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Rural HIGHLIGHTS

A publication of Rural Electric Convenience Cooperative • Auburn, Illinois • www.recc.coop



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- John Beatty
- Clayton Bloome
- Ted Dowson
- Cassie Eigenmann
- Thomas Hart
- Mel Repscher
- Lou Weitekamp
- Chris Wilcox

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- | | |
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| Lou DeLaby | Curt Nicholson |
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| Becky Grossner | Brandon Taylor |
| Bill Hart | Walter Wallace |
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Merry Christmas
from the directors and employees of
Rural Electric Convenience Cooperative!

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Dana Smith, *editor*



Your Touchstone Energy® Partner 

Board report

Resume of Minutes **Regular Board Meeting** **October 25, 2011**

The regular monthly meeting of the Board of Directors of Rural Electric Convenience Cooperative Co. was held at the cooperative headquarters on September 27, 2011, at 7:00 p.m., with all members present. Also present were President/CEO David Stuva; Manager of Office Services Dean Fuchs; Executive Assistant Sandy Lex; AMI/Billing Specialist Becker Grossner; Computer Support Specialist Brandon Taylor; Journeyman/Lineman Tim Hemberger; and Attorney Jerry Tice.

* The minutes of the September 27 regular Board meeting and October 18 special Board meeting were approved as presented.

* Sandy Lex and Brandon Taylor answered questions from the Directors regarding the iPad tablets being used for Board materials and information.

* Dean Fuchs and Becky Grossner reviewed the billing error that occurred on bills for the off-peak grain drying rate in September, and the immediate corrections that were sent when the error was discovered.

* President/CEO Stuva presented the IMEA Report. He announced that Kevin Gaden was hired as the new President/CEO for the IMEA replacing Ron Earl who will retire in December 2011.

* The AIEC report was given by Chairman Ayers. He reviewed the executive summary of the AIEC October 20 board meeting.

* The Attorney's report was provided by Attorney Tice.

President/CEO's Report

CEO Stuva reviewed the following reports which had either been mailed or distributed to all directors and attorney: Job Training and Safety, Meters and Outages, Operations and Maintenance, Engineering and Construction, Cash Disbursements Summary, and Check Listing. The financial and statistical reports for September were reviewed and accepted for placement in the cooperative's files.

CEO Stuva also:

* Reported that RECC received a check from the Illinois Emergency Management Agency for \$47,498.74 which represented the partial reimbursement by the Federal Emergency Management Agency for the co-op's damages resulting from 2011 winter storms.

* Reviewed plans for upcoming meetings and classes.

Board Action

The Board acted on the following:

* Approved the application for, or reinstatement of, membership and electric service for 18 persons.

The meeting adjourned at 9:15 p.m.



***Our office will
be closed for
the holidays
on Dec. 26
and Jan. 2***

More than farms in the countryside Housing developments added to RECC's growth

Rural areas were largely farm oriented in the first half of the 20th century, when RECC and other co-ops were created to extend electric lines into areas that didn't look profitable to the existing electric utility companies. With the lack of services in the country, only those working the land tended to live on the wide-open fields of central Illinois.

Electric lights, appliances and well pumps made the countryside a little more inviting, along with affordable cars and other modern conveniences that made it easier to reside outside of town. As the quality of life in the country began to catch up with that of "city folks," rural housing began to grow in the 1950s.

Rural Electric Convenience Cooperative has certainly seen that growth in our service area, and especially in the areas nearest Springfield's huge job market. Recent surveys show that less than 17 percent of our members consider their main occupation as "farming," while most have jobs away from home or are retired.

While the first homes appeared here-and-there across our system, platted developments started as early as the mid-1950s. One of the first was west of Girard, around Sunset Lake which was created in 1955 with a dam across two creeks. Some of the first homes were built by William Beasley, Dr. H.A. Finney, and a Lloyd Bukette from Springfield.

Over the years, many more homes have been built near the lake and many of the original "cabins" have been replaced with year-round homes. Today, RECC serves about 200 homes in the area, with dozens of open lots still available in the



The Covered Bridge subdivision in Glenarm, started in 1976, today boasts 75 homes among the scenic lake and mature trees.

development.

In the Chatham-Glenarm area, the co-op serves more than a dozen subdivisions that include hundreds of homes, along with stretches of road that look more like suburban streets than rural farmsteads. Well-established subdivisions like Covered Bridge Acres boast acres of mature trees, while newer developments are still dotted with young saplings across the front lawns.

What was once farm fields on the south side of Auburn has developed since the 1960s into a grid of streets which today includes over 150 homes inside of the city limits.

The Claireshire subdivision on the northwest edge of Pawnee was opened in 1976, and continues to expand with about 100 homes today. (Even newer is the Horse Creek development on the west side of Claireshire.)

RECC serves just one large subdivision in Taylorville, the Park West area on the city's southwest side, along with a platted area along Briarcliff Road and commercial accounts along South Spresser that

include Lincoln Land Community College and MBM Meats. Park West even includes two apartment buildings, a rare sight in Rural Electric's area.

We do have larger residential areas in our southern sections as well, especially around Lake Lou Yeager near Litchfield. The Stagecoach subdivision was opened in 1968, along with the nearby Arrowhead and Solar Circle areas.

Even with the thousands of rural and suburban homes served by RECC today, we still serve an average of just 4.3 consumers per mile of line in our distribution system. That compares to an average of about 35 consumers per mile for a typical investor-owned electric company, and 47 consumers per mile for municipal electric systems.

That means it does cost more to build and maintain the lines to our rural members than it would in the city, but it's a part of rural living that we choose for many reasons. Each home is an important part of our co-op today, along with the farms and businesses that have developed with the help of reliable, affordable electric power.

New transformer installed at Harvel substation

Capacity increased from 2,499 KVA to 5,000 KVA

RECC's crews completed the installation of a new, larger transformer at the Harvel substation on November 17, the last of three substation upgrades planned for this year.

The new 5,000-KVA transformer will be able to meet the power demand on the co-op's distribution circuits in Montgomery and Macoupin counties, and also carry more load when other substations may be shut down due to equipment failures or transmission line outages.

"We will switch our circuits to back feed power to members whenever a substation is expected to be out of service for a significant period of time," says Lou DeLaby, Manager of Operations and Maintenance. "Our homes and businesses rely on electricity so much today that we need to minimize the outage times while repairs are carried out on our lines or on the transmission lines coming into our substations."

DeLaby says the circuit switching between substations is done manually by RECC's linemen, so it does take time for them to go to the needed switches and operate them at the specified time. "We've built up our main feeders to carry the load safely from one area to another if that's the best way to get our members' lights back on," he points out.

A substation transformer takes power from the transmission lines at 69,000 or 34,500 volts, and reduces it to 12,470 volts to be sent out on RECC's distribution system. At each member account, another transformer reduces the voltage again, typically to 120/240 volts.

(Continued on page 5)



◀ One of the three smaller individual transformers is lifted out of RECC's Harvel substation, making way for the larger transformer.

The new 5,000-KVA transformer is ready to be unloaded and installed at the Harvel substation. ▼



RECC linemen connect the transmission lines into the new transformer and the 12,500 volt distribution lines feeding out. ►



“Power marketers” may cause confusion

RECC members contacted by companies seeking Ameren customers’ business

We printed an article in September about some RECC members receiving telephone calls or mailings that promise savings on the energy portion of their electric bill by switching their power supplier. While many more letters and calls have arrived at members’ homes and businesses since then, the solicitations are NOT aiming for RECC members.

The marketing campaigns are intended for Ameren customers, but the sales people are using ZIP codes and phone lists that include all area residents. It’s a standard mass marketing practice, that’s causing a lot of confusion! One of the recent companies sending out thousands of letters in our area is called Direct Energy.

The marketing efforts are the result of legislation passed nearly a decade ago, that allows investor-owned utility customers to choose who supplies the energy portion of their electric bill. It does not change who distributes the electricity to the consumer.

Deregulation was driven by and mainly benefited larger industrial loads in the past few years. In general, the savings for residential consumers and small businesses have been dismal or nonexistent. Some new rules put in place by the Illinois Commerce Commission have made it easier for competitive companies to coordinate billing and records with Ameren and

Commonwealth Edison, and now the state has more activity from companies who want to sell power to residential customers.

Marketers make choice sound wonderful, but the risks for consumers can be high. Power generators and the electric utility industry are facing unprecedented levels of

risk and uncertainty in today’s environment. With the economy in the doldrums, the “open market”

price for electricity has fallen, so competitors can offer slightly lower costs for power than Ameren or ComEd’s standard rates. That may change when the economy and electric demand start to recover.

The Citizens’ Utility Board (CUB) warns Ameren and ComEd customers to look carefully at the fine print in these contracts, for provisions in canceling a contract or possible price changes during the contract term.

Co-ops not included

All the details of electric deregulation, and the campaigns of the power marketers, are not relevant to Illinois electric co-op members anyway, at this point. The deregulation legislation

recognized that cooperatives and municipal utilities are different and should have the right to make a local decision on whether or not to enter the deregulated market. As of now, no cooperatives have chosen to participate.

Their reasoning is that locally elected co-op board members

(and city councils in municipal systems) already give consumers local control over their utilities. If those consumers demand more options or a different direction in power supplies,

than they can make that happen through election of co-op directors or municipal city councils.

And really, co-ops and small municipal electric systems are already doing what the power marketers are trying to do ... aggregate groups of consumers to get a better deal on power than an individual customer can find on their own.

So, if you receive a phone call or mailing from one of the power marketers, you can let them know that you already have someone looking out for your best interest on your electric bill. We’re your local source of power, as well as information and advice to help use electricity wisely and safely.

Marketers make choice sound wonderful, but the risks for consumers can be high.

New transformer (continued from page 4)

The Palmyra substation transformer was changed out on March 16 of this year, and the Farmersville sub was upgraded on July 1. More work will be

done in coming months to replace the wiring and switches at Farmersville and Harvel.

DeLaby says all nine of our substations are now in good

shape for normal and emergency operations, and no additional upgrades are planned in the next several years unless a major project brings new loads into our area.

Scholarship applications due Dec. 31

Application forms for the Illinois Electric Cooperatives' memorial scholarships must be returned to the RECC office by Dec. 31, 2011. Seven scholarships of \$1,250 will be awarded in 2012 to eligible high school seniors. In addition, an eighth scholarship will assist with costs in attending an electric lineworker school. Winners will be announced by May 1, 2012.

Four scholarships will be awarded to students who are the sons or daughters of an Illinois electric cooperative member receiving service from the cooperative. A fifth scholarship, the Earl W. Struck Memorial Scholarship, will be awarded to a student who is the son or daughter of an Illinois electric cooperative employee. The sixth and seventh scholarships are reserved for students enrolling full-time at a two-year Illinois community college who are the sons or daughters of Illinois electric cooperative members, employees or directors. The eighth annual scholarship will help pay for costs to attend the lineworker's school conducted by the Association of Illinois Electric Cooperatives in conjunction with Lincoln Land Community College in Springfield.

Application forms are available from the RECC office in Auburn, and can also be downloaded from our website (www.recc.coop). Look under the "Downloadable Forms" link on our home page.

Refrigerator recycling continues

RECC, the Illinois Municipal Electric Agency (the agency that supplies our wholesale electricity) and the Appliance Recycling Centers of America (ARCA), Inc. are still offering the Illinois RecycleMyFridge program. Residents of owner-occupied homes served by the RECC can schedule an appointment to have their refrigerator or freezer picked up from inside their homes, free of charge, by calling (toll free) 877-341-2313 or visiting the program's Web site (www.RecycleMyFridge.org). The unit will be properly

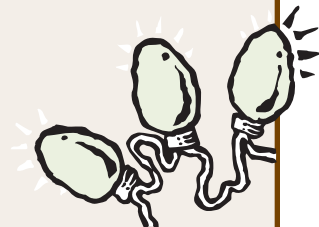
recycled and, in return, each participant will receive a \$35 gift card.

On pick up day, ARCA will collect each fridge or freezer from inside your home, as long as it is a qualifying appliance, plugged in and cooling, with a clear pathway available. The appliance will then be taken to ARCA's local recycling center to be responsibly dismantled and recycled. Within four weeks after the collection of your appliance, you will receive your \$35 pre-paid card.

LED Christmas lights save energy

When you prepare to put up some strands of Christmas lights, keep in mind the energy they'll use. If you leave your decorative lights on several hours each night, starting in early December, they can add several dollars to your electric bill. LED lights and other ENERGY STAR products use less power than incandescent bulbs, with less worries about overheated wires. Here are some points to consider when planning your holiday lighting display:

- ENERGY STAR qualified decorative light strings— many which feature LED technology — consume **75% less energy** than conventional incandescent lights strands.
- A traditional mini incandescent light string with 300 lights costs about \$4.50 in electricity costs over the holiday season. In comparison, the LED equivalent costs only \$0.43 to operate.
- This is an annual savings of over \$4 per each 300 light string!
- If all decorative light strings sold in America this year were ENERGY STAR qualified, we would save over 2 billion kWh per year and reduce greenhouse gas emissions equivalent to nearly 300,000 cars!



MEMBER RESPONSE PAGE

Please send me information on services from RECC:

- | | | |
|--|---|---|
| <input type="checkbox"/> Peak Switch | <input type="checkbox"/> New Home Energy Guidelines | <input type="checkbox"/> Long Distance Saving Rates |
| <input type="checkbox"/> Dual Meter Heating Rate | <input type="checkbox"/> Surge Suppressor Lease | <input type="checkbox"/> AT&T Wireless Cellular Phone Savings |
| <input type="checkbox"/> Security Light Rental | <input type="checkbox"/> Co-op Connections® Card | <input type="checkbox"/> 5% ERC Loans for Efficiency Improvements |
| <input type="checkbox"/> Convectair Heaters | <input type="checkbox"/> Marathon Lifetime-Warranty Water Heaters | |

Electric heating equipment rebates

An electric heat rebate form must be completed. Minimum system sizes apply.

- Geothermal System – \$250/home
- Air Source Heat Pumps – \$250/home (with electric back-up)
- Air Source Heat Pumps – \$100/home (with gas back-up)

Electric equipment rebate request

Please include a copy of your sales receipt for your new electric equipment, purchased and installed within the past 12 months.

- | | |
|--|--|
| <input type="checkbox"/> Clothes Dryer, Electric Replacement – \$25 | <input type="checkbox"/> Water Heater, Standard Warranty – \$200 (less than 10-yr warranty) |
| <input type="checkbox"/> Clothes Dryer, New Home or Gas Conversion – \$25 | <input type="checkbox"/> Water Heater, Life-long Warranty – \$250 (10-yr or longer warranty) |
| <input type="checkbox"/> Electric Range, Electric Replacement – \$25 | |
| <input type="checkbox"/> Electric Range, New Home or Gas Conversion – \$25 | |
| | This water heater is for: <input type="checkbox"/> New Home |
| | <input type="checkbox"/> Gas Conversion |
| | <input type="checkbox"/> Electric Replacement |

Member Name _____ Account No. _____

Mailing Address _____

Town _____ Phone _____

Rural Electric Convenience Cooperative

P.O. Box 19, Auburn IL 62615

Telephone: (800) 245-7322 (RECC) or (217) 438-6197 • www.recc.coop

Normal office hours 8 a.m. to 4:30 p.m.

Discount card saves Illinois members \$1 million on prescriptions!

The Touchstone Energy Co-op Connections® Card program has surpassed an amazing milestone. Members of Illinois Touchstone Energy electric cooperatives have saved more than \$1 million on prescription medications since the program launched four years ago. Across the country, members of 395 Touchstone Energy member cooperatives have saved more than \$38.3 million on prescriptions, and the savings grow each month. RECC members have saved \$36,728 in four years, including \$7,204 so far in 2011.

Monthly savings in our area have averaged from 22-44 percent on prescription purchases that are not covered by insurance. The cards are accepted at most national chain pharmacies and many independent pharmacies.

And that's not all. The card program also includes more than 22,500 local business offerings and more than 700 national offers. Any cooperative member with a card can receive the discounts anywhere the card is accepted regardless of where the business is located. Members can view the most up-to-date list of all local and national offers at www.connections.coop.

As an added bonus, through Co-op Connections Cooperative Healthy Savings, co-op members can receive discounts on dental, vision and hearing, chiropractic, lab & imaging services, as well as 24/7 doctor consultations. To learn more about this aspect of the program, please visit cooperativehealthysavings.com (log in with group number 22222 to identify yourself as a Co-op Connections® Card member).

Need a FREE Co-op Connections Card? Call Rural Electric Convenience Cooperative to request one, or e-mail a request to recc@recc.coop. Get connected and start saving!

Touchstone Energy is an alliance of more than 729 local, consumer-owned electric utilities around the country committed to providing energy solutions and superior service based on four core principles: integrity, accountability, innovation and commitment to community.

