

President's Report



William R. Dodds
President/CEO

Why you should attend our annual meeting

By Meghaan Evans

It's that time of year again – annual meeting time! On behalf of Spoon River Electric, we'd like to personally invite you to join us on June 18, 2015 at Canton High School in Canton, IL. We look forward to gathering with you – members of the co-op community – to catch up, hear what you have to say and enjoy some good food and fellowship.

This event is not only a chance to visit with members of our co-op community – it's also a great opportunity to learn about programs offered by Spoon River Electric and get to know your co-op staff. Our annual meeting makes it possible for us to gather feedback from you by providing a forum where you can let us know how we can better serve you and your family.

This is an occasion to discuss and learn more about the issues affecting our local communities. It's also an opportunity for you to exercise one of the greatest benefits of being a member of an electric co-op, by voting for the upcoming year's board of directors.

Spoon River Electric is not owned by far away investors, and it is not run by an appointed board of directors. We are run by a democratically elected board of directors – a board who is given the privilege to serve because of your vote.

Our directors are members of your community. They are concerned with the issues you face every day because they face them too. And don't forget – all members of Spoon River Electric are eligible to run for

the board – that includes you!

A democratic and open election is one of the many elements that make our electric cooperative stand out from other utilities. Having a voice in who makes the major decisions that directly affect your life and your family is a right we all share as Americans. We all vote for our state and federal Congressional representatives, but not every American has the right to vote for those who will represent community interests within their electric utility. You have that right, so why not exercise it?

Rest assured, no matter what happens, we remain dedicated to providing you with safe, reliable and affordable electric service, but we encourage you to take part in helping us improve how we deliver that service. So make it a point to join us on June 18, 2015 at our annual meeting. We promise we will make it worth your while!



Spoon River Electric Cooperative

930 South Fifth Ave, PO Box 340,
Canton, IL 61520
8:00 a.m. – 4:30 p.m.
309-647-2700 • www.srecoop.org

President/CEO

William R. Dodds
bdodds@srecoop.org

Chairman

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Vice Chairman

Terry Beam, Cuba

Secretary

Steve Pille, Glasford

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Lyle Nelson, Abingdon

Assistant Treasurer

Robert Lascelles, Ipava

Board of Directors

James Banks, Canton
Jack Clark, Lewistown
Greg Leigh, Avon
John Spangler, Marietta

Editor of Spoon River News

Taryn Martin
tmartin@srecoop.org

Spoon River Electric Cooperative – By the Numbers

Miles of line energized: 1,255

Number of members served: 4,808

Number of power poles
in territory: 29,255

Capital Credits

Spoon River Electric Cooperative is in the process of returning more than \$450,000 to the member-owners of the cooperative who live throughout its five county service territory. This is the largest return of capital credits to the members in the history of the cooperative.

As a cooperative Spoon River Electric is run on a not-for-profit business model. Any margins in excess of expenses are allocated each year to the members' capital credit accounts. Members are notified annually of their equity ownership in the cooperative represented by their capital credits. However, capital credits are not returned each year. Capital credits can be used to cover emergency expenses, hold down the cost of capital and help keep rates as low as possible. When the co-op's financial condition is strong enough the member-elected board of directors can elect to retire and return capital credits to the membership. So far the Spoon River Electric has returned nearly \$1 million. The latest return of capital credits is for those who were members during

1974, 1993, 1994, 1996, 1998 and 2004. The amount of each check is based on the amount of electricity purchased by each member during those years.

Illinois River Correctional Center is one of the largest members of the co-op and received a \$25,885 check. Some other members receiving large capital credit checks include the Dickson Mounds Museum, the Boy Scouts, Corsaw Sawmill, and many others.

President/CEO William Dodds says, "People are going to get some pretty good checks. The money is going to stay here in our communities. For example, I know it will help the prison pay some bills and they were thrilled. Our board of directors are very pleased we were able to give back to our members and community."

Dodds says capital credits represent the fundamental difference between cooperatives and other forms of business. "Capital credits are somewhat similar to the dividends that investor-owned utilities

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Bill Dodds, President/CEO, presenting Corsaw Lumber, Inc. with their Capital Credit check.

Credits continued from 16b

pay to their shareholders. The difference is that the cooperative's shareholders are also the people that it serves. We are proud to be able to return capital credits to them and we hope our financial condition will allow us to return more capital credits in the future."

Spoon River Electric Cooperative is a member of Touchstone Energy — an alliance of 750 local, consumer-owned electric utilities around the country. Spoon River Electric is committed to providing superior service based on four core principles: integrity, accountability, innovation and commitment to community. The co-op serves nearly 5,000 meters over 1,266 miles of line in parts of Fulton, Knox, McDonough, Peoria and Schuyler counties. For more information visit www.srecoop.org.



Bill Dodds, President/CEO presenting Greg Gossett, Warden, and Mark Pritle of the Illinois River Correctional Center their Capital Credit Check.

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Scouts pictured are from local Troop 124 in Canton out of Trinity Lutheran Church. The boys received the check on behalf of the council and the money will go towards camperships in the Spring.

Energy Efficiency Tip of the Month



Did you know that 90 percent of the energy used to operate a washing machine comes from using hot water? A simple switch from hot to cold can save a great deal of energy! Also, consider air drying or even line drying to save even more household energy.

Source: U.S. Department of Energy

Home heating: Calculating the benefits of electricity vs. propane

By Anne Prince

According to the U.S. Department of Energy, heating and cooling account for nearly half of the energy use in a typical U.S. home, making it the largest energy expense for most households. While few people enjoy spending money on home heating fuels, consumers are willing to pay for comfort in the form of heat.

In these colder months when the temperatures dip and the need to heat your home rises, it makes sense when trying to determine the most economical heating method to evaluate the cost per unit of heat. This is referred to as a British thermal unit (Btu).

Evaluating cost per unit of heat for propane and electricity

The Btu content per gallon of propane is 91,500 Btu. The Btu content for electricity is 3,413 Btu per kilowatt-hour (kWh). It takes 26.8 kWh to equal the Btu content of one gallon of propane.

Using the U.S. Energy Information Administration's table on residential propane and electricity rates for November 2014, \$2.40 per gallon, excluding taxes, and 13.01 cents per kWh, we arrive at the following calculation:

$$26.8 \text{ kWh} \times 13.01\text{¢} = \$3.49$$

If we used only Btu content to determine the best energy source for home heating, it would appear that propane is less costly than electricity if the price for propane is below \$3.49 per gallon.

Comparing usable heat costs

While we may have determined the cost of the actual heat content, what matters even more is the cost of the usable heat (warmth). A low-efficiency propane furnace may have an efficiency rating of 80 percent, and a high-efficiency propane furnace may have an efficiency rating of 95 percent.

Let's assume we have a 90 percent efficient propane furnace. That means 10 percent of the Btus are not converted to useable heat (warmth). Here is the math:

$$91,500 \text{ Btu} - 10\% \text{ Btu loss} = 82,350 \text{ Btu}$$

So now it only requires 24 kWh to equal the delivered Btu content of propane.

$$24 \text{ kWh} \times 13.01\text{¢} = \$3.12$$

Electric heat is 100 percent efficient

What may surprise most consumers is that the least efficient electric heating system delivers 100 percent efficient heat. Yes, electric resistance heat (i.e., space heaters, baseboard heating) is 100 percent energy efficient. Every single Btu in a kilowatt-hour is delivered as usable heat. So if you are paying more than \$3.12 per gallon of propane for a 90 percent efficient propane furnace, it would be cheaper to use electric resistance heat.

Are we recommending that you use electric resistance heat as your sole heating source? No. While we are proud to offer a reliable source of electricity, we don't want to empty your wallet. However, if your only choice is electric resistance heat, we are happy to share saving tips.

Pumping up efficiency

There are even more efficient electric heating systems called heat pumps. An air-source heat pump is at least 250 percent energy efficient. How is it so efficient?

In the heating mode, heat pumps do not use electric energy to create heat; they use it to pump heat into your home through a reversal of the refrigeration process. If you have central air conditioning, you have already

experienced this process in reverse when your unit pumps heat out of your home in the summer. If you have ever stood next to the outdoor components you know the air conditioning system is exhausting very hot air. In winter, it simply does the opposite, moving heat into your home. Air source heat pumps are equipped with some type of auxiliary heat for those times when temperatures are near freezing or dip below. The typical back-up is in the form of electric resistance heat strips, but there is also a dual fuel propane option.

In calculating the Btus per kilowatt hour for a heat pump we use this formula:

$$3413 \text{ Btu} \times 250\% = 8532 \text{ Btu.}$$

This means that it only takes 9.65 kilowatts using an air source heat pump to deliver the same amount of warmth as a 90 percent efficient propane furnace.

$$9.65 \text{ kWh} \times 13.01 = \$1.25$$

The price of propane would need to drop to \$1.25 per gallon to breakeven with the cost of home heating using an air source heat pump. Efficiency increases even more sharply when looking at the 350+ percent efficiencies of a geothermal (water source) heat pump. An additional advantage of geothermal systems is that they can be equipped to provide free water heating most of the year.

Providing reliable energy facts – regardless of fuel type

At Spoon River Electric, we believe it is our responsibility to provide members with reliable energy facts regardless of fuel type so you can get the most from your energy dollars. We are committed to helping you find the best energy solution for your budget and lifestyle and hope you will consult with your local co-op before making any big home-heating decisions.