

The  
**SOUTHEASTERN**

# Light

**SouthEastern Illinois Electric Cooperative Eldorado, Illinois**

Your Touchstone Energy® Partner 

## President's Comments



**Dustin Tripp**  
President/CEO



**S**outhEastern Illinois Electric Cooperative held its 73rd Annual Meeting on Tuesday, August 2, 2011 with approximately 1220 members registered and approximately 1800 in attendance. For those of you who were unable to attend your Cooperative's annual meeting, this article will summarize the report members received at the annual meeting.

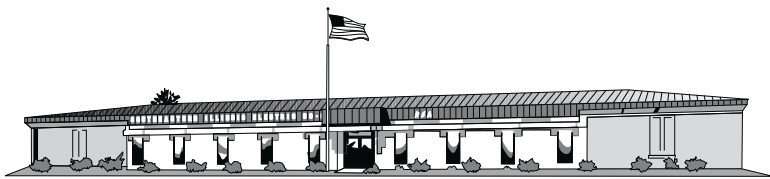
During the year 2010, your Cooperative invested \$7.9 million in system improvements to replace aging infrastructure and invested \$6.6 million in maintenance activities in order to increase electric service reliability. Your Cooperative also constructed 324 new services, upgraded 113 services, rebuilt 26 miles of distribution line and replaced over 430 bad poles.

Your Cooperative ended the year 2010 in sound financial condition and was able to reduce the overall average cost by

almost 5 percent to Cooperative members primarily due to lower wholesale power costs. As a not-for-profit organization, your Cooperative does not strive to produce profits for shareholders and investors but must maintain a sound financial position for the membership. Your Cooperative sets electric rates high enough to cover the costs of providing service and at the end of the year, any funds collected above the costs of service are allocated to you in the form of capital credits. When the financial condition of the Cooperative permits, the capital credits are then retired and paid back to you, as members and owners. In 2010, your Cooperative's Board of Trustees approved the retirement and return of \$1.7 million of Capital Credits and the capital credit checks were mailed to members in December of 2010.

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READERSHIP PRIZE WINNER:  
Roger Robinson, Cave-In Rock, IL



Since 1963 Southern Illinois Power Cooperative (SIPC) at the Lake of Egypt has provided the generation and transmission service to your Cooperative. In fact, your Cooperative was one of the three original distribution cooperatives that formed SIPC. Today, SIPC is owned and controlled by seven distribution cooperatives located in Southern Illinois. In 2010, more than 74 percent of your Cooperative's total expenses were spent on purchased power. This means that for every \$1 in total expenses, 74 cents of that dollar went to purchase the wholesale generation and transmission service from SIPC.

In 2007, SIPC signed contracts to acquire 125 megawatts of the new Prairie State Energy Campus (PSGC) located in Washington County. Prairie State is a planned two unit, 1,600 megawatt supercritical coal-fueled power plant featuring advanced technology resulting in high efficiencies while achieving emissions that are far superior to America's current coal-fired generating fleet. This new facility has been under development since fall 2007 and unit one is expected to come on line in December of this year and unit two is scheduled to come on line in June 2012.

As you can imagine, the construction of new generation facilities require significant time and financial investment. It is very common for utilities to face increasing rates when new generation facilities are constructed and they have to begin repaying the loans required to build the facilities. In fact, when SIPC constructed Unit 4 in the early 1980's the wholesale rate to your Cooperative increased 20% in 1980, 19% in 1981 and 20 percent in 1982 before leveling off. These rate increases were required to begin repaying the loans for the new facility.

With SIPC's acquisition of 125 MW of the new Prairie State Generation Campus, SIPC has notified your Cooperative that the

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▲ Kids prize winners



▲ Annual Meeting Registration



▲ Trustees re-elected (l-r) Tim Spivey of Rosiclare, Joseph Marlo of Marion and Robert Tiberend of Benton



◀ Grand Prize Winners



▲ Learning to be a Lineman



◀ Entertainment

wholesale rate will increase in the coming year. Although the SIPC Board of Directors has not officially set the new wholesale rate at this time, we do expect our wholesale rate to increase approximately 23 percent in the coming year and then decline slightly in 2013. Your Cooperative's Board of Trustees and management have carefully reviewed the wholesale rate increases and have been taking steps to minimize the rate increase to you as Cooperative members. Your Cooperative's plan is to spread this wholesale rate increase over the next few years to minimize the impact of the cost increases. This plan will begin in October of this year by restructuring the retail rates to reflect changes in our wholesale power costs, adjusting the wholesale power cost adjustment charge, adjusting facilities charges and implementing a base rate increase. When all of these adjustments are complete and the new rates go into effect in October

of this year, your Cooperative anticipates that the overall average cost increases to you as Cooperative members will be 4 to 6 percent.

Members were updated on the status of federal climate change legislation. Although Congress did not pass the contentious bill, the U.S. Environmental Protection Agency (EPA) became more aggressive by introducing and implementing several new regulations that impact coal-fired generation facilities. In January of this year, the EPA began regulating carbon emissions from new power facilities. This new regulation was made possible by a U.S. Supreme Court decision that allows the EPA to use the Clean Air Act to regulate carbon emissions. In addition, the EPA has introduced a wide variety of new proposed regulations regarding coal combustion byproducts, mercury, cooling water requirements and more stringent controls on other emissions. Industry studies have reported that

stringent regulations in these areas will force utilities to retire or retrofit numerous generation facilities across the country requiring a significant capital investment which would lead to higher energy prices for all of us as energy consumers. While many of the new EPA regulations have not been finalized, your Cooperative is committed to keeping you informed about proposed legislation and new regulations that will impact your electric bill.

After 73 years of service your Cooperative remains committed to providing the highest level of service while continuing to keep rates as affordable as possible. Your Cooperative is owned by the people it serves and will continue to be an electric cooperative that is truly operated "for the people and by the people."

See you next month and as always, "We'll keep the lights on for you."



In observance of Labor Day, the office will be CLOSED on Monday, September 5

## POWER OUTAGE

### If your power goes off, we offer these suggestions

1. Check the fuses or circuit breakers in your service panels. If you have breakers, make sure they are in the "ON" position.
2. If you have a meter pole, check the main breaker panel just below the meter socket. If the breaker is in the "OFF" position, check all of your wiring from the meter pole to your various buildings. If the wiring appears to be okay, reset the breaker to the "ON" position.
3. If you still do not have power, check with neighbors to see if they have power.
4. To report a power failure or other emergency, please phone 1-877-399-8405. This phone number is monitored around the clock, 365 days per year to accept your outage and emergency calls.
5. Your phone call will be handled by SouthEastern's automated outage reporting system and will be identified automatically through ANI (Automatic Number Identification). An outage record will then be generated for your location. Please note that the phone number from which you place the call will be the number used to generate the record. If the system fails to recognize your phone number, members having touch-tone phones may simply enter their seven-digit phone number (without area code) in order to report the outage. Members not having touch-tone phones will be asked to leave a message. It is important you leave your name, phone number and location of the outage. Retrieving messages and entering them into the system is time consuming; therefore, please leave only a message that will help in restoration of electric service. Do not remain on the line for an operator because a live operator is not there to respond. In order to keep a current listing of all numbers, it is important that you notify the Cooperative of any changes in your telephone number.
6. Handling outage calls electronically allows you to report power failures very quickly. Once your outage has been reported, it will be dispatched to repair personnel who will restore your outage as soon as possible. Calling back repeatedly will not shorten the length of the outage, but may hinder the efforts of other members who are trying to report outages.

**OUTAGE CALLS ONLY 1-877-399-8405**

#### **SouthEastern Illinois Electric Cooperative, Inc.**

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618-273-2611 or 800-833-2611 • Office hours: 8 a.m. - 4 p.m. M-F