



PRESIDENT'S REPORT

by Connie M. Shireman

The Promise of Electric Cooperatives



Glenn English
Chief Executive Officer, National Rural
Electric Cooperative Association

A guest column in *The Washington Post* caught my eye the other day. The author made a serious point about how many of the nation's most well-known companies have lost the important element of respect in their relationships with customers.

The editorial was a sad commentary on many of the companies that helped build this country's economic strength and how far they have fallen in the eyes of consumers. Lost in the blizzard of corporate-strategy memos, voice-mail systems, and Wall Street mergers is the simple notion that the consumer comes first.

Today, these examples are becoming folktales of what not to do to build a strong and loyal customer base.

Lost also is the respect consumers once had for these large companies. These companies once wrote the rules in customer service. Their programs were case studies in business-school textbooks on how to succeed in the business world.

Stranded in airports, left on hold waiting for help, stunned at the jump in their energy bills, or left facing a choice between heating the house or putting food on the table, many consumers today feel lost and abandoned by companies they once trusted.

In the electric utility industry, mergers between large power companies have made these giants even more distant and removed from the local needs of their customers. Many corporations are literally retreating from the communities they serve by closing local service offices.

But one sector of our economy still holds respect for their consumers as a

sacred trust. America's local, consumer-owned electric cooperatives will always put the consumer first. Why? Because the beauty of the cooperative business strategy is its clear and precise focus on service to the consumer. Everything else is secondary.

In an industry struggling with change, more and more consumers are discovering that there is a way to take back control. Consumers are discovering that a cooperative business can help them in a competitive world that otherwise ignores their needs. And every day, more and more consumers discover that by working together to meet common needs, they can accomplish more than by going it alone.

People in rural America have known this for more than 60 years. It is part of our heritage. And as the electric utility business changes, more and more people are discovering they too can have real influence in the marketplace by choosing a cooperative business to get things done. A cooperative creates new opportunity for people to secure better and more economical service than otherwise would not be available to them.

The challenge we rural electric cooperatives have is telling our story so others may learn about the real advantages a cooperative business strategy brings to the marketplace. This is our responsibility to the American consumer: To let them know that they can make a cooperative choice.

If we're successful in that, then we really will belong in business-school textbooks as case studies in how to succeed in a 21st century economy.

Kristen Luchterhand

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.

Jo-Carroll Electric has presence on the Internet

If you haven't already heard, Jo-Carroll Electric has a website. Jo-Carroll can now be found worldwide on the Internet at www.jocarroll.com. The next time you are surfing the web, make sure to check out Jo-Carroll's site.

By utilizing Jo-Carroll's website you will be able to find information about our products and services, what's new at the cooperative, Touchstone Energy, and safety tips among many other informative issues. Not only will adults find Jo-Carroll's site interesting, but so will children. There is a special "At School" section specifically designed for children. In this section you will find games to play, safety tips, and a

question and answer section where you can win a prize.

Jo-Carroll Electric's website is not only informative, but also interactive. We encourage people to view the site and email us with any questions or concerns you have regarding your cooperative. Also, by checking the "What's New" section on a monthly basis, you have a chance at winning a \$25 credit on your electric bill. If you spot your name in an article, drop us an email or give us a call to claim your prize.

Remember, the address is www.jocarroll.com so check out the site to learn a little more about your local electric cooperative.

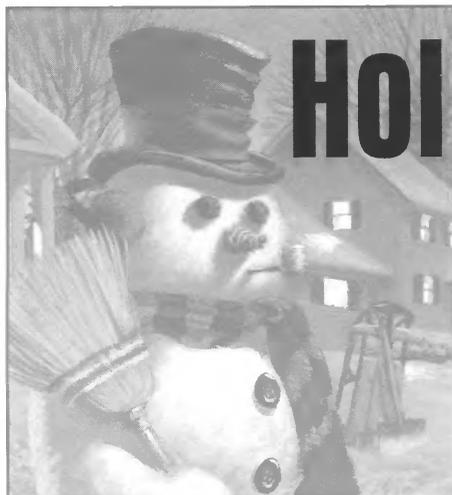
Electric fireplaces take the chill out of winter



Considering installing a fireplace in your home...how about an electric fireplace? Jo-Carroll Electric Co-op is currently offering various models of Dimplex electric fireplaces and electric stoves. These 1500 watt units require only a standard 120 volt plug-in making installation easy. Furthermore, the fireplaces have independent heat/flame control and adjustable flame brightness to suit each occasion. Stop by our office in Elizabeth to take a peek at these units on display.

While the winds of winter are blowing outside you can be relaxing in warmth and comfort in front of an electric fireplace or stove inside. The addition of an electric fireplace or stove will bring value and convenience to every household. Treat yourself right this winter and call our office at 1-800-858-5522 to inquire about this incredible product.

- Dimplex electric fireplaces and stoves are not exclusive to Jo-Carroll Electric Co-op members.



Holiday Greetings

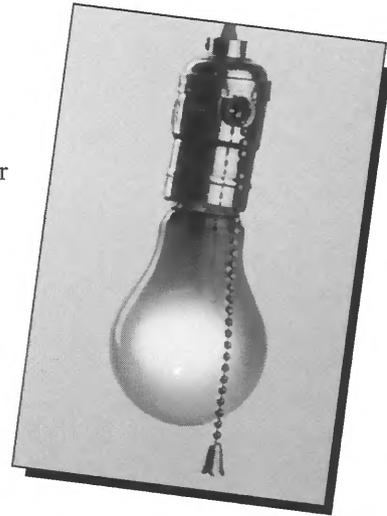
The employees and directors of Jo-Carroll Electric Co-operative would like to extend our warmest greetings to you and your family during this holiday season. From the glow of the lights on the tree to the sound of holiday music, we are part of your annual celebrations. Whatever your holiday traditions may be your electric co-op is there for you, providing reliable electric service and state-of-the-art electrotechnology solutions.

Shed some light on the subject of energy efficiency

Here's a surprising fact: one 100-watt bulb gives off 50% more light for the same energy than four 25-watt light bulbs. If you need more light in an area, try using one higher-wattage bulb rather than several smaller lights.

To get even more light for less money, keep the bulbs and lampshades clean. Simply removing dust and dirt can provide one-third more light!

Source: Entergy.



Heater safety is up to you

You may think that because your portable electric heater has all the latest safety features, such as heating element guards and automatic switch-off, you don't have to worry about following the old rules regarding safe use. Instead, you can curl up close and put your cold feet near the element.

Sorry. No matter how many great new features your heater may have, safety is still up to you. And that means keeping drapes, rugs, furniture, bedding, clothes—and those chilly toes—at least three feet away from the heater itself. The heater will do a great job of warming the air in the room to keep you comfortable if you use it wisely.

Source: National Electrical Safety Foundation (www.nesf.org).



When your power is out . . . we're on the line!

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours 800-858-5522
After office hours — dial (800) 927-5254



Reader prize

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

Jo-Carroll Electric Cooperative, Inc.

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

Jo-Carroll Electric Co-op returns capital credits

The Jo-Carroll Electric Co-operative board of directors has voted this year to return capital credits totaling \$99,434.87 to members who received electric service from the cooperative in 1976. The checks were sent to members during the first part of December.

Jo-Carroll has retired \$2,094,850.40 to date in patronage capital. Capital credit returns are a cornerstone of a nonprofit, member-owned electric cooperative in that the members have an opportunity to share equally in the success of the cooperative, based on patronage. If an electric cooperative has any margins after paying expenses in a given year, this money is held in an escrow account until the cooperative's financial condition is strong enough to return the margins.

Richard Reusch, chairman of the Jo-Carroll board, said, "We are very



pleased to be able to retire the patronage capital from 1976 at this time. The Jo-Carroll board is striving to keep the co-operative in a strong financial position while allowing the members to share in the success of their electric cooperative."

The amount each of the members spent for electricity at Jo-Carroll in 1976 is used to determine how much each member will receive. Very careful records are kept with regard to patronage capital to assure that each member is treated equally based on the amount of electricity they used during those years.

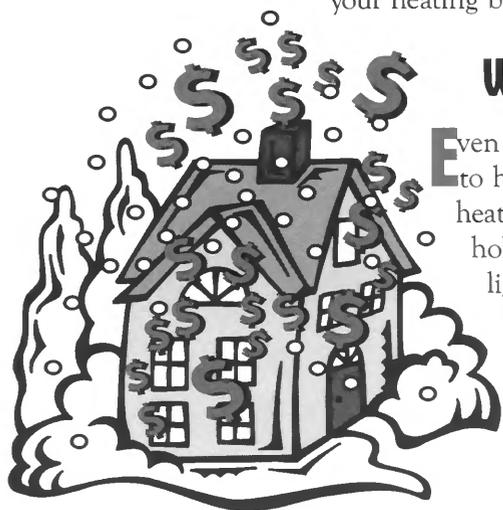
The capital credits return constitutes a major difference between cooperatives and investor-owned utilities. The stockholders in an investor-owned utility get the profit, and in a cooperative it is returned to the members of the cooperative in the form of capital credits.

A couple of degrees equal a bunch of dollars!

A degree here or there and pretty soon you are talking real money. Lowering your thermostat by one or two degrees in the winter can mean real savings on your heating bills. Raising the temperature can also result in much larger heating bills.

For example, lowering your thermostat to 68 degrees from 70 degrees will save you 6.2 percent on your heating bill. Lowering the ther-

mostat just one degree will save you 3.1 percent. However, let's say you like to keep your home toasty warm in the winter. Cranking up the thermostat to 76 degrees will increase your heating bill by 18.6 percent. Remember, each degree that you raise or lower the thermostat from 70 degrees means you will pay 3.1 percent more or less on your heating bill.



Why do electric bills go up in the winter?

Even if you do not have electric heat, several factors can contribute to higher winter bills. Warm baths on cold days feel great - and heating extra water can increase your electric consumption. Winter holidays often mean additional cooking, baking and bright holiday lights. Shorter days and longer nights mean lights stay on longer. Most heating systems use electricity for some functions, such as operating the fan, and many run almost continuously when it's very cold. Clothes dryers are generally used more in the winter. Space heaters and electric blankets that provide additional comfort also use additional electricity to operate.



PRESIDENT'S REPORT

by Connie M. Shireman

Electric cooperatives at a glance



- E**lectric cooperatives are:
- Private independent electric utility businesses,
 - Incorporated under the laws of the states in which they operate,
 - Established to provide at-cost electric service,
 - Owned by consumers they serve,
 - Governed by a board of directors elected from the membership, which sets policies and procedures that are implemented by the cooperatives' professional staff.

Distribution cooperatives, like Jo-Carroll, deliver electricity to the consumer. Generation and transmission cooperatives (G&Ts) such as Dairyland Power generate and transmit electricity to distribution co-ops. In addition to electric service, many electric co-ops are involved in community development and revitalization projects, e.g., small business development and jobs creation, improvement of water and sewer systems, and assistance in delivery of health care and educational services.

Facts at a glance

900 distribution and 60 G&T cooperatives serve:

- 34 million people in 46 states.
- 13 million businesses, homes, schools, churches, farms, irriga-

tion systems, and other establishments in 2,500 of 3,128 counties in the U.S.

- 11 percent of the nation's population

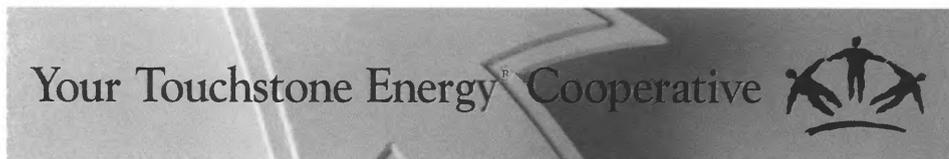
To perform their mission, electric cooperatives:

- Own assets worth \$70 billion,
- Own and maintain 2.3 million miles, or 44%, of the nation's electric distribution lines, covering three quarters of the nation's landmass,
- Deliver 7.9 percent of the total kilowatt-hours sold in the U.S. each year,
- Generate 4 percent of the total electricity produced in the U.S. each year,
- Employ nearly 60,000 people in the United States.

Compared with other electric utilities:

- Co-ops serve an average of 6 consumers per mile of line and collect annual revenue of approximately \$7,900 per mile of line,
- Investor-owned utilities average 33 customers per mile of line and collect \$61,000 per mile of line,
- Publicly owned utilities, or municipalities, average 43 consumers and collect \$71,000 per mile of line.

Mike Kass



Price retires after 35 years



Lloyd Price

Lloyd Price recently retired after 35 years of service to Jo-Carroll Electric Cooperative. During Lloyd's career as a lineworker there probably wasn't a section of line he hadn't patrolled or worked on. Lloyd's experience and knowledge of our electrical system will certainly be missed.

Prior to beginning at Jo-Carroll, Lloyd was employed by the Western Union Telegraph Company where he was a cable splicer. He was primarily based out of Chicago, but worked in a twelve-state region ranging from Nebraska to Pennsylvania. The increased travel required by Western Union and being a native of Elizabeth helped Lloyd decide to move back home and take a job with Jo-Carroll as an electrical lineworker.

Throughout his career at Jo-Carroll Lloyd witnessed many changes in the electrical industry. His first day on the job Lloyd helped hang an overhead transformer on Stagecoach Trail. At the time this was a very time consuming job considering they did not have access to a bucket truck or

use of a hydraulic boom truck. Lloyd notes that the technological advancements in this industry were of significant importance, particularly in the area of safety.

One of Lloyd's most memorable experiences took place in late Fall of 1991. A huge ice storm struck Southern Minnesota and Northern Iowa, toppling electrical lines. Lloyd and three other Jo-Carroll lineworkers were sent to assist fellow electric cooperatives to restore power to their customers. They were gone for 10 straight days often working from 6:00 a.m. to 9:00 p.m. helping to repair the storm damage.

After 35 years of service to Jo-Carroll Electric, Lloyd is ready for a well-deserved retirement. His plans include spending time with his wife, Annie, while catching up on some fishing, gardening and traveling. The directors and employees of Jo-Carroll Electric thank Lloyd Price for his dedicated service to the cooperative and wish him the best during retirement.

Annual Meeting reminder

The 62nd annual meeting of the members of Jo-Carroll Electric Cooperative is just around the corner, so mark your calendars today. This year's meeting will be held on Saturday, March 24, 2001 at the River Ridge School Gymnasium in Elizabeth.

Attending the annual meeting makes you eligible for a number of prizes ranging from cash to gift certificates from area restaurants. Lunch will be provided along with live entertainment and childcare service. The annual meeting is a great opportunity to meet the directors and employees of your member-owned electric cooperative. See you on March 24th.

Look for more information on the annual meeting in next month's issue.

Jo-Carroll Electric Cooperative, Inc.

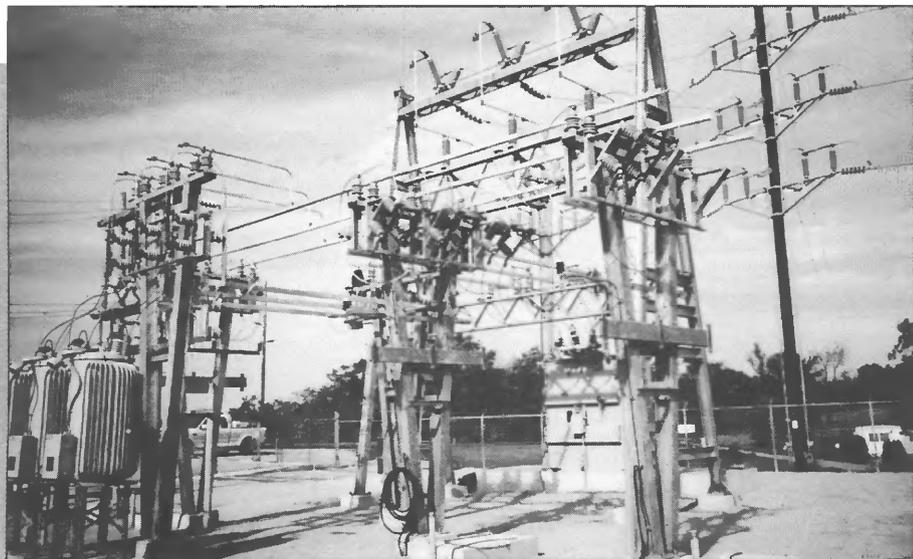
793 U.S. Route 20 West • P.O. Box 390 • Elizabeth, Illinois 61028-0390

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
OR 1-800-858-5522.

New look for Guilford substation

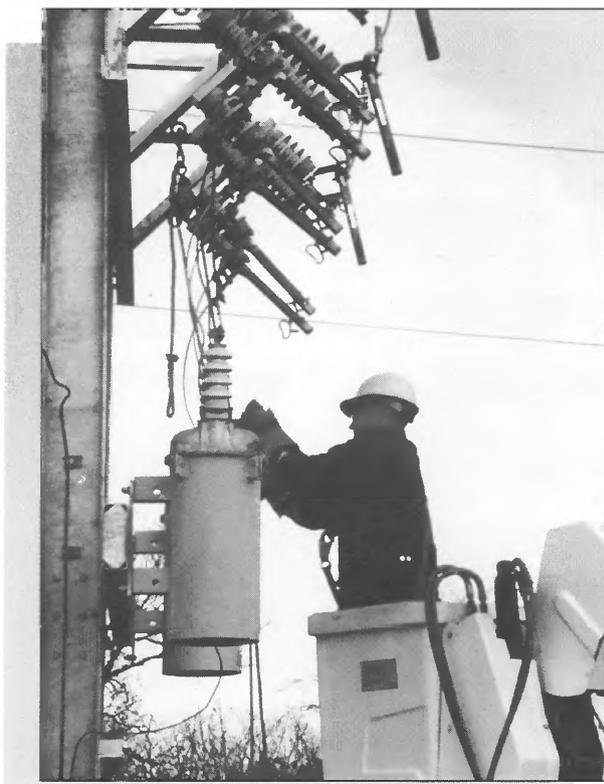


Guilford substation just prior to completion.

If you have driven on Guilford Road just outside of the Galena Territory lately you may have noticed that the electrical substation has taken on a new look. Dairyland Power Cooperative, along with the help of Jo-Carroll employees, recently finished the construction of the new Guilford substation.

The original wood structure Guilford substation, built in the early 70's was subsequently taken out of service and removed. The original substation was built to supply power to the then newly developing Galena Territory. As the Territory and surrounding area continued to expand it became evident that a new structure was much needed. The new structure is what is referred to as a low-profile substation constructed to the latest industry standards and safety regulations.

Along with the construction of the substation Jo-Carroll installed new underground electrical cable coming out of the substation and along parts of Wachter Road. The addition of the new substation and underground cable will help improve system reliability to consumers in that area.



Lineworker Jesse Shekleton installs OCR's in the Guilford substation.

Reader prize

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

Load management helps balance power supply

The moment you flip a switch in your home or business, electricity flows from a power plant to your home. In order to meet your electrical needs, power plants operate 24 hours a day.

Load management is a technique used by our wholesale power provider, Dairyland Power Cooperative, to reduce peak demand. This means reduced costs for all electric facilities and improved efficiency.

Why is load management important to Jo-Carroll Electric Cooperative members? The answer is simple. Load management helps us control our peak demand that is the greatest demand placed on our electric system. This helps manage our energy costs today and into the future.

Electricity cannot be stored and must be produced at the time it is used. There are no storage alternatives for excess energy, and battery storage is not yet an economic alternative.

We have installed a load management system at Jo-Carroll Electric Cooperative that allows our cooperative's load to be reduced by shutting off various items by remote control at times of high electrical demand. Our cooperative now has more than 2,000 water heaters and 400 dual fuel members participating in the program.

Load management saves you money

The load management system was designed to save you money...not to inconvenience you or your family. Load management is used during periods of peak load (highest demands on our system). Our cooperative's highest demand

is typically on the coldest winter days when electric heat is used more, car and tractor engine heaters are plugged in and more people are spending time indoors (Hot summer days also create high demand with air conditioning and irrigation use).

Dairyland Power Cooperative operates a special network of radio transmitters that send out load-signals. A special load management receiver installed in a member's home or business receives these signals.

The load management system is flexible to allow the most efficient use of the electrical system. For example, electric water heaters can be controlled during morning and evening peak energy periods to save you money. Rather than starting up a power plant for a short period of time or purchasing more expensive power from another utility, electrical demand is reduced by shutting off water heaters for a while. Most water heaters are large enough to provide your family with hot water during the control period.

Participants in these programs realize immediate and future savings by reducing their energy costs. You are also helping the environment and reducing future energy costs by deferring construction of costly new power plants. All consumers can help reduce their energy costs by being conscious of their energy use—especially on the coldest winter days.

For more information on Jo-Carroll Electric Cooperative's load management program alternatives, contact Brad Pecinovsky at 800-858-5522.

When your power is out . . . we're on the line!

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours 800-858-5522
After office hours — dial (800) 927-5254





PRESIDENT'S REPORT

by Connie M.
Shireman

2001 Annual Meeting

Jo-Carroll
Electric
Cooperative,
Inc.

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

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.



Jo-Carroll Electric Cooperative, Inc., Elizabeth, Illinois • 1(800) 858-5522 • www.jocarroll.com

Your member-owned, member-controlled electric cooperative will conduct two of the most important events in the cooperative's year during the next few weeks.

The first event, one that is very significant in that it firmly places democratic control of your rural electric system in the hands of its member-owners, is the director elections. This year the directors representing Districts 1, 2 and 4 will be up for election. The nominating committee met at the cooperative headquarters on January 11, 2001 and selected the following candidates for election:

- District 1** Leonard Ricke, 6100 Ricke Dr, East Dubuque, IL 61025
Gerald L. Cook, 5352 N. Menominee Rd, East Dubuque, IL 61025
- District 2** Bernie Bosch, 44 E. Point Dr, Galena, IL 61036
Wallace Sloten, 19 Colony Ln, Galena, IL 61036
- District 4** Gary Holland, 3601 S. Irish Hollow Rd, Hanover, IL 61041
Don Crawford, 10886 S. Crazy Hollow Rd, Hanover, IL 61041

The election for directors from these districts will be conducted through the mail. Only members who reside in the districts in which elections are being held this year will receive ballots. Members in those districts should carefully review the material they will receive in the mail and promptly return their completed ballots to Jo-Carroll Electric Co-op. **Ken Moore**

The second upcoming event, perhaps the most important of the year, is the 62nd annual meeting of Jo-Carroll Electric Cooperative members. This meeting is scheduled for Saturday, March 24, 2001 at the River Ridge High School Gymnasium in Elizabeth. As in the past we will feature reports of directors, officers and the President/CEO of your cooperative. Musical entertainment, a box lunch and attendance prizes will be provided to all Jo-Carroll members who attend. Mary McBride, author and humorist, will be the featured entertainer. We urge all cooperative members to make plans now to attend.

Mark your calendar!

MARCH 24

Jo-Carroll Electric Cooperative
62nd Annual Meeting
River Ridge High School Gym • Elizabeth, IL

Director Profiles

District 1



Gerald L. Cook- 5352 N. Menominee Rd, East Dubuque

Gerald has chosen to run for the board to help this cooperative and the membership benefit by offering the best service and rates available. Gerald and his wife Regina have four children and have been involved in farming their entire life. He has also been employed in Dubuque at John Deere, Flexsteel and Farmland foods. Gerald has continued his education by recently completing the commercial drivers license course and several computer courses at Northeast Iowa Community College. For the past 10 years Gerald has been a member of the Menominee fire department and is the current commander of the American Legion East Dubuque Post 787.



Leonard Ricke- 6100 Ricke Drive, East Dubuque

Leonard has decided to run for the board to serve the cooperative members in the first district and all of Jo-Carroll's members to the best of his ability while keeping rates as low as possible while maintaining the highest standards of service in the upcoming competitive market. Leonard is a retired building contractor who now enjoys gardening and working in his orchards. Leonard and his wife Shirley have six children. As an active member of the community, Leonard belongs to the American Legion Post, is a past member of the Menominee fire department and board of trustees, and is a trustee of the village of Menominee. Leonard has served as a director on the Jo-Carroll Electric board since 1978 as well as the Dairyland Power Cooperative board of directors since 1984.

District 4



Don Crawford- 10886 S. Crazy Hollow, Hanover

Don is considering running for the board because he has a background of board experience and work in management positions that would be helpful to the members of Jo-Carroll. He also strongly believes in cooperatives as an economical and efficient form of business. Don's past board experience includes: Jo-Carroll Electric Cooperative, Jo-Daviess County board of supervisors, Hanover school board, Thompson & Guilford Insurance and Hanover Township Trustee. Don is retired from the Savanna Army Depot. He and his wife Carolyn have two children. If elected Don commits the time necessary to become an informed board member.



Gary Holland- 3601 S. Irish Hollow Rd, Hanover

Gary has chosen to run for the board at the request of the members of his district and based on a successful first term on the Jo-Carroll board. Gary and his wife Patricia have two children and have operated a dairy farm for the past 18 years. Prior to beginning his own farming operation Gary was a Navy medic and attended Highland Community College. Gary is currently a member of the Jo-Carroll Electric board and is a director of Jo-Daviess Mutual Insurance.

Wallace Slotten- 19 Colony Lane, Galena

Wallace has had a lifetime interest in cooperative organizations and thus decided to run for the board at the request of the nominating committee. Wallace began his career on the family farm which prepared him for the position of loan officer and president of the Production Credit Association. For nearly 10 years Wallace worked in Africa for the Agriculture Co-operative Development Association until he returned to Washington, D.C. to work for the Farm Credit Administration. Wallace finished out his career as the Vice-President of Credit for the Farm Credit Service. Wallace has past board experience with the parent-teachers association, chamber of commerce and Kiwanis.



Bernie Bosch- 44 East Point Drive, Galena

Bernie is running for the board based on this past years' experience on the Jo-Carroll Electric board. Bernie feels that this past year has been an enjoyable experience and would like to continue and contribute to the growth of the co-op in a deregulated environment in the coming years. Bernie was raised on a farm in central Illinois and understands the importance of a co-op in an agricultural community. Bernie graduated from the University of Illinois with a Bachelors of Science in Civil Engineering. Bernie was president and principal owner of a civil consulting firm for 35 years and still maintains his professional license doing consulting work on the side. Bernie has served on the Jo-Carroll Electric board and Durham Bank board. Bernie and his wife Georgia have four children.



Mary McBride to entertain at annual meeting

Mary McBride is the mother of five children and the widow of a high school teacher. Her talks are guaranteed to provoke constant laughter from beginning to end. She shows how everyone can have a better life through humor. A few of the rollicking programs she presents are *Give Us This Day Our Daily Wit*, *Rolling with the Punch Lines* and *Constructive Witticism*.

Mrs. McBride has been a top writer for Phyllis Diller for 30 years, having collaborated with her on *Phyllis Diller's Housekeeping Hints* and *Phyllis Diller's Marriage Manual*. Mary was also chief source of material for Joan Rivers from 1975-1980. Phyllis Diller said, "Mary McBride is a brilliant comedy writer. She started the same place I did - in the kitchen. Her home is her laboratory. She has written literally reams of material for me. She works importantly with me on my books and she is an endless delight as a person. She is a bubbly, happy, intelligent woman with globs of talent. I love her."

Mrs. McBride has several published books and is a successful cartoon gag writer, having been published in *Good Housekeeping*, *Saturday Evening Post*, *Family Circle* and *Grin and Bear It*. She has given workshops on comedy writing at various colleges and universities. She speaks to civic groups and conventions on the average of three times a week. This is one performance you don't want to miss so plan to attend the annual meeting on March 24th.



Mary McBride

Reusch earns certification



Jo-Carroll Electric Cooperative board of directors' chairman Richard Reusch recently completed the Credentialed Cooperative Director (CCD) certification. The certification is offered by the National Rural Electric Cooperative Association (NRECA) and involves successful completion of several challenging workshops on key current issues. The CCD curriculum demonstrates NRECA's commitment to directors, offering training on the competencies they need to succeed in the electrical industry. Congratulations to Richard Reusch on obtaining the CCD certification.

Board of directors voting process

Ballots for the Jo-Carroll board of directors election will be sent out soon. By returning your ballot you are participating in the democratic process of election. Each vote counts, so please remember to return your ballot immediately.

There are a few important procedures to remember when completing your ballot:

- The ballot must be filled out by the person whom the membership is listed under.
- The return envelope must be signed or the ballot is invalid.
- All ballots must be received by 4 p.m. Friday, March 23.

Strict anonymity is enforced when tallying the ballots. By signing the return envelope, your ballot is in no way associated with your account. Thank you for your participation and we hope to see you at the annual meeting on March 24.

Return envelope

I hereby certify that I personally marked the enclosed ballot.

Voter

Sign Here ( _____)

() Individual Member or Joint Member.

() Guardian or Legal Representative of:

() Chairman of:

() Designated Voting Representative of:

(Name of Organization, Ward, or Person Represented)



**Certification must be signed by voter
for the ballot to be counted**



PRESIDENT'S

REPORT

by Connie M. Shireman

California here we come?



"When the lights go down in the City and the sun shines on the bay..." When Journey wrote these lyrics to "Lights" in 1978 I don't think they had the California deregulation experience in mind. Certainly Journey was not trying to predict the energy markets for the year 2000 and beyond when writing "Lights", but this song might be the new anthem for electric customers in the state of California if their energy problems persist.

The threat of rolling blackouts and price spikes have many consumers concerned not only on the West Coast, but throughout the United States. The recent power shortages in California have prompted many people to ask, could the same thing happen here? Do we have enough power?

As news reports continue to bombard us of power shortages and looming blackouts in California a shift in the public outcry to implement the deregulation of the electric utility industry has taken place. A recent survey by E-Source of Boulder, Colorado indicates that deregulation is losing its appeal to large gas and electric users. In 1999, 90 percent of the survey group supported the concept. By the end of 2000, it was down to 50 percent.

Bill Berg, President and CEO of Dairyland Power Cooperative stated that, "It's important that we learn from the experiences in California and other states and take seriously the potential impact of any changes to the structure of our industry in the Midwest." Dairyland Power Co-op is Jo-Carroll Electric's wholesale energy supplier.

A portion of California's troubles can be attributed to the lack of investment in power production facilities. As the population expanded and the demand for electricity grew over the years, adequate generation and transmission

facilities were not added to accommodate this growth. The threat of looming electric deregulation dissuaded utilities from building critical facilities for fear of not recovering their investment.

The Dairyland Power system of electric cooperatives have taken the position that efforts must be concentrated on building transmission and generation infrastructure to meet the energy needs of our region, not only today, but well into the future. To ensure that it meets capacity obligations as energy use increases, Dairyland is installing two new General Electric combustion turbine power plants rated at about 40 MW each. These units are scheduled to go into operation in June 2001 and will be used during periods of peak demand - those periods when the greatest demand is placed on the electric system.

Load management is also a key to helping Dairyland balance the energy needs of the system. Participants in Jo-Carroll's water heater and dual fuel programs help to reduce future energy costs by deferring construction of costly new power plants and by preventing Dairyland from having to purchase high-priced energy when supply is short in the wholesale power market. Consumers also realize immediate savings by reducing their energy costs today.

As a cooperative, Jo-Carroll Electric is service driven focusing on our members' needs, not on profits for shareholders. Since we are your locally owned electric cooperative, we are looking out for the benefit of all of our customers, large and small. So when it comes to the deregulation of the electric industry in our own back yard, we don't want the same result as California and end up singing the tune 'when the lights go down in the country.'



SECURE HOME

Surge protection you can rely on.

Surge Protection Program

Unlucky strike: Summer storms endanger electronics

Lightning strikes are one of the most awe-inspiring aspects of summer weather — and one of the most damaging to home electronics. When lightning strikes, TVs, VCRs, computers, microwaves, DBS systems and other electronic devices are all vulnerable to power surges.

While Jo-Carroll Electric Cooperative makes every effort to provide you with clean, quality power, surges can still occasionally affect your home. In fact, each year power surges from lightning alone cause an estimated \$500 million in damage to electronics and appliances. *Mike/Sue Crenshaw*

Several sources of surges

Lightning often causes catastrophic, multiple-pulse surges, however, other common causes of power surges include trees or animals touching power lines and poor grounding of electrical equipment. Even turning on your vacuum cleaner can create a power surge within your home.

Other, less obvious paths of entry for power surges are phone lines, cable lines and DBS hardware. These devices are known as “back-door” sources of surges because they aren’t directly linked to the electrical system but can still carry surges to appliances such as computers, TVs and VCRs.

Any fluctuation in the power supply can be damaging to electronic devices. Catastrophic surges can overwhelm internal power surge protection systems and destroy the equipment. Lower-level surges are equally damaging. They often gradually degrade internal components and shorten the device’s useful life.

Jo-Carroll Electric Cooperative offers complete protection

The Secure Home surge protection program from Jo-Carroll offers a smart solution for protecting your valuable electronics.

Products included in the Secure Home program give you two stages of protection from power surges.

1. Point-of-entry protection

Meter-based and main electrical panel units protect your wiring and major appliances from surges that originate from electrical lines outside your home.

2. Point-of-use protection

A wide array of surge suppression units is available to shield electronics from surges that occur within your home and from “back-door” surges. Some protect right at the outlet, while others are designed to have phone lines, cable lines and DBS units attached. For the most complete protection, an Uninterruptible Power Supply (UPS) system provides a brief supply of back-up power.

These surge protection options provide a level of protection not typically available in retail stores. And, all surge protectors in the Secure Home program come with an extensive manufacturer’s warranty.

Contact Jo-Carroll today at (800) 858-5522 for more information about the surge protection devices that will best meet your needs.

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.

Tips On Your Fusebox

Although many homes today have circuit breakers, some older homes may still use an old-fashioned fuse box. If your home has a fuse box, keep these cautions in mind to avoid accidents, fires or other problems:

- Never use a penny to replace blown fuse! Fuses are designed to offer protection against short circuits and fires; pennies aren't. Keep a good supply of the fuses your home needs on hand so you're not left in the dark.
- Turn off all the appliances on a circuit before you change the fuse for that circuit, and be sure to pull the main fuse. If you don't take these steps you could receive a serious shock.
- Never change a fuse in the dark! Use a flashlight to help you see what you're doing.
- Don't stand in the rain, a
- puddle, or on a wet surface when changing a fuse, and be sure your hands are dry, too.
- Use the right fuse for the right circuit. Most lighting and basic outlet circuits require 15 amp fuses; circuits that supply power to larger appliances, such as dryers and electric stoves, will require fuses at a higher amperage.
- Fuses marked with a "P" or a "D" are designed to fail if the panel overheats, to reduce the likelihood of a fire in the fuse box. Don't replace these with ordinary fuses. The D fuse is used for circuits with appliances that have electric motors; P fuses are for circuits with appliances that generate heat but aren't motorized.
- Make sure you always screw fuses in tightly.

Source: Milton Hydro

www.miltonhydro.com

OFFICE CLOSING



Our offices will be closed Friday, April 13, in observance of Good Friday. We will resume normal business hours on Monday, April 16.

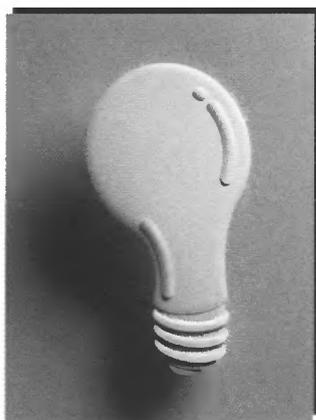
When your power is out . . . *we're on the line!*

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours 800-858-5522

After office hours — dial (800) 927-5254



Jo-Carroll Electric Cooperative, Inc.

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

Reader prize

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

Jo-Carroll Now Offers Business and Residential long distance phone service

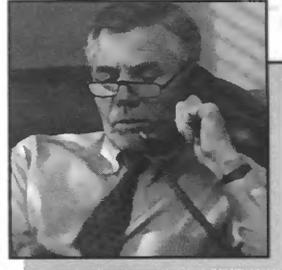
**Billed by Power Net Global Communications
utilizing the Qwest Long Distance Network (The nation's 4th largest carrier)**

4.9¢ 6.9¢

All calls in Illinois All calls out of state

24 hours a day — 7 days a week plus 6 Seconds increment billing

- **No monthly fees** • **No monthly premiums**
- **No term agreements** • **Major carrier**
- **800 Number 4.9¢ — 6.9¢ per minute — no fees**
- **Calling cards 13.9¢ per minute (No surcharge)**
- **NO CODES TO DIAL**



Jo-Carroll Electric Cooperative is offering long distance telephone service through Power Net Global Communications. This long distance service is one of the lowest-cost long distance services available. As you can see, all intrastate calls, within your state, have great low rates. All calls between states in the continental United States are only \$0.069 per minute. In addition, you can have your own personal 800 number to receive calls from family members or acquaintances. Incoming calls on your 800 number are billed at the same rates noted above. All rates are the same 24 hours a day – 7 days a week. There are no monthly fees, no minimums, or long-term agreements. For additional information or to sign up, call toll free 1-866-266-7282.

**To sign up call toll free 1-866-266-7282, or
Mail Application to: Jo-Carroll Electric Cooperative, P.O. Box 390, Elizabeth, IL 61028-0390**

Name _____ Social Security Number _____

Street _____ City _____ State _____ Zip _____

Telephone Numbers: () _____ - _____ () _____ - _____

Other Services Desired: TOLL FREE 800 NUMBER TRAVEL CARDS...Number Requested _____

*if 800 service is desired, enter the telephone number it should ring to () _____ - _____
(existing 800 numbers may be transferred to this service...applicable forms are available upon request)

I hereby authorize PowerNet Global Communications, or its designator/agent, to transfer my interlata and intralata (local Toll) long distance service. I agree to financial responsibility for all charges arising from all long distance services provided. The service requested will be provisioned only on the approval of credit for the application. A service charge may be accessed by the local telephone company when they make the carrier change.

Customer Signature _____ Date _____

Jo-Carroll Electric Cooperative



PRESIDENT'S REPORT

by Connie M. Shireman

62nd Annual Meeting held March 24

Hi-Lines
Jo-Carroll

Jo-Carroll Electric Cooperative, Inc., Elizabeth, Illinois • 1(800) 858-5522 • www.jocarroll.com



Three area men were re-elected to Jo-Carroll Electric Cooperative's board of directors at the co-op's 62nd annual meeting of members, held on Saturday, March 24 at River Ridge High School in Elizabeth. Shown with Connie Shireman, the cooperative's president and CEO, seated, are left to right, Gary Holland of Hanover, Bernie Bosch of Galena and Leonard Ricke of East Dubuque. Ricke is the co-op's board secretary.

Members of Jo-Carroll Electric Cooperative were informed about the cooperative's plans for deregulation, power supply, system infrastructure and its new long distance telephone service, at the cooperative's 62nd annual meeting, held on Saturday, March 24 at River Ridge High School in Elizabeth.

Connie Shireman, the co-op's president and CEO, addressed electric utility deregulation, stating that the energy crisis in California will not likely occur in Illinois. She said California's power shortage has been caused by poorly written deregulation legislation, vulnerability to wholesale energy costs, growth in energy demand and lack of electrical generation. She stated that Jo-Carroll Electric's board of directors has been studying Illinois' deregulation law and how it will effect its co-op's members, and they're taking a very conservative approach, "Your board has recently decided to continue researching the situation in California before they resolve to offer choice."

Shireman went on to say the co-op has experienced continu-

ous growth during the last several years. Kilowatt-hour sales increased from 50 million in 1987 to 80 million in 2000. Between 1980 and 2000 revenue grew from around \$2.5 million to \$6.8 million, and expenses grew accordingly. Also, between 1980 and 2000, total services in place increased from 4,000 to 6,500.

The co-op is gearing up to embrace the growth it's experiencing and Shireman detailed steps Jo-Carroll Electric is taking to ensure an abundant supply of electricity for its members. "Dairyland Power Cooperative, Jo-Carroll Electric's wholesale energy supplier, has taken the position that efforts must be concentrated on building transmission and generation infrastructure to meet the energy needs of our region, not only today, but well into the future," she said. To meet capacity obligations as energy use increases, Dairyland Power is installing two new General Electric combustion power plants rated at about 40 megawatts each. The units are scheduled to begin operation in June of



Bill Allen, Foreman (left), accepts the Safety Accreditation Award from Michael Hastings of the AIEC.



The Bob Busch Trio performs for the crowd.



A youngster enjoys the activities in the Kid's Room.



A member checks out the display area prior to the meeting.

2001, and will be used during periods when the greatest demand is placed on the electric system.

With growth comes a need for increased reliability in load management, and Jo-Carroll Electric has a program in place to maximize the co-op's current load. "Participants in Jo-Carroll's water heater and dual fuel programs help to reduce future energy costs by deferring construction of costly new power plants and by preventing Dairyland Power from having to purchase high-priced energy when supply is short in the wholesale power market," said Shireman.

Shireman stated that it's also vital to have reliable high voltage lines on which to transfer the electricity. This past winter the Guilford substation was totally rebuilt, and a few years ago the transmission line feeding into Elizabeth was upgraded, both helping to increase system reliability. In addition, funds were dedicated for underground cable replacement, also increasing reliability.

Shireman closed with information about the co-op's new long distance service, saying it is one of the lowest-priced long distance services available. In-state calls are 4.9 cents per minute. All calls made between states are just 6.9 cents per minute. The plan also includes a private 800 number to receive calls from family and friends at the same low rate per minute as regular calls.

Treasurer John Janssen of Chadwick reported that the co-op is in good financial shape. Total assets of the co-op grew from \$18.7 million in 1999 to nearly \$19.4 million in 2000, and net utility plant increased from \$14.4 million to \$15.1 million in the same time frame. Margins were down in 2000, due to a decrease in interest income and an increase in net operating expense.

Three area directors were re-elected to the co-op's board. They are Leonard Ricke of East Dubuque, Gary Holland of Hanover and Bernie Bosch of Galena. Ricke is the board's secretary.

Entertainment for the annual meeting was provided by Mary McBride, a comedic writer for Phyllis Diller and Joan Rivers, who has published numerous books and has been published in several well-known magazines.

Jo-Carroll Electric Cooperative, Inc. is a member of Touchstone Energy[®] — an alliance of more than 600 local, consumer-owned electric utilities around the country, committed to providing superior service based on four core principles: integrity, accountability, innovation and commitment to community. The cooperative serves more than 6,100 members in Carroll, Jo Daviess and Whiteside counties with 1,129 miles of energized line. **Katherine O'Hare**

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.

The California electric mess — can it happen here?

The impact of California's electric utility deregulation law has shocked that state's residents with high bills and rolling blackouts and has left utilities facing bankruptcy. Concerns about deregulation and power supply are spreading across the West Coast and the nation. Could it happen here? The short answer is: Probably not. Thankfully, our state's deregulation plan has more safeguards. Also, our state's power supply situation, while not perfect, is in much better shape than California's. Jo-Carroll Electric Cooperative is working closely with Dairyland Power Cooperative to assure the continued reliability of our power supply.

Many of California's problems, but not all, stem from the hasty deregulation of its electric utility industry. The plan might have worked, but they forgot the basic economic principle of supply and demand. The state's refusal to build new power plants and transmission lines left the new deregulated market high and dry without a reliable supply of power. California's economy increased by 34 percent and the demand for electricity kept pace, yet the state hasn't sited a new power plant in the last 10 years, and they now need as many as 40 new generating plants.

It's easy to poke fun at California and we often criticize our own elected officials. They do make mistakes, but our Illinois legislators took on this very complex issue, worked very hard, and crafted a thorough and well-thought-out plan. They took a long and careful look at all aspects of deregulation. The California legislature acted quickly and obviously made several major mistakes.

During the consideration of Illinois' deregulation legislation, co-ops were offered the opportunity for input in the process, as were all interested parties. While our deregulation law may not be perfect, there are safeguards in place to keep Illinois citizens from suffering the way California's consumers are now.

For Illinois electric cooperatives the major difference between our state's deregulation law and several other states legislation is that in Illinois, cooperative members still have the right of self-determination. Illinois lawmakers had the wisdom to allow co-ops to continue to be self-governed and self-regulated, to take advantage of the benefits of local control. Your locally elected co-op

directors are members just like you. I believe they are best qualified to make decisions about the future of our cooperative.

I would like to point out that in California one of the few utilities that has not passed on rate increases is Anza Electric Cooperative in southern California. Before deregulation California had only a couple of electric cooperatives. Now several new electric cooperatives are being formed. In New York, another state that is having power supply and deregulation problems, a new electric cooperative was recently created in New York City. And right here in Illinois an electric cooperative is being organized in Chicago. The consumer protection that cooperatives offer is just as appropriate for urban consumers today as it was for rural consumers 60 years ago.

Many observers and commentators, as well as California's leaders, have looked at the cooperative business model as a remedy for some of the woes of the restructured electricity marketplace. This places control in the hands of consumers rather than investor-owned power producers and transmission system owners, who some say have manipulated the wholesale power market to their advantage. Consumer-owned utilities, what a concept!

Deregulation simply will not work if consumer protection is not a part of the process. For example, issues such as tax incentives for electric utilities and repeal of the Public Utilities Holding Company Act (PUHCA), which regulates interstate public utility holding companies, are some of the issues we have to monitor as national deregulation is debated. The PUHCA law was enacted to break up multi-state utilities decades ago. Bigger is still not necessarily better. Market power can be, and often is, abused.

In the development of national energy policy legislation to establish the "rules of the road" for the future, it is crucial that all sectors of the electric industry are treated fairly. The policy should not create competitive advantages for any one sector of the industry, and it should aggressively protect the rights of consumers. It should definitely "grandfather in" the hard work and responsible legislation our state legislators created.

Deregulation legislation, no matter how well it is crafted, can not prevent an energy crisis if the supply system is not healthy,



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

diversified, competitive and fair. Illinois is better prepared to supply dependable power than it was just two years ago. However, there is still plenty of work to be done. We need to increase the generating capacity available in our state and the transmission access within our state and region.

All cooperatives follow seven cooperative principles. Four of these principles are very relevant to this discussion.

The second cooperative principle, democratic member control, means this is your cooperative. You can help determine the direction we take with deregulation. The fifth principle, education, training and information, means we have a duty to keep you informed and I would encourage you to ask questions and let us know what you

think about deregulation. The sixth principle, cooperation among co-ops, is our hidden strength. You might think that your co-op is just a small utility that will never be able to survive in a deregulated world where the big utilities just get bigger. But we have a network of national, regional and statewide cooperation that gives us real market and political power. Finally, the seventh principle, concern for community, means we're here to stay. This is our hometown too and we're not closing up shop. We're not here just to provide electricity. We're here to make this a better place to live and raise our families.

That is the co-op difference and the reason I believe electric cooperatives will grow and prosper in a deregulated utility industry.

May water heater control testing

This is a notice for customers participating in Jo-Carroll's water heater program that during the weeks of May 14th-18th and May 21st-25th we will be testing water heater controls.

In an effort to determine the most effective means of controlling water heaters, periodic testing is essential. During the first week, several one to two hour tests will be performed to help determine the most efficient cycling strategies of the more than 2,000 water heaters under control at Jo-Carroll. The next test will take place the following week and involve the cycling of water heater control over a longer timeframe. One six-hour test will be performed each day at a different time.

Dairyland Power Cooperative, our wholesale power supplier, is performing these tests. The tests will only be conducted if weather and system conditions permit

and are necessary to determine operation strategies for the upper Midwest.

Jo-Carroll members participating in our water heater program have a small gray radio receiver installed on top of the water heater or on their breaker box. By partaking in this load management program you are ultimately saving money. The water heaters are typically shut off during periods of peak energy usage. Since the peak periods are when Dairyland Power charges Jo-Carroll for energy consumption, we can help defer increased energy costs by switching off water heaters.

To help encourage participation in our water heater program, Jo-Carroll provides 80-gallon water heaters for \$1.00 as long as we install a load receiver to switch off the water heater during peak periods. For more information on Jo-Carroll's water heater program contact Brad Pecinovsky at 1-800-858-5522.



Your cooperative office will be closed Monday, May 28, in observance of the Memorial Day holiday. The cooperative office will open for normal business hours on Tuesday, May 29.

**Jo-Carroll
Electric
Cooperative, Inc.**

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

When your power is out . . . *we're on the line!*

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

**During office hours 800-858-5522
After office hours — dial (800) 927-5254**





PRESIDENT'S REPORT

by Connie M. Shireman

Jo-Carroll Electric Co-op committed to electric reliability



Jo-Carroll Electric Cooperative, Inc., Elizabeth, Illinois • 1(800) 858-5522 • www.jocarroll.com

Jo-Carroll Electric Cooperative is devoted to providing you reliable, responsive electric service year-round by investing in the construction and maintenance of quality facilities. However, as summer approaches, we are reminded that Mother Nature has been known to occasionally challenge utilities with damaging storms.

During the past few summers, utilities have also been challenged by high heat and humidity levels, combined with growth in the region, that increased the demand on electric systems throughout our region and across the nation.

One key component of our reliable, low-cost system that helps balance these challenges is Jo-Carroll Electric's load management program. "We have created an innovative load management system which enables our power supplier to manage the energy supply to water heaters for short periods of time, without inconveniencing our members," says Brad Pecinovsky, Member Service Supervisor. "This program enhances reliability for all members during extraordinary times. It also helps reduce costs for all co-op members with additional savings for participating members. On average, members participating in the load management program are saving approximately \$100 each year."

In addition, Jo-Carroll Electric and its partners in the Dairyland system of electric cooperatives are together achieving a total savings of about \$4 million a year. Because

power suppliers need to own or purchase enough power capacity to meet their needs during peak periods, load management decreases our costs by reducing the total capacity that our power supplier needs to have available. It also decreases the total amount of energy that we need to produce overall. Finally, load management frees up additional capacity, lowering the cost for all co-op members.

Tips to beat the summer heat

The hot summer weather can be challenging for all of us, but if you keep in mind a few tips, you can save your household valuable energy dollars:

- When using an air conditioner, set the thermostat no lower than 78 degrees.
- Shut lights and other appliances off when not in use.
- Draw shades or blinds to prevent the sun from adding more heat to the room.
- Postpone chores requiring electrical use until the temperature drops in the evening.
- Try using fans instead of air conditioners. Fans use as little as one-tenth the energy as air conditioners.

If you have any questions about participating in the load management program, feel free to call the energy professionals at Jo-Carroll Electric Cooperative at 1-800-858-5522.

LARRY TRAVIS

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.

The power of human connections

Integrity, accountability, innovation and commitment to community – these are the core values Jo-Carroll Electric Cooperative employees work hard to live by every day. These are the core values of every Touchstone Energy cooperative. But what is Touchstone Energy and what does it really mean to you as a co-op member?

Touchstone Energy is a nationwide alliance of nearly 600 electric co-ops. It is our tradition to cooperate with other cooperatives. Together we can pool our resources and

create a bigger voice for the electric cooperatives. In fact, Touchstone Energy electric co-ops have formed the most trusted community of high quality energy providers. This alliance of co-ops constitutes one of the largest electric energy providers in the country.

It's much like when the electric cooperatives were forming. A group of people got together with a plan and pooled resources for the good of their community. It's the same with Touchstone Energy, except this program operates on a much bigger scale. This doesn't mean your cooperative was purchased by Touchstone Energy. Touchstone Energy is a co-brand name and will appear on your co-op's trucks, shirts and advertisements along with Jo-Carroll's name. With other Touchstone Energy cooperatives we are raising our standards even higher and letting everyone know that our quality of service is based on "the power of human connections."

In the past it was thought that the electric cooperatives were located "way out in the country" with the sole purpose of providing electricity to their members. That couldn't be further from the truth. Electric cooperatives have been offering different types of products and services for years, but you may not have known about them until now. Co-ops offer superior services and products at affordable rates. Jo-Carroll Electric has the responsibility to you, our members, to assist in solving your problems and understanding this area's changing needs.

Cooperatives that are members of Touchstone Energy have stringent standards they must adhere to regarding member service levels and the four core values. Whether you reside in Illinois or South Carolina, you will receive the same level of quality Touchstone Energy benefits. A major factor in this program is continuity. Without continuity, the brand name loses its credibility and the



Touchstone Energy®

The power of human connections

nationwide strength weakens.

All Touchstone Energy co-ops have pledged to follow the four

core values of integrity, accountability, innovation and commitment to community to make a difference to you as cooperative member/owners.

Integrity is honesty and sincerity. You can count on the fact that when our cooperative employees make promises to you, they will keep their word.

Accountability is a pledge or a feeling of responsibility. Your cooperative employees are committed to serving your needs and meeting your expectations. They know that you are not stockholders. You are member/owners and we work for you.

Innovation is the modernization of the cooperative. This means that Touchstone Energy cooperatives are doing their best to meet your changing needs. For example, co-ops are actively involved in becoming total energy providers by bringing new energy technology such as fuel cells and micro-turbines to their members.

Commitment to community is when you see cooperative employees putting up lights in the park or ballpark, stringing Christmas lights or conducting a food drive for the needy. This is our home and we're here to stay. We're committed to making our community – your community – an even better place to live.

Touchstone Energy is about Jo-Carroll Electric being more than an energy provider – it's about the partnership your electric cooperative has with you and your community, and it's about the power of human connections.

Don't forget to check those breakers

As the summer storm season approaches we are reminded of how severe Mother Nature can be. High winds, lightning and tornadoes are a sure sign of summer weather and a nightmare for electric utilities. During storm season there is always the possibility that lightning can strike the utility system or wind can knock a tree through an electric line causing a power outage. When this happens, our lineworkers are ready to restore your power any time of the day and any day of the week.

If you do experience a power outage, remember to check your circuit breakers before calling our office. Typically, there is a main circuit breaker located in your meter pedestal or on your meter pole. Remember to check to ensure this breaker is on. There is a service charge if our crew gets called out and the culprit is a tripped circuit breaker on the consumer's side of the meter.

Jo-Carroll Electric owns the electrical facilities and the meter providing service to your location. The meter pedestal, meter loop, breaker and secondary wiring are the property of the homeowner. If this equipment is damaged, it is the member's responsibility to have it repaired. There may be an associated charge if our crews are called to your location and the problem is with your equipment.

Summer is also a great time for home building, landscaping and outdoor activities. Remember to always be

on the watch for power lines overhead and underground. If you plan on digging around underground power lines, call JULIE at 1-800-892-0123. It is necessary to utilize this Illinois one-call system so the appropriate JULIE member utility can mark the location of its buried facility. Calling JULIE can save you time, problems and money. This is a free service; you will incur no charges. Just remember to call toll free 48 hours before you dig (two working days).

If you have any concern that a power line might interfere with your planned outdoor activity, please contact our office with any questions. By calling ahead you can save money. Consumer caused outages such as digging through an underground wire or cutting a tree that knocks out a power line can usually be prevented by calling ahead. If Jo-Carroll has to restore power due to a consumer caused outage, the responsible party may be charged for expenses incurred with restoring power.

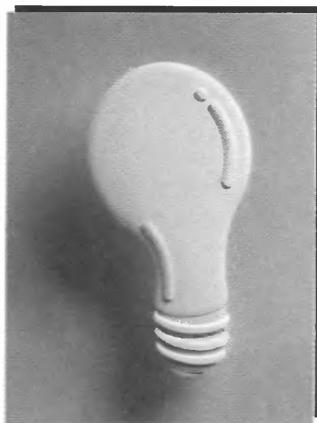
Jo-Carroll Electric is a member-owned, not-for-profit cooperative. In order to remain a viable and competitive utility we must reflect our true cost of service. There are costs associated with dispatching a crew for member derived problems and these costs need to be recovered. Please use the utmost safety when working around power lines and if you have any concerns call our office at 1-800-858-5522, we will be more than glad to assist you.

When your power is out . . . *we're on the line!*

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours 800-858-5522
After office hours — dial (800) 927-5254



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

Keep your cool and your energy dollars too

Room air conditioners can do a great job helping you keep your cool on hot, sweltering days. Used wisely, they can do their work without costing you a bundle, too. For instance:

- Fans can't entirely replace air conditioners, but they can provide extra cooling, especially on milder days. Whenever you can stay comfortable with a fan instead of running your air conditioner, you'll reduce your energy use by 60% or more.
- Set the thermostat as high as you can while still maintaining your comfort. The less difference between the Indoor and outdoor temperatures, the lower your overall cooling bill will be.
- Don't crank the air conditioner to a really cold temperature to try to get your home cooler faster. This just doesn't work and you'll waste a lot of energy in the process.
- Make sure your room air conditioner is installed level and on a flat surface. Otherwise, the drainage systems and other features won't work as efficiently, and that reduces the overall cooling efficiency, too.
- On very humid days, set the fan speed on low; this will take more moisture out of the air and keep you more comfortable. When it's not really humid, set the fan speed on high.
- Using a fan with your air conditioner will help move that cool air around and keep the entire home more comfortable.

- Don't put lamps, televisions or other heat-producing appliances near the air conditioner. The thermostat will sense that extra heat and work harder and run longer than it needs to.
- Install the unit in a shaded spot on the north or east side of your home; direct sunshine and hotter southern and western exposures on the unit's outdoor heat exchanger will decrease its efficiency. A unit installed in the shade will be as much as 10% more efficient than an air conditioner working away in the hot sun.
- Keep the air conditioner's filter clean; check it monthly and clean or replace it when necessary. A dirty filter can lower your air conditioner's energy consumption by 5% to 15%.
- If the air conditioner's drain channels become clogged, it won't pull as much humidity out of the indoor air - and that means you won't be as cool. The extra moisture in your home can also discolor and stain walls and carpets. Check the channels and clear any clogs by running a stiff wire through them.
- If the seal between the air conditioner and the window frame isn't tight, cool air can easily escape from your home. Moisture can damage this seal, so inspect the seal annually.

Source: Department of Energy (www.eren.doe.gov/buildings/consumer_information); Lawrence Berkeley Laboratories (HomeEnergySaver.lbl.gov)

Jo-Carroll Electric Cooperative
is now offering to the public

Business and Residential
long distance phone service

FREE

Personal 800 number
No fees
Same low rate

To sign up Call Toll Free:
1-866-266-7282

Jo-Carroll Electric Cooperative • Elizabeth, IL • 800-858-5522



4.9¢
per minute
ALL CALLS IN ILLINOIS



6.9¢
per minute
ALL CALLS OUT OF STATE



PRESIDENT'S REPORT

by Connie M. Shireman

Summer heat ushers in need for conservation



The energy crisis in California has the whole nation wondering how this could have happened. A combination of electric deregulation legislation, decreased generation and soaring fuel costs are usually tagged as the culprits. In the Midwest we realize that some of these same issues impact us as well.

As we approach the heat of the summer season an increased demand is placed on electrical systems. The increase in electric consumption, coupled with high fuel costs, creates a situation where there is little or no excess generation of electricity available during peak periods. Rather than calling for rolling blackouts like in California, Jo-Carroll Electric has had a system in place for more than twenty years to help alleviate these problems.

The key component of our reliable, low-cost system that helps balance these challenges is Jo-Carroll's load management program. "We have created an innovative load management system which enables our power supplier, Dairyland Power Cooperative, to manage the energy supply to water heaters and air conditioners for short periods of time, without inconveniencing our members" says Connie Shireman. "This program enhances reliability for all members during extraordinary times. It also helps reduce costs for all co-op members with additional savings for participating members. On average, members participating in the load management program are saving approximately \$100 each year."

In addition, Jo-Carroll and its partners in the Dairyland system of electric cooperatives are together achieving a total savings of about \$4

million a year. Because power suppliers need to own or purchase enough power capacity to meet their needs during peak periods, load management decreases our costs by reducing the total capacity that our power supplier needs to have available. It also decreases the total amount of energy that we need to produce overall. Finally, load management frees up additional capacity, lowering the cost for all co-op members.

Jo-Carroll has nearly 2,200 members participating in our load management program. If the prediction of a hot and humid summer holds true, Jo-Carroll will fully utilize our load management system resulting in savings for the entire cooperative. Aside from participating in our load management program, you can also help out during peak energy periods by practicing conservation techniques.

Conservation is key

The hot summer weather can be challenging for all of us, but if you keep in mind a few tips, you can save your household valuable energy dollars:

- When using an air-conditioner, set the thermostat no lower than 78 degrees.
- Shut lights and other appliances off when not in use.
- Draw shades or blinds to prevent the sun from adding more heat to the room.
- Postpone chores requiring electrical use until the temperature drops in the evening.
- Try using fans instead of air conditioners. Fans use as little as one-tenth the energy as air conditioners.

Walter Loomis

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.

Tree trimming increases reliability

Do you ever wonder why your lights occasionally blink on windy days? Many times the wind will blow a tree into the line causing a brief interruption of electrical service, or a blink. In certain situations, trees blow into power lines and cause outages. To help prevent the previous scenarios from happening Jo-Carroll Electric maintains a right-of-way clearing program.

Right-of-way clearing this summer is being performed by Asplundh and involves trimming of trees of clearing

of underbrush. Much of the area where Jo-Carroll Electric's lines run are in the private right-of-way. These areas are heavily forested and it is important that trees do not come in contact with the line. When a tree or branch makes contact with the line, an outage or service interruption usually results.

A systematic approach to tree clearing has been undertaken by gaining the services of Asplundh. They will be clearing trees along all of the overhead power lines feeding out of the Pioneer, Menominee and Pilot Knob substations. Asplundh's equipment is typically orange in color with the company's name on the machinery.

Trees coming in contact with the line not only cause power outages, but also contribute to line loss. Line loss refers to the amount of kilowatt-hours lost in the transmission of electricity from the substation to the member's meter. By reducing the number of tree contacts, the cooperative not only reduces the number of power interruptions, but also saves money.

Maintenance programs such as this, and many others, are an important part of operating an electrical distribution system. It would not be a good business practice to wait until the trees fall into the line before you perform the repairs needed. It is by aggressively approaching the necessary system maintenance that the cooperative is able to continue to provide safe, high-quality service to our membership.



TOP PHOTO:The Asplundh crew chips brush cleared from a right-of-way in East Dubuque.



BOTTOM PHOTO:The "Woods Boss" pulls a mower to help clean up underbrush.

OFFICE CLOSING

Jo-Carroll Electric Cooperative will be closed on
Wednesday, July 4th in observance of Independence Day.

Jo-Carroll Electric Cooperative, Inc.

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

Don't forget that well-pump

Your well-pump is a lifeline! Be sure it's working properly to ensure that you have the water you need, and also to prevent energy waste. Many times we receive calls of increased electrical usage and the culprit people forget to check is usually their well-pump. The pump for your well uses electricity and since it is often stuck in a basement corner or buried underground, people forget that it can be a high user of electricity if something has malfunctioned. Here are a few things to keep in mind regarding your well-pump:

- Well-pumps demand a lot of power when starting up. If your pump is waterlogged, the pump will start and stop continuously during the pumping cycle - a big

energy waster. Keep the pump in top working condition and service it regularly.

- Make sure you don't have more well-pump than you need. For instance, if you only need a ½ horsepower (HP) pump but you're using a ¾ HP unit, you could be wasting more than 100 kilowatt-hours every year. Get a service inspection to ensure you have the right size pump.
- Repair any leaky faucets, pipes or toilets. A few slow drips can add up to losing two to three gallons of water per minute. That means your well-pump has to run more often, wasting both energy and water.

Flooded basement? Don't use those appliances!

Suffering through the affects of flooding or other disasters is unpleasant enough without taking risks with your safety from electrical shock or fire.

If you have appliances or equipment that have been exposed to water - whether it's a clothes dryer in a flooded basement or a fluorescent light that got deluged with rain - never assume it's safe to use after it has dried. Moisture alone can damage insulation and components in some appliances, making them unsafe. And if your home has been flooded,

those floodwaters may have contained oil, chemicals and debris that can lodge in and damage your equipment.

So before you try to use any electrical appliance that has been exposed to water, take it to a qualified service technician. The item may be fine, it may need reconditioning, or it might require replacement. Whatever the cost or inconvenience involved in repairing or replacing that equipment, it will be well worth the trouble.

Source: *National Electrical Manufacturers Association website.*



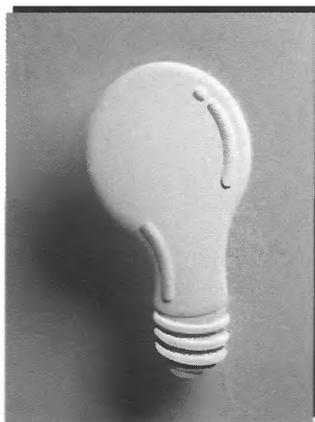
Each month we print the name of a Jo-Carroll member who is eligible to win a monthly \$25 readership prize. If your name is printed in this month's edition, and not a part of any story, contact Jo-Carroll and claim your prize no later than the 10th of the month following publication

When your power is out . . . we're on the line!

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours 800-858-5522
After office hours — dial (800) 927-5254



Jo-Carroll Now Offers Business and Residential long distance phone service

Billed by Power Net Global Communications
utilizing the Qwest Long Distance Network (The nation's 4th largest carrier)

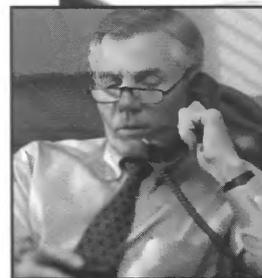
4.9¢ 6.9¢

All calls in Illinois

All calls out of state

**24 hours a day — 7 days a week
plus 6 Seconds increment billing**

- No monthly fees • No monthly premiums
- No term agreements • Major carrier
- 800 Number 4.9¢ — 6.9¢ per minute — no fees
- Calling cards 13.9¢ per minute (No surcharge)
- NO CODES TO DIAL



Jo-Carroll Electric Cooperative is offering long distance telephone service through Power Net Global Communications. This long distance service is one of the lowest-cost long distance services available. As you can see, all intrastate calls, within your state, have great low rates. All calls between states in the continental United States are

only \$0.069 per minute. In addition, you can have your own personal 800 number to receive calls from family members or acquaintances. Incoming calls on your 800 number are billed at the same rates noted above. All rates are the same 24 hours a day – 7 days a week. There are no monthly fees, no minimums, or long-term agreements. For additional information or to sign up, call toll free 1-866-266-7282.

**To sign up call toll free 1-866-266-7282, or
Mail Application to: Jo-Carroll Electric Cooperative, P.O. Box 390, Elizabeth, IL 61028-0390**

Name _____ Social Security Number _____

Street _____ City _____ State _____ Zip _____

Telephone Numbers: () _____ - _____ () _____ - _____

Other Services Desired: TOLL FREE 800 NUMBER TRAVEL CARDS...Number Requested _____

*if 800 service is desired, enter the telephone number it should ring to () _____ - _____
(existing 800 numbers may be transferred to this service...applicable forms are available upon request)

I hereby authorize PowerNet Global Communications, or its designator/agent, to transfer my interlata and intralata (local Toll) long distance service. I agree to financial responsibility for all charges arising from all long distance services provided. The service requested will be provisioned only on the approval of credit for the application. A service charge may be accessed by the local telephone company when they make the carrier change.

Customer Signature _____ Date _____

Jo-Carroll Electric Cooperative



PRESIDENT'S REPORT

by Connie M. Shireman

Jo-Carroll Electric and FS form alliance



Jo-Carroll Electric Cooperative in Elizabeth, Carroll Service Company in Lanark, and Stephenson Service Company in Freeport are pleased to announce their recently formed energy alliance. This new partnership was formed to market LP gas and gas products in Jo-Daviess and Carroll counties.



The merger was finalized with papers signed by (from left) Connie Shireman, president/CEO of Jo-Carroll Electric, Floyd Heller, general manager of Carroll Service Company and Marion Ertmer, general manager of Stephenson Service Company.

“All three organizations are locally owned and operated cooperatives in operation for the best interests of their members. The determination to form the LP marketing alliance was a logical business de-

cision to better serve the energy needs of our local patrons,” stated Marion Ertmer, General Manager of

Stephenson Service Company.

“By forging this alliance, the three cooperatives can maintain their strong local identity and benefit from sharing resources,” stated Floyd Heller, General Manager of Carroll Service Company. “This is the first step in a long term relationship to provide all of the energy needs for our customers.”

ship to provide all of the energy needs for our customers.”

This alliance does not mean that
(Continued on page 2)

Interested in a good price and good service for your LP gas?

Call Jo-Carroll Electric Cooperative at (800) 858-5522, or fill out this form and return it with your bill.

Name _____

Home Phone _____

Daytime Phone _____

Delivery Address _____

City _____

State _____ Zip _____

Current Supplier _____



Jo-Carroll Electric Cooperative

A Touchstone Energy Cooperative



Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
(815) 858-2207
or (800) 858-5522.

(Continued from page 1)

Jo-Carroll Electric and Carroll and Stephenson Service Companies are merging. The daily operations of the organizations will not change. Each local cooperative will still remain an independent organization in and of itself.

"We realize that one of our most important strengths is our connection with the community and the members we serve. The LP marketing alliance allows us to associate our local electric co-op with the FS co-ops as the energy provider of choice," according to Connie Shireman, President/CEO of Jo-Carroll Electric.

Taking part in the new gas alli-

ance is easy, just call Jo-Carroll Electric Cooperative at (800) 858-5522 for more information. The gas orders and billing will be handled by either Carroll or Stephenson Service Company. Both companies are full service providers offering LP contracting and budget billing.

If you want a new tank installed or want to switch from your current propane supplier, simply call Jo-Carroll Electric and we will arrange for FS to take care of your needs. Or, fill

out the form on the previous page and return it with your bill payment and we'll do the rest. A customer service representative from FS will call to fill in all the details. **Darrell Coker**



John Selleck, vice-president of Jo-Carroll Electric visits with Larry Hanson of Stephenson Service Company regarding the alliance.

CARROLL COUNTY FAIR



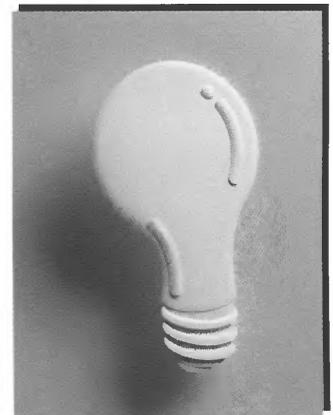
It's fair time once again. Stop by our booth at the Carroll County fair being held in Milledgeville —
August 6-11th

When your power is out . . . *we're on the line!*

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours (800) 858-5522
After office hours — dial (800) 927-5254



Vacations won't cut electricity bill

"There must be something wrong with our meter. We were gone on vacation most of the month and couldn't have used this much electricity."

Variations of that comment are heard many times every month of the year. Rarely is anything wrong with the meter. What we tend to forget are the many appliances in our homes that operate automatically day in and day out whether we are there or not. However, when we get back from vacation we are upset to discover they have turned into liabilities simply because they continued doing their jobs, automatically, while the house was unoccupied.

Refrigerators and freezers are big users of electricity. During the summer, an old refrigerator can account for as much as 25 percent of the monthly electric bill. The older a refrigerator is, the more electricity it will use. Old doesn't mean ancient either. Even those purchased two or three years ago consume more than

those manufactured today.

Assuming the air conditioner was shut off during your absence, the warmer house will cause the refrigeration equipment to run longer. Other automatic conveniences such as dehumidifiers, sump pumps, remote controlled TVs, water heaters, clocks, battery-powered appliances with chargers, security lighting, etc. operate automatically and all contribute to electrical usage and your bill.

Plus, when we return from vacation, we restock the old refrigerator and begin clothes washing, drying, ironing, bathing, cooking and a wide range of tasks involving electrical use. Even if you have saved some kilowatt-hours by being away we use them after we get back - and maybe even more. Your electrical facilities probably do not need to be inspected. Just keep in mind that the automatic electrical devices are still operating while you are away.

Are you tired of buying pre-paid calling cards for your children that are away at school?

Or worse yet, are they calling you collect?

For additional information or to sign up, call toll-free (866) 266-7282.



Jo-Carroll Electric Cooperative may have the solution for you.

Long Distance Phone Service from Jo-Carroll Electric includes a **FREE** personal 800 number at the same low rate of

- **4.9 cents per minute – all calls in Illinois**
- **6.9 cents per minute – all calls out of state**

Jo-Carroll Electric Cooperative • Elizabeth, IL • (800) 858-5522

**Reader
prize**

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



PRESIDENT'S REPORT

by Connie M.
Shireman

**Touchstone
Energy®**



Some sixty years ago neighbors joined together in communities all across America in building member-owned electric cooperatives to bring electricity to rural areas. When no urban provider would supply electricity to the rural areas, it was up to the co-ops and their members to carry the burden. As these areas grew and member needs changed, electric cooperatives



Touchstone Energy®

changed as well. No longer did they just sell electricity. The electric cooperatives of today, though much the same in the strong relationships and personal service they provide their members, now offer many diversified products and services to meet the needs of their unique membership.

The challenge

Despite the electric cooperatives' long history, many non-co-op members and even some members didn't know much about them. They didn't understand co-ops are member-owned, democratically controlled, not-for-profit utilities. The co-ops needed assistance in getting the word out, and finally, there is a program to help them.

The solution

In 1998, an alliance called Touchstone Energy was formed and now represents 560 electric cooperatives in 38 states, serving more than 16 million members every day. The concept of Touchstone Energy is similar to that of other nationwide brands with which you're familiar, such as True Value Hardware and Cracker Barrel

Restaurant. By forging this nationwide alliance, electric cooperatives can keep their strong local identity, and reap the rewards of "cooperating" and pooling resources with other cooperatives. And, the co-ops can

now afford to promote their benefits both at a national and local level, using the same four core values that

have made electric cooperatives unique for all these years — integrity, accountability, innovation and commitment to community. These four values mesh perfectly with the seven principles to which all cooperatives must adhere: voluntary and open membership; democratic member control; members' economic participation; autonomy and independence, education, training and information; cooperation among cooperatives; and concern for community. These seven principles separate cooperatives from any other type of business.

Cooperatives in Touchstone Energy must meet stringent standards to maintain their membership in the alliance. This means continuity of service at cooperatives nationwide and strict adherence of the four core values is a must. The member always comes first. You won't see cooperatives closing their local offices.

Electric cooperatives are always looking at ways to reduce rates, increase efficiency and increase the number of products and services they offer to improve the quality of life for the members they serve. Technology has helped considerably in allowing

(Continued on page 16b)

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
(815) 858-2207
or (800) 858-5522.

(Continued from page 16a)

the co-ops to offer more options in bill payment including the Internet and credit cards. They have found more innovative ways to read meters, and they are selling such services as Internet, long distance, propane gas and cellular phone service.

Co-ops also try to fill voids that affect not only their members, but other people in the community as well. Most cooperatives work closely with their communities to provide such services as putting up Christmas lights and ballpark lights, conducting charity drives for the needy, volunteering at the local parks and conducting electric safety programs. Several cooperatives are working to bring safe and plentiful water to their areas. Other cooperatives are selling propane gas and home/business security systems. It's all about recognizing needs and doing what's necessary to help their communities.

Though it takes five or more years for consumers to connect to a brand, both residential and commercial/

industrial consumers are becoming aware of the Touchstone Energy brand and what it stands for. This is evident in the relationships the brand is forging with energy managers from national companies that could be in your back yard — companies like Wal-Mart, American Express, Circuit City, Wendy's International and WorldCom, to name a few. These companies recognize the level of service and concern shown by Touchstone Energy cooperatives is necessary to keep their plants and offices running with as few power interruptions as possible.

The Touchstone Energy brand emulates what electric cooperatives have not only done for years, but will do for many years to come — serve their members with integrity, accountability, innovation and commitment to community. Touchstone Energy cooperatives aren't like the other electric suppliers out there, they are the power of human connections.

For more information about Touchstone Energy, visit our Website at www.touchstoneenergy.com.

An exciting new service from Jo-Carroll Electric Cooperative

LP GAS & GAS PRODUCTS



Through our recent alliance with Stephenson Service Company and Carroll Service Company, the folks at Jo-Carroll Electric, your locally owned and operated electric cooperative can supply all of your LP Gas needs.

Call Jo-Carroll Electric at (800) 858-5522 for more information



Jo-Carroll Electric Cooperative

A Touchstone Energy Cooperative



Jo-Carroll Electric Cooperative, Inc.

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

School Days

**Guest editorial by Glenn English, chief executive officer
of the National Rural Electric Cooperative Association**

It's back-to-school time across America. For parents, it's a bitter-sweet reminder of the passage of time as we watch our children grow and become increasingly independent. It's also a time when we think about their safety.

Your electric cooperative shares that concern. With the beginning of every school year, thousands of co-op line workers are keeping an eye out for children on their way to or from school. Sometimes, it means helping a disabled school bus. Frequently, it means using their mobile communication equipment to report a problem or a suspicious occurrence in a neighborhood. And always, it means being there to lend a hand, whatever the problem.

Being committed to the community you serve means acknowledging that service to the community will involve more than making sure electric service is reliable. Even in these days when electric utilities are faced with competition that's getting tougher every day, going the extra mile in consumer and community service is standard operating procedure for an electric cooperative. It has to be that way because electric cooperatives are fundamentally different than for-profit electric utilities.

We hear reports every day of other utility companies closing their local offices and moving out of town

in order to save money. When that happens, their customers have to do business with them long distance, frequently talking to people hundreds and sometimes thousands of miles away. Your local electric cooperative is different. Our first obligation is to our consumers. You can still stop by the local office and talk to someone you know about any aspect of your service. And when you call your electric cooperative, you'll speak to someone close-by who knows your community and what's happening in it.

Being a local electric cooperative means doing business close to home. Because our consumers are also our owners, the cooperative gives first consideration to what's in the consumer's best interest. So, there will always be someone nearby you can talk to about any aspect of your electric service.

At first glance, it may seem that there is little connection between school kids waiting for their bus and the line crew in the local co-op's truck. But look again. Those line crews working on utility poles probably have kids waiting for the school bus alongside yours. Making sure all of our children stay safe is part of what holds local communities together and it's part of the work your local electric cooperative takes pride in every day. **David Keller**

When your power is out . . . *we're on the line!*

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

**During office hours (800) 858-5522
After office hours — dial (800) 927-5254**



Reader prize

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

Long Distance Phone service from Jo-Carroll Electric Cooperative

4.9¢

per minute

ALL CALLS IN ILLINOIS

6.9¢

per minute

ALL CALLS OUT OF STATE

24 hours a day — 7 days a week plus 6 Second incremental billing

- No monthly fees
- No monthly premiums
- No term agreements
- Major carrier
- 800 Number — same low rates — no fees
- Calling cards 13.9¢ per minute (No surcharge)
- NO CODES TO DIAL

*For additional information or to sign up
call toll free: 1-866-266-7282*

Jo-Carroll Electric Cooperative • Elizabeth, IL • 800-858-5522

Keep it safe around **SCHOOL BUSES**



Summer's over and children are heading back to school. Last year, more than 9,000 students were injured and 26 were killed in bus related incidents.

You can help stop these incidents by doing your part to ensure students' safety around buses.

- Always stop your vehicle when a bus is stopped with its stop sign extended from either side of the road.
- Keep a close watch for students that are walking, biking or skating to school.

STUDENTS SHOULD FOLLOW THESE GUIDELINES:

- Take 10 giant steps in front of a bus before crossing the street. (This will enable the driver to clearly see all students as they cross.)
- Never walk behind a bus.
- Watch for cars and cross streets carefully.
- Stay away from the bus until the driver says it is okay to approach.

OFFICE CLOSING

Jo-Carroll Electric Cooperative's office will be closed Monday, Sept. 3, in observance of Labor Day.



PRESIDENT'S REPORT

by Connie M. Shireman

Electricity costs impacted by coal markets



Jo-Carroll Electric Cooperative, Inc., Elizabeth, Illinois • 1(800) 858-5522 • www.jocarroll.com

Recently, the price of coal has spiraled upward, as increased demand for the fuel is pitted against a constrained supply. Following a decade of comparatively low coal prices, the sudden increases dictate that electricity will become considerably more expensive to produce. For utility customers, increased electric rates appear inevitable.

The potential for increased coal prices has been brewing for years. Finally last fall, as the coal industry gradually gained control of the market, the stage was set for today's significant jump in coal prices.

"Almost without exception, electric utilities have experienced modest, but steady load growth in recent years," explained Doug Peterson, Director of Procurement with Dairyland Power Cooperative*.

Costs associated with coal production, and the transportation infrastructure required to move the fuel, managed to keep up with this growth because there was an excess in mine production capacity during the last decade. This excess capacity depressed coal prices and created market conditions favorable to coal buyers for more than ten years. "These market conditions led to poor profitability for coal mining companies, which ultimately contributed to consolidation and concentration in the industry. Merged companies discontinued inefficient mining operations in order to remain cost competitive. Many mines producing higher sulfur coals simply went out of business. The net effect of all this was that coal supply and demand gradually approached equilibrium," said Peterson.

This new equilibrium began to

show up in market conditions during the fall of 2000. As utilities based in eastern states attempted to stockpile coal for the winter, they soon discovered that they were now competing for limited supplies. Tighter supplies and increased competition between buyers triggered substantial price increases and availability problems for coal coming from the Illinois Basin producing region. The situation held through the winter, and into the spring "shoulder" months when demand for coal and the prices it commands have historically tapered off.

Meanwhile, western coal produced from the Powder River Basin of Wyoming was coming under its own set of constraints. Consolidations brought mine ownership into the hands of fewer producers. Seeing an opportunity to accelerate the process of bringing supply and demand into balance, the producers intentionally limited production in an effort to force price increases.

These factors all began to converge this past winter, just as natural gas prices were also going up. "Increased electrical demand forced utilities to rely on all the generating capacity they had at their disposal. Much of this capacity, particularly the older units, was fueled by natural gas," Peterson notes. With power generators contributing to increased demand for natural gas, its cost skyrocketed. Generators, where possible, turned to coal to mitigate the impact of the natural gas prices.

Eastern utilities, desperate to cover their power requirements, began buying up whatever coal was available. As demand outstripped supplies for

(continued on page 16b)

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
815/858-2207
or 1-800-858-5522.

Illinois Basin coal, their attention turned to the producing regions of Colorado, Utah and Wyoming.

Price Run-ups

Recognizing this increased demand, coal producers in the Powder River Basin hesitated to increase production. They stuck to their publicly declared intentions of limiting available supplies until they received the prices they felt they deserved for their coal. As a result, utility coal inventories plummeted to their lowest level in years and prices for coal in all producing regions started a rapid ascent.

Limited supplies of eastern coal doubled from prices in the \$20 to \$25 per ton range to \$40 to \$50 per ton. Western coal, which had been selling at the depressed prices of \$4 to \$5 per ton, depending on quality, started commanding prices of \$10 to \$15 per ton. Utilities frantic for coal had no choice but to pay these elevated prices.

It should be noted that although these were sudden and huge increases from recent coal prices, this was not the first time coal prices have been this high. Actually, these elevated prices were quite similar to coal costs throughout the 1970s and early 1980s (*not adjusted for inflation*).

In addition to charging elevated prices, coal companies started requiring that any coal purchased for delivery in 2001 be linked to term agreements of two to five years. As the coal producers locked in their windfalls, what had once been a buyer's market had switched to a seller's market.

Dairyland Secures Supplies

Fuel to operate its generators, primarily coal, accounts for Dairyland Power's largest annual expenditure. More than 2.4 million tons of coal was delivered to the utility's plants in 2000, at a cost of about \$54 million. For that year, the cost on a unit of energy basis (that is, cost per million Btu) remained stable from 1999.

As Peterson explained, "Dairyland had secured its fuel supply for calendar year 2001 before this run-up in prices, so the expectation was that we would be immune from these increases, at least for a year. However, because of a higher-than-budgeted

burn during the winter of 2000-2001, we found ourselves in the position of being short on inventory at the Alma plant."

What would normally have been a minor problem for Dairyland was aggravated by more than a month of spring flooding on the Mississippi River. All coal burned in Wisconsin is imported from other states. Coal is transported by train and barge on its trek to Dairyland's generating plants located along the Mississippi at Genoa and Alma, Wis. The flooding curtailed barge deliveries to the point where it became necessary to re-enter the market to obtain supplemental coal under less than favorable market conditions.

Dairyland's coal-fired generating stations continue to operate more cleanly than state and federal environmental standards require. Because of this, Dairyland Power has successfully reduced sulfur dioxide emission by more than 80 percent since the early 1970s.

However, Dairyland's generating plants have extremely tight specifications for the heating value, ash characteristics and sulfur content of the coal burned.

"It was extremely difficult to locate coal that met our specifications, and when we did, the price was 40 percent higher than what we had paid for our 2001 requirements last fall," he said. "Fortunately, the additional coal purchased at these elevated prices amounted to less than 5 percent of our total requirement, so the impact on 2001 fuel expenses is expected to be modest. However, what we experienced in trying to procure this relatively small amount of supplemental coal provided a clear indication that things had changed."

Since fuel supply planning is an ongoing process at Dairyland, the continuing uncertainty as to coal availability and price was factored into decisions on how the 2002 requirements should be fulfilled. "The decision was made to secure next year's supply before choices became too limited," explained Peterson. "Accordingly, bids were taken for 2002 fuel

(continued on page 16c)

requirements. The bids that were received confirmed what we had been hearing and reading about hyperactive markets. Most Powder River Basin bidders insisted on multiple-year arrangements."

From the western producing area, mine prices quoted for next year showed increases averaging about 150 percent, which, due to an offset by lesser increases in rail freight expenses, translates into an increase of

about 40 percent in delivered costs to the Alma-based J.P. Madgett generating station. Averages delivered costs at the barge plants are expected to increase about 38 percent over the past year.

(Editor's note: Doug Peterson retired Aug. 10, 2001, after 23 years with Dairyland. Dennis Rackers, his successor in the position, has significant experience in coal contracting and fuels management.) Donald Gray

How Much Coal Did You Use?

Few folks burn coal for home heating these days. Yet, that doesn't mean that your modern household isn't responsible for consuming this fuel resource.

Consider this: It takes about one pound of coal to produce 1 kilowatt-hour (kWh) of electricity. Now, look

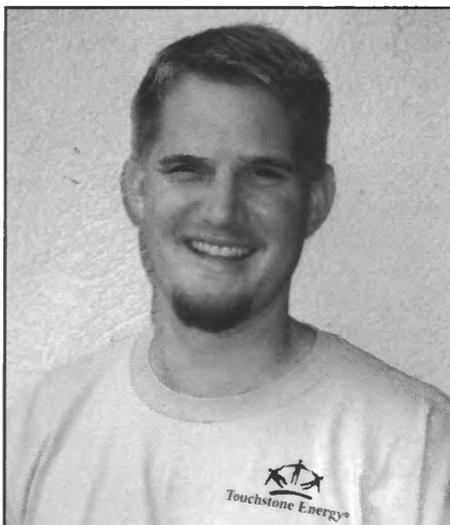
at your electric bill. The number of kWh you consumed during the month is approximately the same number of pounds of coal burned in the production of that electricity.

Surprised? Over a year's time, we bet that would amount to quite a heap of coal!

Pecinovsky leaves Jo-Carroll

Brad Pecinovsky recently left Jo-Carroll Electric after four years of service as the cooperative's member service supervisor. While at Jo-Carroll, Brad was in charge of promoting load management involving the Dual Fuel and water heater programs. He also handled the advertising and marketing for the cooperative including the newsletter, webpage and Touchstone Energy compliance. Programs such as long distance telephone service, the LP alliance, surge protection and electric fireplaces are also the responsibility of the member services department.

Brad will be continuing his career in the electrical industry at Tri-County Electric Cooperative in Rushford, MN as the member services director. The knowledge that Brad gained at Jo-Carroll will be valuable since Tri-County is also a member cooperative of the Dairyland Power system. His new position will involve similar functions as performed at Jo-Carroll with the additional responsibility of becoming a department director.



Brad would like to thank everyone for making his time at Jo-Carroll some of the most memorable experiences of his life. He expressed that he truly enjoyed working with the members and employees of Jo-Carroll and appreciates the friendships he has formed. We would like to thank Brad for his dedication and service to the cooperative and the members.

**Reader
prize**

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

The **Cooperative** Difference. . . **People Working Together** to Find **Solutions**

Finding the best solution by working together. That's what cooperatives are all about. Member-owned and democratically controlled enterprises, cooperatives belong to the people who use them—people who have organized to provide themselves with the goods and services they need when those needs are not being met by other types of businesses.

All across America, 120 million people are finding solutions to community needs through their cooperatives. This means cost-savings, less risk and more choices for America's consumers and produc-



ers. And more choices mean more innovation in the marketplace and more accessible products and services. Today, more than 48,000 cooperatives exist for farming, banking, housing, child care, health care, electric and telephone service, food retailing and other goods and services.

People trust their cooperatives to help them find solutions. Support your local cooperatives.

For more information about cooperatives, visit www.ncba.org.

Cooperatives
Businesses People Trust

An exciting new service from Jo-Carroll Electric Cooperative

LP GAS & GAS PRODUCTS



Through our recent alliance with Stephenson Service Company and Carroll Service Company, the folks at Jo-Carroll Electric, your locally owned and operated electric cooperative can supply all of your LP Gas needs.

Call Jo-Carroll Electric at (800) 858-5522 for more information

**Jo-Carroll
Electric
Cooperative,
Inc.**

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



Jo-Carroll Electric Cooperative

A Touchstone Energy® Cooperative





PRESIDENT'S REPORT

by Connie M. Shireman

Jo-Carroll Electric Cooperative helps with Eagles Landing sign



Connie Shireman, President/CEO of Jo-Carroll Electric Cooperative, hands a \$500 check to David Ylinen, Office Administrator, LRA to help pay for the new "Eagles Landing" sign.

Jo-Carroll Electric Cooperative recently donated \$500 to help with the costs of a new sign for the "Eagles Landing." This is the new name for the area formerly known as the Savanna Army Depot.

The Savanna Army Depot was United States Army property that housed an Army base and is now being redeveloped for public use. When the Army left, some 400 jobs were lost. At that time the LRA (Jo-Carroll Depot Local Redevelopment Authority) was formed. The loss of that number of jobs in our area is a serious blow, and the LRA, along with the Jo-Daviess and Carroll County Boards and other local groups, are working to bring business and jobs back to the Depot.

While some of the acreage within control of The State of Illinois and the US Fish and Wildlife Service will not be developed, there remain several thousand acres of prime development land and buildings that can be used for new and relocating businesses.

Jo-Carroll Electric Cooperative is very involved with the redevelopment efforts; we are currently operating the electrical system for the area. At one time line workers, electricians and other tradesmen were in charge of the utilities on the base. The departure of the Army meant that the operation of the electric lines and all that goes with it was no longer being done, so Jo-Carroll Electric Cooperative stepped in.

An important part of making the change from Army to private is the recent name change. Calling the area "The Savanna Army Depot" was not only inaccurate; it also gave the wrong impression, so the LRA Board recently changed the name to "Eagles Landing." The name was chosen because the Mississippi River, which is a well-known winter haven for eagles, borders the area.

So along with the new name, it was appropriate to put up new signs and Jo-Carroll Electric Cooperative donated \$500 and worked with David Ylinen, office administrator at the LRA to get the job done.

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
(815) 858-2207
or (800) 858-5522.

Jo-Carroll welcomes new employee



Charles C. DeLoach

Jo-Carroll Electric Cooperative is pleased to announce the appointment of Charles C. DeLoach (Charlie) as director of marketing and member services.

In his new capacity, DeLoach will provide technical information and consultation to existing and prospective

clients on all related products and services.

DeLoach has extensive experience in project and account management and client relations, providing clients with a comprehensive look at services and products.

DeLoach and his wife Rita, have four children and have resided in Galena since 1988.

For information about Jo-Carroll Electric Cooperative services, contact Charles DeLoach at cdeloachjce@internetni.com.

When your power is out . . . *we're on the line!*

Check your circuit breakers or fuses. If possible, determine if your neighbors have electricity.

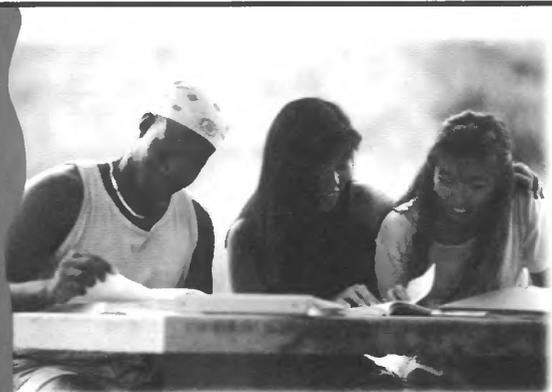
Then call Jo-Carroll Electric's Outage and Emergency Report Line. Please have your account number and location readily available so we may restore your service quickly.

During office hours (800) 858-5522
After office hours — dial (800) 927-5254



*Are you tired of
buying pre-paid
calling cards for
your children that
are away at
school?
Or worse yet, are
they calling you
collect?*

For additional
information or
to sign up,
call toll-free
(866) 266-7282.



*Jo-Carroll Electric Cooperative may have
the solution for you.*

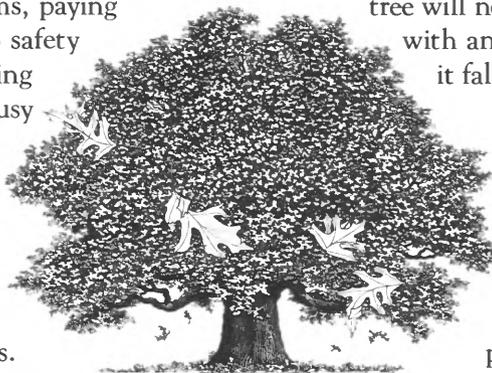
Long Distance Phone Service from Jo-Carroll Electric includes a **FREE** personal 800 number at the same low rate of

- 4.9 cents per minute — all calls in Illinois
- 6.9 cents per minute — all calls out of state

Jo-Carroll Electric Cooperative • Elizabeth, IL • (800) 858-5522

Cut trees safely

As the winter season approaches and people began to cut wood for heating systems, paying close attention to safety is essential. Cutting trees is serious busy that demands attention to safety measures. You can avoid needless tragedy by observing some simple rules.



Look overhead and to all sides of your cutting site. Be very sure your tree will not come into contact with any power line when it falls.

Wood can be a conductor of electricity. Each year several deaths and serious injuries are reported involving trees falling into power lines. Don't

Put on work gloves to protect you hands, safety glasses to protect your eyes from flying chips, wear a properly fitted hard hat to protect your head from falling branches, and step into steel-toed boots to protect your feet from mishaps with the saw or axe. Now, think you are set to start cutting?

Some of the most serious accidents while cutting trees occur because no attention is paid to the presence of electric power lines. Careful surveillance of the vicinity is essential before you begin any tree work.

become another statistic – take a few minutes to survey your cutting site.

Above all, if you do cause a tree to fall into a power line or you come across a tree that has fallen into a line, do not – under any circumstances – attempt to remove the tree. Stay clear of the tree and the line. Call your cooperative as soon as possible. We will see that the problem is taken care of right away.

Exercise responsible electric accident control today. Trees and electric power lines don't mix. *James Billings*



Office Closing

Our offices will be closed on **Monday, November 12, 2001,**
in honor of
Veterans Day.



The offices will also be closed on **Thursday and Friday, November 22 and 23,**
to observe the
Thanksgiving holiday
with family and friends.

**Reader
prize**

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



To America's heroes: thank you.



Touchstone Energy®
Cooperatives
The power of human connections

Jo-Carroll Electric Cooperative, Inc.

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

Office hours

7:30 a.m. to 4 p.m.
Monday through
Friday

During hours call
(815) 858-2207
or (800) 858-5522.

Continued

all of their gas and gas product needs filled by local cooperatives

- The long distance telephone service that offers up to 60% savings over conventional long distance calling plans and many other telephone service features

As the word "innovative" in the new mission statement indicates, Jo-Carroll Electric Cooperative is continually looking for other diversified services and products that would benefit our members. The statement also mentions "customers," which means that people other than Jo-Carroll Electric Cooperative members can take advantage of the great programs we offer, to the benefit of our members.

The phrase "sound business practices" points out an important part of diversifying: if a product or service will not return a margin or 'make it' on it's own, Jo-Carroll Electric Cooperative will not offer it. It is critical that one class of customer or member

not 'cross-subsidize' another. We will not expect anyone to pay more for electric energy so that we can offer lower prices on another service.

The final note, "leadership role in the growth of our community" refers to both Jo-Davies and Carroll Counties as the community, as well as the towns in the area we serve. The Jo-Carroll Electric Cooperative Board of Directors wanted to be clear: your electric cooperative will be proactive in leading the growth and development of the area through the introduction and promotion of cutting edge technology and services.

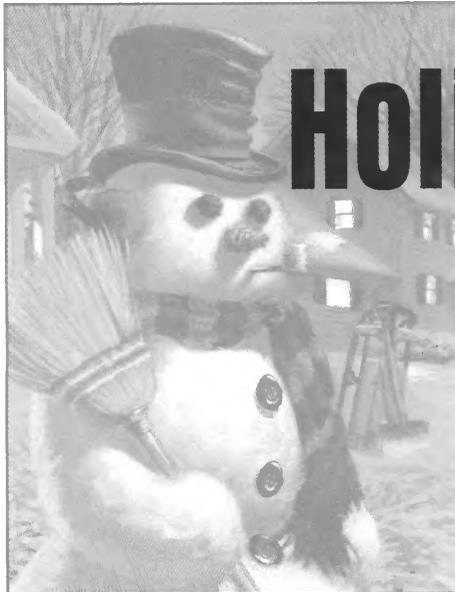
Just as the introduction of "Touchstone Energy, the power of human connections" announced a unified national presence for the over 1,000 electric cooperatives around the nation, the new mission statement signaled that Jo-Carroll Electric Cooperative has recognized that the industry to which we belong is changing.

Watch us change with it.

Office Closings



Our offices will be closed
December 24 and 25
for the Christmas
Holiday and
January 1 for
New Year's Day.



Holiday Greetings

The employees and directors of Jo-Carroll Electric Cooperative would like to extend our warmest greetings to you and your family during this holiday season. From the glow of the lights on the tree to the sound of holiday music, we are part of your annual celebrations. Whatever your holiday traditions may be your electric co-op is there for you, providing reliable electric service and state-of-the-art electrotechnology solutions.

Envirowatch monitors home when you cannot

Do you worry about the loss of power or heat in your home when you are away? Do you have a second home that you cannot check each day in the winter? Are you concerned about a confinement building losing power? Jo-Carroll Electric Cooperative can now monitor your home or confinement building when you are away.

The Envirowatch is a product that uses advanced technology and Jo-Carroll's answering service to bring peace of mind to those who rely on knowing that the power and heat is on. If the furnace breaks down or the power goes off, you can be notified immediately.

Power outages can and will happen for many reasons, and Jo-Carroll Electric has no way of knowing the power is off until someone calls to report the outage. The same is true of furnace failures.

The Envirowatch monitors both the power and the temperature in your home. If the power goes off or the temperature falls below 42 degrees, the unit will automatically call the Response Center's 800 number to report the condition. The Response Center's 24-hour operator will immediately call one of your listed contacts to correct the situation for you.

The same is true of confinement buildings - if there is a problem, the Envirowatch will notify you or whomever you list to be contacted.

The Envirowatch has been designed for easy installation and use. The unit plugs into a telephone jack and electrical outlet and features a test button and monitor light that allows you to verify the unit is correctly connected to the phone line.

Contact Jo-Carroll Electric Cooperative and gain peace of mind with an Envirowatch monitoring system.

PCA continues to be higher than normal

As reported in the October Illinois Country Living manager's Report, the cost of coal used by Dairyland Power Cooperative (DPC) continues to skyrocket.

Dairyland Power is the supplier of wholesale power to Jo-Carroll Electric and this increase in power cost due to the increase in coal cost is generally passed on to the individual members of all the cooperatives that are supplied by Dairyland Power Cooperative.

In the case of Jo-Carroll Electric, this additional cost ends up in the line item, "PCA" on your electric bill. PCA stands for Power Cost Adjustment, and is applied to each kWh used during the month.

Last month the PCA was .00425 cents per kWh. This means, if you used 1,000 kWh, \$4.25 was added to your electric bill. If you used 100 kWh, 42 cents was added, if you used 10,000 kWh, \$42.50 was added and so on. Dairyland Power will continue to attempt to control this cost, but the prices may not come down anytime soon.

In the near future, Jo-Carroll will identify this cost with the term "DPC Energy Surcharge," which is more accurate than "PCA." The new term will reflect the fact that the money collected for this purpose is not kept at Jo-Carroll or used in our local operation, it is sent to Dairyland Power.



Jo-Carroll Electric Cooperative, Inc.

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



**Reader
prize**

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

Safety presents for the ones you love



The holidays are just around the corner. Do you have shopping lists ready for each member of your family? Although they are not going to win “oohs” and “ahs” when presents are opened, here are some important gifts you may have forgotten that will show your loved ones how much you care.

■ SMOKE DETECTORS

One smoke detector is definitely not enough. December, January and February are the leading months for home fires and associated deaths in the United States. Install smoke detectors near bedrooms and on each floor of your home. Test smoke detectors monthly and replace batteries at least once a year. A good rule of thumb is to change your batteries when you change your clocks. Have children help test and change the batteries so they are familiar with the location and sound of the smoke detectors.

■ FIRE EXTINGUISHER

Every kitchen should have a fire extinguisher that is rated for grease and electrical fires. It is also a good idea to have fire extinguishers near the furnace, fireplace, garage and anywhere else a fire may start in the home. Ensure that every able-bodied person in the home is trained on how to use a fire extinguisher. If you do have to use a fire extinguisher, always be sure that you have a clear way out in case you can't put out the fire.

■ CARBON MONOXIDE DETECTORS

Carbon monoxide is an odorless, colorless gas that is the result of burning fuel for furnaces, unvented kerosene and gas space heaters, stoves or automobile exhaust. More than 200 people in the United States die each year and many more become seriously sick from carbon monoxide poisoning. The risk of carbon monoxide poisoning increases during the winter as more people use furnaces,

space heaters and fireplaces. The best way to ensure the safety of your family from carbon monoxide poisoning is a carbon monoxide detector. Install carbon monoxide detectors near sleeping areas. Carbon monoxide detectors should meet the Underwriters Laboratories (UL) standards, have a long-term warranty and be easily tested and reset to ensure proper functioning. Research the various product features to see what best suits your family.

■ GROUND FAULT CIRCUIT INTERRUPTER (GFCI)

A ground fault circuit interrupter (GFCI) is designed to protect people from severe or fatal electric shocks or electric burns by monitoring electricity flowing in a circuit and switching off power to that circuit if it senses any changes in the electric current. For example, one of your kitchen appliances has a bare wire inside touching the metal case. The metal case of the appliance is now charged with electricity. If you touch the appliance with one hand while the other hand is touching a grounded metal object, such as your water faucet, your body has just become an unintentional electric path to the ground. A GFCI would have switched off the electric current the moment it sensed the change in the electric current, preventing personal injury.

Portable GFCIs are widely available and easily plug into any electrical receptacle. Qualified electricians can install permanent circuit breaker and receptacle type GFCIs. All GFCIs should be tested once a month to ensure they are working properly.

For more information on safety products, visit the National Safety Council website at www.nsc.org, Centers for Disease Control and Prevention website at www.cdc.gov/safeusa/ and Consumer Product Safety Commission website at www.cpsc.gov/CPSC/PUB/PUBS/.