is one thing to talk about the new 12-mile tie-line. It is something different to see the new tie line.

In late October, cooperative board members and some employees toured the EnerStar service territory. Board members were able to visit all of the

cooperative – owned substations, including the newest one in the Martinsville area. They drove along the new tie-lines that connect the substations and greatly increase service reliability for our membership. They were also able to see the facilities of several commercial accounts that many board members have not had the opportunity to see.

It was a great learning experience for the directors, and the EnerStar employees appreciate the extra time the directors took to learn more about their electric cooperative.

### Rate Restructuring, Increase Coming in 2013

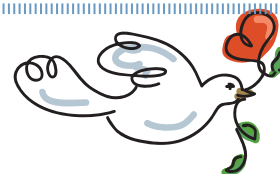
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how much electricity you use.

Rate increases are never easy and much has been done the last 6 years to avoid a rate increase and to minimize the impact on the membership. We are committed to continue doing our best to minimize the impacts of these issues by being proactive in

our planning, offering education on energy conservation and focusing on maintaining the reliability, quality and integrity of our systems.

Next month, we will further discuss the 2013 rate changes so remember to check upcoming issues of this magazine.



**Christmas and  
New Year office closings:  
December 24 & 25 and  
December 31 &  
January 1**

# Thomas H. Moore IEC Memorial Scholarship Program

*Eight scholarships for 2013 will be awarded to Illinois high school seniors through the Thomas H. Moore Illinois Electric Cooperative (IEC) Memorial Scholarship Program.*

- 4 scholarships are available for the sons/daughters of Illinois cooperative members for any two or four year accredited college in the United States.
- 1 scholarship is reserved for the son/daughter of an Illinois cooperative employee/director for any school in the United States.
- 2 scholarships are available for the son/daughter of an Illinois cooperative member, employee, or director for an Illinois community college.
- 1 scholarship is reserved for the son/daughter of an Illinois cooperative employee or director to an individual who has served or is serving in the U.S. armed forces or National Guard. This scholarship will help pay for costs to attend lineworker 's school conducted by AIEC in conjunction with Lincoln Land Community College in Springfield, IL.

To receive additional information and an application, contact EnerStar Electric Cooperative at 1-800-635-4145. Rules and applications can be downloaded at [www.enerstar.com](http://www.enerstar.com). Deadline is January 1, 2013.

*Applicants will be judged on grade point average, college entrance exam scores, work and volunteer experience, school and civic activities, and a short essay.*



## Low Income Energy Assistance Available

The Low Income Energy Assistance Program (LIHEAP) is designed to assist eligible households pay for winter energy services. The amount of the payment is determined by income, household size, fuel type and geographic location.

An overdue bill or cut-off notice is not required. You do not have to own your home or pay energy bills directly to be eligible for assistance. Emergency assistance may be available if your household is disconnected from an energy source needed.

In east-central Illinois, monies from the LIHEAP program are administered through the Embarrass River Basin Agency (ERBA). ERBA accepts applications for assistance by appointment on Mon-



days, Tuesdays and Wednesdays.

When applying for assistance, you need the following information: (1) Proof of gross income from all household members for the 30-day period prior to application date; (2) A copy of your current heat and electric bills;

(3) Proof of Social Security numbers for all household members; (4) If a member of your household received TANF or AABD, you must bring their "Medical Eligibility Card;" (5) If you rent your home, proof of your rental agreement, which must state your monthly rent amount, may be necessary.

If you are eligible, ERBA will make the appropriate payments to your energy provider(s) on your behalf.

If you think you might be eligible for assistance, you should contact

ERBA directly. County representatives can be reached at:

Edgar County..... (217) 465-4911  
Clark County..... (217) 382-3412  
Douglas County ..... (217) 253-4434  
Coles County..... (217) 345-4840

Below are the income eligibility guidelines for the LIHEAP program.

### Income Eligibility: 30-day period to application

Family Size	30 day gross
1	\$1,361
2	\$1,839
3	\$2,316
4	\$2,794
5	\$3,271
6	\$3,749