

JAMMUP

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A Touchstone Energy® Cooperative 

Upcoming Cost-of-Service Study: Understanding your cooperative's rates



Dear Member-Owners,
To ensure fair and equitable electric rates, Southern Illinois Electric Cooperative is conducting a Cost-of-Service Study (COSS). This study is a

routine analysis that helps us understand the costs associated with providing reliable electricity to our members.

The COSS will evaluate factors such as energy usage patterns, infrastructure costs and operational expenses. The results will help guide future rate structures, ensuring that rates are aligned with the actual costs of serving different member categories.

Transparency and fairness are key priorities for us, and we will keep you informed throughout the process.

Some frequently asked questions are below.

Thank you for being a valued member of Southern Illinois Electric Cooperative. **Don E. George**

What is a Cost-of-Service Study (COSS)?

A Cost-of-Service Study (COSS) is an analysis used by electric cooperatives and other utilities to determine the actual cost of providing electricity to different types of members. The study helps ensure that rates are fair,

equitable and based on the expenses incurred to serve each member category.

Key aspects of a COSS:

- 1. Identifies costs**
Breaks down expenses related to power generation, power transmission, power distribution, and maintenance and operation of the electric system.
- 2. Allocates expenses fairly**
Determines how these expenses should be distributed among different member categories based on their energy consumption patterns and demand.
- 3. Guides rate design**
Helps establish rates that reflect the true cost of providing electric service, ensuring fairness while maintaining financial stability.
- 4. Supports decision-making**
Provides data-driven insights for future infrastructure investments, energy efficiency programs, and rate adjustments.

By conducting a COSS, electric cooperatives ensure that all member-owners pay their fair share, keeping the system sustainable and reliable for everyone.

What are the different types of member categories?

Member categories (types) consist of residential, commercial, industrial, etc. Within each category, there can be more than one type. For example, commercial consists of small

commercial and large commercial. Each category may very well cause different levels of expense to serve electricity to the category.

Why is a Cost-of-Service Study (COSS) important?

A Cost-of-Service Study is important, because it ensures that electric rates are fair, transparent and based on actual costs. Here's why it matters:

- 1. Fair and equitable rates**
A COSS ensures that each member pays their fair share based on how much it costs to provide them with electricity. Different member categories (residential, commercial, industrial) use electricity differently, and the study helps identify these differences so that we can allocate costs fairly.
- 2. Financial stability of the cooperative**
By understanding the true costs of providing service, the cooperative can set rates that cover expenses while maintaining financial health. This prevents undercharging (which can cause financial losses) or overcharging (which is unfair to members).
- 3. Transparency and accountability**
Since electric cooperatives are member-owned, it's essential that rates are based on actual costs, not arbitrary pricing. A COSS provides a data-driven approach to rate setting,

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Utility scams in this age of AI: How to spot and avoid fraud

Someone calls claiming to be from your utility company. They say your service will be cut off if you don't pay them immediately. Real utility companies don't do this. But scammers want to scare you into paying before you have time to confirm what they're telling you. And scammers are now using Artificial Intelligence (AI) to craft frauds that are difficult for consumers to detect. Learn how to protect yourself.

Beware of these common scam tactics

- Disconnection threats: Scammers claim your service will be cut off without immediate payment.
- Caller ID spoofing: Fraudsters use software to make their calls appear legitimate.
- Overpayment claims: They may say you've overpaid and ask for personal or banking information to issue a refund.
- Smishing: Scammers send fake text messages that seem to come from your utility company.
- Phishing attempts: Beware of emails that look like bills; always verify the sender's email before clicking links.

If you have any doubt about the status of your electric service, call your utility company using the customer service phone number on their website.

Watch for the following red flags

- High-pressure tactics that demand urgent action.
- Unusual payment method requests (wire transfer, gift cards, reloadable cards or cryptocurrency).
- Poor grammar, misspellings and suspicious email addresses.

AI use enhances utility scams

By leveraging AI-powered techniques, utility scammers can create sophisticated and convincing frauds that are hard for consumers to recognize and avoid.

- AI helps scammers craft convincing emails that appear to be from legitimate utility companies and include the use of company colors and logos.

- Scammers use AI to create realistic-looking utility company websites that are nearly indistinguishable from legitimate ones.
- AI technology can clone the voices of utility company representatives, making phone scams convincing.
- AI analyzes victims' online presence and social media to create highly personalized spam related to your utility services.
- Scammers create geographically targeted online ads that appear when users search for keywords related to their energy bills.
- Scammers use AI to launch large-scale utility scam campaigns quickly and efficiently.

According to Kathy Stokes, AARP Director of Fraud Prevention Programs, "the ability of AI to improve and scale scam tactics is the equivalent of the Industrial Revolution for fraud criminals."

Protect yourself

- Take your time: Don't rush into payments or action.
- Verify any communication by calling your utility company directly using the number on your bill.
- Never share personal information. Legitimate companies won't ask for sensitive details over the phone. **NEVER**
- If someone claims to be a utility worker, request official identification.

If you suspect a scam, report it to your utility company and the FTC at [ReportFraud.ftc.gov](https://www.ftc.gov/ReportFraud).

Remember, legitimate utilities will provide multiple notices before disconnection and will not pressure you for immediate payment. If you are in doubt, let your utility company know so they can take proactive measures to both protect you and others from becoming victims.

Learn more at:



Classroom Grant 2025 Winners



Morgan Politte
Anna District #37



Stephanie Hill
Jonesboro Elementary #43



Melisa Taylor
Anna District #37



Craig Bradley
Vienna High School #133



Leslie Thurston
Anna District #37



Crystal Knueven
Lick Creek CCSD #16



Lori Randolph
Anna District #37

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 Brent with your account number at **800-762-1400** to claim your prize.

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Office hours: 8 a.m. – 4 p.m.
www.siec.coop

Blood Drive



March 12th
12:30-5:30pm

We will have a Blood Drive at Cypress Grade School on March 12th from 12:30-5:30pm and be continuing our \$10 bill credit for member donations!

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ensuring transparency and member trust.

4. **Smart infrastructure planning**

The study helps the cooperative identify where money is being spent and where investments are needed — whether for upgrading infrastructure, improving reliability or expanding service.

5. **Industry best practices**

Ultimately, a COSS helps electric cooperatives make informed decisions, keep rates fair, and maintain a reliable and sustainable electric system for all members.

Will the Cost-of-Service Study (COSS) lead to a rate change?

Possibly. After reviewing the study's findings, we may need to adjust rates to better reflect the actual cost of providing service.

Here's what could happen:

- **No change:** If the study shows that our current rates are fair and covering costs appropriately, rates may stay the same.
- **Increase:** If the study shows that our current rates are not adequate for the long-term financial health of the cooperative, rates may increase.
- **Adjustments for fairness:** If some member categories are paying more or less than their fair share, small adjustments may be made to ensure fairness. **Mike B. Parr**

When was the last Cost-of-Service Study (COSS) and rate adjustment?

We conducted a Cost-of-Service study in late 2017/early 2018. A rate adjustment followed in March/April of 2018.