

JAMMUP

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Annual Meeting Recap

More than 500 members of Southern Illinois Electric Cooperative (SIEC) attending the co-op's 72nd annual meeting heard reports on local and national issues impacting the co-op's rates. Co-op leaders said growing global demand for energy, dwindling base load generation, resistance to new coal generation, inadequate high-voltage transmission lines, and increased regulation is leading to higher costs and greater risk, and uncertainty in decision making. The meeting was held Thursday, August 4 at the Shawnee Community College in Ullin.

Board President Scott Ury of Anna reported the co-op's equity improved due to expense cuts, delayed spending on capital expenses and due to a year without major system-damaging storms like previous years. Ury announced that because of 2010 being an excellent year of margins, the board of directors has determined it will retire approximately \$650,000 in capital credits later in 2011. This retirement will be a partial refund of the 1984 capital credits.

General Manager and Executive Vice President Larry Lovell said the industry is experiencing "suffocation from regulation." Although climate change legislation did not pass in Congress, Lovell said the U.S. Environmental Protection Agency is moving forward with regulation of carbon emissions. "In addition,



During the 72nd annual meeting of the members of Southern Illinois Electric Cooperative members elected three directors. From the left are Executive Vice President/General Manager Larry Lovell of Anna, board members Scott Miller, Carole Kelley and David Martin. Miller replaces retiring board member Raymond Snell and Martin replaces retiring board member Larry Fisher.

EPA policies dealing with coal ash, cooling water intake, hazardous air pollutants, cross-state air pollution rules, and state renewable energy requirements will lead to higher costs," said Lovell.

This is leading some utilities to shutdown older base load coal fired generation. Lovell said that the North American Reliability Corporation (NERC), the nation's power grid watchdog, forecasts the country will need to build 135,000 megawatts of new generation by 2017 to meet expected demand. But only 77,000 megawatts of generation is on the drawing board leaving

a big gap in the country's energy supply. Compounding the problem NERC estimates that EPA regulations may lead to a closure of 33,000 to 77,000 megawatts of capacity by 2015. **Majorie Dales**

In 2007, anticipating a need for new generation, Southern Illinois Power Cooperative (SIPC) purchased a 7.9 percent or approximately 125 megawatts of the Prairie State Energy Campus being completed in Washington County.

The two coal-fired generating units will produce 1,600 megawatts of "clean, low-cost electricity," says

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Lovell. Every aspect of Prairie State is being designed to ensure environmental protection. The project will invest approximately \$1 billion in 21st century technologies, making it among the cleanest power plants of its kind anywhere in the nation.

The first unit will begin generating power in January using coal mined at the same site, thus lowering expenses by eliminating coal transportation costs. The second unit will begin generation by next summer.

To recover the cost of its long-term investment SIPC will increase its wholesale power rates to Southern Illinois Electric Cooperative and six other southern Illinois electric co-op owners of the generation and transmission cooperative. Lovell expects to see a 21 percent wholesale power cost increase next year. A seventh co-op, Norris Electric Cooperative headquartered in Newton, will begin buying power from SIPC in 2013, and that will lower the expected increase to 16 to 18 percent beginning in that year. **James K. Madlock**

To diversify its energy portfolio, SIPC also recently announced it is purchasing 10 megawatts of wind



Winner of the Kids' Grand Prize, Issac Helton, grandson of David Hironimus.

energy power from the Pioneer Trail Wind Farm. The wind farm is being developed east of Paxton, Ill.

Lovell said that because wholesale power costs represent 60 percent of the local rates, the increase to local co-op members would be approximately 9 to 13 percent. Lovell said the board is analyzing several options including restructuring the rates, increasing the wholesale power cost adjustment or a combination of the two options.

"We don't anticipate any changes in rates until 2012," said Lovell.

"We'll keep you informed every step of the way. We are deeply concerned about escalating costs in our volatile economy. We will work hard to minimize the impact of any necessary price

increases. We are accountable to you, our members and not to outside investors. SIEC is a cooperative, a not-for-profit business and you, as a member, are important in our decision making."

Southern Illinois Electric Cooperative is a member of Touchstone Energy® — an alliance of more than 700 local, consumer-owned electric utilities around the country. Southern Illinois Electric is committed to providing superior service based on four core principles: integrity, accountability, innovation and commitment to community. The co-op serves more than 11,700 meters over 2,120 miles of line in parts of Alexander, Johnson, Massac, Pope, Pulaski and Union counties. For more information visit www.siec.coop.



Laura Taylor and SIEC Administrative Assistant Cathy Belcher (right). Cathy was recognized during the meeting for 25 years of service.



Member registration.



Seven beautiful southern Illinois ladies graced the stage this year. From left: Brittany Bracken, Mahala Prater, Sydney Scherer, Valerie Pender, Lindsey Carter, Carly Draper and Samantha Flamm.

Emcee and group member Ashley Hatfield sings with Steve, Ashley & Darrell, a locally popular trio. ▶



Member prize

In this issue of the JAMUP, we printed the names of three SIEC members who are eligible to receive a \$10 credit toward their utility bill. If you find your name printed in this center section and it's not part of the story, call Jerri with your account number at **800-762-1400** to claim your prize.

Southern Illinois Electric Cooperative

Board of Directors

- Scott L. Ury (President) Union Co.
- Dale E. Taake(Vice President)Pulaski Co.
- Carole J. Kelley(Secretary-Treasurer)Johnson Co.
- Larry A. Douglas.....Massac Co.
- G. Robert InmanPulaski Co.
- William E. Littrell..... Union Co.
- David MartinMassac Co.
- Scott MillerAlexander Co.
- Richard D. Moss.....Alexander Co.
- Ronald E. Osman (Attorney)

Manager Larry Lovell * Editor Jerri Schaefer

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2010 Miss SIEC Beauty Pageant Winners



Four area women were winners in the 58th Miss Southern Illinois Electric Cooperative Beauty Pageant, which was held during the annual meeting of members on Thursday, August 4 at Shawnee Community College in Ullin. From the left stood: First Runner-up, Mahala Prater, daughter of David and Kim Prater of Anna; Miss Southern Illinois Electric Cooperative, Lindsey Carter, daughter of David and Suzanne Carter of Jonesboro; Miss SIEC 2010 Crystal Davis; Second Runner-up, Carly Draper, daughter of Steve and Julie Draper of Alto Pass; and Miss Congeniality, Samantha Flamm, daughter of Richard and Cynthia Flamm of Cobden.

Retirements



Larry Fisherr Retires from SIEC Board after 16 years of service

C. Larry Fisher of Karnak was appointed to the SIEC board of directors in January 1995 to serve the unexpired term of Lawrence Wilke, and was elected in August 1995. He has also served on the

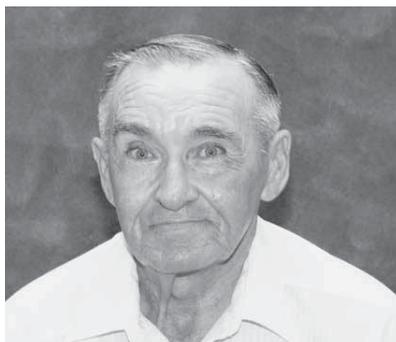
SIPC board from 1999 until March 2011. Larry officially retired after 16 years of service, at the annual meeting of members last month.

"I plan to finish the lake and spend a lot of time fishing with the grand kids," says Larry. He is married to Jeanie and they have three children and nine grandchildren. They live on the family farm, and he is also retired from farming.

Larry says that what he has enjoyed most about serving as a director are the people and all the places that the business forums have been held. He has met people from all over the country. He explains, "The most difficult thing about being a director has been when we,

the SIEC directors, sit down at a board meeting, you leave the Larry Fisher, Massac County farmer hat in the truck, and put on the SIEC hat and try to make the best decisions for the Co-op and ALL its members." He also says that rates and rate increases to keep the Co-op finances in the black, when members are having trouble making ends meet (especially those on a fixed income), is also very difficult.

Larry states, "Whether employee, staff, manager, director, lawyer, statewide or national, we are all one big Co-op family and our goal is to serve the member/owners and make their lives better."



Raymond Snell retires from SIEC Board after 33 years of service

Raymond Snell has officially retired from Southern Illinois

Electric Cooperative (SIEC) as a board director after 33 years of service. He has served Alexander County since August of 1978.

He and his wife Anna live in Thebes. He is a retired farmer. Raymond and Anna are active members of the Alexander Freewill Baptist Church in Olive Branch. They plan to continue working with their church and community after Raymond's retirement from the SIEC board.

When asked what he has enjoyed most about serving as a board

director, Raymond explains that he has enjoyed meeting all of the people up and down the state who make our people's lives better through electricity, and helping with community projects.

"I appreciate the chance to work at SIEC all of these years," states Raymond. "My concerns have always been trying to help people live better, however I can, and the people I worked with over the years have always had that uppermost in their priorities."



Southern's office will be closed September 5th in observance of Labor Day



Southern Illinois Electric Cooperative

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