



Alan W. Wattles

Across The President's Desk

What is ahead for 2022

Sitting here on December 1, 2021, and looking forward to what 2022 may bring us, I am sharing my thoughts as to what we hope to accomplish in the coming year. Before we look ahead though, we still have about a month to go this year, I'd like to note that 2021 has been a solid year for MCEC. Our financials have improved, reliability has increased, operations are performing well, and we have tried to find new ways toward being a more visible presence in our member areas and surrounding communities during this COVID era.

We should end the year with positive operating margins and overall margins. Our goals of increasing our equity percentage, returning capital credits, and maintaining a dependable electrical system are still our top priority. Our equity at the end of 2020 was 33.73 percent, and at the end of October 2021, we are at 35.90 percent. Barring no issues through the end of the year, we should finish above the 36 percent range. The Board of Directors and employees here at MCEC continue to work hard to improve our financial position. Our ultimate goal is to reach an equity percentage above 40 percent.

Reaching a 40 percent equity percentage will allow us to receive interest rate discounts from CFC, our lender. Having a better equity percentage allows us to borrow at cheaper interest rates and helps control interest expense going into the future. This ultimately helps reduce rate pressure for our members. The Board of Directors has also approved returning another year of capital credits, the amount will be \$200,000. The amount will be spread between the years of 1995 and 2021. The Board wants to show the cooperative difference to our newer members who may not yet understand

how different our cooperative business model is versus an investor-owned utility.

Operationally, we continue to look for ways to make improvements in the way we operate. The installation of the new automatic meter reading system has gone well, the install is expected to be finished by early 2022. The data the new system provides has helped in our Cost-of-Service Study that was recently finished. One of the added items you will see on your bill for information starting with the February 1, 2022 bill is the KW demand your home uses during the month. It will only be a line item for you to see on the bill and just another piece of information to have at your disposal.

One of our biggest issues that we have had to overcome is the uncertainty of the inventory supply chain. The ability to get inventory in a reasonable timeframe has become increasingly difficult. Lead times for certain items have gone out to 40 to 50 weeks, so our ability to plan for workflow has been stressful. We have changed the way we have managed our inventory by increasing our stock in all items. We still have wait times on wire,

poles, and transformers but most other items we need are well stocked. We will continue to operate this way for the near future as the information we receive on material, indicates this backlog could last well into 2023.

We still are highly active with our maintenance of the system to keep reliability at a high standard. We have our bad pole replacement program in place with our annual system check of our poles. We are still working on underground cable replacement in subdivisions that have had unacceptable faults and, as time permits, we look to do more this year. We are staying aggressive on our tree trimming and spraying of Right-Of-Way maintenance. This has made a significant impact by decreasing outage times over the last four to five years. We recognize the need to focus on the future for load requirements on our system. With the increase in popularity of electric cars, we want to ensure we have a system that can manage the increased load needs. One of our bigger system projects that will start to show progress

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What is ahead for 2022 (Continued from page 18A)

is a new transmission line from Hecker to our Poe Substation. This line will be a backup/secondary feed for our southern end of the system. We have operated on a radial line for far too long and our goal is to get that line in place so that we can have a very solid and reliable power supply for our membership.

SIPC made the decision to close on of the boilers down at the Lake of Egypt facility starting in 2021. We have seen less pressure on our rates from SIPC and they anticipate no rate increase for 2022. SIPC has conducted a Cost-of-Service study to coincide with restructuring their rates to the distribution co-ops. With the potential for new rate structures from SIPC, MCEC will look at rates as well to see if any redesign could help our members save on their monthly electric bill. Legislative issues, regulatory compliance and low market prices continue to have an impact on

power cost. SIPC continues to face decisions that will impact how they provide electricity including continuing to evolve their generation portfolio to a more renewables-based production.

My main concern is that our job is to make sure electricity is there for you when you need it, and I fear we are going to be scrambling by the end of this decade to ensure a quality output of generation that meets our needs 24/7. I am optimistic that the right decisions will continue to be made for the benefit of our membership due to the leadership of Don Guley. He has done a tremendous job in guiding SIPC and has put the co-op on stable footing that will allow SIPC to be a competitive power supplier into the future.

With no anticipated power cost rate increase from SIPC next year, MCEC members will not be seeing any rate increase for 2022. We will, later in

2022, do a revenue requirements study to determine needs for 2023 and have a better handle on what SIPC will have as a rate structure for us. I think the future in rates will have a vastly different look. With the amount of data we receive from our AMI meters, we can have multiple rates that will help fit each member's needs. We strive to stay on top of our financial needs by updating our forecasts to see where and when we need to look at changes or when they may occur, and we do all this to be prepared.

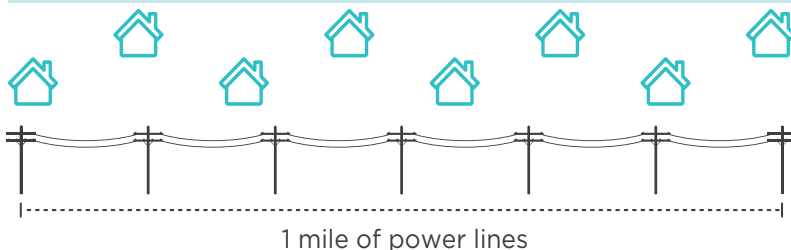
MCEC is looking forward to 2022 with the hope of another solid year financially, operationally and working safely. The Board of Directors, staff and employees are always striving to give the best service to our members. On behalf of the board, staff and employees at MCEC, we want to wish all of you a happy and safe 2022.

GOING THE EXTRA MILE

Electric co-ops maintain more miles of power lines per consumer than other electric utilities. Even though we power fewer consumers on our lines compared to other utilities, we'll always go the extra mile for you, the consumer-members we proudly serve.

ELECTRIC COOPERATIVES

Serve 8 consumer-members per mile of line



OTHER ELECTRIC UTILITIES

Serve 32 consumers per mile of line



Energy Efficiency Tip of the Month

Maximize your heating system's performance by inspecting, cleaning or replacing air filters once a month or as needed to reduce energy costs and prevent potential damage to your system.



Source: Dept. of Energy



www.mcec.org

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Are portable space heaters efficient for my home?

Small space heaters are meant to do exactly as their name says: heat a small space. But unfortunately, many people use portable space heaters to heat their entire home, which can really take a toll on energy bills. The truth, whether you should use space heaters really depends on your home's efficiency and energy needs.

If you're using a space heater to compensate for problems in your home, like inadequate insulation, drafty windows and exterior doors, or an inefficient heating system, space heaters are not a practical solution. Your best bet is to improve the overall efficiency of your home.

If you're on a tight budget, caulking and weather stripping around windows and exterior doors is a low-cost, easy way to save energy. Depending on the size of your home, adding insulation can be a great next step. Loose fill insulation typically costs \$1 to \$1.50 per square foot. Taking these proactive energy-saving measures rather than relying on space heaters for supplemental warmth can reduce your heating and cooling bills for years to come.

Perhaps your home is energy efficient but you're cold-natured and want a specific room to be cozier than the rest. In this case, a space heater may work for your needs. A good comparison is ceiling fans. Ceiling fans in the summer are used to cool people, not rooms. A space heater can be used in a similar way during winter months.

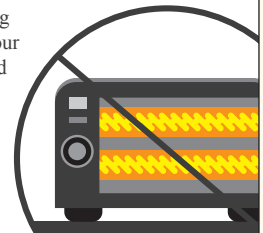
Only use a space heater in small spaces that you're occupying and, if possible, try to shut off other rooms



TIPS TO DITCH THE SPACE HEATER

Space heaters are energy hogs, and older models can be extremely dangerous. This winter, ditch the space heater and try these alternative solutions to stay cozy.

- Use an electric blanket to keep warm during the night.
- Caulk and weatherstrip around all windows and doors to prevent heat loss.
- Consider adding insulation to your attic and around duct work.



to contain the warmth provided by the space heater. If you decide to use a space heater to heat a small area in your home, make sure the heater is properly sized for the space; most heaters include a general sizing table.

A word about safety: the U.S. Consumer Product Safety Commission estimates more than 25,000 residential fires are associated with the use of space heaters every year, resulting in more than 300 deaths. If you must use a space heater, purchase a newer model that includes the most current safety features and make sure it carries the Underwriter's Laboratory (UL) label. Choose a thermostatically controlled heater to avoid energy waste and overheating and place the heater on

a level surface away from foot traffic when in use. Always keep children and pets away from space heaters.

Consider alternative ways to stay warm like extra layers of clothing or UL-approved electric blankets. If you have hardwood or tile floors, lay down area rugs to provide additional insulation (and appeal!) and maintain warmth.

We know it's cold out there, but remember in addition to safety concerns, space heaters can greatly increase your energy bills if used improperly.

If you're looking for alternative ways to save energy and increase comfort in your home, contact Monroe County Electric Cooperative at 618-939-7171. We're here to help you manage your energy use.

MCEC line outages - November 2021

Date	Duration	# Out	Map Location	Cause Desc	Substation
11/11/2021	2:32	834	Millstadt	Power supplier	Millstadt
11/14/2021	1:51	6	Obst Rd	Other, faulty equipment	Poe
11/22/2021	1:03	3	R Rd	Small animals or birds	Poe



Youth to Washington contest

Monroe County Electric Cooperative (MCEC) will again sponsor up to 10 area high school juniors to attend Youth Day in Springfield to be held on Tuesday, March 29, 2022, sponsored by the cooperative and the Association of Illinois Electric Cooperatives.

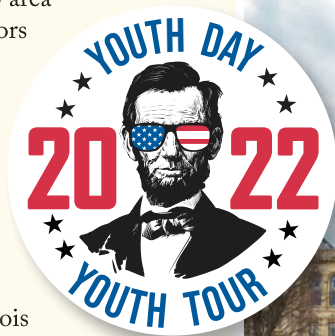
One student will be selected to go to Washington, D.C. from June 17–24, 2022 for an all-expense paid tour.

WHO MAY ENTER?

Youth Day in Springfield and Youth Tour in Washington, D.C. are open to high school juniors that are children of MCEC members.

YOUTH TO SPRINGFIELD

Up to 10 students will participate with more than 125 other youths from other Illinois electric cooperatives in Illinois Rural Electric Youth Day in Springfield set for Tuesday, March 29, 2022. The day's activities in Springfield will include touring



the State Capitol complex, visiting with legislators and a luncheon. Transportation to Youth Day in Springfield will be provided by the cooperative.

WASHINGTON TOUR

Of the 10 students attending Youth Day, one will have the opportunity to participate in the Washington, D.C. Youth Tour. The winner will

join about 70 other Illinois students who are winners of similar contests sponsored by other Illinois electric cooperatives. They will travel in air-conditioned buses, leaving on Friday, June 17 and returning Friday, June 24. While in Washington, D.C., they will visit such attractions as the White House, U.S. Capitol, Smithsonian Institution, Arlington National Cemetery, Lincoln Monument and many other national monuments and places of interest.

Applications are available at www.mcec.org/community/youth-to-washington. Completed applications need to be returned to the cooperative no later than February 11, 2022. For more information call Julie Rohr at 939-7171, ext. 113 or email to jrohr@mcec.org.

