

JO-CARROLL

A Touchstone Energy® Cooperative  **HI-LINES**



PRESIDENT'S REPORT

by Michael Hastings

Thank you to everyone who attended our series of "Straight Talk" member meetings in June. We had a good turnout, and appreciate everyone who took the time out of their busy summer schedules to join us for a conversation about their co-op.

During the meetings we explained how the cost of power is made up of three main components (generation, transmission and distribution) and tried to answer some important questions about power costs, electric bills, the value of electricity and why your co-op matters.

By and large, we don't get to choose who provides our electric service. Folks on opposite sides of the road may be served by different electric providers, some by a stockholder-driven investor-owned utility, others a city-owned municipal electric system.

Jo-Carroll Energy is a distribution co-op. First of all, that means that, unlike Ameren or ComEd we're not investor-owned—we are not-for-profit and owned by YOU, the members. We purchase power at wholesale and distribute it to our members.

Every home or business that receives power from Jo-Carroll Energy owns a portion of the co-op. Anyone who receives service is a member and a consumer, not a customer. Being a member matters. We don't exist to make profits; we exist to provide you with safe, reliable service and doing so in a way that enhances the quality of life for our communities.

Jo-Carroll Energy and its employees have an investment in the communities where you live and work. Membership matters because you matter to your co-op. That's why we held the meetings. We want to share information and hear your views on issues of importance to the power industry, cooperatives and members.

Last month, members asked some great questions during the meetings, and I'd like to share a couple of those with you here and in future issues of the newsletter.

What drives the cost of transmission?

Generally, electricity is not produced in your neighborhood—most electricity travels quite a distance from where it's generated across heavy-duty transmission lines to reach local distribution systems like Jo-Carroll Energy. The nation's power grid consists of an interconnected system of power plants, high-voltage transmission lines, smaller transmission lines, substations and distribution facilities. It was mostly created as needed, one section at a time. As the nation's electric grid grew, so did the grid.

Much of the vast network of lines was designed at least 50 years ago. Today, the industry is transitioning to a way of doing business where the bulk of power is being shipped across the country. Wind power from Iowa and the plains may be shipped to Chicago or the East Coast. And, that network of lines carrying the power is in need of a major upgrade. Improvements to the system are helping drive the cost of power. While transmission costs once accounted for 7-10 percent of the cost, it is now up to 16 percent.

Is the cooperative mandated by the government to install AMI meters?

No. Installation of the meters will provide the co-op with several benefits that include controlling costs, pinpointing outages, improved reliability and power quality, and troubleshooting bill concerns.

I'll answer more questions from the member meetings in future issues. If you have a question you would like answered or you'd like us to elaborate on a topic, please call 800-858-5522. We always want to hear from our members!

Reader Prize

Each month we print the name of a Jo-Carroll Energy member who is eligible to win a monthly \$25 readership prize. If your name is printed in this month's edition, and not a part of any article, contact Jo-Carroll Energy and claim your prize no later than the 10th of the month following publication.

Office hours

Elizabeth Office
8 a.m. to 5 p.m.

Savanna Office
8 a.m. to 1 p.m.
1:30 p.m. to 4 p.m.

Both Offices
Monday - Friday
800-858-5522

For all outages and emergencies call
800-927-5254

Resume of Minutes

Regular Board Meeting • May 30, 2012

The board met at the Cooperative headquarters in Elizabeth on Wednesday, May 30, 2012. The following is a summary of the meeting activities. The Agenda was approved as modified and the Consent Agenda was approved.

Chairman's Report – Chairman Mattingley emphasized the success in participating in improving the state - wide and national resolutions program. Director Senn was appointed Chairman of the Resolutions Committee. He discussed issues with power supply and the costs of electricity in general.

Dairyland Report – Director Stadel commented on the growing costs of electricity and the effect of costs created by regulatory compliance requirements. The CEO commented on structural limitations to dealing with changes the electric power industry faces.

AIEC Report – Director Senn commented on the resolutions process. He observed that Senator Durbin has changed his position on coal ash and expressed his appreciation that the AIEC saw fit to make him Chairman of the Resolutions Committee.

APGA Report – The CEO stated the Cooperative will keep working on the difficult issues compliance creates for a cooperative. Marketing is the key to success in the gas business. Director Carroll and Director Holesinger reported on the APGA meeting.

Monthly Policy Review – Director Lundy stated that he had reviewed Policy 106 entitled Service Recognition of Retiring Directors and found no necessary changes. The policy was approved as presented.

CEO Report – The CEO reported on the following in addition to his written report:

- **Financial Operating Report** – CEO Hastings reported that the Cooperative had an unaudited margin for April of \$765,281.
- **Power Supply Report** – CEO Hastings reported that he had expanded the number of entities he has contacted regarding access to power supply. He reported pending receipt of a refund from ITC Midwest, LLC (ITC) in transmission costs.
- **Farmers Mutual Report** – The CEO reported that Farmers Mutual failed to approve the merger bylaw change.
- **Rentech Update** – The CEO reported that Jo - Carroll Energy continues to work with Rentech to finish the new project.
- **Danisco Update** – CEO Hastings stated that he continues to work with Danisco.
- **TCEDA Update** – The CEO discussed continued efforts regarding economic

development and described the plan implemented for the summer to reach out to TCEDA members and decide by the fall of 2012 whether or not the TCEDA structure is one that ought to be continued.

- **Rates** – CFO Heidenreich reviewed the information obtained through the cost of service study based on last year's numbers and the data through March of 2012.
 - **COO Report** – COO, Kyle Buros, gave a report on outages that had occurred over the weekend. Most of the outages in the Jo - Carroll Energy service area were resolved relatively quickly. He also reported that the Cinnabar Tower in The Galena Territory was finally going up to better serve people in a portion of The Galena Territory. He is working with iFiber to provide "cloud services" to our members. On natural gas, he is working carefully on regulatory concerns.
 - **Culture of Excellence** – Merri Sevey, Vice - President of Human Resources, reported that she is working on the board surveys. She also stated that new performance appraisal forms are in place and reviewed those with the Board.
 - **Member Services Report** – Jennifer Skien, Manager of Member Services, reported that she is working on a Load Management Program which will be proactive regarding consumption.
 - **External Affairs Update** – Cox reported on the Farmers Mutual Annual Meeting, the APGA meeting and the appointments arranged with Congressmen Manzullo and Schilling as well as Senator Durbin. He reported on the Tri - State Alliance Summit held in Dubuque, Iowa, on May 18th.
 - **NRECA 2012 Legislative Conference** – Chairman Mattingley and CEO Hastings stated that they had previously discussed their attendance at the NRECA Legislative Conference on grassroots efforts.
- Board Issues**
- **Ratify Resolutions** – The Board ratified the changes to the previously approved resolutions.
 - **Consideration of 2012 Load Management Program** – The 2012 Load Management Program and requested budget variance was presented by Skien and approved.
 - **Two options for property South of Danisco** – The CEO described conversations he has had with a member regarding their interest in the options Jo-Carroll Energy has south of Danisco.
 - **Cost of Service Study** - Energy Services

Advisor, Pat Keleher, explained recommended rate changes based on the current Cost of Service Study and the current financial condition of the Cooperative. The Board approved changes to Rate 703a, 703b, the Peak Alert Rate, and they will be reviewed again in August.

- **Member request** – The Board discussed and voted to take no action.
 - **Schedule for Member Events** (7:00 PM for each event) June 13 – Elizabeth Community Building, June 14 - Naahman Diehl Auditorium, Mt. Carroll, June 26 - St. John The Baptist Catholic Church, Savanna, June 27 - Galena Middle School Commons, June 28 – East Dubuque High School Cafeteria - Directors approved the schedule of members events and discussed their attendance.
 - **Gas Technology Institute** - The directors discussed their attendance.
 - **Update for consideration of 2012 ACRE Membership at the Presidents' level for the Board** – The CEO led a discussion where directors were encouraged to join the Action Committee for Rural Electrification (ACRE) Presidents' Club.
 - **AIEC's Annual Meeting, August 2 - 3, 2012** – All directors confirmed they will attend the AIEC Annual Meeting and Course 935.1 entitled Appraising and Compensating the CEO on August 1, 2012.
 - **Voting Delegate/Alternate to AIEC Annual Meeting** – Director Smith was elected to serve as Voting Delegate at the AIEC Annual Meeting. Director Senn was elected to serve as Alternate Voting Delegate.
 - **Dairyland Power Director/Alternate** – Director Stadel was elected Director for the Dairyland Power Board of Directors and Director Marty Werner was elected Alternate Director.
 - **Representative Sacia Event** – Attendance for the event was discussed.
 - **Schedule Policy Committee Meeting** – A Policy Committee Meeting was scheduled for June 14, 2012, at 1:00 p.m.
- Reports** - The Board heard reports on various meetings attended by Directors since the last board meeting.
- Upcoming Meetings** - The board reviewed a list of upcoming meetings.
- Other Business** - A meeting will be held after the Board meeting to review conflict of interest forms.
- Adjournment** - The board meeting was adjourned at 1:30 p.m.

Get involved in your cooperative

Apply for our new Member Advisory Council

Would you like to learn more about your co-op and how it operates? Would you like to make a difference in your community?

If so, then you may be interested in serving on Jo-Carroll Energy's new Member Advisory Council.

The Member Advisory Council (MAC) is a grassroots effort to educate Jo-Carroll Energy members about the cooperative, cooperative values and our core businesses. At the Member Advisory Council meetings we'll keep members informed about all aspects of the cooperative, and in turn, we hope they will share any concerns and information from the community.

Jo-Carroll Energy needs mem-

bers who care about their community and take an interest in their cooperative to serve on the council. At the meetings, council members will receive more detailed information about the co-op, our industry, economic development, legislative topics impacting the co-op and more. In turn, council members will share this information with their friends and families as well as provide us with insight, input and feedback to help us enhance our services, projects and programs. Through their experience on the council we also hope they will feel a greater sense of ownership in the cooperative.

The council will consist of

approximately 40-50 members with 2-3 memberships representing each of the cooperative's nine districts.

Applicants must be members in good standing, and will serve two-year terms. Applications are available at the cooperative's offices in Elizabeth and Savanna and on our website.

A total of eight meetings will be held during the two-year term. Meetings will be held quarterly at various locations throughout the service territory.

Anyone interested in applying for the council should call 800-858-5522 or visit jocarroll.com.

We have the Power to Make a Difference



Employees support area charities

Every Friday if you visit one of Jo-Carroll Energy's offices you'll find employees sporting orange, blue or black "Year of the Cooperative" t-shirts. T-Shirt Fridays is an effort by Jo-Carroll Energy employees to benefit local organizations and charities. If they choose, employees can wear their IYC t-shirt on Friday by donating \$1. Employees also nominate the charities to receive the proceeds with a new organization selected each month. To date, employees have donated to nine different groups. Pictured above are, from left: Ken Sivertsen, key accounts manager; Heidi Weber, member services and marketing manager; Karen Abbott, of the Fulton Senior Center; and Holly Haring, operations coordinator. The senior center was the recipient of funds collected in May.

Your nose knows . . . recognize natural gas

Jo-Carroll Energy provides natural gas to more than 5,600 members through a network of underground distribution lines. Main gas lines branch into household service lines.

The main lines are typically two-inches in diameter and are located roughly two-feet below the surface, while service lines are typically half-inch to three-quarter-inch in diam-

eter and buried 12- to 18-inches below the surface.

Natural gas is a colorless, odorless gas, however a chemical that smells like rotten eggs is added to help detect a possible leak. If you smell gas, or just think you might be smelling gas, leave the area immediately and call your local gas provider (for Jo-Carroll Energy the number is 800-858-5522) or 911 from a

neighboring home or business.

Never turn on or off switches or use a flashlight or phone in the presence of the gas smell, because an electric spark could ignite the gas, causing an explosion.

Do your part to familiarize yourself and your family with these natural gas safety tips. To learn more about our natural gas service, visit our website at jocarroll.com.

8/11 serves as convenient reminder to call before you dig

With Aug. 11 almost here, Jo-Carroll Energy hopes this date on the calendar—8/11—will serve as a natural reminder for residents to call 811 or 1-800-892-0123 prior to any digging project to have underground utility lines marked.

When calling 811, homeowners and contractors are connected with JULIE, the Illinois one-call center, that notifies the appropriate utility companies of their intent to dig. Professional locators are then sent to the requested digging site to mark the approximate locations of underground lines with flags, spray paint or both.

Striking a single line can cause injury, repair costs, fines and inconvenient outages. Every digging project, no matter how large or small, warrants a call to 811. Installing a mailbox, building a deck, planting a tree and laying a patio are all examples of digging projects that need a call to 811 before starting.

The depth of utility lines can vary for a number of reasons, such as erosion, previous digging projects and uneven surfaces. Utility lines need to be properly marked because even when digging only a few inches, the risk of striking an underground utility line still exists.

JULIE's call center agents are available to receive and process locate requests 24 hours a day, seven days a week at either 8-1-1 or 800-892-0123 or submit a request via E-Request at the JULIE website at www.illinois1call.com. To ensure that lines are marked, call at least two working days before digging.



Connect with your school!

August is back to school time, and our Sand Prairie Wireless team has been busy working with area schools on a new “School Partnership Program”.

The program offers area schools the opportunity to earn reward points redeemable for computer accessories and service when they partner with Sand Prairie Wireless high-performance Internet service.

If your school participates in the program, you have the opportunity to give back to the school and support the communities we serve, too! Once a school partners with Sand Prairie Wireless, they earn reward points in a variety of ways. You can help...your school can earn points when families, friends, grandparents and neighbors sign up for Sand

Prairie Wireless service at their homes and indicate they would like to support a participating school. If you're already a subscriber, the school can still earn points.

Participating schools earn points that can be used for rewards and services ranging from mouse pads and flash drives to educational seminars and troubleshooting on the school's network—and even an extension of their service.

River Ridge Community Unit School District is the first school to participate. Check the Sand Prairie Wireless website for updates on participating schools and full information on the School Partnership Program.



Jo-Carroll Energy supports our youth and communities

When you're at the next football or volleyball game at your school, grab some popcorn and check out what's happening in your neighborhood!

Just scan the QR* code on the popcorn bag (donated by Jo-Carroll Energy) . . .

You never know what might be poppin'!

*or visit jocarroll.com/whatspoppin



Jo-Carroll Energy

Your Touchstone Energy® Cooperative 
The power of human connections®



Youth to Washington representatives return

Codie Geisz of Elizabeth and Jonathan Rasmussen of Mt. Carroll represented Jo-Carroll Energy in Washington, D.C., during the annual “Youth to Washington” Tour, June 15-22. This event, sponsored by the electric and telephone cooperatives of Illinois since the late 1950s, is an introduction to the democratic form of government and cooperatives. The students met with Congressman Donald Manzullo and were among 75 rural Illinois youth leaders selected for the trip. The Illinois students joined more than 1,500 young leaders from across the country. In addition to the Capitol, they also visited Arlington National Cemetery, the Washington National Cathedral, several Smithsonian Museums, the U.S. Holocaust Memorial Museum, the World War II Memorial, memorials to Presidents Lincoln, Jefferson, Washington and Roosevelt, the National Archives, the Newseum



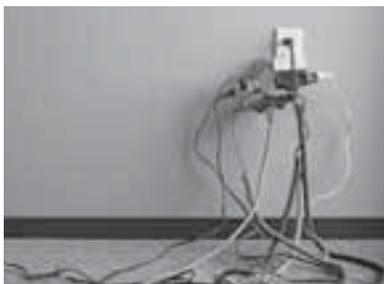
and a number of other historical sites. From left are: Rasmussen, Geisz and Congressman Manzullo. To find out more about the tour

go to www.youthtour.coop or www.facebook.com/ILYouthtoWashington.

Help college students stay safe

Electrical safety in the dorm

College living can undoubtedly be exciting. For most students attending schools outside of their home town or state, it's their first opportunity to be independent. While college provides new and exciting opportunities, it also introduces myriad safety hazards, especially to students living in dormitories,



apartments, and other community locations.

The following tips will help college students and others stay safe this fall:

- Do not overload extension cords, power strips, or outlets. Overloading these can cause overheating and deterioration, resulting in a shock or fire hazard.
- Use adaptors in rooms with old-fashioned, two-prong outlets.
- Buy a power strip with an over-current protector. It will shut off power automatically if too much power gets drawn.
- If an outlet is hot to the touch, unplug appliances immediately and notify the resident assistant. It could be a potential fire hazard.
- Do not connect multiple extension cords together.
- Extension cords are only for temporary use.
- Do not route extension cords under carpet or doors. Do not staple or puncture through extension cords.
- Look for the UL (Underwriters Laboratories) mark on any electrical product you use.
- Use lightbulbs with the correct wattage for lamps. The wattage specification should be indicated near the bulb socket.
- Always supervise the use of hot plates. They can easily start a fire if left unattended.



Executive Inn, Thomson

Kevin Patel grew up in the industry of serving people. He and his parents, Uttam “Tom” and Savita, spent the last fifteen years accommodating visitors, travelers and guests from across the country. Since 2006 their family has devoted themselves to serving Thomson and its guests at the Executive Inn on Route 84 north of town.

Much like Thomson itself, the Executive Inn is full of hidden beauty. Resting on the banks of the mighty Mississippi, guests of the motel are just one mile from the Thomson Causeway Recreation Center. For visitors and locals, Thomson is a great destination for fishing, hunting, eagle watching, biking the Great River Trail bike path, riding the Great River Road and enjoying the beauty of the great outdoors.

Whatever brings you to Thomson, you can end each day relaxing at the Executive Inn. All forty rooms, including three themed suites and one Jacuzzi suite, come standard with their own microwave, coffee maker, mini fridge and free internet access. Provided charcoal grills can be used by any guest on the property. Laundry services are available to all guests as well. Patel is honored to offer more to his guests than a franchise.

“We are family owned and strive to be number one in customer service,” stated Patel. Every guest

at the Executive Inn is guaranteed discounts at several local restaurants, including the Sunrise Restaurant and Mr. Z’s Sports Bar located next door to the motel.

The Patel family is proud to say they have the best prices for the value received. “We have different rates for different groups. Let us know your travel plans and we will work to get you the best price,” guaranteed Patel. The energy efficient rooms and financially efficient operations save money, thus passing on to every guest.

“Come in as a Guest, leave as a Friend” is printed on the office door. This statement summarizes the mission of the Patel family and their service to Thomson’s guests at the Executive Inn. “We want you to be proud of where you stay,” said Patel.



Guests of the Executive Inn who are Jo-Carroll Energy members save 10% off any room rate, Monday through Thursday when you present your Co-op Connections Card at time of purchase. Call 815-259-7378 or visit www.thomsonexecutiveinn.com to make your reservation.

Jo-Carroll Energy

793 U.S. Route 20 West •
P.O. Box 390
Elizabeth, Illinois
61028-0390

\$2.00

off any food and pizza over \$15.00*
*Excluding alcohol

New Co-op Connections Card Business!

**Jug’s Main Street Tap/
Lisa’s Main Street Pizza**

815-858-3333

200 N. Main St.

Help Control Summer Energy Costs

Do the Summer Shift: 11 a.m. to 7 p.m. Weekdays

You may wonder, “Why does an electric utility want me to reduce my consumption?”

The answer is that Jo-Carroll Energy is different because we are a cooperative, owned by the members. Our goal is to provide reliable power at the best value for all our members with an eye on the future. Three major factors affect the price of electricity: the price of fuel needed to generate power, the cost to comply with environmental regulations and the demand for power. You have the power to help keep our rates affordable by simply shifting the timing of your power use over the summer.

Consider doing the summer shift by shifting any flexible energy use outside of the time window from 11 a.m. to 7 p.m. weekdays from June through August. These are the peak energy demand hours in our region in the summer. That means they are the hours that most tax our resources that generate our electricity, making it more expensive

for them to provide for the higher energy demand.

Any energy use you can move outside of 11 a.m. to 7 p.m. on summer weekdays cuts our total use during peak pricing hours and helps to keep our rates affordable. You can do the summer shift by following these guidelines:

- Run appliances like clothes washers and dryers, dishwashers and other electric devices before 11 a.m. or after 7 p.m.
- Delay using hot water until after 7 p.m. so that your water heater recharges after the peak times.
- Set the thermostat on your air conditioning equipment or heat pump up three degrees during the peak time. Use ceiling fans and close drapes to help the air conditioner even more.
- Turn off any unneeded lights and electronics (turn electronics off at the surge strip when possible).

- Delay television watching and computer battery charging until after 7 p.m.

We hope you will decide to make a few small changes in energy habits to contribute to savings for yourself and Jo-Carroll Energy’s entire community. Do the summer shift – Together We Save!



Looking for more energy efficiency ideas?

Sign up for Questline.

Jo-Carroll Energy’s Questline is free of charge to our members. Register to receive a monthly e-communication that includes all of the following features and services:

- Energy conservation tips and recommendations delivered right to your inbox.
- Non-promotional information and resources that can save you and your household energy and money.
- Access to an easy-to-search “Energy eLibrary” filled with valuable resources, tips and more.
- Access to HVAC, home energy use and carbon-footprint calculators—providing information to help you benchmark your home’s energy use and identify energy-saving opportunities.

Sign up now

One of the best parts of this service is that it is delivered directly to your email inbox! You can access all of the energy resources through the ecommunication. This is an opt-in service, so visit our website at jocarroll.com and click on the Questline icon on the Energy Efficiency page.