



Mike Smith
President and CEO

New rates for 2022

The turn to a new year is always filled with the feeling of change all around and the start of something new. Utilities feel that way as last year's budget is closed out and the new budget is set and ready to move forward. Part of our budget preparation is to review the rates to our membership and ensure that sufficient revenue is returned to the cooperative. For the year 2022, we are looking at a rate increase of approximately 2.5 percent across each residential and commercial account to ensure we can cover the cost of operations for the year. In most cases, there was a facility charge increase with a corresponding decrease in the energy charge. The simple reason for this is that about 75 percent of our cost is tied to the generation/delivery of energy and not the energy itself which constitutes only about 25 percent of our cost.

Basically, we look at two things in developing our budget and the first is to cover the cost of operations. I don't think it will surprise many of you that we are seeing significant increases in the cost of materials in the range of 3-15 percent but also an increase in the lead time that materials can be delivered. Our vendors have been very clear that manufacturers must increase their costs and they are left with little choice but to pass it on to us.

The second item we look at closely in the budget is the margin we anticipate to make at the end of the year. Since we are

non-profit, we plan on an end of the year operating margin of roughly 3 percent of our total revenue. This generally satisfies our lenders requirements and allows us to borrow capital at a more favorable rate in the future. The operating margins for the year are then added to other income derived from McDonough Power's ownership in other cooperatives which is then returned to the member in the form of capital credits to be paid back to the member at a future date as determined by our board of directors.

Finally, the power generation landscape is dramatically changing as we shift from fossil fuel energy to renewable energy. It is an expensive process to create a new power supply infrastructure to support the new sources coming online and that cost will ultimately be borne by the end user. As our members invest in alternative ways to power their own facilities but still rely heavily on the electric grid to accommodate the times when their own generation is not producing it is important that our rates emphasize the recovery of our fixed cost. **539C1-266B**

We are aware that increasing cost is a burden to our membership and our goal was to lessen the increase to as little as possible. While serving rural west central Illinois has always been a challenge, it is a challenge we have accepted for more than 80 years, and we will continue to do so for years to come.



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Five ways to save energy when working from home

Today, more Americans are working from home than ever before. More time spent at home means more energy used throughout the day. **5312C3C-260A**

If you're punching the clock from home, there are small steps you can take to reduce your energy use and save on electric bills. Here are easy ways to save energy when working from home.

- 1. Use a smart power strip.** Plugging in your most-used devices, like computers, monitors and routers, to a smart power strip ensures these devices aren't drawing power when they're not in use. Smart power strips also give the option to select which devices should stay in "always on" mode.
- 2. Unplug your least-used equipment.** If your home office includes equipment like printers and scanners, you're probably not using these electronics every day. In this case, go ahead and unplug your least-used electronics and devices since many of them draw energy even when not in use.
- 3. Choose ENERGY STAR-certified office equipment.** If you're looking to purchase new equipment for your workspace, look for the ENERGY STAR label to ensure you're getting the most energy efficient features. Computers, monitors, imaging equipment and other office electronics that

receive the ENERGY STAR rating include power management features to make saving energy easy, and most are designed to run cooler and last longer.

- 4. Flip the switch and use natural light instead.** It's still chilly out there, so take advantage of natural light and additional warmth from the sun. When you're working during the day, open blinds, curtains and other window coverings to let natural light in – and don't forget to turn off the lights to reduce energy use!
- 5. Lower the thermostat.** Home heating makes up a significant portion of your energy bills. Turn the thermostat down a couple degrees during the day to reduce energy use and save money. The Department of Energy recommends setting the thermostat to 68 degrees or cooler during winter months. You're more likely to stay focused and alert when it's cooler in your home, so more reason to mind the thermostat.

Working from home doesn't have to take a toll on your energy bills, and whether you're working remotely or not, these practical tips can help everyone reduce their energy use. Contact McDonough Power if you have questions about your bills or want additional information about saving energy at home.

Shut the Door on Energy Waste.



Did you know **25% to 40%** of energy used to heat and cool your home is wasted through air leaks? Seal all exterior doors with weatherstripping to minimize energy waste.



Win a trip to Washington D.C.!

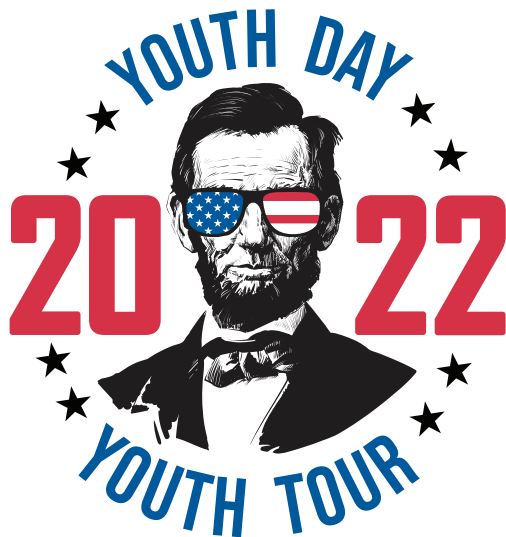
Youth Day 2022

March 29, 2022

Springfield, Illinois

Get a firsthand look at democracy in action! Meet your elected representatives during the Illinois Electric and Telephone Cooperatives Youth Day at the State Capitol.

You may even win a trip to Washington, D.C.!



Youth Tour 2022

June 17-24, 2022

Washington, D.C.

The "Youth to Washington" tour gives a few lucky students the chance to see the White House and chat with key members of Congress. Spend a week this summer in our nation's capital visiting historic sites, including the Supreme Court!

Contact your school guidance counselor for more information.

Five reasons we love serving our members

February may be the shortest month, but it's packed with special observances like Presidents Day, Black History Month and Valentine's Day, in addition to a host of unofficial "national" days you've probably never heard of like "National Tater Tot Day." But they all have something in common. They were created to draw attention to a particular issue or theme. **5424A9-264C**

Valentine's Day may seem like an observance originally created by a greeting card company, but over time, it's become a widely celebrated day generating millions of dollars spent on flowers, candy and of course, greeting cards professing our love. But Valentine's Day isn't just for the lovebirds. It's also the perfect time to let friends, family, co-workers and other special people in our lives know we care about them—with or without a store-bought greeting card.

So, in that vein, we've created our list of top five reasons why we love serving you, the members of McDonough Power Cooperative. **541C3-270C**

- 1. We love serving our members because without you, the co-op wouldn't exist.** Our purpose is to provide reliable, responsible and safe electricity. Simply put, McDonough Power exists to serve you. That's why
- 2. You enable us to complete our mission by supporting our efforts to give back.** A major part of our mission is to serve our community and look after the greater good. With your assistance, we're able to help the most vulnerable members of our community through the Operation Round-Up program.
- 3. Members of our co-op also serve on the board of directors.** They provide guidance for setting co-op priorities and helping make big decisions. Because our board members live in the area, they're able to serve as the pulse of the larger community and identify immediate and long-term needs. The broader co-op membership provides helpful input through their vote on director elections and by weighing in on co-op and community issues.
- 4. You help us get it right.** McDonough Power members are great about keeping us in the know. We do our best to avoid power outages, but Mother Nature can occasionally throw us a curveball;
- 5. You and other McDonough Power Cooperative members make up the community we serve – and for us, it's all about community.** Our employees live and work here too and care about our community the same way you do. We're invested and work to help it thrive. That's why McDonough Power donates to local charities, schools, and scholarship funds. It's also why we invest in economic development, and why you'll see our employees volunteering at local schools and other charitable and community endeavors.

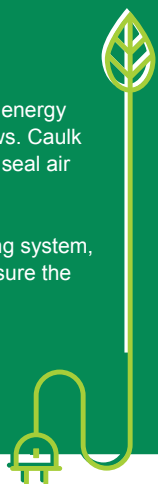
As a co-op, our mission is to enhance the quality of life in our community and look after its long-term interests. We love serving our members and our local community, and just like you, want to see it continue to thrive.

Energy Efficiency Tip of the Month

About 30% of a home's heating energy is lost through inefficient windows. Caulk and weatherstrip all windows to seal air leaks.

When running your home heating system, lock all operable windows to ensure the tightest seal possible.

Source: Dept. of Energy



Member Prizes

Every month we will have four map location numbers hidden throughout The Wire. If you find the map location number that corresponds to the one on your bill (found above the usage graph), call our office and identify your number and the page that it is on. If correct, you will win a \$10 credit on your next electric bill.