

217-742-3128

High Line News

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS



Across the Manager's Desk

by Robert E. Gant

Answers to questions concerning IREC

In recent weeks we have had the opportunity to work with member groups in organization meetings in various counties. We have also worked with other organizations in getting information to members concerning your electric cooperative. In this process, we have encountered many questions about this cooperative that people do not understand. For my column this month, I wish to address as many questions as I can and encourage you to send to me other questions that I can answer in future columns.

WIPCO

QUESTION: What is WIPCO?

Answer: This acronym stands for Western Illinois Power Cooperative, Inc. of Jacksonville, Illinois. They are a transmission and generation cooperative. This organization was formed in 1963 by IREC and six other distribution cooperatives. They supply high-voltage power to 65 substations of its members.

IREC contribution

QUESTION: Why do we need WIPCO and what purpose does this organization provide?

Answer: As a power supplier WIPCO serves as spokesman for the seven distribution cooperatives in negotiating for a larger block of power. WIPCO represents 45,000 members and a block of power equal to 120 megawatts. This

block of power can command a better price than IREC negotiating by itself for 9,500 members and 20 megawatts of power. The larger organization of members can justify the building of generation and transmission systems that IREC by itself could not justify.

Purchasing power

QUESTION: Why did we give away our transmission and generation system?

Answer: We did not give away our transmission and generation system. When WIPCO was formed, each of the seven members provided capital to form the new organization. IREC was the only system that had generating plants, transmission lines and substations. IREC transferred to WIPCO these plants and equipment in lieu of paying cash as the other six members did. WIPCO assumed the REA notes valued to 3.1 million dollars, which represented the original cost, less depreciation on the plant items mentioned above.

QUESTION: Is it true that we can buy power from investor-owned companies for 3.5 cents a kilowatt-hour?

Answer: If we had a wholesale power contract with an investor-owned company we might be able to purchase the energy portion of the contract for 3.5 cents a kilowatt-hour. Under the pooling arrangement, we now purchase energy for 1.9 cents per kilowatt-hour. Most wholesale contracts also have a capacity charge; that is \$16.23 per kilowatt of demand at each delivery point. With the low load factor of a rural system, this adds about 4.0 cents per kilowatt-hour, making a total of about 7.5 cents per kilowatt-hour.

(Continued on page 12b)

Surplus power

QUESTION: Is it true that investor-owned companies have a surplus of power and could supply our needs over a long term contract?

Answer: Yes, it is true that there is plenty of generation capacity available. This is a result of conservation efforts in the last few years and several generating units are coming on line that were planned seven to 10 years ago. It takes a long time to build generating plants. However, we would not be able to secure a long term contract, for as the capacity is used by consumers the power company would need the capacity and would cancel the contract to use the capacity for themselves. This is what happened in the early 1970s when WIPCO needed capacity and entered into the Clinton contract.

IREC rates

QUESTION: In a recent rate comparison, it was noted that IREC rates were the highest in the State. Why was this?

Answer: In the particular rate comparison, IREC was the third from the top on the residential rate. The lowest rate was an electric heat rate at 5.2 cents. IREC's electric heat rate is 7.63 cents for the first 3,000 kilowatt-hours. The water heater rate is based on 11.9 cents per kilowatt-hour for 1,000 kilowatt-hours. Other cooperatives may have wholesale power cost adjustments that are not figured in. Be sure you are comparing residential rates to residential rates of other cooperatives. Other factors involved in rate comparisons are the density of members, the miles of line, the amount of debt to equity ratio, the amount of industrial loads and the amount of minimum a cooperative has such as cabins, pumps and idle services.

QUESTION: In the recent rate schedule we received, the basic rate design is different. Why is this?

Answer: The rate design is what is called a reducing block type rate, as opposed to a flat type rate. The reducing block rate suggests that the more

kilowatt-hours you use, the cheaper the cost per kilowatt-hour. This type of rate promotes more usage of kilowatt-hours. Under the pooling arrangement, we have plenty of capacity, and we need to sell more kilowatt-hours to utilize the capacity and cheapen the cost per kilowatt-hour for everyone.

Special rates

QUESTION: Why does IREC offer some special rates?

Answer: Every member of the cooperative has the opportunity to qualify for a special rate. These special rates promote the use of certain electrical equipment that increases the use of electricity. IREC is able to offer this lower rate in blocks of energy after the first higher energy blocks are used to cover fixed costs. The lower blocks will cover the energy cost only and fits the pattern of the wholesale power contract.

QUESTION: Under the new rate schedule, how will the wholesale power cost adjustment be applied?

Answer: In the new rate schedule, we have rolled in about 3.87 cents of power cost into the basic rates. Our wholesale base rate is now 8.7 cents. We will not pass on to the members any wholesale power cost until the cost reaches 9.0 cents. In recent wholesale rate studies this may not happen until 1989. This means that IREC members may have stabilized rates for the next two and possibly three years, even without a wholesale power cost adjustment increase.

Have a question?

I hope that we have answered some of your most asked questions in this month's column. If not, please submit questions you would like answered or submit further discussion on other members questions. We welcome your participation in this column and hope this will further your knowledge about your cooperative.

You can't compare 'apples to oranges'

Some of you may have recently attended one of several meetings conducted over the last several months by some members of Illinois Rural Electric Co. Directors and staff of IREC have attended some of these meetings, as it is the responsibility of the board and management to participate in the activities of the cooperative. By attending such meetings, the staff and board can learn of the concerns of the members and provide members with answers to their questions.

Some information provided by persons other than the directors and staff is not accurate and can give members incorrect impressions of your cooperative's operation.

One piece of material handed out at one of the meetings proposed to compare electric rates of your electric cooperative with those of two other electric cooperatives and two investor-owned utilities.

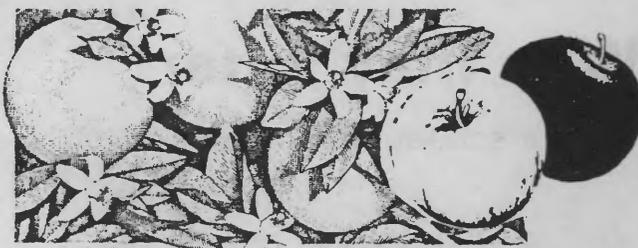
It is very important in such a comparison that one compares "oranges to oranges" and not "apples to oranges."

In this example, on the literature distributed, IREC's Farm and Home Rate for 1,000 kilowatt-hours was compared to another cooperative's electric heat rate for the same amount of usage. That isn't an accurate comparison.

Your electric cooperative has an all-electric rate and it is shown at the bottom of this page in the three schedules listed. It is considerably lower than the regular rate.

It is also very important to point out the matter of per-member kilowatt-hour usage. For the year 1984, your electric cooperative had the lowest kilowatt-hour usage per member per month in the state.

In 1984, IREC members, on the average, used 857 kilowatt-hours per month. The cooperative used in the comparison had a per-member, per-month consumption of 1,173 kwh, or more than 36 percent greater.



There are many factors that help determine rates for electric systems, and per-month consumer usage is one of the most important. The other cooperative has a different economic base for sales. As we have said for so long, building load on your system can actually reduce the per kilowatt-hour cost to all members, regardless of whether they are directly participating in adding to this new load.

Your electric cooperative has initiated a water heater sales and rate program designed to provide the participating members (all members have an opportunity to qualify) with low-cost electric water heating and all members with the benefits of the increased load served by the cooperative.

This discussion of your electric bill brings to mind another misconception among a few of the members. Some of you have heard that there will be a monthly charge of \$89 per member each month, whether a member uses any electricity or not.

That could be the case only if there was no consumption on the system, something that could never happen. As long as IREC can hold the loads it now has, the Schedule "A" facilities charge will be \$11 per month, not \$89. Your bill will be \$11 plus the kilowatt-hour charges, not \$89 plus the kilowatt-hour charges.

If sales increase, kilowatt-hour costs will decrease.

Check with IREC for correct electric rates

There is some information being provided to members of Illinois Rural Electric Co. about rates that is incorrect and misleading. The following is an example of respective rates per kilowatt-hour for members of Illinois Rural Electric Cooperative. If you have any questions about the rates of your electric cooperative, please contact the office in Winchester.

Schedule - A Farm and Home Service	
Monthly Facility Charge of	\$11.00
Energy Charge:	
First 600 kwh at \$.14 =	84.00
Next 400 kwh at \$.12 =	48.00
	\$143.00
The above cost for 1,000 kilowatt-hours	
Average cost per kwh = 14.3 cents	

Schedule - A Water Heater Rate	
Monthly Facility Charge of	\$11.00
Energy Charges:	
First 600 kwh at \$.14 =	84.00
Next 400 kwh at \$.06 =	24.00
	\$119.00

The above cost for 1,000 kilowatt-hours
Average cost per kwh = 11.9 cents

Schedule - A-EH All Electric Rate	
Monthly Facility Charge of	\$11.00
Winter Months	
Energy Charges:	
First 600 kwh at \$.14 =	84.00
Next 400 kwh at \$.06 =	24.00
Next 2,000 kwh at \$.05½ =	110.00
	\$229.00

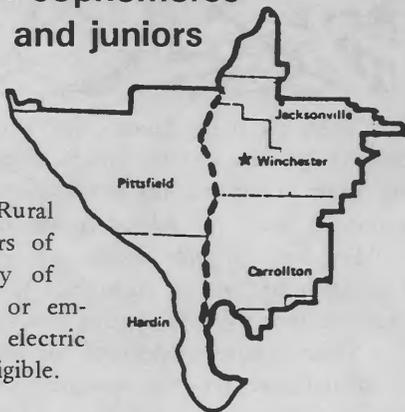
The above cost for 3,000 kilowatt-hours
Average cost per kwh = 7.63 cents

Win a free one-week trip to Washington

Who may enter

High school sophomores and juniors

Any high school sophomore or junior living in a residence served by Illinois Rural Electric Co. Members of an immediate family of any board member or employee of a rural electric cooperative are not eligible.



Semifinalists during Springfield trip

In addition

Ten semi-finalists from each side of the Illinois River will receive a free trip to their state capital in Springfield, which includes:

- Get-acquainted session at the Ramada Renaissance Hotel with other students from cooperatives throughout the state
- Tour of Springfield's historic sites including the Governor's Mansion, Lincoln's Home, State Capitol Building, Illinois State Museum and the Old State Capitol
- Enjoy a dinner night with Senators and Representatives and other elected officials on Wednesday, April 23.
- Chaperones and all arrangements of the day are to be taken care of by Illinois Rural Electric Co. Transportation will be provided from Illinois Rural Electric Co.'s office in Winchester.

Use the coupon at lower left to enter.

Rules of the contest

Each student will be required to write an essay (in their own words) on "Illinois Rural Electric Co.: a community asset" and submit it to Illinois Rural Electric Co. 2-12 South Main Street, Winchester, Illinois 62694, on or before March 14. Essays are to be typewritten on 8½ by 11 inch paper, one side only, double spaced and not exceed 1,000 words. Washington, D.C., trip winners will be required to attend Illinois Rural Electric Co.'s annual meeting and give a brief presentation about their Springfield and Washington trips. Resource material will be mailed to you upon receipt of entry coupon or may be picked up at Illinois Rural Electric Co.'s Member Service Department in Winchester.

One student from each side of the Illinois River will be awarded an all-expense-paid, seven-day trip to Washington, D.C., June 13-20, 1986.

1985 Washington tour winners



Leah L. Leeds (left) of Rockport and Tina R. White (center) of Winchester were IREC's winners of the Youth to Washington tour in 1985. With Leah and Tina is Connie Wohlers (right) of Franklin, who paid her own way as a "Willie Wiredhand" student.

Clip and Mail to:

Illinois Rural Electric Co.

2-12 South Main

Winchester, Illinois 62694

Attn: George R. Lindsey

Date _____

I wish to enter the "Youth to Washington" essay contest.

(Name of Applicant) _____ (Age) _____

(Name of Parents) _____

(Mailing Address) _____

(Phone Number) _____

(High School) _____ (Class/Year) _____



Artist's concept of Choremaster

Livestock operations may benefit from Choremaster

Given the proper use, electric vehicles may have a place on the farm, and they may even be able to reduce equipment costs, according to Les Christianson, a new member on the University of Illinois Agricultural Engineering staff. Christianson comes from South Dakota State University, where he was one of the project leaders in designing and testing an electric vehicle for agricultural use. Electric cooperatives supported the project through funding by the National Rural Electric Cooperative Association Research Fund.

Beginning in 1979, Christianson and other South Dakota State staff members designed three models of the "Choremaster" — an electric tractor that is best suited to farm chores, not field work.

He says that dairy, beef, swine and poultry farmers would have the most interest in electric vehicles because these farmers need a farm chore vehicle approximately 300 days out of a year. A grain farmer, on the other hand, may only need a chore tractor 30 to 70 days out of a year, which would not make it economical.

The initial cost of an electric tractor is about 10 to 15 percent higher than a diesel-powered tractor. However, Christianson says that energy savings, a longer vehicle life and reduced

maintenance with an electric vehicle more than offset this initial higher cost.

In fact, in one comparative study, South Dakota researchers found that if you considered all expenses over a vehicle's lifetime (including initial costs), the electric vehicle saved almost \$2,000 per year over the diesel vehicle.

Other advantages of the electric vehicle, he adds, are less noise, an absence of noxious fumes for in-building use, ease of starting and less dependence on one energy source.

The 4,000-pound battery in the electric Choremaster was able to power the vehicle for about 15 miles of stop-and-go driving under different load conditions before it needed to be recharged, Christianson says. This equals about four hours of tractor chores on typical farms.

When moving packed snow in 20- to 30-degree Fahrenheit weather, the tractor operated for about three and one-half hours, and cold conditions did not affect the battery's capacity.

In -20 degree F weather, the battery also performed well, but the hydraulic fluid and valves performed poorly and the instruments for measuring energy usage malfunctioned. In this case, however, Christianson notes that the battery was not insulated and the vehicle sat out overnight.

Although the electric vehicle is a new concept in American agriculture, the idea of a battery-powered car is an old one, dating back to 1847.

By the 1900s, electric car manufacturers were generating about \$18 million of business per year in the United States alone; but then came the decline. Gasoline-powered cars replaced electric cars, leaving electric vehicles with specialty jobs, such as milk delivery, mine work and forklift operation.

It was not until the oil embargo of 1973 that interest picked up once again and money was channeled into electric vehicle research.

In Europe, Christianson says, electric vehicles have been widely used for milk delivery since the 1930s; and they have been used in those European cities where combustion vehicles are banned due to pollution concerns.

Because European farms are not as large as those in the United States, researchers there also are developing an electric tractor that is practical primarily for field work.

In the United States, meanwhile, the interest seems to be present for an electric farm chore tractor, Christianson says. In a South Dakota survey, dealers, Extension agents and farmers were all receptive to the idea.

For example, the dealers surveyed estimated that the electric Choremaster could replace 32 percent of their sales of tractors (below 100 horsepower) to dairy operators, 29 percent of their sales to beef operators and 34 percent of their sales to swine operators.



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Across the Manager's Desk

by Robert E. Gant

In last month's column, I printed some questions and answers that our members asked at some member meetings. I asked that other questions be sent and, sure enough, we got lots of questions, especially after the January 1 bill was issued.

Radio advertising

QUESTION: Why does Illinois Rural Electric Co. advertise on the radio?

Answer: Illinois Rural Electric Co. has sponsored the market reports for some time and has used the spots for public service messages. Most advertising is for the Member Service Department, which does work beyond the meter and sells appliances. The Member Service Department is run as a profit business and separate from our primary business of distributing electricity. In recent weeks, our advertising has been to inform you members of other member activity.

Fluctuation

QUESTION: Why do my electric bills and security light costs fluctuate from month to month with about the same usage?

Answer: Under the 1985 rate schedule we were passing on to the member only changes in the wholesale power cost adjustment. These charges varied from a half cent to 3.87 cents a kilowatt-hour, depending on the amount of kilowatt-hours purchased from our supplier. In months like August, when usage is down, the purchased kilowatt-hour cost is higher for there is less kilowatt-hours to cover the fixed costs. The same is true in the rental security light. There are about 80 kilowatt-hours of electricity each month used by each security light. When the wholesale cost of power is 8.0 cents, the electric cost is \$6.40. This leaves very little margin in the

rental security light.

Where does it go?

QUESTION: What is happening to all of the money that is collected in these ridiculously high rates? I'll bet someone is getting rich on this money.

Answer: In 1986 we will pay an average of 8.5 cents per kilowatt-hour for our wholesale power. This amounts to \$650,000 to \$775,000 each month. It represents 70 percent of our total revenues which go to pay our power bill. Line loss reduces this by 8.5 percent. Other fixed costs like interest and principal on long-term debt, operation and maintenance of plant, taxes and insurance do not leave much for that margin.

QUESTION: Why have rates gone up one cent a year along with the fluctuation of the wholesale power cost adjustment?

Answer: In March of 1984, Illinois Rural Electric Co. added one cent to its basic rate through the wholesale power cost adjustment. This represented the first year installment of the equity funding plan adopted by Western Illinois Power Cooperative. In 1985, another one cent was added in March and collected over the year. The new rate schedule represents another one cent for equity funding. This is a phasing in of the costs of the Clinton Power Station by Western Illinois Power Cooperative.

Equity funding

QUESTION: What is the purpose of the equity funding money being paid to our power supplier?

Answer: The equity funding plan was devised by REA to raise money from the current members of Soyland and WIPCO to pay the interest and principal on the long-term debt in connection with the Clinton Power Station. This money, if not collected from the member, would have to be borrowed from the Federal Financing Bank, which would mean more interest on interest and would increase the overall debt that must be paid by the ratepayer. This represents a long-term savings to the ratepayer.

QUESTION: Why is it advocated by some that IRECo.

not pay any equity funding in 1986? Will this reduce the retail rate to the member-consumer?

Answer: The advocated plan would not reduce retail rate to the member-consumer. The revenues would be collected and placed into an escrow account to draw interest. This would not provide any rate reduction, but it would increase revenues and margins.

Escrow account

QUESTION: Why would this money be put into an escrow account, and not paid to the power supplier?

Answer: Some people believe that in the event of bankruptcy by Soyland and/or WIPCO by withholding funds the particular cooperative would not lose the funds in the bankruptcy. However, this is a two-edged sword. Withholding funds from the power supplier may cause financial stress and will cause the

power supplier to borrow funds and pay more interest on the long-term debt.

QUESTION: Can WIPCO actually take Chapter 11 or Chapter 13 bankruptcy?

Answer: WIPCO is currently meeting its short- and long-term obligations. With long-term financial planning, it will continue to meet these obligations. Its long-term debt is with the Federal Financing Bank through the Rural Electrification Administration. The REA must see that the American taxpayer is protected on this debt and will take measures to see that the obligation is paid in full, even if this requires a government take over of the G&T.

I hope that through this center section of the Illinois Rural Electric News we are providing you with more information in our quest to keep the member informed about your cooperative. You will find elsewhere in this issue a brief synopsis of the board of directors meeting on January 6, 1986.

Board meeting report

All board members, legal counsel and the manager were present at the board meeting.

The minutes of the regular board meeting held on December 2 were approved, as well as minutes of special meetings held on December 13 and December 23.

The financial report and the accounts paid reports were considered by the board of directors and after full discussion were approved.

A special guest speaker was then introduced by the president. Mr. Lewis Powell spoke to the board concerning some possible scenarios that he presented concerning the present power supply arrangement with WIPCO and the problems that have resulted in a high cost of wholesale power due to the Clinton nuclear plant, of which WIPCO is a partner with Illinois Power and Soyland Power. This discussion resulted in quite a lengthy question-and-answer session and the board was very much interested in Mr. Powell's discussion. As a result of the discussion, the chairman appointed a committee to look into the contractual matters and review the relationships of WIPCO, Illinois Power and Soyland as it relates to Illinois Rural Electric Co.

The treasurer's report for December 31, 1985, was presented and it was approved as presented.

The load-building report was then presented and it, too, was approved as presented.

The chairman then asked the manager to present the 1986 operating budgets, which consist of the capital expenditures budget, the member service budget, the load-building activities budget and the energy conservation budget. After full discussion of this presentation, they were approved as presented.

The chairman then asked the manager to discuss the equity funding plan as it related to the wholesale power contract.

The chairman then asked the manager to report on the regular board meeting of Western Illinois Power Coopera-

tive, held on December 13, 1985. The manager reported that at this meeting new director Dennis Keiser was seated to the WIPCO board, being the new manager of M.J.M. Electric Cooperative. A resolution presented by Rural Electric Convenience Cooperative concerning the deferment of equity funding payments was presented and a motion to accept the resolution was approved. The chairman reported that WIPCO's annual meeting would be coming up on March 11, 1986, and that the board should present a certificate of nominations for two members of the Illinois Rural Electric board to be elected delegates on the WIPCO board. Board member Harvey Vortman and manager Ed Gant were chosen as the nominees.

The chairman next presented the delinquent list of accounts for the six months ending December 31, 1984, for the directors to write off to the reserve for delinquent accounts. Whereupon a motion was made and duly seconded and approved for such write off.

The chairman next reported on the regular monthly meeting of the Association of Illinois Electric Cooperatives in Springfield. As part of his report, he reminded the directors that there would be an NRECA director course presented at the AIEC on January 14 and 15 and urged board members to attend this meeting. The chairman next asked the manager to present the annual CFC certification for compliance with the National Rural Cooperative Finance Corporation loan and security documents. After discussing some 15 points relative to this certification, it was moved, seconded and approved to accept the CFC certification.

The chairman then presented membership applications for the cooperative for the month of December, which were approved for membership. Also, one member was approved for a refund of the membership fee.

The meeting was then adjourned.

THOUSAND ISLAND DRESSING

- 3/4 cup mayonnaise
 - 3 tablespoons milk
 - 1 tablespoon chili sauce
 - 1 tablespoon sweet pickle relish
 - 1 hard-cooked egg, finely chopped
 - 1 teaspoon garlic powder
- Combine ingredients. Chill thoroughly. Serve on chef's salad or greens. Makes one cup.

FRIED PIE CRUST

- 2 1/2 cups all-purpose flour
 - 2 teaspoons baking powder
 - 1/2 teaspoon salt
 - 2 tablespoons sugar
 - 1/2 cup shortening
 - 1 egg
 - 1 cup evaporated milk
- Sift dry ingredients together. Cut in shortening. Beat egg with milk; add to dry ingredients. Knead out lightly and wrap tightly. Chill in the refrigerator. Roll dough thin. Fill with cooked dry fruits of your choice. Fry in cooking oil at 375 degrees.

FRITO SALAD

- 1 head lettuce, torn in pieces
- 2 tomatoes, peeled & chopped
- 2 med. onions, chopped
- 1 10-oz. pkg. mild cheddar cheese
- 2 cans red kidney beans, drained & rinsed
- 1/4 lb. bag Fritos, crushed
- 1 8-oz. bottle French dressing

Mix first five ingredients well. Just before serving add Fritos and dressing. Mix to blend ingredients.

MARY'S POTATO CASSEROLE

- 2 lbs. frozen hash browns, defrosted
- 1/2 cup melted butter
- 1 teaspoon salt
- 1/4 teaspoon pepper
- 1/4 cup melted butter
- 2 cups crushed corn flakes
- 1/2 cup chopped onion
- 1 can undiluted cream of chicken soup
- 1 pint sour cream
- 10 oz. (2 cups) grated sharp Cheddar cheese

Defrost potatoes, combine in large bowl with melted butter. Add salt, pepper, onion, soup, sour cream, and cheese. Pour into greased casserole dish. Cover with corn flakes mixed with 1/4 cup of butter. Bake at 350 degrees for 45 minutes.

MAKE AHEAD CHICKEN & RICE CASSEROLE

- 3 cups cooked rice
- 3 cups cooked chicken, chopped
- 1 small onion, chopped
- 1 2 1/2-oz. jar sliced mushrooms, drained
- 2 cups (8-oz.) shredded American cheese
- 2 cups milk
- 1 10 1/4-oz. can cream of celery soup, undiluted
- 1/2 teaspoon salt

Add all ingredients together, mixing well. Spoon into a lightly greased 3 qt. baking dish; cover and refrigerate for several hours or overnight. Remove from refrigerator; let stand at room temperature 30 minutes. Bake, uncovered, at 350 degrees for 45 minutes. Serves 6 to 8.

CHEESE WAFERS

- 1 cup sharp cheddar cheese, grated
- 1/2 cup butter
- 1 3-oz. pkg. cream cheese
- 1 cup pecans, grated
- 1/2 cup flour
- 1/2 teaspoon salt
- 1/8 teaspoon cayenne pepper
- 2-3 drops yellow food coloring

Bring cheese and butter to room temperature. Cream together until fluffy. Add remaining ingredients and mix well. Shape into small balls. Place on ungreased cookie sheet; press with tines of fork. Press a small pecan half into center of wafer. Bake at 350 degrees for 15-20 minutes.

MEXICAN RICE CASSEROLE

- 1 lb. ground beef, lean
- 1/2 cup bell pepper, chopped
- 3 cups onions, chopped
- 2 cups canned tomatoes, chopped
- Salt and pepper
- 2 6-oz. rolls Jalapeno cheese spread
- 1 teaspoon garlic, chopped
- 1/4 cup chili powder
- 1 teaspoon ground cumin
- 1 cup raw rice
- 1/2 lb. butter
- 1/2 cup grated American cheese

Brown meat, add onions and bell peppers and simmer 5 minutes. Add tomatoes, chili powder, cumin and salt and pepper to taste. Simmer until liquid is evaporated. Cook rice according to package directions. When cooked, add Jalapeno cheese and butter, stirring until well mixed. In an oven-proof casserole dish, layer half the meat mixture, top with all the rice and cheese mixture, then the remaining meat. Top with grated American cheese. Bake at 350 degrees until cheese melts. Serves 6 to 8.

RICE AU GRATIN SUPREME

- 4 cups cooked rice
- 1/2 cup chopped onion
- 1/2 cup chopped green pepper
- 1/4 cup chopped pimiento
- 1 10 1/4-oz. can cream of mushroom soup, undiluted
- 1/3 cup salad dressing or mayonnaise
- 2 cups shredded cheddar cheese
- 2 cup milk
- 1 teaspoon salt
- 1/4 teaspoon pepper

Preheat oven to 350 degrees. Combine rice, onions, green pepper and pimiento in a large bowl. Blend soup, salad dressing, 1 cup grated cheese, milk and seasonings in a separate bowl. Stir into rice mixture. Pour rice mixture into a buttered shallow 2-quart casserole; sprinkle with remaining 1 cup cheese. Bake at 350 degrees for 25 minutes or until hot and bubbly. Serves 6.

NASSI GOARENG (DUTCH RICE WITH PORK)

- 1 large onion, chopped
- 3 cloves garlic, minced
- 4 or 5 pork chops, cut up
- 1 pkg. thin-sliced ham (about 8-oz.) cut up
- 3 cups cooked rice
- 1/2 teaspoon Sambal (red pepper paste) OR 1/4 teaspoon crushed red peppers
- 1/2 teaspoon salt
- Black pepper to taste
- Paprika
- Small amount vegetable oil

In vegetable oil, saute' onions and garlic until clear. Remove fat and bone from pork chops. Cut meat into small pieces and add to onions and garlic. Stir in Sambal or red peppers, then salt, pepper and paprika. Mix well. Cook until pork is done. Cut ham into small pieces and add to meat mixture. Stir. When ham is thoroughly heated and mixed throughout, pour mixture in with cooked rice and mix thoroughly. Serve and enjoy!!

SPICY SAUSAGE AND RICE

- 1 lb. bulk sausage
- 1 cup uncooked regular rice
- 1/2 cup diced onion
- 1 10-oz can Rotel diced tomatoes and green chilies
- 1 1/2 teaspoons Worcestershire sauce
- 1 1/2 teaspoons prepared mustard
- 1/2 teaspoon salt
- 1 cup water

Cook sausage, stirring while it cooks to crumble, til completely done. Drain and discard pan drippings. Return sausage to skillet; stir in rice and cook over low heat about 5 minutes, until rice is golden, stirring occasionally. Add remaining ingredients; simmer 30 minutes, covered. May need to be stirred once or twice. Serves 6.

TAMI'S RUSH-HOUR RICE

- 1 cup uncooked parboiled rice
- 1 1/2 teaspoons salt
- 1 teaspoon black pepper
- 1 tablespoon minced onion
- 1 tablespoon Worcestershire Sauce
- 1 10 1/4-oz. can chicken broth
- 2 soup cans water
- 2 5-oz. cans boned chicken
- 1 16-oz. can mixed vegetables, undrained
- 1 can cream of chicken soup, undiluted

In large skillet, brown rice and seasonings in oil over medium heat, stirring occasionally. Add chicken broth and water. Cover and cook 30 minutes or until rice is tender and water is absorbed. Add chicken, vegetables, and cream of chicken soup. Mix well. Simmer 10 minutes, stirring occasionally. Serves 6-8.

FROZEN FRUIT COCKTAIL

- 2 cans chunk pineapple, use juice
- Maraschino cherries, optional
- Green grapes
- 14 peaches, fresh
- 14 pears, fresh
- 1/2 cup sugar to 1 quart fruit, (about 3 cups)
- 9 teaspoons Fruit Fresh, (add to sugar)

Cut up fruit in large bowl. Toss lightly with sugar mixture. Bag and freeze. You can add any fresh fruit.

FROZEN CHOCOLATE VELVET PIE

- 2 egg whites
- 1/8 teaspoon salt
- 1/4 cup sugar
- 2 cups nuts, pecans or walnuts
- 1/4 cup white corn syrup
- 1 tablespoon water
- 1 tablespoon vanilla
- 1 cup semi-sweet chocolate pieces
- 3/4 cup chilled can sweetened condensed milk
- 1 1/2 cups heavy cream

Beat egg whites with salt to soft peaks, gradually beat in sugar. Beat stiff, add nuts. Spread over bottom and sides of greased pie plate. Make rim about 3/4-inches high. Bake at 400 degrees for 12 minutes. Cool. Bring corn syrup and water just to a boil. Remove from heat, stir in vanilla and chocolate. Cool. Reserve 2 tablespoons. Pour rest in large bowl with milk and cream. Beat at medium speed until it stands at soft peaks. Pour into cool pie crust. Firm in freezer unwrapped. When frozen pipe reserved chocolate in lattice designs. Freeze until ready to serve. Will keep about 3 or 4 months.

BROWNIES

- 2 sticks butter
- 4 eggs
- 2 cups sugar
- 1 cup flour
- 1/4 cup cocoa
- 1 teaspoon vanilla
- 1 cup pecans

Melt butter in brownie pan. Mix eggs, sugar, flour, cocoa and vanilla. Add melted butter and pecans. Pour back into pan and cook at 350 degrees for 30 minutes. Do not cut while hot.

MILLIONAIRES

- 1 14-oz. pkg. caramels
- 2-3 tablespoons milk
- 2 cups pecans
- 1 6-oz. pkg. semi-sweet chocolate chips
- 1/2 block paraffin

Melt caramels and milk in top of double boiler. Beat 2-3 minutes. Add pecans and drop on wax paper. Melt chocolate chips and 1/2 block paraffin. Dip caramel-nut drops into chocolate mixture and return to wax paper.

MAGIC MUFFINS

Mix 1 cup vanilla ice cream and 1 cup self-rising flour together. Spoon into greased muffin tins and bake at 400 degrees til done. Do not substitute ice milk or all-purpose flour!

BAKED POPCORN CRUNCH

- 1/2 cup margarine or butter
- 1/2 cup firmly packed brown sugar
- 3 qts. hot popped popcorn (about 1/2 cup unpopped)
- 1 cup pecan halves or pieces

Preheat oven to 350 degrees. Cream butter and brown sugar together in large bowl. Pop corn and mix with creamed butter-sugar. Add nuts. Spread in a 15-by-10-by-1-inch jelly roll pan. Bake 8 minutes. Cool in pan. Yield: 3 qts.

PUMPKIN BARS

- 2 cups sugar
- 2 cups all-purpose flour
- 2 teaspoons baking powder
- 1 teaspoon soda
- 1/2 teaspoon salt
- 2 teaspoons ground cinnamon
- 3/4 cup corn oil
- 2 cups cooked, mashed pumpkin or 1 16-oz. can pumpkin
- 4 eggs

Combine first 6 ingredients. Add oil, pumpkin, and eggs; beat 1 minute at medium speed of electric mixer. Spoon batter into oiled 15x10x1-inch jelly roll pan. Bake at 350 degrees for 20 to 25 minutes. Let cool completely. Frost with fluffy cream cheese frosting. Cut into bars. Makes about 3 dozen.

Fluffy Cream Cheese Frosting:

- 1 3-oz. pkg. cream cheese, softened
- 6 tablespoons margarine, softened
- 1 tablespoon orange juice
- 1 teaspoon vanilla flavoring
- 2 cups powdered sugar

Beat cream cheese and margarine until light and fluffy. Add orange juice and vanilla. Mix well. Gradually add powdered sugar, mixing until light and fluffy.



217-742-3128

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS

High Line News



Across the Manager's Desk

by Robert E. Gant

WIPCO and Soyland seek lower power costs

"... of primary concern should be to maintain an economic climate which attracts new business and investments in central Illinois, and lightens the cost burden on small and medium sized farms, many of which already have faced serious financial difficulties.

... Congress should take particular interest in the crisis facing the Co-ops, since their share of the plant (Clinton) was funded by loans from a federal agency, the Rural Electrification Administration." (Congressman Richard Durbin, Winter 1986 Newsletter, Special Report)

Soyland Power Cooperative and Western Illinois Power Cooperative share Congressman Durbin's concern that cost overruns at the nuclear Clinton Power Station are driving up cooperative rates. Soyland and WIPCO realize their rates are higher than other utility companies and they are determined to make their rates competitive. Soyland and WIPCO directed their managements, with the help of professional accounting and legal consultants, to develop a program to maintain a reliable source of long-term power at competitive wholesale rates.

High interest

Soyland and WIPCO have the highest interest cost on money borrowed of all the generation and transmission cooperatives (G&T's) in the country — in excess of 11 percent of all debt. Soyland, unlike other G&T's, did not have access to 2 percent and 5 percent loans that were available to G&T's prior to 1973 through the REA revolving fund insured loan program.

Since Soyland did not borrow any major funds until the 1978 decision to purchase a 10.5 percent ownership share of the nuclear Clinton Power Station, Soyland's cost of borrowing is much higher than the average G&T. WIPCO also has excessive borrowing costs since the major portion

of its debt is connected with financing its 9.5 percent ownership share in Clinton, borrowed after the change in REA policy.

Because Soyland and WIPCO have a total investment in excess of \$900 million in their ownership shares of the Clinton Power Station, approximately half of which is interest, the cost of borrowing has a very significant effect on electric power rates.

Over the past decade, high inflation and high interest rates have caused construction costs at the Clinton Power Station to escalate dramatically. Those increases, combined with the cooperatives' high interest costs, have caused Clinton to become a tremendous financial burden for the cooperatives.

With Clinton projected to meet about 25 percent of Soyland's power supply needs, a decision had been made by Soyland to build a 450-megawatt coal-fired generating plant. In October 1982 the REA awarded Soyland a guaranteed loan for \$850 million to build the coal-fired plant on a site in Pike County. A provision was also made that Soyland finance \$150 million of pollution control bonds, thus the total plant cost would have approached \$1 billion.

Growth slows

In late 1982, as load growth slowed to a virtual standstill, both locally and nationally, the cooperatives took a long, hard look at the economics of building their own coal-fired power plant at a cost of nearly \$1 billion versus buying parts of existing plants from other utilities who unexpectedly were faced with excess capacity. A very difficult decision was made in 1983 to cancel the coal-fired project in Pike County and a compressed air energy storage (CAES) peaking plant so that rates could be more tolerable when the nearly \$1 billion investment in the Clinton Power Station was added to the rate base. Soyland and WIPCO have faced tremendous obstacles but, throughout both cooperatives' histories, each has tried to change direction as times changed, to the benefit of each member-consumer.

Cancellation of the CAES and Pike plants was only one piece in the cooperative's energy-supply, energy-cost puzzle. Obtaining additional funding to complete the Clinton Power Station was another piece. However, the most important part of an over-all solution to date is a contractual agreement with Illinois Power Company. The IP contract provided the cooperatives with a cap on Clinton construction costs, established a complete utility system under cooperative control with costs based on the actual installed cost of IP facilities, set up economic power supply

dispatching, and gave Soyland/WIPCO access to the IP transmission network.

Equity funding

Soyland and WIPCO showed continued financial responsibility when they implemented in March 1984 a plan called equity funding to help keep cooperative power supply costs as low as possible. Soyland and WIPCO are collecting \$80 million over a period of three years. By collecting this money now, the members of Soyland and WIPCO will save \$9.5 million per year in reduced interest cost, depreciation, taxes, and insurance over the life of the nuclear plant. This amounts to a considerable savings for each member of Soyland and WIPCO and will permanently reduce the cost of Clinton participation. And, during the first seven years of commercial operation of the Clinton Power Station, this money will be totally returned to the cooperatives in lower power costs.

Even with all of the steps Soyland and WIPCO have taken during the past few years to lower costs, more has to be done. Over the past year we have been working on a financial restructuring plan that will allow Soyland and WIPCO to keep rates competitive and stable, through the late 1980s and well into the 1990s.

Restructuring plan

Soyland and WIPCO realize that the member-consumers of the 22 cooperatives have been extremely hard hit by the agricultural recession. They also realize that cooperative electric rates are significantly higher than neighboring utilities and that with the commercial operation of the Clinton nuclear plant rates will continue to increase unless fundamental changes are made. Soyland and WIPCO therefore feel it is absolutely essential that a financial restructuring plan be approved.

Soyland and WIPCO met with the Rural Electrification Administration on January 28, 1986, to discuss the proposed financial restructuring plan and the effect restructuring could have on electric power rates for the 150,000 member-consumers served by Soyland/WIPCO's 22 member-cooperatives. The plan that was presented to REA was a draft proposal only, and may change significantly based on

REA reaction to it. It is crucial that REA recognize the necessity of approving a plan that will allow Soyland and WIPCO to deliver competitively priced electric power to their members. Our bankers must be aware that still-higher rates are unacceptable. The plan submitted to REA results in significant savings to the cooperatives totalling approximately \$33 million per year.

It is in the best interests of the federal government and the consumers of rural Illinois that a workable financial restructuring plan be approved and implemented by the Department of Agriculture and REA in conjunction with the electric cooperatives in Illinois.

Pooled operations

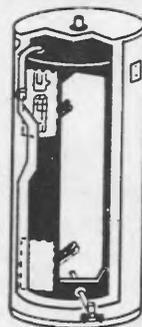
Since January 1, 1985, Soyland and WIPCO have operated as a single power-supply organization, combining personnel and energy requirements to gain economies of scale. They entered into a power coordination agreement with Illinois Power Company under which the cooperatives are receiving 400 megawatts of capacity from IP's fossil-fueled plants and have the right to use the company's transmission and subtransmission system. Other provisions of the agreement between Soyland/WIPCO and IP limit the cooperative's total direct construction cost in the Clinton Power Station to \$450 million.

Soyland and WIPCO have also implemented an incentive rate plan to market electricity to new industries that locate in their cooperative service areas. This marketing program will help attract industry to rural areas and provide jobs and economic development for the members utilizing the excess capacity Soyland and WIPCO have available for the next five years. This is but another step in the efforts of Soyland and WIPCO to remain competitive and to help develop rural Illinois job opportunities.

Soyland and WIPCO have made progress toward stabilizing electric rates to their members. However, they still feel rates are at totally unacceptable levels given the economically stressed rural members they serve. A financial restructuring plan is seen as another step toward ensuring competitive rates in rural Illinois. It is absolutely essential to the future of cooperatives in rural Illinois that a financial restructuring plan be implemented.

FACT BOOK

Included with this issue of your Illinois Rural Electric News is a booklet of information about Illinois Rural Electric Co. We urge you to remove it from the magazine, read it, and keep it for future reference.



**Electric
water
heater
=
Savings**



Contact Illinois Rural Electric Co.'s Member Services Department to find out how you can save on your water heating costs.

FACTS

*Members
Should Know
About*

ILLINOIS RURAL ELECTRIC CO.

FACT: No Power Company Wanted You
You Finance the Cooperative
You Control Power Supply
Your Directors Act on Facts
Your Cooperative Is Different
Your Cooperative Serves Anyone, Anywhere
Your Best Interest Is First

FACT: No Power Company Wanted You



Power Companies Refuse To Serve

Before 1935, only about 10% of the farms in the United States were receiving central-station electricity. In 1923 there were only 2,201 Illinois farmers listed as customers of power companies. This was about one percent of the total number of Illinois farmers.

Bringing electricity to rural homes was a modern day "miracle." Before 1935, most people in rural Illinois couldn't get electricity—at least not at a price they could afford. They were thwarted in their attempts to have their homes electrified. The utilities which should have been working to extend electric service into rural areas believed rural people were not ready for electricity.

As a result, rural electrification prior to 1935 was restricted to a select group of farm people. For the most part, these farmers were receiving electric service from the utilities where they were located along the main highways leading out from cities and towns. The power company people preferred areas where large power loads were available on short line extensions. In Illinois, line extensions usually were short ones. They rarely were more than a few miles in length and were limited to a handful of customers in the more prosperous and densely settled communities.

The utilities tried to defend their stand by claiming that farmers did not want or need electricity and did not know how to use it effectively. They further argued that farmers were unable or unwilling to pay for electricity and that the cost of supplying electricity would be prohibitive. Some of the power companies went so far as to say that supplying electricity at rates farmers were able and willing to pay would either bankrupt the companies or force them to discriminate against city consumers.

Government Offers Incentive

President Franklin D. Roosevelt sought to make electricity available to all rural Americans. On May 11, 1935, he issued Executive Order 7037 which established the Rural Electrification Administration (REA). Its function was to be a lending agency built on an interest-bearing, self-liquidating basis. The intent of the program was to provide money to commercial power companies and to other groups to help finance the construction of power lines into rural areas.

Conferences of power company executives were called to offer them the funds and the cooperation of the new agency. The conferences ended in assurances of consideration, but not action. The power companies insisted that their existing facilities should meet the demand. They issued a report which stated: "There are very few farmers requiring electricity for major farm purposes that are not now served. . . " and ". . . the utilities consider the immediate urge for rural electrification as a social rather than an economic problem." This was an interesting conclusion in view of the fact that at the time of the statement, 89% of the farms in the U. S. were without electricity.

With the private utilities holding back, it was apparent that farm cooperatives would have to be organized to build the lines into rural areas. As a result, some utilities adopted harassing tactics. They built "spite" lines, cutting into areas to be served by the

cooperative. They often refused to sell wholesale power at reasonable prices. They spread propaganda which made the organizing efforts of the electric cooperatives very difficult. "A bunch of farmers never will be able to run an electric system," they claimed.

FACT: You Finance the Cooperative

People Organize Cooperative

Electricity lifted the blanket of darkness from the rural areas of Pike, Scott and Morgan counties in 1938. Officially, the first 600 members received service on June 28, 1938, when the cooperative's diesel generation in Winchester started the electricity flowing. That day in 1938 was a major highlight in the cooperative's history. It was made possible only through concerted efforts by scores of people during more than two years. The cooperative was officially organized May 21, 1936, in the Farm Bureau office in Pittsfield. As a result of the meeting, the first board of Illinois Rural Electric Co. was elected. None of these early pioneers understood the magnitude of the task in front of them, but just a year later the cooperative received a loan from the Rural Electrification Administration (REA) in the amount of \$490,000 to finance construction of line and other facilities needed to provide services. Most of the sign-up work was done by volunteer workers who solicited \$5 membership fees from each family. These funds were the initial equity required in order for the cooperative to organize and borrow funds from the REA.

Members Are Buying Cooperative

As owners of the cooperative, members have a responsibility to help finance their business. Building to meet the load growth of expanding rural areas and to ensure adequate, reliable power for present consumer needs requires ever-increasing amounts of capital. This means that your electric cooperative must charge members rates high enough to repay all loans and to build and maintain reserves, in addition to paying the increasing costs for building new power generation facilities, fuel and the expenses of providing service, twenty-four hours a day, seven days a week. The revenue requirements must therefore be greater than actual operating costs.

Your cooperative must produce a minimal margin at the end of the year to stay in business and to continue to provide you service. Margins are used to repay debt. They constitute the members' investment of capital in the system and are not a profit to the cooperative or to its members.

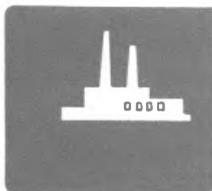
This payment in excess of costs is represented by what is termed "margins" in electric cooperative operations. This margin of payments over operating cost is shown on the cooperative's balance sheet as an item called "equity." Equity represents the member-consumer's contributions of capital to the cooperative business. This equity in Illinois Rural Electric Co. is used to reduce the cooperative's debt, lower retail electric rates to the member-owners, and keep the cooperative system and operations in top condition.

Member Capital Supplemented by Outside Financing

When major construction projects must be undertaken, member capital is insufficient to meet the projected needs. Additional funds must then be borrowed from outside sources. Illinois Rural Electric Co. presently obtains its financing from REA. The remaining 30% is obtained through the cooperatives' own financing institution, the National Rural Utilities Cooperative Finance Corporation (CFC). The money Illinois Rural Electric Co. borrows from REA and CFC is repaid with interest from the revenues received as members pay their electric bills. Members are not only buying electricity, they are also buying their cooperative facilities.

Industry standards dictate that we should maintain an equity of 40% in our cooperative in order to be a financially sound organization. This is the "ideal" figure at which your cooperative becomes a good credit risk. In other words, we should maintain a good equity position in order to be eligible to borrow funds at reasonable cost when necessary to help meet system improvements and your demands. As of the end of 1985, Illinois Rural had an equity position of over 39%. During 1985, your cooperative was able to pay \$989,792 in principal and interest on long-term loans from REA and CFC.

FACT: You Control Power Supply



Obtaining Bulk Power and a Fair Rate for Your Use

Your electric distribution cooperative is responsible for obtaining bulk power supplies needed by the members. One of its first tasks upon being organized facing cooperative pioneers in the mid-1930s was to find a source of bulk power for the cooperative members. The logical source of wholesale power was Central Illinois Public Service Company (CIPS), since its lines already served many municipalities in the area. For many months, cooperative leaders and CIPS representatives dickered over rates. The power company demanded the cooperative pay two cents per kilowatt-hour for wholesale power. Finally the company lowered its offer to 1.8 cents. That price made the cost of electricity prohibitive for the cooperative's members. So the cooperative turned to REA for advice. Their suggestion was summed up in these words: "Produce it yourself."

In April of 1937, Illinois Rural directors voted to build a 1,200 kilowatt generating plant in Winchester. It was not until the bids had already been let for construction that CIPS officials offered wholesale power for 1.2 cents per kWh. Even that offer was considerably higher than the cost for which the farmer-owned system could make its own electricity.

The new supply of power was the signal for hundreds of other farmers to make application for membership in the cooperative. The original trickle of applicants became a torrent as people in the surrounding areas saw that the cooperative was no myth, but a reality. The increase in demand for service made it necessary for the cooperative to build lines into seven more counties, including Greene, Calhoun and portions of Adams, Jersey, Cass, Macoupin and Brown counties.

By 1944 it became apparent that the cooperative would need to enlarge its generating facility, and a year later construction of a plant addition began. Five years later, the cooperative's generating capacity again over extended. The directors asked the power company to sell wholesale power to help relieve the situation, but CIPS said it didn't have any capacity to sell. This led to the construction of a new diesel plant at Pittsfield. Demand continued to grow, and this plant was expanded in 1955.

Cooperatives Work Together

The expansion of Illinois Rural Electric Co.'s lines into every nook and cranny of its service area led to a history-making development on January 15, 1960. On that date, at a meeting in Rushville, the Western Illinois Power Cooperative (WIPCO) came into existence, following a series of conferences between the Illinois Rural Electric Co. and other electric distribution cooperatives in west-central Illinois. Under the agreement IREC's diesel plants were taken over by the power cooperative. Cost of fuel oil for the diesels had skyrocketed after World War II, and the creation of WIPCO helped IREC solve many of its financial problems, as WIPCO assumed the debts of the generating plants. The WIPCO's purpose was to collectively plan for an adequate and dependable long-term supply of power.

Your cooperative and the other WIPCO members requested the REA to initiate a power supply survey of the growing needs of the cooperatives. The purpose of the survey was to study all practical means of meeting the future power supply requirements of each of the Illinois cooperatives so that the best plan could be determined. In addition to studying the feasibility of building their own generation and transmission facilities, the cooperatives were urged to investigate other possible arrangements to determine if other arrangements would maximize any predicted savings in the cooperatives' ownership of their own power supply sources. To provide for adequate, reliable bulk power supplies for their members, your cooperative and the other six cooperatives in WIPCO signed long-term wholesale power supply contracts with WIPCO on Jan. 7, 1963.

Democracy in Action

A unique system of democratic control governs the operations of the electric distribution cooperatives and generation and transmission (G&T) cooperatives. Member-owners control their cooperatives through the election of directors to represent their interests on the cooperative's board of directors. The members delegate governing of the cooperative to the board of directors. Each electric distribution cooperative board of

directors in turn elects two directors from the cooperative to serve on the WIPCO board of directors.

Local control through a locally-elected board of directors ensures all members a voice in the operation of their electric supply system. Ownership of the generation and transmission cooperative by the distribution cooperatives also ensures that the local member-owners will participate in power supply decisions through the local distribution cooperative.

FACT: Your Directors Act on Facts



Planning for Your Power Needs

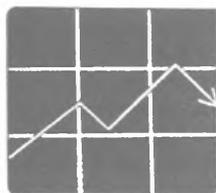
The actions taken by your Illinois Rural Electric Co. board of directors are based on facts presented by management, consultants and other industry-related experts and officials. The decisions regarding your cooperative's involvement in WIPCO and its subsequent ownership in the nuclear Clinton Power Station were based upon information and facts derived more than 20 years ago. The following facts led to your board of directors' decision to join WIPCO and to support its efforts to purchase 9.5% of the nuclear Clinton Power Station:

- In the late 1950s and '60s, it became obvious that the cooperatives would have to look beyond CIPS for future wholesale power supplies. CIPS served notice that wholesale power contracts to the cooperatives would be terminated effective Jan. 1, 1960. While new contracts were being negotiated, the cooperatives began looking elsewhere for long-term power supplies.
- In the early 1970s, electric energy loads were growing at 7% to 8% annually and the cost of wholesale power from investor-owned utilities was skyrocketing.
- Fossil fuels were increasingly in short supply and environmental fears about the air and water pollution made it appear unlikely new large-scale, coal-fired plants could be constructed that could meet new environmental standards.
- It was apparent that to guarantee an adequate supply of electric power when you, the members needed it, and at a fair and equitable price your cooperative could afford, IREC needed to own and control its own power generation sources. Realizing that no single cooperative could reasonably afford such a project individually, it was determined that working as a group with other cooperatives would be the best means for studying their members' future power supply needs.
- The cooperatives requested the Rural Electrification Administration (REA) to initiate

a power supply survey covering the growing needs of your cooperative and others in central Illinois. The purpose of the survey was to study all practical means of meeting the total power supply requirements for each of the cooperatives and their members so that the best plan could be determined. In addition to studying the feasibility of building their own generation and transmission facilities, they were urged by REA to investigate other possible arrangements to determine if other arrangements would maximize any predicted savings in the cooperative's ownership of their own power supply sources.

- In a letter dated Nov. 5, 1973, the Chief of the Power Planning Branch of REA's North Central Area Office wrote the cooperatives advising them. . . "From our standpoint (REA's) it appears that a practical and possible alternative would be cooperative ownership and participation arrangements in large scale nuclear and/or fossil plants and bulk transmission facilities planned by the Illinois companies used to deliver power throughout the state. . ."
- A complete study of the power supply needs of each electric cooperative in central Illinois was undertaken. At the same time discussions and negotiations were held with a number of Illinois investor-owned power companies regarding possible joint ownership in generating facilities. Among the companies contacted were Commonwealth Edison Company, Central Illinois Light Company (CILCO), Central Illinois Public Service Company (CIPS) and Illinois Power Company (IP).
- A study completed for Soyland Power Cooperative in 1976 revealed two alternatives: (1) continue to purchase power on a wholesale contractual basis with the investor-owned companies or (2) join in the ownership of Illinois Power Company's Clinton Power Station. A summary statement from the report at the time concluded: "The economics of owning part of the Clinton station represented a \$66-million or 20% savings when compared to continuing to purchase wholesale power over a 10-year period. . ."
- At the time WIPCO decided to participate in the Clinton project, it was an excellent and logical business decision. However, the Nuclear Regulatory Commission (NRC) has made many changes in the regulations and rules governing the design and construction of Clinton that have resulted in numerous delays. Over the past decade, high inflation and high interest rates have also caused construction costs to escalate. The total direct construction cost of the plant, not including interest expense, is projected to be \$2.5-billion when the plant enters commercial service in November, 1986.
- As the Clinton costs mounted and legal experts could not see any way in which the cooperatives could feasibly and reasonably forego their contract agreement with Illinois Power to be part-owners, WIPCO began seeking alternatives to lessen the impact of the plant's high capital cost on rates paid by you, the members. Of the many options considered, the concept of joint operations and pooling with Soyland Power Cooperative offered the greatest promise of control, secure power supply and a way to stabilize rates. Soyland was organized as a cooperative-owned power supplier for 105,000 cooperative members located in central Illinois. Its headquarters are in Decatur.
- Since Jan. 1, 1985, WIPCO and Soyland have operated as a single power supply organization, combining personnel and energy requirements to gain economies of scale. They have entered into a power coordination agreement with Illinois Power Company under which the cooperatives are receiving 400 megawatts of capacity from IP's fossil-fueled plants and the right to use the company's transmission and subtransmission system. Other provisions of the agreement between WIPCO/Soyland and IP limit the cooperative's total direct construction cost of the Clinton Power Station to \$450-million. WIPCO and Soyland also were successful in negotiating with CIPS for 250-300 megawatts of capacity to add to their pool to meet their remaining power supply requirements.

FACT: Your Cooperative Is Different



When You Compare Rates, Remember What it Costs to Serve You

Even though all utilities face common problems, there are still major differences between electric cooperatives and investor-owned utilities. These differences also account for why electric rates charged by cooperatives and investor-owned companies are different.

Your electric cooperative provides service in sparsely populated areas where investor-owned utilities could not or would not extend service. Because of the vast difference in population density between rural and urban areas, electricity is generally more costly to provide in rural areas. The reason for this is relatively simple. The rate of return on system investment is less where fewer consumers (members) exist.

The following chart demonstrates the significant differences in consumer makeup and the costs associated with providing service between your cooperative and the two investor-owned companies which serve near your cooperative service area.

	Average Member- Consumers per Mile	Revenue Received per Mile	Miles of Line
IREC	3.34	\$ 3,865.44	2,863
IP	27.00	32,933.96	19,487
CIPS	26.00	31,642.74	11,752

Lower consumer density means higher investment per consumer served by an electric cooperative. This is a built-in handicap which electric cooperatives have had to overcome as they seek to achieve rate parity between their members and the consumers of investor-owned utilities.

Cooperatives Differ from Each Other, Too

It is also important to note that no two electric cooperatives are exactly alike. Each electric cooperative, though similar in business structure and overall operating practices, has different

operating costs. For example, one cooperative might serve an area that is relatively flat and open farm country while another cooperative might serve in an area that has rough terrain and is heavily forested. The cooperative with the heavily forested area will probably have higher line operation costs due to brush and tree clearance costs in order to assure uninterrupted service. The fact that the cooperative also serves a rougher terrain will result in higher maintenance cost due to the extra wear and tear on equipment needed to operate in such a terrain.

One cooperative might also have members who place a high priority on quality and continuity of service and who are willing to pay for a top-notch maintenance program to ensure the strength and reliability of the system. Another cooperative might be willing to sacrifice such high quality service in order to temporarily hold down the costs of operation. The result will be that each cooperative will have its individual financial identity no matter what.

The types of loads each cooperative serves also greatly affects the operating cost and revenues of a cooperative. A cooperative which derives a large percentage of its revenue from power sales to commercial or industrial members will generally be able to minimize the cost of service to individual residences because the larger loads are absorbing a larger part of the operating costs.

**POOLED OPERATIONS GENERATION CAPACITY MIX
AVAILABLE TO WIPCO/SOYLAND MEMBER-SYSTEMS**

WIPCO	Fossil Fuel Units	56 MW
IP	Fossil Fuel Units	400 MW
CIPS	Fossil Fuel Units	263 MW
Clinton*	Nuclear Fueled Units	143 MW

*Based on 14.85% ownership

FACT: Your Cooperative Serves Anyone, Anywhere



**Quality Rural Life
Means Energy and Jobs**

One of the conditions agreed upon before REA would provide the financing needed to help build and expand electric service facilities to all rural residents was that Illinois Rural Electric Co. would provide "area coverage." Extension of adequate reliable service to every home, farm and business located within its service area is a pledge of your electric cooperative.

When your electric cooperative was formed in the late 1930s, its objective was to enhance

the quality of life by helping rural residents who were refused electric service by investor-owned companies to electrify their homes, farms and businesses. That remains our primary concern today. With the emphasis on quality of life for every member-owner, your cooperative is also concerned about the overall community environment in which members live, work and play.

Your electric cooperative has made electric energy available throughout all rural areas of the 10 counties in which it provides service. As an energy supplier, your cooperative is a major part of the infra-structure of rural Illinois and a key ingredient in the development of any business or industry. We know that new development in rural areas will expand local tax bases, increase employment, hold down welfare and unemployment costs and reduce the need for increased tax levies to provide good schools and other essential services. Retail service businesses in rural communities also benefit from rural development through buying power of those employed in new or expanded enterprises. It is also important to note that if your cooperative was not allowed to serve the cross-roads communities, the more thickly settled outlying areas, as well as those areas annexed to cities and towns, and the businesses and industries located in the areas they were organized to serve, the lines along the county roads and lands wouldn't be there today.

Your cooperative is actively involved in a comprehensive area development program that will enhance the quality of life of all citizens and result in strengthening the economic growth of all rural areas it serves. We are committed to helping free enterprise flourish throughout the state and the success of your cooperative over the past 50 years is a reflection of that effort and our commitment.

The Electric Supplier Act was enacted by the Illinois General Assembly to ensure that electric cooperatives and public utilities would have the right to provide electric service in the territories each has developed and in which each has invested its financial resources to serve. The act is economically advantageous to all citizens, in that it helps to prevent duplication of lines and other facilities and minimizes territorial disputes between electric cooperatives and investor-owned utilities. The act enables your cooperative and investor-owned companies to define and delineate areas in which each is to provide service. Under provisions of the act, service area agreements have been executed between most electric cooperatives and investor-owned utilities with adjoining or intermingling service areas.

Your cooperative has worked throughout the years to assure that it maintains the right to provide service to all those within its service area. The results are that local communities and cooperative consumers have benefited in jobs. These efforts have paid off in the form of new commercial and community facility projects being developed within your cooperative service area. Not only have jobs and additional income been generated, but your cooperative has benefited. In 1985, of the total \$11,066,740 in revenue your cooperative generated from power sales, 10.73% or \$1,187,183 of the total was from sales to large power consumers and 1.96% or \$216,585 was from sales of power to smaller loads. Since 1961, REA borrowers from throughout the nation have collectively helped start and expand more than 20,500 new commercial, industrial and community facility projects, producing nearly a million new jobs. During 1983 alone, community development projects in which REA borrowers took part resulted in more than 39,032 new jobs.

Had your cooperative not served these large and small power loads, other member/consumers would have had to bear the brunt of the cooperative's operating costs alone. The loss of commercial loads would have resulted in a 12.7% (\$1,403,768) reduction in total revenue dollars.

FACT: Your Best Interest Is First



Pooling of Resources Will Stabilize Cost

Providing the members of Illinois Rural Electric Co. with a reliable and dependable supply of power when the members need it is a continuing objective of your cooperative. Faced with increased costs due to inflation and high interest rates, your cooperative has worked diligently during recent years to find ways to provide for the power needs of its members, while at the same time attempting to stabilize costs.

In January of 1985, your cooperative power supplier, Western Illinois Power Cooperative (WIPCO) and Soyland Power Cooperative began operating as a single power supply organization, providing all the electrical energy requirements for your cooperative and other distribution cooperatives which serve in central Illinois. Under this pooling arrangement, WIPCO and Soyland have entered into long-term power supply contracts to purchase on an "as-if-owned" basis fossil-fueled generating capacity from Illinois Power Company and Central Illinois Public Service Company (CIPS). This capacity, combined with our ownership interest in the nuclear Clinton Power Station and the 56 megawatts of cooperative-owned generation WIPCO is contributing to the pool from its Pearl Plant operations will meet our power supply needs into the 1990s.

The contracts with Illinois Power and CIPS allow for optimum use of existing and future generation and transmission facilities. We are able to utilize this existing capacity for a much lower cost than if we would have built a power plant on our own or continue under wholesale purchase arrangements with the investor-owned companies.

Under the pooling arrangement, the cooperatives will receive a percentage of their capacity from each of the Illinois Power and CIPS fossil-fueled plants.

These power supply contracts also provide for pooled dispatching of cooperative generation into the Illinois Power and CIPS service areas to promote the maximum use of the lowest cost, most economical generation available. The pooling of IP, CIPS and cooperative energy demands allows us to take advantage of the differing load patterns and generation costs of each system. This will provide for optimum use of generating plants, resulting in lower cost than could be achieved if WIPCO and Soyland operated independently. Pooled generation will also allow for the greatest possible use of the low-cost energy which will be available from the Clinton Power Station beginning in late 1986.

Provisions of the power supply agreement which was signed in October, 1984, between WIPCO/Soyland and Illinois Power Company limit the cooperatives' construction costs of the Clinton Station to a cap of \$450-million. Should our share of the cost of the plant exceed the cap, our 14.85% combined ownership share will be reduced proportionately. This will result in a reduction in our capacity but through our joint economic dispatch agreement with Illinois Power, the energy costs will remain low and the lost capacity will still provide some benefit to cooperative members.

With our ownership interest in the Clinton Power Station, approximately 30% of the WIPCO/Soyland energy requirements will be met. Combined with the coal-fired generating capacity we have available, we will have two sources of fuel for our base load capacity, not just nuclear. Such fuel diversity has proven beneficial to other utilities during coal supply interruptions due to work stoppages or weather.

With the power supply agreements between WIPCO/Soyland and Illinois Power Company and

CIPS, we have achieved broad generating plant diversity. The transition of WIPCO from a G&T and bulk power purchaser to participating on an "as-if-owned" basis in a mix of electric generating capacity presents our cooperative members with many unique opportunities. Before January, 1985, cooperatives purchased bulk energy at wholesale under short-term contracts for resale to members. There were few opportunities that your cooperative could use to help member-consumers through design of incentive rates. Now, these new agreements present an opportunity for cooperative members to control their power supply destiny and to stabilize their power costs which formerly were escalating every few years as investor-owned companies terminated contracts and forced cooperatives to agree to higher priced, short-term contracts.

Illinois Rural Electric Co.

2-12 South Main

Winchester, Illinois 62694

Telephone: Area Code 217/742-3128

Board meeting report

MEETING OF FEBRUARY 3

All of the board of directors were present at the meeting, along with the manager, office manager and legal counsel.

The minutes of the regular board of directors meeting held on January 6 were reviewed and were approved.

The chairman, who serves as a director of the Association of Illinois Electric Cooperatives, then gave a short report about their regular board meeting held on January 16. He reported that Carl Dufner of the Energy, Environment and Engineering Department reported on the status of special projects by the task force committees and described the various load-building activities which his department had been working on. Earl Struck of the Legal and Public Affairs Department gave his report concerning the legislation that would come before the state legislature when it would convene that was relative to the rural electric cooperatives in Illinois. The chairman reported that Jim Chapman, manager of Southern Illinois Power Cooperative, reported to the board concerning the operation of Southern Illinois Power Cooperative at Marion. The chairman reported that Stanley Greathouse, representative on the National Rural Electric Cooperative Association, board reported that a resolution was signed into law that would eliminate the office of Rural Development Policy in Washington, D.C. He also stated that because of the Gramm-Rudman bill that REA programs would be reduced by 30 percent this year.

The chairman reported that there had been 32 membership requests that had been received by the cooperative in the past month and asked that these membership certificates be approved and executed by the officers.

The chairman next reported that the NRECA annual meeting would be held on March 3-5 and that the board should appoint a voting delegate and an alternate voting delegate for that meeting. There was a resolution adopted to appoint Harvey Vortman the voting representative and William Griswold the alternate representative. These two board members were also appointed to be delegates to the National Rural Utilities Cooperative Finance Corporation annual meeting, which would be held in conjunction with the NRECA annual meeting.

The chairman next asked the manager to review the financial report of which he made comments relative to the monthly operation of the cooperative and since it was the report ending December 31, 1985, that the year-to-date figures also reflected the annual figures for 1985. He commented as to the revenues, the cost of power and other cooperative expenses and stated that the cooperative would have a TIER of about 1.65 for 1985 and would meet all other financial ratios set by REA.

The chairman then asked for a review of the accounts paid report and, after full discussion, the report was approved as mailed with the notice of the meeting.

The condition of cash report was then reviewed and approved as mailed with the directors report.

The chairman then asked the manager to give his construction and maintenance report which included the load building activities of the Member Service Department and,

after full discussion, this report was approved by the board.

The chairman next reported on the 1986 operating budget which had been distributed to the board at the previous regular board meeting and asked the manager to review the budgetary figures for the board. The manager reviewed the budget relative to the revenues and expenses, month by month and explained to the board concerning all of the expense items and what each contained. The manager then explained the cash budget reflecting the same revenues and operating expenses to show there would be enough cash to meet the debt service obligations of the cooperative. After a full question-and-answer period and full discussion of the 1986 operating budget, it was moved, seconded and unanimously approved that the 1986 operating budget be approved as presented.

The Member Relations Committee then reported to the board of directors on the Member Relations Committee meetings that had been held during January. The committee reported that it first created an agenda for the activities that would be considered in each area. The committee members reported that first discussions were concerned with special meetings and annual meeting arrangements, bylaw amendments, election preparations, member information programs, review of studies made by other cooperatives, and the review of relationships between REA, CFC, and WIPCO, board education, and employee education. Each one of these headings then had sub-headings with the review of the documents would be a member information program which would be special meetings with a five county representative of the Member Action Committee organization to better inform the Member Action Committee concerning the operation of the cooperative. The Committee expressed their belief that such meetings would inform the MAC representatives and would solicit their inputs about these matters. The committee reported that this information program would also include an employee training program for all employees to keep them informed about the workings of the cooperative. It was the recommendation of the committee that the manager be directed to contact the Member Action Committee members to set up dates for the information meetings.

The chairman asked the manager to review the 1986 annual meeting plans and approval of the annual meeting date. The board approved the date of July 16 as a date for the 1986 annual meeting to be held at the Scott County Fairgrounds in Winchester. The chairman then appointed an Annual Meeting Committee, consisting of J. M. Sapp, as the chairman, with Ronald Myers and James Brannan being other members of the annual meeting committee. This committee is to work very closely with management and report back to the board from time to time for approval of the recommendations.

The chairman then asked the manager if he would report on the regular board meeting of Western Illinois Power Cooperative held on January 10. The manager stated that the Pearl plant was still down with turbine repairs and would be put back in operation in about 60 days. He stated that there was a 95-day coal supply at the plant and that

attorney Keaton reported on the EPA ash pond water pollution situation at the Pearl plant. The manager reported that the WIPCO board gave approval to a policy relative to the furnishing of information to directors of the cooperative. The WIPCO board heard a report concerning the Clinton construction progress in which it was stated that the loading of fuel would probably be in March with low-power testing in the last quarter of 1986 and full-load operation beginning in 1987.

The chairman next reported that, since the National Rural Electric Cooperative annual meeting would be a conflict with the next board meeting, the board chose to change the March meeting of the board of directors from March 3 to February 24.

The chairman stated that the state association had given a sample of a member brochure to be sent out to members to better inform members about the cooperative and had given the board a cost of the brochure and it was discussed that the postage to send out this brochure would be almost as costly as the brochure itself but that, if it could be made a part of the REN magazine or the annual meeting report, the postage may be avoided. The manager was directed to look into these possibilities.

The chairman next asked the manager to report concerning the PCB transformer oil disposal at the Bunge Elevator site in Eash Hannibal and discuss with the board the possi-

bilities of the disposal of that PCB oil. It was decided that the manager be directed to hire a PCB oil disposal firm to dispose of that oil in a proper manner and re-circulate the transformer oil to get it below 50 parts per million.

The chairman next reported that the cooperative had had one loss-of-time accident during the last 30 days and reported on that accident.

The chairman asked the manager to report on the RELCO Credit Union, which had held its annual meeting at the office of the cooperative on January 30, in which the manager had distributed the balance sheet and operating report of the said organization. The manager went over the balance sheet with the directors to make them aware of the operation of the RELCO Credit Union for 1985.

The chairman asked if there was other business to come before the board and the manager stated that he wished to have the board to execute a large power contract with Estec, Inc. of Meredosia for a stand-by service at their terminal at Meredosia. Said contract was ratified and approved by the board of directors.

The board of directors then approved two memberships to be refunded upon the request of the two members surrendering their membership. The board approved that refund of membership fee.

There being no further business to come before the board, the meeting was then adjourned.

Hoots and Kimble close out long IREC careers

Two long-time and well-known employees of Illinois Rural Electric Cooperative, Merle W. Hoots and John E. (Jack) Kimble, have retired.

Hoots, of Milton, a 37½-year employee, who became an IREC employee July 12, 1948, as a groundman, first class service, on the cooperative's Calhoun County construction project. He was a first class service groundman for the Milton substation area from November 15, 1955, until his retirement earlier this year.

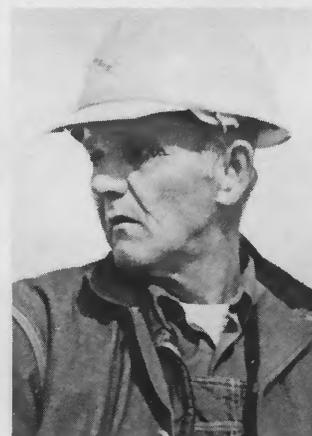
Hoots entered the armed forces on September 15, 1950, and returned to work for IREC on October 15, 1951, working as a groundman and rodman for the cooperative's engineering survey crew until accepting the Milton position.

Hoots and his wife, Shirley, live in Milton and they have two sons: Charles of New Berlin and Maurice at home. They have one grandchild.

Kimble, of Winchester, retired February 28 as field engineer. He became an IREC employee on February 8, 1954, as engineering aide, working full-time on right-of-way and staking for both transmission and distribution. His position was eventually changed to field engineer. During his career with IREC, Kimble achieved 32 years of safe



Kimble



Hoots

driving for IREC without an accident.

Kimble and his wife, Marie, have three sons: John of Ocala, Florida; Joe of Rockford, and Jim of Jacksonville. They have one grandchild. They are members of the St. Marks Catholic Church in Winchester. In retirement, they plan to travel and visit with their children.

JULY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Mark your calendar!!
Illinois Rural Electric Co.
Annual Meeting
Wednesday, July 16
Scott County 4-H Fairgrounds
Winchester

Farm Materials Handling Show

Interested visitors, another large turnout of exhibitors and the excellent facilities of Rend Lake College combined in March to make for another successful Southern Illinois Farm Materials Handling Show.

Though the number of persons attending the three-day show was down somewhat from previous years, many exhibitors considered the crowd to be one of "quality rather than quantity." Show officials said visitors who turned out expressed a high level of interest in the exhibits and that attendance is expected to pick up as the rural economy regains strength and the show becomes more well-known in the new area (Rend Lake College is located about 12 miles south of Mt. Vernon, alongside Interstate 57). This is the second year for this site.

Some 54 businesses and organizations placed exhibits in this year's show, down 10 percent from the



The Illinois Farm Electrification Council exhibit is a show tradition and attracts a large number of visitors.

record number of 60 exhibitors several years ago.

Dates for the 1987 show were set for Tuesday through Thursday, March 9-11, at Rend Lake College. Royce

Carter of Wayne-White Counties Electric Cooperative, Mt. Vernon is exhibits chairman. Some eight Southern Illinois electric cooperatives help plan and produce the show.

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selected the date of May 19, 1986, as the date the nominating committee would meet and provided that the nominating committee be allowed per diem and mileage as the directors are for that meeting.

The chairman next asked the manager to discuss transportation equipment bids which he had received from the various automobile agencies throughout the service area of Illinois Rural, of which there was a complete discussion relative to the transportation equipment as submitted by those dealerships and following that discussion there was a resolution authorizing the manager to purchase trucks from the lowest bid dealers.

The chairman next reported on the regular meeting of the Association of Illinois Electric Cooperatives, which was held on February 20, 1986, in which he reported on the various activities of the association on a statewide and national basis.

The chairman next called upon the chairman of the member relations committee, director Joe Clegg, to give a report on the member relations committee meetings that had occurred during the previous month. Clegg stated that the committee had had two meetings since the last board meeting and that the committee had reviewed the Illinois Power-Soyland-WIPCO agreement and also had reviewed the Soyland-WIPCO pooling agreement. Clegg then reviewed the law suits that are pending concerning Southwestern Electric Cooperative and also Rural Electric Convenience on territorial service boundaries. The committee then discussed the possibility of having the member action committee meet with the member relations committee and directed the board president to write a letter of invitation to representatives of the MAC and discuss these meetings with the secretary, Nick Demerath.

The board of directors then discussed the matters of Soyland-WIPCO merger and other alternatives that have been studied and are available. The matter of the Touche-Ross Study of the Clinton costs were discussed and the possibility if the ICC does not allow these costs in the rate base, there could be a possible suit of WIPCO-Soyland against Illinois Power for possible mismanagement of Clinton. A resolution was passed to instruct WIPCO representatives to request a review and investigate the possibilities of a suit against Illinois Power for mismanagement of the construction of the Clinton plant.

The directors then discussed the matter of the equity funding plan, in which it was proposed that the equity funding money continued to be collected from the member, but to be placed in an escrow account so, in case WIPCO would take a Chapter 11 bankruptcy, there would not be the loss of the Equity Funding money. It was pointed out that the cooperative would lose about 1½-2 percent interest on the monies if placed in an interest bearing account and that Western Illinois Power Cooperative would have to borrow additional funds from the Federal Financing Bank at a higher rate. The board adopted a resolution to direct the attorney to review the law relative to the Chapter 11 bankruptcy and what affect this bankruptcy would have upon the equity funding plan.

The chairman next reported that the 1986 Legislative Planning Conference would be held in Washington, D.C. on

May 4-9. He stated that the headquarters hotel for the Illinois Delegation would be the Hyatt Regency on Capital Hill. He then asked if a delegation of the directors would be attending this meeting, recognizing the decision depends upon the weather and the spring work that they must do.

The chairman next reported on the regular meeting of Western Illinois Power Cooperative held on February 14, 1986, and asked the manager to report on the production at the Pearl Plant as well as a report from Jim Greenwood about the Clinton Unit No. 1 construction. The manager stated that Dean Searls was hired as an interim manager for WIPCO until a permanent manager could be found and other discussion centered around the hiring of an engineering firm to study the Touche-Ross reports and report on any recourse there might be on Illinois Power Company.

The chairman then asked the manager to report concerning the cooperative brochure that was discussed at the previous meeting. The manager presented a fact book which has been reprocessed to be an insert in the middle section of the IREN magazine and the booklet would be retained by the member for further reference. The manager also stated additional booklets would be available at the office and it was estimated that the IREN magazine would cost slightly more for postage because of the additional weight of this center section. A resolution was adopted to approve the sending out of the fact book to each member as an effort to keep the members informed about the cooperative.

The electrical engineer was given permission to attend the Electronic Engineers Conference to be held in April.

The chairman next reported that one member had requested that their membership fee be refunded and there were motions for the refunding of this membership.

The chairman next reminded the board that the annual meeting of Western Illinois Power Cooperative would be held on March 11 at the American Legion Building in Jacksonville. The chairman stated that, in the call of the meeting, there were some bylaw changes that would be asked to be made at that meeting. These changes were presented to the board and a resolution was adopted that the board of directors of Illinois Rural Electric Co. would oppose the three bylaw changes, unless subject to reservations that might come up in the caucus at the WIPCO annual meeting.

Director Clegg then asked about the status of the PCB transformer contract, in which the manager stated he had executed a contract with T & R Transformer service to flush and refill some large power transformers and the Petro-Chem Corporation would be coming to our office to discuss handling of the PCB transformers and related oil.

The chairman then reported to the board that there had been 25 memberships received in the cooperative for the month, and a motion was made to approve these memberships as they were presented to the officers for execution.

The chairman then asked the manager to review the complete plans for the 1986 NRECA annual meeting which would take place March 2-5 and to review the transportation and hotel arrangements for those directors attending.

There being no further business to come before this meeting, the meeting was then adjourned.

MISSING



DANYEL LOU SPARPANA

LAST SEEN: 11/2/85 EYES: Blue
 FROM: Woodland, CA HEIGHT: 3'
 DOB: 6/23/82 WEIGHT: 40
 WHITE FEMALE HAIR: Blonde



KELLY HOLLAND, JR.

LAST SEEN: 2/13/82 EYES: Blue
 FROM: Larkslane, KY HEIGHT: 4'
 DOB: 11/17/75 WEIGHT: 60
 WHITE MALE HAIR: Brown

If you can identify these or any other missing children, call The National Center for Missing and Exploited Children at:

1-800-843-5678

(sightings only)

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Legislators to agriculture leaders: we're working to help

Much of the Illinois agriculture economy is on shaky ground, but the Illinois Legislature is working to change that, those attending the Illinois Agriculture Legislative Breakfast were told.

The gathering, held April 5 in Springfield, is an annual event that provides an opportunity for members of the state's agriculture commodity groups to visit with their lawmakers. Some 60 farm-related organizations, including the Association of Illinois Electric Cooperatives, sponsored the event.

With the farm economy in the doldrums, many legislators had a chance to hear from the people back home, and the speakers, each of whom spoke briefly, told their audience that they are aware of the problems on the farm and are working diligently to help solve them.

Governor James R. Thompson noted that his administration is continuing its efforts on behalf of the state's premier industry, pointing out that foreign compe-

titution is rough and getting worse.

"Illinois farmers face the latest technology from across the seas. Some of the competition we face now is a result of aid we've sent to other countries, or it comes from countries we used to export to. They now have the advantage of cheap land, cheap labor and shorter distances to transport their goods.

"While the deck seems stacked against Illinois agriculture — and other American farmers — we cannot just give up.

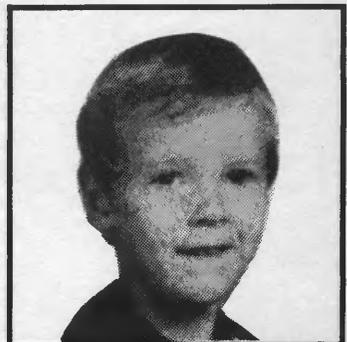
"We can't just abandon our efforts. We need to keep our Food for Century III efforts going, to find new ways to add value to our products, through processing, before we ship them. And we need to develop better seed and new crops. If we can't do anything to raise prices, maybe we can do something to lower costs. When you visit with your legislators, be sure to thank them for their support — they really deserve it," the governor concluded.

MISSING



CHRISTI DIANNE PROCTOR

LAST SEEN: 2/15/86 EYES: Blue
FROM: Dallas, TX HEIGHT: 4'10"
DOB: 2/29/76 WEIGHT: 75
WHITE FEMALE HAIR: Brown



JEREMY JAMES GRICE

LAST SEEN: 11/22/85 EYES: Blue
FROM: Bath, SC HEIGHT: 3'8"
DOB: 5/12/81 WEIGHT: 40
WHITE MALE HAIR: Blonde

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-Safety Tip of the Month-

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High Line News

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS



Across the Manager's Desk

by Robert E. Gant

Those of you who attended the special meeting of members in Winchester on April 12 are familiar with the outcome. Those who could not attend may not have learned of the results. Three bylaw changes were approved during voting by more than 1,500 members voting either in person or by proxy.

I want to express my thanks and the appreciation of the board of directors for the turnout of members who took time for this meeting. It's your cooperative and the annual meeting and any special meetings provide you with the opportunity to express your ownership rights through your vote.

There were three issues on the agenda. One dealt with removal of directors from the board, one with director districts and the third with cumulative voting.

The latter two matters, which established 11 director districts for representation and eliminated previous voting procedure whereby a member could have cast more than one vote for a particular candidate for the board, were

approved overwhelmingly by voice vote at the meeting.

The matter of director removal was decided by secret ballot. As a result, your bylaws now provide for removal of directors for cause by means of this basic procedure: A request to call a meeting to consider removal of a director or directors must contain the signatures of 10 percent of the membership, the names of the intended directors and the reasons for seeking the removal. The request must also be submitted to the board secretary a minimum of 45 days in advance of the meeting at which removal is to be considered.

By a vote of 1,098-450, members approved this bylaw change over another measure that would have allowed 20 members to request such a removal meeting and would not have required cause for removal or identification of the intended directors.

Again, the board and I thank the members for attending this meeting and expressing their opinions.

Your cooperative has another important meeting coming up on Wednesday, July 16. That's the date of IREC's annual meeting and we wanted to remind you about this important function of your cooperative. It will be held at the Scott County 4-H Fairgrounds in Winchester, beginning at 9:30 a.m. Reports of officers and management will be presented and you will have a chance to vote during the election of directors. We urge you to attend.

Board meeting report

All of the board of directors were present at the meeting, along with the manager, office manager, member service director and legal counsel.

The minutes of the regular meeting held on February 4, 1986, were read and approved.

The minutes of special meetings held on March 17, 24, 26 and 31 were also approved as mailed with the notice of the meeting.

The financial report and the construction and maintenance report were fully discussed and after all questions were exhausted, those reports were approved as mailed with the notice of the meeting.

Representatives from Ernst & Whinney next discussed with the directors the 1985 audit of the books and records of Illinois Rural Electric Co. After their full discussion and explanation, the audit report was approved by the board.

The board of directors then went into executive session to do the annual evaluation of the general manager and also

held a session with the general manager to discuss particular items relative to his employment and the management of the cooperative.

The chairman then reviewed the 1986 NRECA annual meeting and discussed with board members their reaction of this national meeting held in the first part of March.

The chairman then gave a report on the regular meeting of the Association of Illinois Electric Cooperatives and reviewed the state legislative matters and other cooperative matters throughout the state.

The chairman then reminded the board of the Legislative Planning Conference and some of the issues that would be brought up at that Legislative Planning Conference that would be held on May 5, 6 and 7, 1986. The chairman also stated that, due to this conference, the regular board meeting for May would need to be changed. The meeting was changed to April 28 by board resolution.

The chairman then asked the manager to discuss the con-

sideration of utility truck bed bids and the board did approve bids for three new utility beds and the reconditioning of one other utility bed.

The chairman then asked the manager to report on the regular meeting of Western Illinois Power Cooperative which had been held on March 14, following the annual meeting of that organization, and they reported to the board concerning the reorganizational meeting and the election of officers following that annual meeting. The directors were also brought up to date on the construction of the Clinton Nuclear Plant and the new dates for loading of fuel at the Clinton site.

The chairman then reported to the board that Director Hurrelbrink would be resigning his position as of April 15 due to the personal loss of his son in late March and that the chairman would be appointing a director search committee to replace Director Hurrelbrink to fill out the unexpired term until the annual meeting in July.

The chairman then asked the chairman of the special meeting planning committee to report on the plans for the special meeting, which would be held on April 12, 1986, at the Grade School gym in Winchester, to consider bylaw changes and the committee went over the various plans for this meeting.

The chairman then asked the manager to give the accident report for the month of March.

The chairman then asked the manager to give a report on the Soyland-WIPCO pool board meeting, which had been held on April 2. He explained the short-term and long-term restructuring of the Clinton debt and the possible rate reductions to the distribution cooperatives, if a restructuring plan were approved by REA.

There were 29 memberships in the cooperative that were approved at this meeting.

There being no further business, the meeting was adjourned.



Ten outstanding area students took part in the "Illinois Rural Electric Youth Day" activities Wednesday, April 23, in Springfield, where they toured the State Capitol, Lincoln sites and other points of interest. They were finalists in the Illinois Rural Electric Co. Youth to Washington Essay Contest. Winners were announced at a banquet where the students were joined by Rep. Tom Ryder, (R-Jerseyville), himself a former Youth Tour winner, who announced this year's winners. Pictured after the banquet are, seated from left: Cindy Benz of Kane, Tina Booth of Rockport, Judy Griffeth of Pittsfield, Anne Kamp of Batchtown and Lori Capps of Rockport. Standing from left are George Lindsey, chaperone, Rep. Ryder, Carol Barnes of Barry, Kathy Cox of Winchester, Penny Mowen of Baylis, Lance E. Ballard of Carrollton, Rashell Booth of Rockport and Jim Bettis and Herman Holford, chaperones. Cindy and Tina were declared winners in the contest, and will go on a week-long, expense-paid trip to Washington, D.C. in June.

Nominating committee selected, to meet May 19

Your cooperative's nominating committee will meet at 10 a.m. on May 19 at the cooperative headquarters in Winchester.

Members of the committee are Holly Ash, Morgan County; Eugene Rawling, Greene County; Fred Bradshaw, Pike County; LeRoy Pond, Scott County, and August

Nolte, Calhoun County.

The committee will be considering candidates for four director districts (current directors in parentheses): No. 2 (Ronald K. Myers, Griggsville), No. 4 (J. M. Sapp, Pleasant Hill), No. 6 (Robert A. Brown, Winchester) and No. 8 (John T. Early, White Hall).



Above: Representatives of the three member-systems of SIPC follow in the annual report as treasurer Harold I. Dycus makes his report. Below: David Ramsey (left) of Omaha talks with Brandon Jackson, REA general field representative.

Another good year for SIPC

Use of electricity throughout the three member-systems of Southern Illinois Power Co-operative (SIPC) was up by 4.1 percent in 1985, the greatest year-to-year increase since 1978.

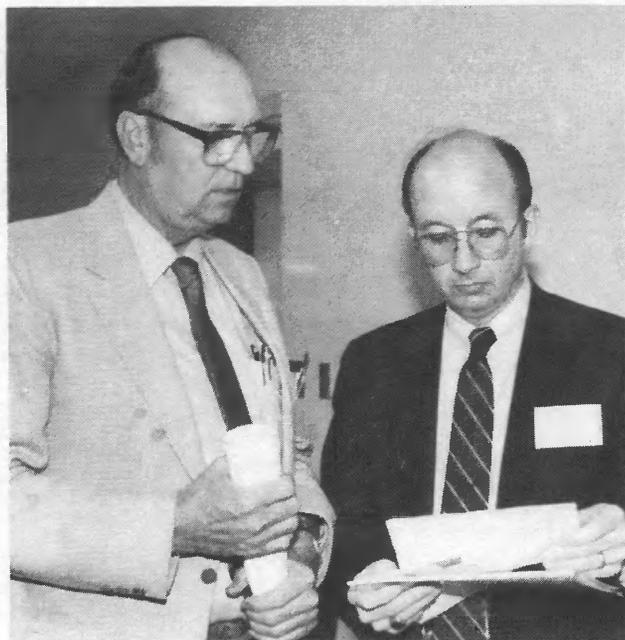
Reporting to representatives of the member-cooperatives during SIPC's annual meeting March 27 at the Lake of Egypt headquarters

near Marion, officers and management said the total sales to member-cooperatives exceeded 700,000 megawatt-hours (mwh) for only the second time in the cooperative's history. Board president Guy Casper of Cypress and executive vice president and general manager Jim Chapman said in their combined report that 1985 sales totalled 701,264 mwh compared to 1980's record of 702,178.

"The year 1985 was another good year for Southern Illinois Power Co-operative," they said, noting that 1985 marked the third consecutive year in which purchases by the three member-cooperatives had increased, following slight decreases for two years.

The three member-systems of SIPC are Egyptian Electric Cooperative Association, Steeleville; Southeastern Illinois Electric Cooperative, Eldorado, and Southern Illinois Electric Cooperative, Dongola. They serve about 37,000 meters in a block of 19 Southern Illinois counties.

In 1985, the cooperative continued to purchase coal at a price





217-742-3128

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS

High Line News

Plan now to attend Illinois Rural Electric Co's annual meeting July 16, Scott County 4-H Fairgrounds, Winchester

"The Nichols Brothers" will entertain during Illinois Rural Electric Co.'s annual meeting July 16. These four Italian brothers are from Columbus, Ohio. They each arrange, perform compose and are now working on their second album soon for release. They have played the past 10 years throughout the Midwest at conventions, fairs, clubs and exclusive country clubs.

There is an "incredible" story to their lives. This was featured on T.V.'s "That's Incredible" show. It all began shortly after the death of their famous father, Joey Nichols, who was with the Park Avenue Jesters and who was known throughout the country as an excellent entertainer during his lifetime. When the father died, the oldest sons (ages 15, 14 and 12) to the youngest son, Jimmy (age 9) had no show business background. Shortly after his father's death, nine-year-old Jimmy sat down to his father's keyboard and started playing his father's melodies and arrangements. The amazed mother had Jimmy evaluated at the Columbus Conservatory of Piano. He was graded on a college level of 98 and told they could teach him nothing further. At age 9 he already knew more than they could teach him. Jimmy was honored a lifetime scholarship. When asked how he



Nichols Brothers

could perform this "incredible art," Jimmy replied, "Daddy is moving my fingers!" The brothers formed their act and have been in show business since.

Their styles from the Forties to the Eighties meet the listening

desires of all ages. They do impersonations of such greats as the Mills Brothers, Platters, Sinatra, Dean Martin, Elvis Presley, Beatles, Bee Gees, Beach Boys, Oak Ridge Boys, Statlers, Gatlins and many more.

Your invitation to the 48th annual meeting

Dear Member:

Your Board of Directors joins me in extending to you an invitation to attend our big 48th Annual Meeting and Electrical Fair to be held at the Scott County 4-H Fair Association Building, Winchester, starting at 9:30 a.m., D.S.T., July 16, 1986.

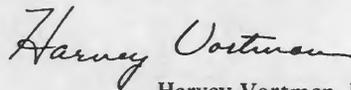
Registration will start at 8:00 a.m.

There will be country and western entertainment on stage throughout the day, in which our members have always displayed much interest.

We hope that each of you will find time to come to our Annual Meeting this year, so that by your interest and cooperation we directors, who have tried in the past year to guide your cooperative, will find that you are backing us up. It will be a chance to meet old friends and acquaintances and, in general, have a good time.

Around July 8, you will receive the program of the meeting. On the back cover, you'll find a registration card which will save you time and possibly eliminate standing in line to register Annual Meeting Day.

We're hoping to see you!



Harvey Vortman, President

This is a very special year because Illinois Rural Electric Co. . . . 50th anniversary — 1936-1986

DRAWINGS FOR PRIZES from Exhibitors & IREC All Day Long!

For Co-op Members Only



Early
Bird Award
Hotpoint
MICROWAVE
FREE



© NRECA

Business Meeting:

(In the Morning)
Elections of Directors
Progress Reports

Fairgrounds Exhibits

Farm Automation Equipment
Material Handling Equipment
Heating — Cooling Systems
Home Appliance & Entertainment Equipment

TWELVE (12) MEMBERS WILL BE AWARDED \$25.00 CREDIT ON THEIR ELECTRIC BILLS.

Names will be drawn from those members registered at the Annual Meeting.

Six (6) drawings will be made at 9:30 A.M., just ahead of the entertainment by The Nichols Brothers.

Six (6) drawings will be made throughout the morning program.

LUNCH - available on the grounds

Board meeting report

All directors were present at the meeting, along with the manager, office manager, member service director and legal counsel.

The minutes of the regular board meeting held on April 7 were reviewed and approved as mailed with the notice of the meeting.

Also, the minutes of a special board meeting held on April 10 were considered and approved as mailed with the notice of the meeting.

The chairman next asked the manager to report on the financial report which had been mailed with the notice of the meeting for period ending March 1986. The manager reported that sales of electrical energy were down, but that revenues and expenses were pretty much on budget with the cost of power also being down because of reduced sales of electrical energy. As part of the directors report, the accounts-paid report was reviewed, with full discussion of the accounts-paid report, as mailed with the notice of the meeting. The accounts-paid report was approved after a question-and-answer session.

The chairman then asked the manager to give his construction-and-maintenance report, as well as the kilowatt-hour sales for the month of April. When all questions had been answered, the construction-and-maintenance report was approved as given by the manager. The chairman next asked the manager to give the condition-of-cash report for period ending April 30 and also give a report on the CFC financial organization, along with their current interest rates.

The manager next gave the load-building report of the Member Service Department and, when all questions were answered, the report was approved as mailed with the notice of the meeting.

The chairman next reported that the board had accepted the resignation of board member Howard Hurrelbrink at the previous meeting and since he had had a long career on the board of directors of Illinois Rural Electric Co. that it was felt that a resolution from the board to Hurrelbrink in appreciation and gratitude of his long service was in order. Such a resolution was approved by the board.

The chairman next stated that the board, according to the bylaws in Article IV, Section 4, needed to fill the vacancy on the board of directors for the unexpired term of Hurrelbrink. He then asked the board committee, set up for that purpose, to give a report, in which they stated that they had interviewed candidates from District 6, and wished to recommend to the board that Robert A. Brown, of Route 1, Box 23, Winchester, be selected to serve the unexpired term of Howard Hurrelbrink. A resolution was then passed by the entire board upon that recommendation to appoint Robert Brown to the board of directors.

The chairman then asked the manager to explain the approval of a Corps of Engineers permit for right-of-way for an electric line in Calhoun County and such permit was approved by the board.

The chairman next reported on the meeting of Western Illinois Power Cooperative which had been held on April 11. The manager reported that the Pearl plant will soon be

coming back on line and reported on the production of energy at the Pearl plant. He also reported that Jim Greenwood gave his regular report on the Clinton Power Station and the completed construction of the plant and the eventual coming on line in 1987. Forrest Keaton, attorney for WIPCO, reported on the EPA hearing concerning the cooling water at the Pearl plant and the securing of a permit.

The chairman next asked attorney Tim Moreland to give a report on a meeting which he attended, in coordination with the Federation of Rural Illinois Ratepayers, in which it was discussed the possible ability of bringing a ratepayers suit against Illinois Power for the purpose of recovering some of the costs involved in the construction of the Clinton nuclear plant. The meeting was concluded in that a state committee of legal people was appointed to work with the FRIER organization concerning this lawsuit.

The chairman next asked the manager to make a presentation concerning retail rates. The manager stated that at the Western Illinois Power Cooperative meeting, the WIPCO board had passed a resolution concerning equity funding, which might allow the cooperative to reduce retail rates and borrow the money from REA for the equity funding owed under the present WIPCO policy on equity funding. The manager went through retail rates which he had run various scenarios, based upon the reduced power costs and outlined to the directors the cash flow of the cooperative through 1986. The manager stated that a good deal of these financial plans depend upon REA's short-term and long-term solutions to the high rate problems, due to the Clinton nuclear plant. The manager stated that REA is committed to the restructuring of rates and what the outcome of that restructuring plan may be is still negotiable. It was concluded that the board should have a special board meeting, along with general field representative Brandon Jackson of REA, to further explain the rate reduction.

The chairman next reminded the board of the NRECA Legislative Conference, which would be held in Washington, D.C. on May 4-7, and outlined plans for a representative group of the board to attend the conference and outlined the plans for appointments with Paul Simon, Alan Dixon, Robert Michel, Dick Durbin, and Gus Savage, Illinois Congressmen.

The chairman next asked member service director George Lindsey to report on the Youth to Washington tour and the special Youth Day held in Springfield on April 23. It was at this meeting that the 10 essay contest winners joined 123 other students throughout the state for the Youth Day activities in Springfield. At the conclusion of this meeting, it was announced that the winners of the all-expense-paid trip to Washington, D.C., were Cindy Benz of Kane and Tina Booth of Rockport. The member service director concluded by saying that the bus tour to Washington, D.C. would begin on June 13 and would return on June 20.

The chairman next reported on the regular meeting of the Association of Illinois Electric Cooperatives held on April 17. He stated that the financial reports of all departments of the Association were according to budget, all

except the Rural Electric News, and it was recommended that a two cent increase for postage be assessed each electric cooperative. The chairman reported that the 1986-87 budget was presented to the board for discussion and that it would be brought back to the meeting for more discussion and approval.

The chairman then asked the manager to discuss the next agenda item, being that of radio equipment bids. The manager discussed equipment bids received from the Motorola Radio Company, relative to the replacement of four truck radios, which had been purchased in 1958. The manager stated that the old, 50-watt units would be replaced by 110-watt Motorola radios to upgrade our radio system. The bids were approved from the Motorola Company.

The chairman next reported on the reactions and impressions of a special annual meeting which had been held on April 12. The chairman stated that he felt the meeting went very smoothly and he thought the board should commend the employees for a very smooth registration and commend the members and employees for a very orderly special meeting. The chairman reported on the vote tally on the various issues that were presented and that other directors felt the question-and-answer session following the regular meeting was very helpful to members to discuss certain questions which they wished to have answered by management

people.

The chairman then asked the manager to give the accident report, in which the manager stated there were no loss of time accidents for the month of April.

The chairman then called for other business for this meeting, in which director Joe Clegg, as chairman of the member relations committee, gave his report concerning the committee meeting with members of the Member Action Committee, Nick Demerath and Ruby Watret, and reported on the items that had been discussed at this meeting, relative to the special annual meeting, which had just been held and some plans for the annual meeting coming up on July 16.

The chairman then reported that the annual meeting planning committee, consisting of director Sapp as the chairman, reported on the meeting of that committee in making plans for the annual meeting and discussed with the board the various plans concerning the nominating committee and other annual meeting arrangements.

The chairman reported that there were 44 memberships in the cooperative which had been received during the month, all of which were qualified for membership in the cooperative and were then executed by the officers of the cooperative.

There being no further business to come before this meeting, the meeting was adjourned.

Bob Brown appointed to IREC Board

Robert A. (Bob) Brown, a Scott County grain and livestock farmer, has been appointed to the board of Illinois Rural Electric Co., replacing Howard Hurrelbrink of Winchester, who retired April 15 after serving as a director since 1938.

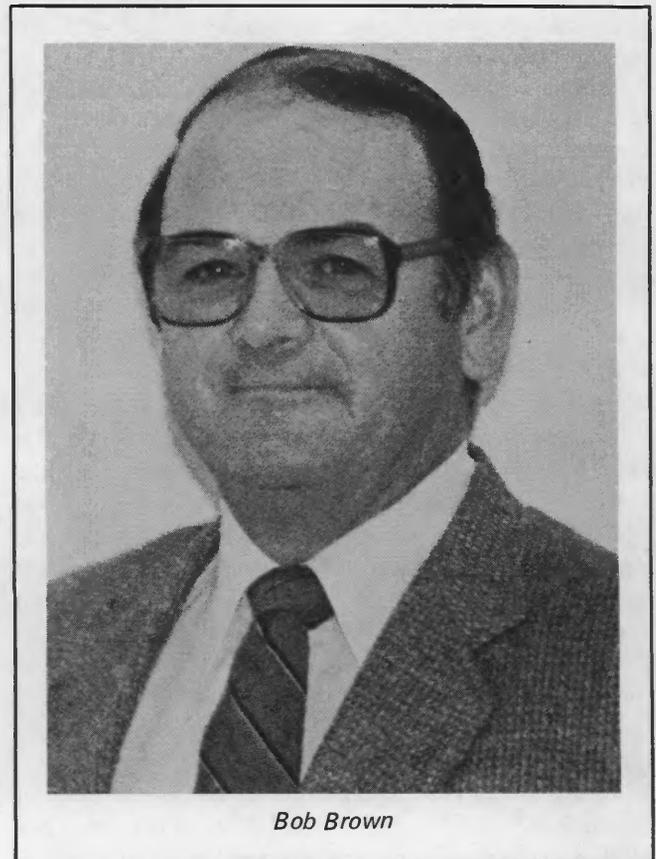
Brown, who lives south of Winchester, was named by the IREC board Monday, April 28, to complete the remaining months of the unexpired three-year term of Hurrelbrink, which was to expire at the annual meeting scheduled for July 16.

The new director and his wife, the former Linda Andrews of Springfield, are the parents of two children: Robert (Chuck), a junior at Winchester High School, and Beth Anne, a student at Millikin University in Decatur. Mrs. Brown works for the First State Bank in Winchester.

Born and raised in the area south of Winchester, Brown, 48, is a graduate of Winchester High School and attended the University of Illinois. He is past president of the Scott County Farm Bureau and the Scott County F.S. He is also a former director of the Winchester Unit School District No. 1.

The Browns are members of the Winchester Christian Church and he also serves as a member of the Tri-County board of the FHA.

Brown represents District 6 of the IREC service area, including Aalsey, Winchester, Manchester, Bloomfield and Glasgow townships in Scott County and T.15, R.11, T.14, R.11, and T.13, R.11 in Morgan County.



Bob Brown

Rate reduction — old vs. new

Effective with billing dated June 1, 1986

KWH's	Schedule A Farm and Home Rate		Schedule A-EH All Electric Rate-Winter		Schedule A Water Heater Rate	
	Old	New	Old	New	Old	New
200	39.64	35.14	39.64	35.14	39.64	35.14
400	68.28	59.78	68.28	59.78	68.28	59.78
600	96.92	83.42	96.92	78.42	96.92	78.42
800	121.56	106.06	109.56	91.06	109.56	91.06
1000	146.20	127.70	122.20	103.20	122.20	107.70
1200	168.84	148.34	133.84	114.84	146.84	128.34
1400	191.48	168.98	145.48	126.48	171.48	148.98
1600	214.12	189.62	157.12	138.12	196.12	169.62
1800	236.76	210.26	168.76	149.76	220.76	190.26
2000	259.40	230.90	180.40	161.40	245.40	210.90
2200	282.04	247.54	192.04	173.04	268.04	227.54
2400	304.68	264.18	203.68	184.68	290.68	244.18
2600	327.32	280.82	215.32	196.32	313.32	260.82
2800	349.96	297.46	226.96	207.96	335.96	277.46
3000	372.60	314.10	238.60	219.60	358.60	294.10
3200	395.24	328.74	263.24	231.24	381.24	308.74
3400	417.88	343.38	287.88	242.88	403.88	323.38
3600	440.52	358.02	312.52	254.52	426.52	338.02
3800	463.16	372.66	337.16	266.16	449.16	352.66
4000	485.80	387.30	361.80	277.80	471.80	367.30
4200	508.44	401.94	384.44	289.44	494.44	381.94
4400	531.08	416.58	407.08	301.08	517.08	396.58
4600	553.72	431.22	429.72	312.72	539.72	411.22
4800	576.36	445.86	452.36	324.36	562.36	425.86
5000	599.00	460.50	475.00	336.00	585.00	440.50
5200	621.64	475.14	497.64	347.64	607.64	455.14
5400	644.28	489.78	520.28	359.28	630.28	469.78
5600	666.92	504.42	542.92	370.92	652.92	484.42
5800	689.56	519.06	565.56	382.56	675.56	499.06
6000	712.20	533.70	588.20	394.20	698.20	513.70
6200	734.84	548.34	610.84	405.84	720.84	528.34
6400	757.48	562.98	633.48	417.48	743.48	542.98
6600	780.12	577.62	656.12	429.12	766.12	557.62
6800	802.76	592.26	678.76	440.76	788.76	572.26
7000	825.40	606.90	701.40	453.90	811.40	586.90

Summer Schedule A-EH Rate is the same as rate Schedule A-Water Heater

Board meeting report

JUNE 2, 1986

The board of directors met on Monday, June 2, at 1:30 p.m. All of the board members were present at the meeting, along with the manager, office manager, member service director and legal counsel.

The minutes of the regular meeting held on April 28, 1986, were approved along with the minutes of a special board meeting held on May 12, 1986.

The financial report was approved, even though the operating margin was a \$13,706 deficit for the month. The deficit was a result of \$99,000 short on sales of kilowatt-hours under budget with the cost of power being down because of the shortfall in sales. All other expenses were very close to budget. As part of the operating report, the accounts paid report was reviewed and approved as mailed with the notice of the meeting.

The manager gave a construction and maintenance report, in which he reviewed construction and maintenance that had been performed on the system during the month. He also reviewed the purchased power for April and compared the purchased power and sales with the budget and with the previous year.

The manager was then asked to give the condition of cash report, in which he reviewed the bank accounts and the certificates of deposit held in banks throughout our service area.

The manager then gave the load building report, in which he stated there were nine appliances sold by the Member Service Department and placed on our lines.

The chairman then asked for a report from the annual meeting committee. Director J. M. Sapp reported on the committee meeting held during May, in which annual meeting plans were in preparation for the July 16, 1986, annual meeting to be held at the Scott County Fairgrounds. Director Sapp reviewed the registration procedure along with the entertainment and exhibits by various businesses throughout our territory. Director Sapp reviewed the annual meeting notice which is presently being printed at the Association of Illinois Electric Cooperatives.

Director Bob Brown brought up the concern of some members relative to the establishment of an advisory committee, made up of members that would be appointed by the board, simply to serve in an advisory capacity. The advisory committee would meet from time to time to discuss the operation of the cooperative and promote the cooperative in the various director districts, he said. Board members were instructed to come to the July meeting with some advisory members in mind so as an advisory committee could be appointed.

The chairman asked the manager to give a report of the nominating committee which had met on May 19, 1986, and placed in nomination: District 2 — Ronald Myers of

Griggsville; District 4 — J. M. Sapp of Summer Hill; District 6 — Robert Brown of Winchester; and District 8 — John Early of White Hall. The committee had no further petitions or names that had been submitted for these voting districts.

The chairman then reported on the regular meeting of the Association of Illinois Electric Cooperatives which he had attended on May 15, 1986. The chairman noted that there were several new directors who were seated on the association board, because of changes of the boards of the various distribution cooperatives throughout the state. The chairman noted that all of the financial reports were in good standing for the month and that at next month's board meeting the annual budget for 1986-87 will be reviewed for the last time and will be considered. The chairman reported that considerable discussion about insurance coverages from the Frank B. Hall Company of Missouri was considered and approved. There was discussion about the recent NRECA Legislative Conference, for which delegates of rural cooperatives throughout the country traveled to Washington, D.C., to visit with their representatives about rural problems. The delegate from the National Rural Electric Cooperative Association reported on the recent quarterly meeting of that organization and reviewed the Senate budget and how it would affect rural financing. He talked about the REA loan needs for fiscal year 1987 as general manager Bob Bergland has testified before the sub-committee on agricultural and rural development. The chairman then reported on the current activities of the AIEC Legal and Public Affairs Department, discussing various state legislators. The chairman then stated that Vince Moreth, AIEC attorney, gave a report on the status of the class action suit against Rural Electric Convenience Cooperative concerning territorial disputes under the Electric Suppliers Act, and its probability of winning in the courts. Mike Sager, who is the director of Administrative Services at the Association of Illinois Electric Cooperatives, then reported on the Illinois Rural Electric Youth Day and on the Youth to Washington tour, which will be coming up on the 14th of June. This concluded the report of the chairman, relative to the association regular meeting.

The chairman then asked for a report by the attendees on the Legislative Conference which several of the board had attended in the first week of May. Most felt that we had received favorable reception and that Congress, as usual, was giving a lot of support to the REA program and that they were quite concerned about high rates and the restructuring of the Soyland-WIPCO debt and were willing to help in any way they could to get a financial restructuring program for Soyland-WIPCO.

The board of directors then discussed the equity funding program of WIPCO, reviewing a recent decision by WIPCO

to defer the equity funding amount until February 1987 and the discussion involved whether Illinois Rural Electric Co. should pay equity funding to WIPCO in 1986 in accordance with the payment schedule, or whether they should, too, defer the money until February 1987. A resolution was offered that Illinois Rural continue to pay equity funding to WIPCO on the regular payment schedule until further study by the board of directors.

The board of directors then held discussion relative to the services of an attorney for the coming year and the chairman appointed a committee to study the matter of the hiring of an attorney for the coming year.

The board considered two requests for return of membership fees.

The accident report was given by the manager concerning a truck accident which had occurred behind the building of the cooperative because of the truck rolling down the driveway unattended.

There was, under other business, discussion held concerning the 1986 Director Update seminars being offered by NRECA, and the manager passed out information relative to director certification with NRECA, in which he had a full tabulation of the certification for each director on the board.

The chairman next stated that the annual meeting committee will need to meet on the morning of June 23, 1986, to further discuss plans of the annual meeting.

The chairman then stated that he understood that our auditors, Ernst & Whinney from Springfield, were closing the Springfield office and would no longer be able to audit our books and records and that a new auditor would need to be selected at a convenient time.

The chairman then called upon the manager to talk about some territorial disputes between Illinois Rural Electric Co. and the Central Illinois Public Service Company, in which it was felt that the CIPS was violating the territorial agreement between Illinois Rural Electric Co. and CIPS. The manager fully discussed the problem and was directed to have discussions with CIPS to see if these problems could be alleviated or whether they would have to be taken to the Illinois Commerce Commission and the courts for satisfaction.

The chairman reported that there were 58 membership applications to be approved for membership in the cooperative that had been executed during the month.

There being no further business to come before this meeting, the meeting was adjourned.

FFA honors many from IREC area

Illinois Rural Electric Co. was well represented during the 58th annual convention of the Illinois Association FFA June 10-12 at the University of Illinois.

Charles Schone of Route 1, Bluffs, presided over the meeting as State FFA president.

His parents, Don and Glenna Schone, were among 29 people receiving the Honorary State FFA Degree, as parents of a major state FFA officer.

George Lindsey, member service manager for Illinois Rural Electric Co., also received the Honorary State FFA Degree. The Honorary State FFA Degree is the highest honorary degree of membership the Illinois FFA can bestow and is given to individuals who have devoted a great amount of time and effort serving not only agriculture but also the FFA. Among others who received the degree this year are Harold Dodd of Loami, president of the Illinois Farmers Union; Roscoe Pershing of Champaign, head of the department of agricultural engineering, College of Agriculture, University of Illinois; Kent Slater of Macomb, state representative from the 95th District and a former state FFA president; O. Glenn Webb of Tunnel Hill, president of Growmark, Inc., and John White of Elburn, president of the Illinois Farm Bureau.

Two FFA members whose parents are members of Illinois Rural Electric Co. won 1986 State Foundation Awards.

Bryan Bower, son of Robert F. and Colette Bower, Route 1, Barry, won the state award for Agricultural Electrification, and Phil Bartz, son of Gary and Caroline Bartz, Route 1, Murrayville, won the Poultry Production award. Bryan is a member of the Barry FFA chapter and Phil is a member of the Jacksonville FFA chapter.

Bryan's winning project included wiring two buildings, installing ground fault interrupters and 100- and 60-amp breaker boxes and a well entrance. His project has developed into a mini-business in which he does basic wiring for others and helps people with do-it-yourself wiring projects. He plans to attend Quincy Technical School to study heating and air conditioning and use his skills for area farmers and businesses.

Phil started his project at an early age and it has grown into a 100-hen laying flock and large show bird flock. His project is considered to be of average size and is highly efficient. Phil hopes to start an egg hatchery in the future, after majoring in agricultural economics at the University of Illinois.

There are 29 State Foundation Awards in various areas of FFA projects. It is a high honor for this area to have two state winners this year, along with the state president, from farm families on IREC lines.

The Winchester High School FFA chapter earned more honors for the area. The chapter — represented at the convention by Tina McMillan, Chuck Brown, Mike Gregory, Eli Stephenson, Brad Slagle and Kent Coultas — won two of the five top state awards for chapters — the Safety and Heritage awards. There were 133 chapters competing in the Safety competition and 101 in the Heritage division. Bernard Goetze is vo-ag teacher and chapter advisor.

Kent Coultas was honored with the State FFA Degree, given to only the top two percent of the state FFA membership. Kent's father, Jim, won the State FFA Degree in 1948.

In all, the chapter won six wall plaques, five award medals and three recognition certificates.



217-742-3128

High Line News

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS



Members register prior to the annual meeting

New law can mean rate stability

New federal legislation dealing with rural electric financing should help provide electric rate stability for member-consumers of Illinois Rural Electric Co.

Robert E. Gant, manager, told a crowd of more than 1,200 members and guests attending IREC's 48th annual meeting July 16 that the legislation would enable IREC's power supplier to refinance its loans with the Federal Financing Bank (FFB). Such refinancing would allow Western Illinois Power Cooperative, IREC's supplier, to reduce the interest rate it pays on power supply borrowing from about 12 percent to approximately 8 percent, he added. Previous regulations and prepayment penalties had made refinancing virtually impossible for electric cooperatives.

Gant said the FFB legislation was a part of a major financial restructuring plan undertaken by WIPCO and Soyland Power Cooperative to reduce the cost impact of the nuclear Clinton Power Station, of which the two cooperatives are part owners, along with Illinois Power Company.

Gant added that a rate reduction of two cents per kilowatt-hour put into effect by the board earlier this year was done in anticipation of the legislation passing Congress and being signed by President Reagan. The bill was signed July 3.

The meeting, which celebrated the 50th anniversary of

the organization of IREC, was dedicated to Howard Hurrelbrink of Winchester, who retired from the board in April after 48 years of service as a director. Hurrelbrink was treasurer of the board during all his years as director.

In its dedication of the meeting to Hurrelbrink, IREC noted:

"Mr. Hurrelbrink always gave most generously of his time and energy in the interests of Illinois Rural Electric Co. in its efforts to provide quality and continuity in electric service to the members of the cooperative at the lowest possible cost consistent with good and prudent management.

"His leadership, integrity, industry, sincerity and fairness were of invaluable benefit to the entire program of rural electrification and particularly to the interests of the member-consumers of Illinois Rural Electric Co."

Harvey Vortman of Bluffs, board president, recalled for the large crowd the history of the cooperative, the only distribution electric cooperative in the state to ever generate its own electric power.

Vortman said, "It is easy to take a glance back on our 50th anniversary at the events that were mileposts and were important during that time. Of course, behind those events were people making things happen.

"It is much harder to be celebrating our 50th year and look to the future to try and predict what may happen. The

board of directors and management are concerned about providing adequate electrical service at an affordable price."

Four incumbent directors defeated a slate of challengers for election to the board for three-year terms.

Robert A. Brown of Winchester, John T. Early of White Hall, Ronald K. Myers of Griggsville and J. M. Sapp of Pleasant Hill, all nominated by the cooperative's nominating committee, won. Brown defeated William M. Smith of Winchester 1,067-513 in District 6; Early won over Lewis Weston Roodhouse of White Hall 1,047-532 in District 8; Myers defeated Lynn Waters of Chambersburg 1,075-512 in District 2, and Sapp won over Harold S. Loyd of Pittsfield 1,074-507 in District 4. The challengers were nominated by petition and supported by the Members

Action Committee.

Total registration at the meeting was 1,582, with 558 members registered in person and 1,024 registered by proxy.

Members rejected by a vote of 863-325 a motion to prohibit the manager of IREC from serving as an IREC director on the WIPCO board. Another motion, to eliminate proxy voting, was defeated by a voice vote.

Board treasurer J. M. Sapp of Pleasant Hill reported that cooperative revenue in 1985 totalled \$11,066,740, of which 70 percent, or \$7,744,285, went for wholesale power purchases. During the year, the cooperative paid \$698,281 in taxes to local, state and federal units and net margins were \$371,028.



Employees collect ballots during election voting



Left: Robert E. Gant, right, manager of Illinois Rural Electric Co., Winchester, talks with IREC members who won three-year director terms during elections held at the meeting. From left are Robert A. Brown of Winchester, John T. Early of White Hall, Ronald K. Myers of Griggsville, and J. M. Sapp of Pleasant Hill. Early, Myers and Sapp were reelected while Brown was elected to his first term after serving out the unexpired term of Howard Hurrelbrink of Winchester, who retired in April. Right: Youth Tour participants Tina Booth, left, of Rockport and Cindy Benz of Kane told the members of their activities on the week-long trip to the nation's capital.

Board meeting report

JULY 7, 1986

The board of directors met on Monday, July 7, at 5 p.m. All of the board members were present at the meeting, along with the manager, office manager, member service director and legal counsel.

The chairman first asked the Attorney Search Committee to report on their committee meeting in a effort to find a new attorney for the cooperative. After considerable amount of discussion, the board took the recommendation of the committee to hire Mr. Bob Bonjean of Jacksonville.

The minutes of the regular meeting held June 2, 1986, were approved as mailed with the notice of the meeting.

The financial report was then discussed with the manager commenting on the shortfall in revenues with all other expenses being within budget. The cost of power was actually down because loads were up slightly for the month. As part of the operating report, the accounts paid report was reviewed and approved as mailed with the notice of the meeting.

The manager gave a construction and maintenance report in which he stated that 11 new services had been constructed during the month and discussed other construction and maintenance that had been performed on the distribution system during the month of June.

The chairman then called upon the manager to give the condition of cash report, in which the manager reviewed the cash deposits held in local area banks as well as commercial paper held at CFC.

The member service director then gave the load building report in which he stated that seven appliances had been sold during the month. They consisted of four water heaters, one freezer, one refrigerator and one dishwasher.

The chairman then asked the manager to explain a U.S. Corps of Engineer right-of-way extension agreement. The manager stated that said agreement was being renewed for an additional five years to allow Illinois Rural to maintain 30 poles and 22 anchors on Corps of Engineers right-of-way located north of East Hannibal for services to members along the river levee in that location. The board of directors executed two copies of said agreement.

The chairman then reported on the regular meeting of Western Illinois Power Cooperative held on June 13. He stated that the 1985 audit report was approved as it had been distributed to directors prior to the regular meeting. It was reported that the Hadley substation has now been completed, all but the air brake switches and that transformers are now being placed at the sub site. The chairman reported that the Pearl Plant was back generating, but had experienced some vibration problems in the turbine and after repairing that, there had been some problems also with the boiler flue tubes leaking, but that the Pearl Plant is now back up generating full capacity. He reported that the purchasing committee was receiving bids for coal. He reported the Soyland-WIPCO pool had hired a marketing director to help market the excess capacity in the pool. He stated that the marketing committee was also addressing proposals concerning the fixing of the fixed cost allocation

among the distribution cooperatives and that an electric heat rate program is being considered by the marketing committee. Mr. Jim Greenwood reported to the board concerning the Clinton Plant, in which he described the final start up tests and a recent visit by the chairman of the Nuclear Regulatory Commission previous to the pre-licensing of the plant. He also reported that Illinois Power had given a letter to NRC on the readiness to load fuel at the plant.

The chairman next stated that each six months the board is asked to write off six months of delinquent accounts. He explained that these are uncollectible accounts that are more than a year old and these accounts are written off to a reserve that is set up for that purpose. The chairman then circulated a list of accounts to be written off for the six months period January 1, 1985, through June 30, 1985, in the amount of \$13,986.94. Sales during this period were \$5,228,611.00, generating a percent of write off of about 2.6 mills per each dollar of sales generated.

The chairman then called upon the chairman of the Annual Meeting Planning Committee, Mr. J. M. Sapp, to give a report on that committee. Mr. Sapp stated that the committee had met and completed final plans for the 1986 annual meeting. The chairman continued by making some recommendations to the board concerning the annual meeting and going through the total plans for registration and the utilization of certain personnel and reviewing with the board the complete time schedule of the annual meeting and reviewing the complete agenda.

The chairman, who serves as a delegate to the Association of Illinois Electric Cooperatives board of directors, next reported on the regular meeting which had been held on June 20, 1986. He stated that a new board member from Menard Electric was seated on the board, as well as an alternate director. He stated that all of the financial reports were all in order and were approved. He also stated that 10 \$1,000 building bonds were retired per the schedule set up by the board of directors. He stated that the Association building had been damaged by freight trucks backing in and that they were repairing said dock and taking other precautions to keep from happening in the future. The chairman stated that the 1986-87 budget of the Association of Illinois Electric Cooperatives had been approved at this meeting. He then discussed the amount that Illinois Rural would be contributing to that budget. The chairman reminded the board members that the NRECA Region V meeting would be coming up in September and would be held at Madison, Wisconsin.

The chairman reported that at the AIEC regular board meeting, he had heard discussion relative to the CFC Seminar on "Financing the Cooperatives of Tomorrow" and he asked the manager to give a report relative to that seminar. The manager stated that with the current legislation concerning the restructuring of the Federal Financing Bank Loans by the generation and transmission cooperatives, that CFC is looking to move into more of the financ-

ing of those cooperatives. He stated that the Association is holding two said seminars on July 29 and July 30 in two locations in the state. Such topics as "The Revolving Fund and Its Future Use By The Cooperatives," "Cash Management and Banking Relationships," "Understanding The Financial Statement," and "The Cost of Service and Rate Concepts" will be explained by CFC associate members at the seminar. The manager was directed to make reservations for this important conference.

The chairman then asked the manager for any new business, in which the manager then informed the board relative to the progress of our data process conversion to new software programs for billing and accounting for the cooperative. The manager further explained some of the new features of the program and stated that it will make a more efficient operation in the areas of billing and accounting.

The chairman then asked for other new business, in which the manager stated that the AIEC annual meeting will be held at the Holiday Inn East in Springfield on August 19, 20 and 21 and stated that we need to appoint

an authorized representative and an alternate representative to this meeting. Whereupon a motion was made to appoint Harvey Vortman to be the authorized representative and William Griswold to be the alternate representative for this meeting.

The chairman asked for other new business, in which the manager reported that he had given each board member a summary of a marketing report from the Association on the recent member attitude survey and that it was only a summary report but that each board member would be able to have access to the large bound copy if they wished to read the marketing report in more detail.

The chairman then asked the manager to give the accident report in which he reported on two minor accidents, both having no loss of time.

The chairman then stated there had been 53 memberships in the cooperative received during the month, all of which were qualified and he presented the memberships for execution by the officers and approval by the board.

With no further business, the meeting was adjourned.



Howard Hurrelbrink of Winchester, left, who retired in April after 48 years on the IREC board of directors, received the "Golden Meter" award for his service from Harvey Vortman of Bluffs, board president, center, and Robert E. Gant, manager. Hurrelbrink was hospitalized and unable to attend the annual meeting July 16 and received his award following the meeting.



High Line News

217-742-3128

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS



Across the Manager's Desk

by Robert E. Gant

Long ago, farmers learned the value of joining and working together to provide themselves with needed goods and services at an affordable cost. Agricultural cooperation has been so successful today that it is one of the mainstays of rural economy and the backbone of the family farm.

Your electric cooperative, founded in May of 1936, began providing electric service on a cooperative basis in June of 1938 to 675 member-owners over 606 miles of line. Today, it meets the electric power needs of nearly 10,000 farms, homes and businesses in nine Illinois counties over more than 2,700 miles of line.

The sound cooperative principles behind Illinois Rural Electric Co. and the 40,000 other cooperatives serving 50 million consumers are equally applicable to most forms of business. More and more people are discovering what

farmers and rural dwellers know from experience: that by pooling resources and working with others they can provide benefits for the group which they could not achieve individually.

Next month is Cooperative Month across the nation. We are getting a few days head start, but we wanted to bring this important observance to your attention early enough for you to see what is happening when you read and hear of activities occurring in conjunction with Cooperative Month.

During October, the focus of Cooperative Month activities in this area will be centered on the cooperative programs most familiar to you. However, the cooperative spirit is interesting more and more people in a growing number of marketing and purchasing endeavors.

Illinois Rural Electric Co. and the food cooperatives have a 50-year history in this country, and have mushroomed in the past decade. Many of them retail co-op label goods which are marketed by Universal Cooperatives, Inc. The co-op line is the only national cooperative brand, and is available in supermarket cooperatives, farm supply cooperatives, smaller cooperative stores, and buying clubs. Several of Universal's suppliers are agricultural producer cooperatives, completing the cooperative chain from the farmer who grows the food to the people who buy and eat it.

Thank you

The board of directors, manager and employees wish to thank all members who

came to the annual meeting to support your cooperative and also those members who sent their proxies to this meeting. We appreciate your support and concern at this time and also in the future.

Alan Heaton appointed to board



Heaton

F. Alan Heaton, a Morgan County grain and livestock farmer, has been appointed to the board of Illinois Rural Electric Co., replacing Joseph J. Clegg of Route 4, Jacksonville, who retired July 26 after serving as a director since July 18, 1984.

Heaton, who lives southeast of Murrayville, was named by the IREC board August 4 to complete the remaining part of the three-year term, which will expire at IREC's

1987 annual meeting.

The new director and his wife, the former Charlotte Sunderland, are the parents of two children. Their son, Philip, is married and also farms in the Murrayville area. Their daughter, Carmen, is a junior at the University of Illinois this fall. Mrs. Heaton is a teacher in District 117.

A lifetime resident of the Murrayville area, Heaton, 52, attended Jacksonville High School and also served in the U.S. Army.

He is past member of the board of trustees at Passavant Hospital in Jacksonville and presently is president of the Woodson Farmers Elevator. He also served on the Morgan County Soil and Water Conservation Committee. The Heaton family are members of the Murrayville United Methodist Church and he has held several positions there.

Heaton represents District 7 of the IREC service area, including T.15, R.10; T.15, R.9; R.14, R.10; T.14, R.9; T.13, R.10 and T.13, R.9 in Morgan County.



**With the Amazing
Lime Eliminator™**
Self-Cleaning
Reduces Lime Build-up
Automatically

CLIP AND MAIL:

To:
ILLINOIS RURAL ELECTRIC CO.
2-12 South Main St.,
Winchester, Illinois 62694
Attn: George R. Lindsey

IMPORTANT

If you have an electric water heater you must send in the COUPON to Illinois Rural Electric Co. so one of our employees can check the heater and see that you get on the NEW HEATER RATE: This can save you up to \$20.00 each month.

NAME _____

ADDRESS _____

TOWN _____

PHONE _____

- Yes, I would like a new water heater, from IREC.
- I am the home owner.
- I would like for you to check my water heater and put me on the special rate.

Signed _____

Your electric Service Saver can pay for itself with Energy Savings. See how much you can save.

*Note below for details.

82 Gallon	Operating Cost/Savings		
	1 Year	7½ Years	10 Years
Standard Model	\$557	\$5,361	\$11,297
Service Saver	\$438	\$4,216	\$ 8,901
Savings	\$119	\$1,145	\$ 2,396

*These charts compare our "Standard" model and our new "Service Saver™" model, supplying 64.3 gallons of hot water per day, heated thru a 90° temperature rise. These figures are based on results of tests prescribed by the Department of Energy, as published in the October 4, 1977 Federal Register, under "Test Procedures for Water Heaters." Energy costs used in charts were published in the Federal Register on Sept. 12, 1983.

Your cost will vary depending on your local energy rate and how you use the product.

These estimates are based on a national average electric rate of 7.63¢ per kilowatt hour

**Save up to \$20
a month on your
electric bill from
Illinois Rural
Electric Co.**

It isn't often you get the opportunity to save \$20 a month. That's \$240 per year. No gimmicks, either.

Just sign up for the new Illinois Rural Electric Co. electric water heater rate. It's simple! If you are a member of the electric cooperative and you operate an electric water heater, you're eligible for the new rate. It's a six cent per kilowatt-hour reduction for 400 kilowatt-hours per month. If you use the maximum, you'll save \$20 a month. No timers or other restrictions, either.

Here's another deal! Illinois Rural Electric Co. will sell its member-owners an "Energy Saver Plus" high-technology electric water heater for the unheard-of price of \$125. Cooperative personnel will deliver the water heater unit and place it as close to the installation area as possible. Installation and removal of the old unit are the responsibility of the member.

The cooperative's new electric water heater rate went into effect January 1, 1986. Get signed up now, so you are ready for the savings after the holidays. Better yet, get signed up and order your new money-saving, energy-efficient electric water heater from Illinois Rural Electric Co. For more information, call George Lindsey, Member Service Manager, at 742-3128.

If you prefer, clip the coupon in this ad and return it to the cooperative. Then sit back and wait. Your cooperative personnel will call on you soon!

Board meeting report

The board of directors met on Monday, August 4, 1986, at 5 p.m. All of the board members were present at the meeting, along with the manager, office manager, and legal counsel.

The minutes of the regular meeting held on July 7, 1986, were approved as mailed with the notice of the meeting.

The minutes of a special meeting held on July 14, 1986, were reviewed and approved as mailed with the notice of the meeting.

The minutes of the reorganizational meeting following the regular annual meeting on July 16 were then reviewed and they were approved as mailed with the notice of the meeting.

The financial report was reviewed and the revenues and expenses were explained by the manager, including the year to date totals for the end of June 30, 1986. The manager commented about the financial position of the cooperative and talked about the rate restructuring plan being looked into by the WIPCO-Soyland Pool, as a result of recent legislation. All expenses were within the budget and the sales of kilowatt-hours were up over the previous month. The accounts paid report was reviewed and, after questions by the board, the financial report was approved. As part of the construction and maintenance report, the manager talked about the new software program that was being used for billing in the August 1 bill and a few of the problems involved in the software program. There will be some minor changes made to the program, so the September 1 bill will be calculated and printed as usual.

The chairman then asked the manager to give the condition of cash report, in which he reviewed the bank accounts and certificates of deposit, held in banks throughout our area. He also reviewed the interest rates being paid by CFC on commercial paper. The manager was then asked to give the load building report, in which he stated the Member Service Department had sold seven water heaters, one clothes washer, and one refrigerator, for a total of nine appliances during the month of June.

The chairman then called upon the director search committee to give its report. Chairman John Early stated that the committee had been appointed by chairman Vortman to find a replacement director for District 7 to replace director Clegg, who had resigned his position on July 28, 1986. Early continued by saying they had interviewed four candidates who were members residing in District 7 and were willing to fulfill the one year remaining term of Joe Clegg's director term. These candidates were Alan Heaton, Kent Western, Don Wilson and Ruby Watret. Early gave the qualifications of each of the candidates and recommended to the board that they appoint Alan Heaton, whereby a resolution and a second was presented with further discussion of the four candidates. A unanimous decision was then made to select Alan Heaton as the candidate to fulfill the term of one year in District 7.

The chairman then asked for various comments concerning the annual meeting held on July 16, in which various aspects of the annual meeting were discussed and ways of

improving the meeting were discussed, problems in registration as well as possible bylaw changes for next year's annual meeting. The chairman read a letter from Dean Searls, interim manager of WIPCO, complimenting the organization for the smooth annual meeting of members.

The chairman then called upon the manager to talk about manager, officer and director liability insurance. The manager stated that our liability policy would be terminating in November of this year and that, like all other liability carriers throughout the country, would not be able to offer the same coverage as our present policy. The present policy is a \$25-million, three-year per paid policy underwritten through NRECA by St. Paul Fire & Marine. St. Paul Fire & Marine would be able to offer a \$2-million policy underwritten by Employers Insurance of Wausau and a possible additional \$3-million worth of coverage might be available through National Union Fire Insurance Company of Pittsburgh. The manager was instructed to make application to both insurance companies and to pay an extension fee on the present policy.

The chairman then stated that it was again time to select an auditing firm for our 1986 audit, in which there had been two bids submitted to the board relative to an auditing firm, those being Clifton Gunderson of Springfield and Bennett & Middendorf of Quincy. After full discussion, the board selected Clifton Gunderson of Springfield to do the 1986 audit.

There were two large power contracts that were executed by the board of directors for two new large power services in our service area. One of them being with the City of Winchester for a water pumping load and the other a three-phase farm load for Richter Fertilizer.

The manager next reported on the regular meeting of Western Illinois Power Cooperative held on July 11, 1986. The manager reported that at this meeting a new coal supply contract with Lakeshore International was executed to supply coal for the Pearl Generating Station. It was reported that the ash collection system was placed into service at the Pearl Plant and is working well. It gathers approximately 15 tons of ash per day and the ash is being hauled away from the Pearl site about every 48 hours. The manager reported on Pearl gas turbine vibration problems and the resultant repair work on the gas turbine. The manager reported that our new Hadley substation is in the process of being energized and that the switch for the transmission line is being installed and the energizing of that substation will be later during cool weather time. The directors were given an update on the start up of the Clinton plant in that the fuel load will be done in the middle of August, with lower power testing to begin as soon as an operating license is received from NRC. The directors were also updated on the restructuring of the Clinton plant debt, in light of recent legislation passed by Congress to remove the penalty for the restructuring of that debt through the Federal Financing Bank. Plans are moving forward for that restructuring through CFC.

The chairman next reported on the regular meeting of the Association of Illinois Electric Cooperatives held on

July 20, 1986, in which he stated that all of the financial reports were in order and were on budget. He gave a report relative to the current activities of the Energy, Environment and Engineering Department, in which he stated the department was doing some power requirement studies for the cooperatives in the WIPCO group. These individual studies would support the power requirement study required by REA for Western Illinois Power Cooperative. The chairman reported that Earl Struck of the Legal and Public Affairs Department wrapped up the spring session of the Illinois General Assembly in discussing several Senate and House bills as they relate to the electric cooperatives. One of these bills was the Ethanol Research Coal Desulphurization, which would take the use of ethanol, a corn product, and use the ethanol to treat high sulphur coal to remove the sulphur, so that the high sulphur coal could be burned in power plants without scrubbers. This project would not only help the air pollution problem, but would also use a lot of ethanol made from Illinois corn. This was expected to create a new market for Illinois corn surplus. The chairman discussed the class action suit against Rural Electric Convenience Cooperative concerning the territorial agreement between members of the cooperative and the agreement between Central Illinois Public Service Company and the Auburn-based cooperative. The chairman reported on

plans for the 45th annual meeting of the AIEC which will be held on August 19, 20 and 21 and he also discussed plans for the Region V meeting coming up in September. The chairman reported on the continuing education program at the Association and outlined various courses being taught for directors and cooperative personnel for the year 1986-1987. The chairman then reported on the CFC Seminar on "Financing The Cooperatives of Tomorrow," in which financing opportunities were discussed for the Soyland-WIPCO Pool in the restructuring of the Clinton debt.

As part of the plans for the Region V meeting of NRECA, the board selected Harvey Vortman to be the voting delegate and William Griswold to be the alternate delegate for that meeting.

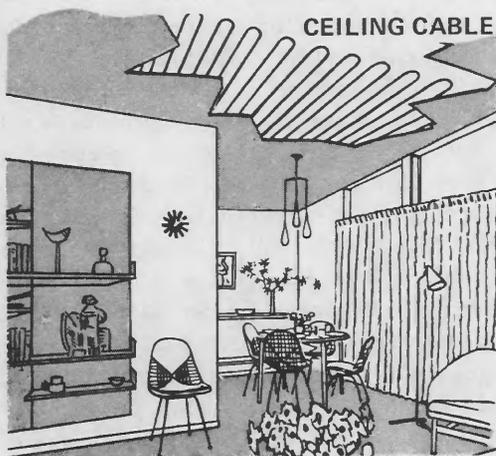
The manager reported that there had not been any loss-of-time accidents by the cooperative during July.

A resolution recognizing the service of retiring director Joe Clegg was formalized and will be presented to Clegg at a later date.

The chairman reported there were 40 membership applications to be approved for membership in the cooperative that had been executed by the president and secretary.

There being no further business to come before the meeting, the meeting was adjourned.

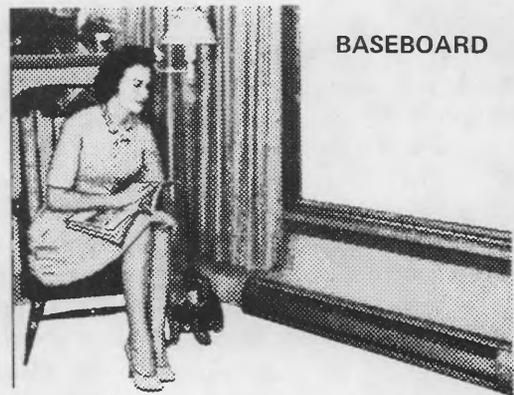
There's an electric heating system just right for your home!



CEILING CABLE

CEILING CABLE

- Individual Room Temperature Control
- Heating Equipment Invisible
- Low Installation Cost
- A new plastic plastering compound "Radex" - sprayed on - makes ceiling cable an ideal system for new homes and homes being remodeled.



BASEBOARD

BASEBOARD

- Individual Room Temperature Control
- Easy to Install
- Placed Under Windows to Blanket Glass Area and to Avoid Interference with Furniture Placement
- Clean - No Forced Air
- Guaranteed Your Lifetime

Insulation essential with electric heat

Illinois Rural Electric Co., has a special rate for electric heated homes.

If you are contacted by anyone recommending that you

install electric heat without any insulation, IREC advises you to contact George Lindsey, Member Service Department Manager, before you sign any contracts.



217-742-3128

High Line News

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS



Across the Manager's Desk

by Robert E. Gant

Between towns, electric lines travel down quiet country roads, across plains, deserts and mountains, through the bayous — reaching far and wide to light up the homes, businesses, farms, schools and churches in rural America — connecting communities, one with another.

America's 1,000 consumer-owner rural electric systems make this network of reliable electric power possible.

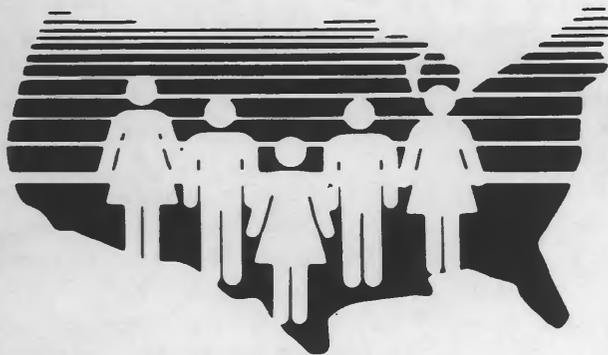
Rural electric systems form another kind of network, just as vital. We connect the people of rural America in cooperation. Our consumers are our owners, and in good

times — and times like these — we work hard to anticipate and meet their needs.

Because of the cooperative's help in our service area, there are schools, churches, elevators, feed mills, implement dealers, seed corn companies, rock quarries, irrigation systems, fertilizer plants, community colleges, radio stations, nurseries, motels, restaurants, pumping stations, nursing homes, auto parts and used cars, apple and peach packing sheds, county water districts, small towns, etc.

It's like this all across the land. It happens because we're there working together with our neighbors to meet local needs.

October is Cooperative Month, a time for member-owned and member-serving organizations such as Illinois Rural Electric Co. to underline their unique nature. One in four Americans, about 60 million, belongs to at least one of the 40,000 cooperatives in the country. It's basic democracy in action; the cooperative is owned and controlled by its members, on the basis of one-person, one-vote.



COOPERATIVES WORK!

Board meeting report

The regular meeting of the board of directors of Illinois Rural Electric Co. was called to order by board president Harvey Vortman. All directors were present at the meeting, except Jeral Miller. Also present were Robert E. Gant, Lucien Nash, and Robert Bonjean, attorney for the Cooperative.

The minutes of the regular board meeting held on August 4 were reviewed and were approved as mailed with the notice of the meeting.

The chairman then asked that the financial report be

reviewed by the manager. The manager explained that the revenues for June were below budget, but that loads for the month of July were up, causing a higher-than-normal power bill, which would be paid during this period, resulting in a deficit for the month of July. All other expenses were within the budget and the major factor being the cost of power because of the cooperative continuing to pay equity funding to WIPCO. The accounts paid report was then reviewed and approved as mailed with the notice

(Continued on page 14c)

All about water-source heat pumps

Q. What is a water-source heat pump?

A. A water-source heat pump is an electrically powered device that uses the natural heat storage ability of the earth and/or the earth's groundwater to heat and cool your home or business.

Q. How does it work?

A. Like any type of heat pump, it simply moves heat energy from one place to another. Your refrigerator works using the same scientific principle. By using the refrigeration process, water-source heat pumps remove heat energy stored in the earth and/or the earth's groundwater and transfer it to the home.

Q. How is heat transferred between the earth and home?

A. The earth has the ability to absorb and store heat energy. To use heat stored energy, heat is extracted from the earth through a liquid medium (anti-freeze solution) and is pumped to the heat pump or heat exchanger. There, the heat is used to heat your home. In summer the process is reversed and indoor heat is extracted from your home and transferred to the earth through the liquid.

Q. You mentioned heating and cooling. Does it do both?

A. One of the things that makes a heat pump so versatile is its ability to be a heating and cooling system in one. You can change from one mode to another with a simple flick of a switch on your indoor thermostat. In the cooling

mode, a water-source heat pump takes heat from indoors and transfers it to the cooler earth through either ground-water or an underground loop system.

Q. Does the underground pipe system really work?

A. The buried pipe, or "ground loop," is the most recent technical advancement in heat pump technology. The idea to bury pipe in the ground to gather heat energy began in the 1940s. But it's only been in the last few years that new heat pump designs and improved pipe materials have been combined to make water-source heat pumps the most efficient heating and cooling systems available.

Q. What is a closed-loop system?

A. The term "closed-loop" is used to describe a water-source heat pump system that uses a continuous loop of special buried plastic pipe as a heat exchanger. The pipe is connected to the indoor heat pump to form a sealed, underground loop through which an anti-freeze solution is circulated.

Q. Where can this loop be located?

A. That depends on land availability and terrain. Some closed-loops are trenched horizontally in yards and adjacent to the home — others are placed in vertical holes that are backfilled with sealing material.

Q. How long will the loop last?

A. Closed-loop systems should only be installed using high-density polyethylene or polybutylene pipe. Properly installed, these pipes will last 25-75 years. They are inert to chemicals normally found in soil and have good heat conducting properties. PVC pipe should not be used under any circumstances.

Q. Will an earth loop affect my lawn or landscape?

A. No. Research has proven that loops have no adverse effect on grass, trees or shrubs. Most horizontal loop installations use trenches about six inches wide. This, of course, will leave temporary bare areas that can be restored with grass seed or sod. Vertical loops require little space and result in minimal lawn damage.

Q. Can I install an earth loop myself?

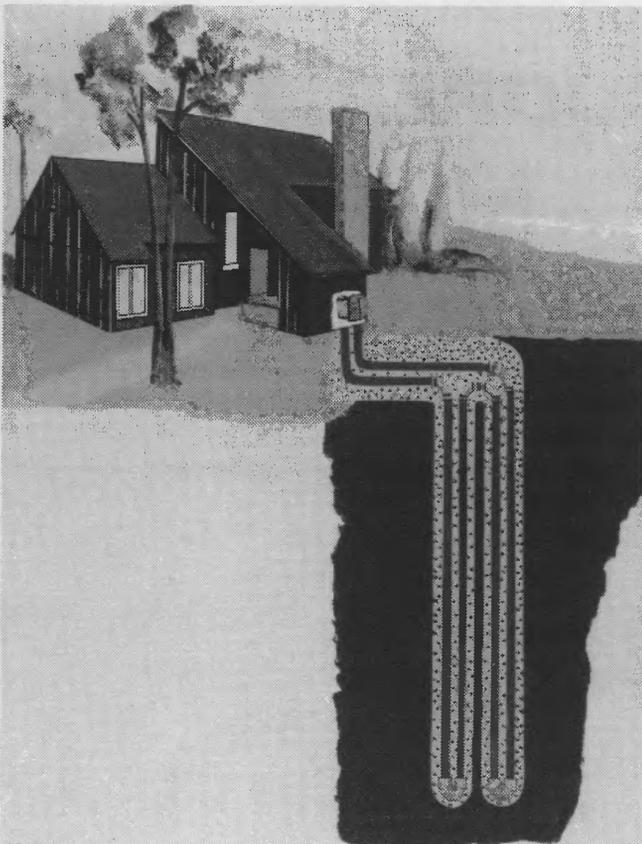
A. It's not recommended. In addition to thermal fusion of the pipe, good earth-to-coil contact is very important for successful loop operation. Non-professional installations may result in less than optimum heat pump performance.

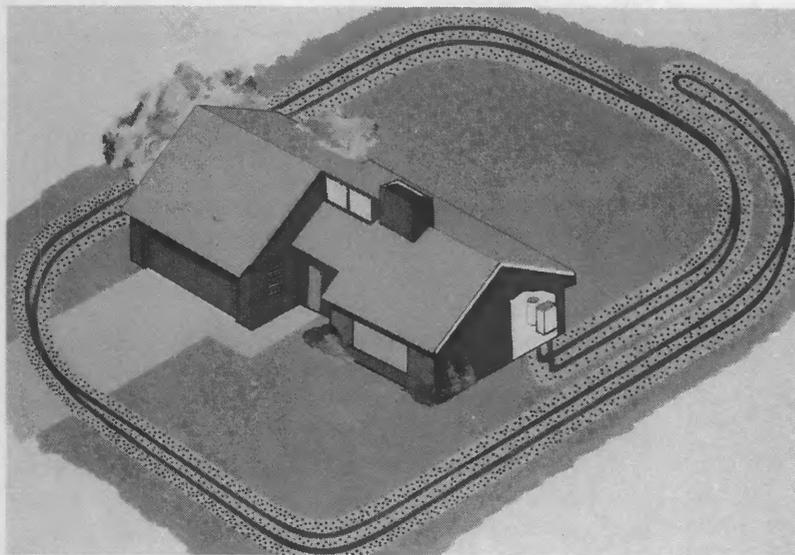
Q. I have a pond near my home. Can I put a loop in it?

A. Yes, if it's deep enough and large enough. A minimum of six feet in depth at its lowest level during the year is needed for a pond to be considered. In pond loops, copper, polyethylene or polybutylene pipe can be used.

Vertical loop

Of the two types of closed-loop installations, the vertical loop technique requires less space and affects yard and lawn less than the horizontal loop installation.





Horizontal loop

The horizontal loop installation takes advantage of coupling the heat pump with a large area of earth and avoids having to drill a vertical hole.

Board report

(Continued from page 14a)

of the meeting. The manager also reviewed the condition of cash report as of July 31, 1986, and reviewed the load building activities of the cooperative during the month, relative to the selling of appliances by our Member Services Department.

The chairman next asked the manager to report on the continuing education program of the Association of Illinois Electric Cooperatives and, after complete discussion, the board decided to participate in the 1986-87 program.

The chairman next called upon the large power rate committee to discuss a recent meeting with Hillview Levee and Drainage District, relative to their large power service. In the discussion, it was determined that the new off-peak, time-of-day rate would be advantageous to the operation of the drainage district and that other rate possibilities would be looked at at further meetings with the committee.

The board next took necessary action on the employee group medical insurance policy which was being cancelled. The board reviewed several medical insurance policies and took action to purchase another policy with Blue Cross Blue Shield Insurance.

The chairman next reported that he had received a letter from Members Action Committee concerning a recommended bylaw change concerning proxy voting by members of the cooperative at regular or special meetings of members of the cooperative. The directors discussed this matter at length and tabled any action until consideration of bylaw changes to be taken up at the next annual meeting of members in July of 1987.

The chairman then asked the manager to report on the regular meeting of Western Illinois Power Cooperative, in which he stated that a new director was seated from Western Illinois Electrical Cooperative on the board of directors. The board heard a total report on the Pearl Plant from the superintendent of production. Jim Greenwood from Soyland Power Cooperative was at the meeting to report on recent developments of the Clinton nuclear plant and the preparation of bringing that plant on line later this year. A

report was given concerning the application by WIPCO and Soyland as to the restructuring of the federal financing debt and the regulations that have been set down by the treasury department. It was reported that REA is requiring a complete power requirement study to be made by WIPCO and its member distribution cooperatives. It was determined that the Association of Illinois Electric Cooperatives would help with the study and that money authorized for Illinois Rural to participate in the cost of service study.

The various directors reported on the attendance to the 45th annual meeting of the Association of Illinois Electric Cooperatives and talked about the issues that were raised in several panel discussions given at this meeting. The chairman also reported on the reorganizational meeting of that organization following the annual meeting and reported that the same officers were retained for the year 1986-87. He stated that the audit report of the AIEC was presented and that it would be approved at the next meeting of that organization. The chairman reported that action was taken on directors, officers liability insurance for the AIEC board of directors and that plans for the Region V meeting were discussed.

The manager was then asked to give the accident report for the month of August, in which he stated there had been one loss of time accident during August.

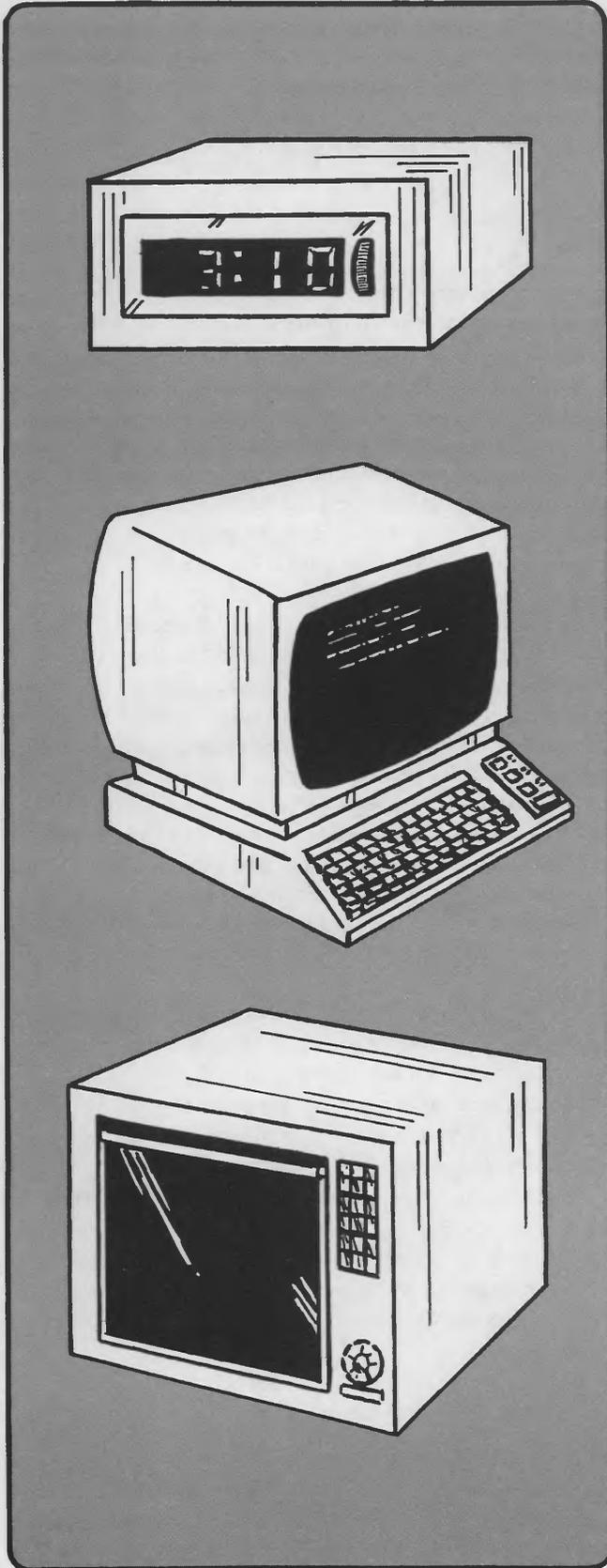
The chairman asked for the approval of 44 memberships that had been received in the past month, and were directed to be executed by the officers of the cooperative.

Director Ron Myers reported to the board, a meeting of the Governor's Task Force to be held at the Orr Research Facility in Pike County, in which he would be making a presentation to the task force relative to the refinancing of the Soyland-WIPCO debt by the Rural Electrification Administration.

Under other business, it was reported by the manager that he had received a cancelled executed note from REA which was dated in June of 1951 and that the cooperative had paid this note in full, as part of the long term debt with the Rural Electrification Administration.

There being no further business, the meeting was adjourned.

'Blinks' and digital equipment



We are often asked, "Why was the electricity off? Now I have to reset all my digital clocks." Sometimes the power is only off for a split second, and many people would not even be aware of it except that their digital clock starts flashing and must be reset. If you don't fully understand what can make the electricity "blink" we'll try to explain:

First, it helps to know what causes some of the problems with the electric lines. A national survey of electric utilities showed that 45 percent of the outages were caused by wind and trees, 20 percent by lightning, 10 percent by equipment and wiring and 25 percent by miscellaneous reasons. Often these problems are temporary in nature.

An example of a temporary problem is a car hitting a guy wire, causing the lines to bounce together. When the lines make contact with each other it causes an arc. (This arc can grow to over four feet in length.) While the arc exists the current can be as high as if the lines were physically bolted together.

Without the use of OCR's, a service call would be necessary — and you would be without power for a much longer time.

Because the majority of problems are temporary, electric utilities over the nation use oil circuit reclosers (OCRs) that momentarily disconnect the lines — and then reconnect them. (OCRs are set to operate four times when there is trouble on the line. If the trouble is still there after the fourth operation the OCR will lock open and remain that way until it is reset manually.) When the OCR "operates" it causes a momentary disconnect which causes your lights to "blink."

When the line is temporarily disconnected the gasses in the arc have time to dissipate. Then the line can be safely re-energized. In the past, these momentary "blinks" did not cause much of a problem — in fact many people were not even aware of an OCR operating. Today, with the additional use of computer equipment and digital clocks it is more noticeable. About 60 percent of all problems on Illinois Rural Electric Co. lines are temporary in nature. Without the use of OCR's, a service call would be necessary — and you would be without power for a much longer time.

If you have computer equipment, it's important to "save" the data as often as possible. This will prevent the loss of data in the event the power goes off. Many digital clocks are now manufactured with battery back-up so that they will not have to be reset.

Although an OCR operating during a temporary problem can be annoying, it is the best solution available to prevent the lines from being off for a long period.



217-742-3128

High Line News

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS

Board reduces rate for electric heating and approves new installation bonus

Illinois Rural Electric Co. has modified its electric heat rate for all-electric homes as a part of its system-wide electric load building program. The new rate, which is a one and one-half cent credit on all kilowatt-hours used between 900 and 6,900 by qualified consumers, was approved by the board of directors October 6.

Under the new rate schedule, all consumers who qualify for the cooperative's single-phase all-electric rate (Schedule A-EH) or the three-phase residential, commercial and small power rate (Schedule B-EH) will receive the credit. These two rate schedules apply to all-electric installations only.

While the new credit applies only to those members whose homes or businesses are all-electric, the benefits of this new program are expected to be spread over the entire membership. By adding new kilowatt-hour sales the cooperative can spread its fixed costs over a broader base of kilowatt-hour sales, which should provide for rate stability for all members.

The credit is effective in November, December, January, February, March and April. It applies to the third rate block in each of the affected rate schedules' winter months rates. In both schedules, consumers will pay 12.0 cents for each of the first 500 kilowatt-hours, 6.0 cents for each of the next 400 kilowatt-hours (the special water heater rate), and 4.0 cents for each of the next 6,000 kilowatt-hours. Beyond 6,900 kilowatt-hours, the rate is 7.0 cents. The credit is applied only to the third rate block.

For those on Schedule A-EH, the cost for 4,000 kilowatt-hours would be \$218.50 (including the monthly facilities charge of \$10.50) under the heating credit, compared to \$265 under the previous rates. Rates for Schedule B-EH



Across the Manager's Desk

by Robert E. Gant

are the same with the exception of the facilities charge, which is \$21.50 each month.

The average cost per kilowatt-hour for single-phase all-electric members using 4,000 kilowatt-hours will be 5.46 cents during the winter months.

The credit will be reflected as a separate item on monthly bills during the effective months as an amount equal to the number of kilowatt-hours used between 900 and 6,900 multiplied by 1.5 cents.

This program is being implemented in response to an electric heat program of Western Illinois Power Cooperative, IREC's power supplier. Under the WIPCO plan, member systems receive special funding from WIPCO to maintain and develop electric heat load. The monthly credit will be labeled the "Power Supplier Electric Heat Credit."

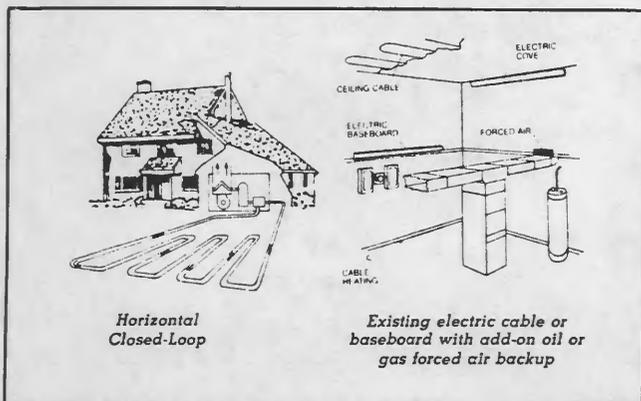
The other part of the program involves a special, limited bonus offer. IREC will pay a bonus of either \$1,000 or \$1,500 to qualifying members who install whole-house electric heating and who will have an all-electric home. This rate applies to those members installing conventional heat pump, ground water heat pump, electric furnace, baseboard heating, ceiling cables, electric boiler, or other similar electric heating devices.

The \$1,000 bonus will be provided to those whose homes are 800 to 1,500 square feet, and the \$1,500 is for members whose homes are more than 1,500 square feet.

This bonus program is limited to the first 20 qualified members of IREC. On the page at the right is a form designed for interested members to use to apply for this bonus.

The bonus is available for both new construction and conversion of existing homes. The sale of electric heat equipment must be after October 6, 1986.

Contact IREC at 217-742-3128 for information on these programs.



Illinois Rural Electric Co.

Electric heat rebate program form

Purchaser:

Member Name _____

Address _____

City _____ Zip Code _____

Home Phone _____ Work Phone _____

Line No. _____ Serve. No. _____ Map No. _____

Home Owner Yes _____ No _____

Dealer or contractor:

Dealer Name _____

Address _____

City _____ Zip Code _____

Date of Installation _____ Phone _____

Electric heat information — whole house:

Item #1 \$1,000 Rebate: 800 – 1,500 sq. ft. home _____

Ground Water Heat Pump _____ Electric Furnace _____

Heat Pump _____ Baseboard _____ Ceiling Cable _____

Electric Boiler _____ Other (Specify) _____

Item #2 \$1,500 Rebate: All homes over 1,500 sq. ft. _____

Ground Water Heat Pump _____ Electric Furnace _____

Heat Pump _____ Baseboard _____ Ceiling Cable _____

Electric Boiler _____ Other (Specify) _____

Brand of Equipment _____

Heat in KW _____ Size of Service (Amps) _____

Eligibility requirements:

1. Be a homeowner-member of Illinois Rural Electric Co.
2. Have an electric heating system installed in a new or existing home.
3. Attach a copy of the sales receipt to the rebate form.
4. Sale of electric heating must be after Oct. 8, 1986.
5. This offer is limited to the first 20 home owners.
6. Rebate will be paid to member.
7. Agree to have the qualifying system inspected by Illinois Rural Electric Co.'s member service department personnel.

Mail To: ILLINOIS RURAL ELECTRIC CO.
2-12 South Main,
Winchester, Illinois 62694
Attn: George R. Lindsey

INSPECTION (Cooperative Use Only)

Verified and Inspected New Electric System Yes _____ No _____

Inspection Date _____ Rebate Amount \$ _____

Inspector Signature: _____



With the Amazing
Lime Eliminator™
 Self-Cleaning
 Reduces Lime Build-up
 Automatically

CLIP AND MAIL:

To:
 ILLINOIS RURAL ELECTRIC CO.
 2-12 South Main St.,
 Winchester, Illinois 62694
 Attn: George R. Lindsey

IMPORTANT

If you have an electric water heater you must send in the COUPON to Illinois Rural Electric Co. so one of our employees can check the heater and see that you get on the NEW HEATER RATE: This can save you up to \$20.00 each month.

NAME _____

ADDRESS _____

TOWN _____

PHONE _____

- Yes, I would like a new water heater, from IREC.
 I am the home owner.
 I would like for you to check my water heater and put me on the special rate.

Signed _____

Your electric Service Saver can pay for itself with Energy Savings. See how much you can save.

*Note below for details.

82 Gallon	Operating Cost/Savings		
	1 Year	7½ Years	10 Years
Standard Model	\$557	\$5,361	\$11,297
Service Saver	\$438	\$4,216	\$ 8,901
Savings	\$119	\$1,145	\$ 2,396

*These charts compare our "Standard" model and our new "Service Saver™" model, supplying 64.3 gallons of hot water per day, heated thru a 90° temperature rise. These figures are based on results of tests prescribed by the Department of Energy, as published in the October 4, 1977 Federal Register, under "Test Procedures for Water Heaters." Energy costs used in charts were published in the Federal Register on Sept. 12, 1983.

Your cost will vary depending on your local energy rate and how you use the product.

These estimates are based on a national average electric rate of 7.63¢ per kilowatt hour

**Save up to \$20
 a month on your
 electric bill from
 Illinois Rural
 Electric Co.**

It isn't often you get the opportunity to save \$20 a month. That's \$240 per year. No gimmicks, either.

Just sign up for the new Illinois Rural Electric Co. electric water heater rate. It's simple! If you are a member of the electric cooperative and you operate an electric water heater, you're eligible for the new rate. It's a six cent per kilowatt-hour reduction for 400 kilowatt-hours per month. If you use the maximum, you'll save \$20 a month. No timers or other restrictions, either.

Here's another deal! Illinois Rural Electric Co. will sell its member-owners an "Energy Saver Plus" high-technology electric water heater for the unheard-of price of \$125. Cooperative personnel will deliver the water heater unit and place it as close to the installation area as possible. Installation and removal of the old unit are the responsibility of the member.

The cooperative's new electric water heater rate went into effect January 1, 1986. Get signed up now, so you are ready for the savings after the holidays. Better yet, get signed up and order your new money-saving, energy-efficient electric water heater from Illinois Rural Electric Co. For more information, call George Lindsey, Member Service Manager, at 742-3128.

If you prefer, clip the coupon in this ad and return it to the cooperative. Then sit back and wait. Your cooperative personnel will call on you soon!

Board meeting report

The regular meeting of the board of directors was held on October 6 at 5 p.m., at the office of the cooperative.

All directors were present at the meeting, as well as manager Robert E. Gant, office manager Lucien Nash, member service director George Lindsey, and attorney Robert Bonjean.

The minutes of the September 2, 1986, meeting were considered and approved as mailed with the notice of the meeting.

The chairman asked the board to review the financial report and asked the manager to comment. The manager stated that loads for the month of August were down, relative to July, and that with the higher fixed costs the cost of power amounted to an average cost per kilowatt-hour of 10.46 cents. The manager stated that as the cooperative continues to pay equity funding to the power supplier, a very close watch on the condition of cash needs to be reviewed. The manager then passed out a cash flow study and discussions relative to the depletion of cash for equity funding was presented, at which time the board made a motion to continue to pay equity funding for one more month.

The chairman then announced that member Ruby Watret had made an appointment with the secretary to talk to the board of directors concerning the FRIER law suit, at which time Mrs. Watret addressed the board relative to the development of this suit and discussed the board's option to become a nominal plaintiff rather than a nominal defendant, as they are named at this time.

The manager then gave his report relative to the purchase and sale of kilowatt-hours for the month and compared the average usage per consumer to a year ago and gave the construction and maintenance report relative to the work on the system during the month.

The manager gave the condition of cash report relative to balances in local banks and general funds held in other banking institutions throughout the territory.

A resolution was adopted for the cooperative to become a member of the National Rural Telecommunications Cooperative, which had recently been formed to promote a national telecommunications network and provide a rental entertainment package to rural America. There will be further information on the matter in future center sections.

A resolution was adopted authorizing the cooperative to participate in an electric heat program offered by Western Illinois Power Cooperative over the next three years.

The chairman next reported on the regular meeting of Western Illinois Power Cooperative, which had been held on September 12, and gave a full report of that meeting relative to the G&T activities, including an update on the Clinton plant.

The manager was then asked to explain a report presented by CFC concerning the financial ratios of Illinois Rural Electric Co. in which the report compares the operation of this cooperative with cooperatives throughout the country and throughout Illinois.

The chairman and several directors gave a report on the

Region V meeting held in Madison, Wisconsin and reported on the special legal conference prior to the meeting and discussed the details of subjects such as, "Building Blocks for Community Relations," and "The Role Of A Member Advisory Committee." There were sessions concerning diversifying the operation of the cooperative and merging with neighboring cooperatives to consolidate the needed services to cut down on the expenses of the cooperative. There were sessions on telecommunications and their use in the rural area.

The chairman next asked the manager to discuss the continuing education program of the state association and outlined the courses for directors that would be coming up in the near future.

The manager then gave the accident report, reporting on a minor accident that had happened during the month, with no loss of time.

The attorney gave an update on the lawsuits relative to territorial problems with Central Illinois Public Service Company and the possible outcome of those suits going to the Illinois Commerce Commission for a decision under the Electric Supplier Act.

The manager then commented on the district meeting on October 1 and asked for reaction from directors who had attended. Ed Williams, manager of the Soyland Power Cooperative, presented at the district meeting the total power supply situation in the Soyland-WIPCO pool and the progress that is being made on refinancing and the restructuring of the Soyland-WIPCO debt, as it relates to the cost of power for Illinois Rural Electric Co.

The president and secretary executed 69 memberships for the month which were approved for membership in the cooperative.

The meeting was adjourned.

Illinois Rural Electric Co.

Mailing Address:

2-12 South Main
Winchester, Illinois 62694
Ph: (217) 742-3128

Main Office Hours:

7:30 a.m. to 4:30 p.m.
Closed all day Saturday, Sunday and
Holidays.

Holidays Observed—

New Year's Day, Good Friday, Memorial
Day, July Fourth, Labor Day, Veteran's
Day, Thanksgiving and Christmas



217-742-3128

ILLINOIS RURAL ELECTRIC CO. WINCHESTER, ILLINOIS

High Line News



Across the Manager's Desk

by Robert E. Gant

Electric heat program

Illinois Rural Electric Co. has modified its electric heat rate for all-electric homes as a part of its system-wide electric load building program. The new rate is a one and one-half cent credit on all kilowatt-hours used between 900 and 6,900 by qualified consumers.

Under the new rate schedule, all consumers who qualify for the cooperative's single-phase all-electric rate (Schedule A-EH) or the three-phase residential, commercial and small power rate (Schedule B-EH) will receive the credit. These two rate schedules apply to all-electric installations only.

While the new credit applies only to those members whose homes or businesses are all-electric, the benefits of this new program are expected to be spread over the entire membership. By adding new kilowatt-hour sales the cooperative can spread its fixed costs over a broader base of kilowatt-hour sales, which should provide for rate stability for all meters.

The credit is effective in November, December, January, February, March and April. It applies to the third rate block in each of the affected rate schedules' winter months rates. In both schedules, consumers will pay 12.0 cents for each of the first 500 kilowatt-hours, 6.0 cents for each of the next 400 kilowatt-hours (the special water heater rate), and 4.0 cents for each of the next 6,000 kilowatt-hours. Beyond 6,900 kilowatt-hours, the rate is 7.0 cents. The credit is applied only to the third rate block.

The other part of the program involves a special limited bonus offer. IREC will pay a bonus of either \$1,000 or \$1,500 to qualifying members who install whole-house electric heating and who will have an all electric home. This rate applies to those members installing conventional heat pump, ground water heat pump, electric furnace baseboard heating, ceiling cables, electric boiler, or other similar electric heating devices.

The \$1,000 bonus will be provided to those whose homes are 800 to 1,500 square feet, and the \$1,500 is for members whose homes are more than 1,500 square feet.

This bonus program is limited to the first 20 qualified members of IREC. See the article on page 10b about how one family qualified.

The bonus is available for both new construction and conversion of existing homes. The sale of electric heat equipment must be after October 6, 1986.

Contact IREC at 217-742-3128 for information on these programs.

Rural telecommunications

Two Washington-based rural electric cooperative organizations have agreed to form the National Rural Telecommunications Cooperative to ensure that high-quality and affordable telecommunications services do not bypass rural America.

The new cooperative will develop and deliver telecommunications services, including programming available by satellite, to rural people. Its formation was approved this summer by the national boards of the National Rural Electric Cooperative Association (NRECA) and the National Rural Utilities Cooperative Finance Cooperative (CFC).

Testifying before the House Subcommittee on Telecommunications, Consumer Protection and Finance in June, Bob Bergland, executive vice president of NRECA, stated that one of the rural electric goals is to develop a satellite programming package for rural dish owners. "There is great concern in America's rural areas," he said, "that scrambling may darken the skies."

He explained that the programming package, which would include news, information and entertainment channels currently scrambled or scheduled for scrambling, is part of a comprehensive plan to ensure the availability of an array of telecommunications services in the nation's countryside.

The new cooperative is charged with carrying out the plan. It is estimated that 75 percent of rural electric consumers do not now have cable and never will.

Bergland said that this situation could be easily compared to the absence of reliable electric service in 90 percent of the nation's rural areas in the 1930s. It is a natural step, he said, for rural electric cooperatives, which serve 2,600 of the nation's 3,141 counties or

(Continued on page 10d)

George Lindsey, Member Service Manager for IREC, uses a larger-than-life check to emphasize the bonus the Kramps received for installing the electric heating system.



Electric heat easy choice for Kramps

When Illinois Rural Electric Co. announced its new electric heat bonus program and rate discount, Leonard and Emaline Kramp didn't take long to decide what they were going to do. Faced with replacing the 40-year-old oil-fired heating system in their farm home, they looked into replacing the oil unit with one that used propane. That would be expensive, they found.

They checked into electric heat and found that it would cost about \$4,000 less than propane to go electric heat by taking advantage of the

bonus program. They would also save on operating costs.

In October IREC's board authorized the new electric heating rate and electric heat bonus payment program, and the Kramps decided to be the first to take advantage. He said he called IREC at 8 a.m. to be first.

Under the new IREC policy, the first 20 members who participate in the bonus program earn up to \$1,500 in bonus money for installing electric heat. The board also approved a special credit for electric heating, effectively reducing the electric heat rate to 4.0 cents per kilowatt-hour.

"What we did is a good thing for all people who have older homes with old wiring and old heating systems," Leonard Kramp said. "We'll be able to remove the old heating system in the basement and make a lot of room."

The Kramps installed a number of baseboard units throughout the farm home, part of which is more than 150 years old. Twelve thermostats were installed to control the heating units in each room. In addition to the baseboard units they installed two wall units and placed a special under-cabinet unit

in the kitchen. The entire heating system is 23 kilowatts.

Kramp said, "Electric heat can be



Herman Holford (foreground), member service lineman, and Steve Wisdom, meter serviceman, plan installation of the under-cabinet heating unit.

put into rooms where you can't get oil or gas into an older home."

The Kramps had earlier purchased and installed an 80-gallon energy-efficient electric water heater in their home.



Dave Roth (foreground), member serviceman, and Tom Anders, assistant meter serviceman, install one of the 12 thermostats in the Kramps' home.

Board meeting report

The regular meeting of the board of directors was held on November 3, 1986, at the cooperative office.

All directors were present, along with the manager, office manager and chief engineer, as well as Robert Bonjean, the attorney for the cooperative.

The minutes of the October 6 meeting were considered and approved, as well as the minutes of a special meeting held on October 20, 1986.

The chairman then asked the board to review the financial report and asked for comments by the manager who stated that the cooperative had had a loss for the month, primarily due to the revenues being lower than budgeted, but the power bill, along with the Equity Funding was considerably higher than budgeted. The manager stated that as the board continued to pay equity funding, the power bill will be greater than the current rates will carry.

The manager gave the load building report, in which the Member Service Department had installed some 14 appliances and had completed five grain bin installations.

The board of directors then discussed the continued paying of the equity funding on the power bill that would be coming up in November 14. The manager discussed the financial position of the cooperative as he went through a cash flow study which he had prepared. After thorough discussion of this matter, it was determined that the cooperative would not pay the equity funding portion of the power bill that would be due in November.

The chairman then called upon R. C. Lacy, chief engineer, to discuss with the board the two-year work plan and discussed various substation areas and improvements which he would recommend as he illustrated the improvements on a circuit diagram map and explained these improvements. Following the discussion and a question-and-answer period, the board approved the two-year work plan.

The board was then presented the 1987 wage and salary study by the manager and, after considerable amount of discussion, the wage study was approved.

The chairman, Harvey Vortman, who serves as a representative on the board of directors of the Association of Illinois Electric Cooperatives, next gave his report. He reported that a number of the directors were absent from the meeting because of the harvest. He stated that the annual audit report was reviewed and approved and all of the financial reports were in good order. The chairman noted that Frank B. Hall Nationwide Property and Casualty Insurance, had made a contribution to the Job Training and Safety Program. He also stated that the Association had applied for a \$2 million liability policy on officers, directors liability. At this meeting, the board had set the 1987 AIEC annual meeting for August 18, 19 and 20, 1987. The chairman stated there was some discussion that Soyland Power Cooperative had received its authorization for refinancing of the FFB loans in the amount of \$312

million. The chairman also reported that the AIEC had become a member of the National Rural Telecommunications Cooperative. The chairman stated that the Association had approved a Youth to Washington Tour and a Youth Day in Springfield at this meeting.

The chairman then asked for a report on the continuing education courses at the Association in which the manager reviewed plans for directors to attend the NRECA Course being held on November 5 and 6.

The chairman then asked the manager and attorney to report on developments in the CIPS loss of load suits. The manager stated that he and attorney Bonjean had attended a meeting in Springfield with the CIPS company to discuss the particular loss of load suits and find out what CIPS's position was in this matter. After complete discussion, it was determined that attorney Bonjean meet with other cooperatives to determine a course of action in these territorial disputes.

The chairman then asked the attorney to review the latest information on the filing of motions and responses by nominal defendants in the FRIER suit. Bonjean circulated a list of 24 cooperatives, along with Soyland and WIPCO, who had filed answers to the suit that is the Illinois Rate Payers against Illinois Power, in an effort to recover some of the costs of the Clinton nuclear plant.

The manager then discussed some needed roof repairs on the main building and warehouse building and discussed the costs for those roof repairs, which was approved by the board of directors.

The chairman next asked the manager to discuss the renewal of the CFC long-term notes coming due and the repricing of those notes. After complete discussion, this issue was tabled until the next board meeting.

The chairman next asked the manager to report on the regular meeting of WIPCO, in which he reported on the operation of the Pearl plant and the difficulty of getting coal delivered into the plant due to the high water problems. He stated that the gas turbine was being put back together and would soon be tested. He stated that Jim Greenwood of the Soyland-WIPCO pool gave a report on the Clinton nuclear plant, in which he stated that Illinois Power had been granted an operation license and that fuel is currently being loaded into the reactor vessel. Mr. Greenwood stated that the fuel load would be complete by the third week in October and the initial start up and heat up of the reactor would be about the third week in November. That complete low power testing should be by the third week in December, with full electrical generation by late December 1986.

The chairman then asked for the accident report, in which the manager stated there had been no accidents during the month of October.

The board then discussed Illinois Rural Electric Co. participating in the Youth to Washington program, along with the Youth Day in Springfield for the students who would be participating in an essay contest to deter-

mine who would be those youth to attend the Washington tour. The Youth to Washington program was approved by the board of directors for sponsorship again in 1987.

There were 49 applications for membership in the

cooperative which were approved and executed by the chairman and the secretary.

There being no further business, the meeting was adjourned.

Merry Christmas

Harvey Vortman, President
William Griswold, Vice President
J. M. Sapp, Treasurer
Ronald K. Myers, Assistant Treasurer
Glen Pulliam, Secretary
James T. Brannan, Assistant Secretary

DIRECTORS
Robert A. Brown
John T. Early
F. Alan Heaton
Jeral A. Miller
Francis J. Toppmeyer

EMPLOYEES
Robert E. Gant, Manager
Ralph E. Baird
R. C. Lacy
George R. Lindsey
Lucien Nash
Timothy G. Vasilko
Dwight A. Ala
Ora L. Anders
Thomas H. Anders
Harold W. Baird
Kevin E. Baird
Terry S. Barnard
James L. Bettis
Julie A. Day
Kerri S. Day
Clayton E. DeHart
C. Robert Dolen

Edward L. Dolen
Jerry R. Faulkner
Melvin L. Funk
Gary L. Furniss
D. David Gant
Gary L. Harbison
Herman J. Holford
Charles W. Jefferson
Louis D. Kemper
Donald W. King
Albert W. Kirchner
Richard L. Knox
Donna J. Lawson
Walter D. Lewis
Ronald D. Little
Craig S. Long
Donald L. Long
Herbert L. Long

Randall B. Long
David E. McKinney
Buddy J. Moss
Marilyn B. Neff
Russell D. Neff
William R. Patton
Lynn E. Rimbey
David J. Roth
Kenneth C. Roundcount
Sabina K. Schnake
Charles L. Settles
Louis R. Shive
Joann Stice
Ronnie T. Stice
Dennis W. Taylor
Larry C. Weder
Steven L. Wisdom
Sandra J. Wynn

(Continued from page 10a)

county-type areas to develop telecommunications services.

"As locally controlled, service-oriented organizations, rural electrics have become involved in a wide variety of projects, programs and services designed to help improve the overall quality of life of the people they serve," he stated.

Rural electric studies pinpoint a number of applications of telecommunications technology by rural electric systems, including electric load management, data collection, electronic funds transfer, and, in addition, access to information and entertainment television channels, the ability of consumers to shop, bank and pay bills from home.

Bergland cautioned that the formation of the national telecommunication cooperative was just a first step in ensuring telecommunications service for rural Americans, and that the challenge is a large one.

Rural electrics, he pointed out, are well-established, vital community institutions, ideally suited to develop

subsidiary telecommunications co-ops. The subsidiaries, Bergland stressed, would operate as separate entities, yet could share billing and other administrative functions, with each entity carrying its full share of the cost of operation.

The rural electric systems, according to the telecommunications plan, hope to negotiate agreements with various program providers and begin marketing a program package to rural electric consumers in the early part of 1987. The potential market is estimated at about 1.2 million. The co-ops have a goal of offering a programming package at a low monthly cost, considering that consumers would also have to finance their own receiving and decoding equipment.

NRECA is the Washington, DC.-based national service organization of the nation's 1,000 rural electric systems, which provide electric service to more than 25 million people in 46 states. CFC provides supplemental financing for rural electric systems from private, non-government sources.