


# MONROE ELECTRIC NEWS

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Your Touchstone Energy® Partner 

## Rate Increase for MCEC in 2016

Starting out the new year of 2016, MCEC has completed both a Cost of Service study and followed that up with a Rate Design study that was approved by the board of directors at the December, 2015 board meeting. The Cost of Service study showed that MCEC needed to have an increase in the overall rate structures of approximately 3.05% in the base rates. MCEC is predominately residential and this is where the majority of the dollars from the increase will come from, which include rates 1 and 16.

Why do we do a Cost of Service study? This is a model we use that determines if our current rates are keeping up with increased costs at the co-op, and generating the desired or needed financial ratios and cash flow. We also use our meter reading data from all rate classes to verify that each rate class is paying its fair share and the costs are being equally distributed across those rate classes. It results in a revenue requirement for MCEC to then allocate the increases, or sometimes decreases, across the different rate classes.

Once we have the results, we generate a Rate Design study to allocate the needed revenue requirements, and consider if rate changes are needed or if some rates need an entirely new structure to accurately capture the revenue from their respective rate class.

To follow our strategic objectives with keeping MCEC a financially-sound operation, we are working toward increasing our equity ratio percentage and lowering our long term borrowing needs, while continuing to return capital credits to the membership. The board of directors have approved the following increases to rates 1, 5, 16 and 30.

The rate 1 consumer charge will increase to \$40 from the current \$35. The distribution delivery charge will increase to 2.22 cents per kWh from the current 2.0 cents, and the energy charge will go to 8.5 cents per kWh from 8.0 cents. The PCA has been running on average about 0.7 cents per kWh and has been zeroed out while being added to the energy charge. The PCA should run at 0.0 cents for the year, as it is based on the upcoming energy cost from the SIPC 2016 Budget. The overall increase for this class is approximately 3.6%.

<b>RATE 1 CURRENT:</b>	<b>RATE 1 PROPOSED:</b>
Consumer Charge ..... \$35	Consumer Charge ..... \$40
Dist. Delivery Charge .... \$0.02	Dist. Delivery Charge . \$0.0222
Energy Charge ..... \$0.08	Energy Charge ..... \$0.085
PCA avg ..... \$0.007	PCA avg ..... \$0.00

The rate 16 consumer charge will also go to \$40. The distribution delivery charge on the summer rate will be 2.8 cents per kWh and 2.8 cents per kWh on the winter rate for the first 800 kWhs. Also on the winter rate, the next 3,200 kWhs will be 0.0 cents and any kilowatts used over 4,000 kWhs will be at 2.8 cents per kWh. The energy charge will be 8.5 cents per kWh and the PCA charge will be zeroed out as it is in rate 1. The overall increase for rate 16 is 3.06%.

### RATE 16 CURRENT:

Consumer Charge ..... \$35
Dist. Delivery Charge
<b>Winter (Sep 1-June 1)</b>
First 800 KWH..... \$0.023
Next 3,200 KWH..... \$0.00
Over 4,000 KWH .. \$0.023
<b>Summer (Jun 1-Sep 1)</b>
All KWH ..... \$0.02
Energy Charge ..... \$0.08
PCA ..... \$0.007

### RATE 16 PROPOSED:

Consumer Charge ..... \$40
Dist. Delivery Charge
<b>Winter (Sep 1-Jun 1)</b>
First 800 KWH..... \$0.028
Next 3,200 KWH ..... \$0.00
Over 4,000 KWH .... \$0.028
<b>Summer (Jun 1-Sep 1)</b>
All KWH ..... \$0.028
Energy Charge ..... \$0.085
PCA ..... \$0.00

Our seasonal rate 5 will see an increase in the consumer charge from \$35 currently to \$40 and no change to the energy charge.

### RATE 5 CURRENT:

Consumer Charge ..... \$35
Energy Charge ..... \$0.12
PCA ..... \$0.007

### RATE 5 PROPOSED:

Consumer Charge ..... \$40
Energy Charge ..... \$0.12
PCA ..... \$0.00

The rate 30 class will see an increase in the consumer charge from \$25 currently to \$30. There will also be an increase in the energy charge to 10.8 cents per kWh, up from 10.5 cents per kWh.

### RATE 30 CURRENT:

Consumer Charge ..... \$25
Energy Charge ..... \$0.105
PCA ..... \$0.007

### RATE 30 PROPOSED:

Consumer Charge ..... \$30
Energy Charge ..... \$0.108
PCA ..... \$0.00

Security lights will see no rental fee increases as we are in the process of switching to LED (lower wattage) yard lights that over time will save the co-op money. These lights cost more than what we have been installing because of their higher efficiency rating. After we replace the older lights with these more efficient ones, we will review the maintenance and reliability of them. We anticipate the monthly rental fees for the LED lights will be lower than the current ones.

These rate increases will be effective starting with the March 1, 2016 electric bill reflecting February's usage. In the future, the increases to the electric bills will also be in effect with the March 1 bill each year when it is needed. The Board and employees have worked hard to keep these increases as minimal as possible. We would like to thank the staff at National Rural Utilities Cooperative Finance Corporation (CFC) for all their work and support in developing our Cost of Service and Rate Design studies for MCEC. Because MCEC is a 100 percent borrower of CFC, we received the Cost of Service and Rate Design studies at no extra charge.

As stated earlier, these increases are in line with the continued strategic goals set forth by the Board of Directors in keeping MCEC in good financial standing with our lender, CFC. We think it will support our efforts to maintain a strong operations work force, keep up high reliability, and support system upgrades that will be vitally important in the long term for the benefit of the membership.



## Annual Meeting change this year!

**W**e are announcing that the 2016 Annual Meeting of Members will have a different date and location this year.

In an effort to attract members that found it difficult to attend our Annual Meeting of Members in late March, we have decided to combine our Annual Meeting with our Member Appreciation Day and hold it at the cooperative office headquarters.

We are in the early planning stages to hold our Annual Meeting, with activities we've done at our Member Appreciation Day, on Saturday, June 11, 2016, at the cooperative headquarters warehouse. We will be

renting a huge tent which will be installed next to the warehouse with tables and chairs set up.

A preliminary schedule starts with registration beginning at 10:00 a.m. with a meal served around 11:00 a.m. to 12:30 p.m., and the business meeting set to begin at 1:30 p.m. We plan to invite the health fair vendors as we have in the past annual meetings and also fun activities for the children carried over from our Member Appreciation Day.

Again, we are in the early planning stages so stay tuned to your publications and bill inserts for updated information on our new Annual Meeting date and format.

## Beginning February 1st New Office Hours

**Monday – Friday  
7:00 a.m. -- 4:00 p.m.**

Outside of these hours our answering service, CRC, will be handling phone calls.



## MCEC line outages - December 2015

Date	Duration	# Out	Location	Cause Desc	Substation
12/12/15	1:52	400	IL Rt 3 & Red Bud	UNKNOWN	Poe
12/14/15	1:10	400	IL Rt 3 & Red Bud	UNKNOWN	Poe
12/14/15	1:37	195	Ahne Rd/LL Rd	TREES, OTHER	Waterloo
12/14/15	2:17	21	Baum Rd	TREES, OTHER	Waterloo
12/18/15	2:32	200	Millstadt South	OTHER, DETERIORATION	Millstadt
12/20/15	5:25	625	Smithton West	VEHICLES OR MACHINERY	Smithton
12/23/15	1:01	125	Fults North	CONDUCTOR SAG	Fults
12/23/15	3:18	108	Ames Rd	TREES, OTHER	Poe
12/23/15	1:08	9	Quirin Rd	WIND, NOT TREES	Smithton
12/23/15	5:34	73	Five Forks Rd	NO CAUSE CODE	New Athens
12/28/15	1:46	59	Saeger Rd	TREES, OTHER	Millstadt
12/31/15	4:28	19	Lake Lucille	OTHER, DETERIORATION	N. Waterloo

### Monroe County Electric Co-Operative, Inc.

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# Youth to Washington

Monroe County Electric Cooperative (MCEC) sponsors a Youth to Washington contest and sends the finalists to a Springfield Youth Day. This year Youth Day is scheduled for April 13. Students will travel with other students from the area and the state of Illinois to visit to historic sites such as the Supreme Court, Illinois State Capitol, Abraham Lincoln Library and Museum, and the old State Capitol in Springfield.

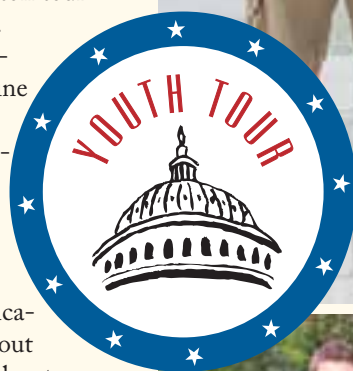
On the Washington, D.C. tour, the students will visit Gettysburg, the Smithsonian Museums, Holocaust Museum, Washington Monument, Federal Capitol Building, and many interesting places.

The Youth to Washington tour will be June 10-17, 2016. Each year, two junior students from each of the nine participating area high schools are chosen to represent their school, with MCEC at Youth Day.

To apply, log onto to [www.mcec.org](http://www.mcec.org) and click on to download the application form and print. Fill out the form and return it either to your Guidance Counselor or your participating teacher. Deadline for the application is February 26, 2016.

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## MCEC empowers classrooms


Monroe County Electric Co-Operative (MCEC) uses four core values to help guide decisions that it makes each day. These core values are Integrity, Accountability, Innovation and Commitment to Community.

As a Touchstone Energy cooperative, MCEC recently provided assistance to ten area schools through its Touchstone Energy School Empowerment Grant program. Schools are at the core of its communities and most schools do not have the resources to keep pace with technology and finances become a major challenge.

MCEC awarded the ten grants to help fund projects such as an electricity curriculum, a greenhouse irrigation system, Lego Mindstorm Robotic Kit, 3-D printer, Chromebook, Lego Education Story Starter Kits, LabQuest2/STEM education kit and Block Play Education program.

Recipients of the Touchstone Energy Empowerment grants were: Valmeyer High School, Gibault High School and Ss. Peter & Paul Grade School in Waterloo, St. John the Baptist Grade School and St. John's Lutheran School in Red Bud, Columbia Middle School and Eagleview Elementary in Columbia, Millstadt Primary Center, New Athens High School and St. Agatha Grade School in New Athens.

Alan Wattles, President/CEO of Monroe County Electric Co-Operative, said "We know adequate funding for many school systems has been a challenge. We are committed to the communities we serve and want to provide assistance to them. Commitment to Community is one of our Touchstone Energy core principles and helping to fund these projects fills a real gap."

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Valmeyer High School



Gibault High School



Saints Peter & Paul Grade School



St. John's Lutheran Grade School