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# Rural HIGHLIGHTS

A publication of Rural Electric Convenience Cooperative • Auburn, Illinois • [www.recc.coop](http://www.recc.coop)

## *New rates to begin on Jan. 1*

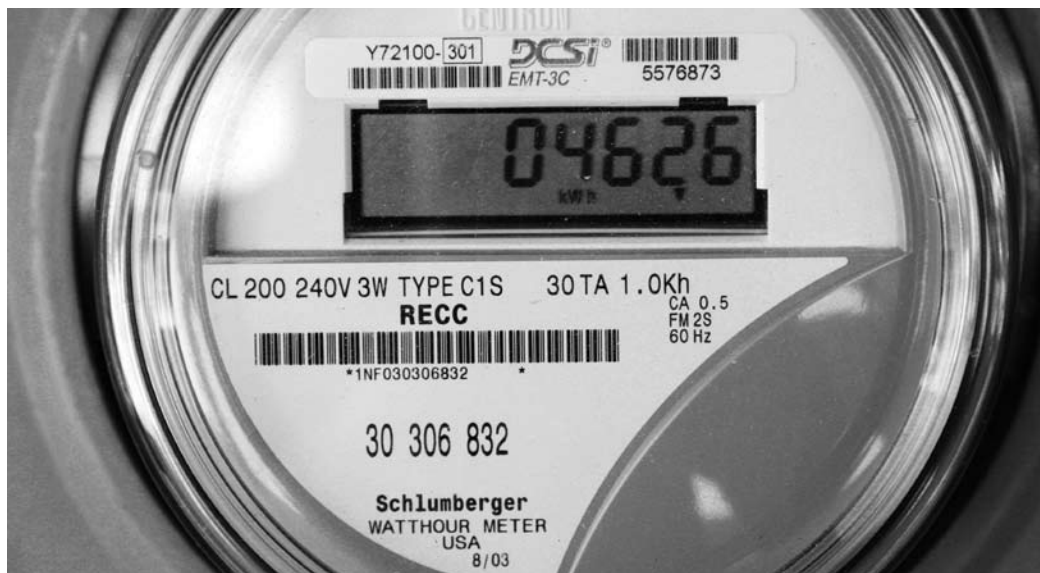
RECC's Board of Directors approved new rate schedules at their Dec. 18 meeting, which will change the rates paid by our members for power used after Jan. 1, 2009.

To keep up with the rising cost of wholesale power, RECC's rates will increase by an overall average of 25 percent, resulting in \$2.77 million a year in additional revenues. Different rate classes will see varying changes in their costs, and the individual monthly usage will also affect a member's increase percentage.

This will be the first rate change for RECC since 2003, and the first significant rate increase since 1992. Thanks to a long-term contract that our power supplier, Prairie Power, signed with Ameren Power in 2003, our members have been protected from the drastic price changes in the nation's electricity markets in recent years. No locked-in prices are available in contracts today, as worries about future power supplies and environmental restrictions cloud the producers' outlook.

This instability in the electricity market spurred the RECC board to look beyond the continued option of buying power from Prairie Power, a cooperative of 11 central Illinois distribution co-ops. After months of studying proposals, the directors decided in October to begin purchasing wholesale power from the

***Most of our members are served on the Residential/Farm Rate, which will increase by an average of 19 percent.***



Illinois Municipal Electric Agency (IMEA), starting in January 2009.

Our power costs will still increase with the IMEA supply, but the increase will be less than if RECC had continued to buy from Prairie Power. And, over the next 10 years, IMEA can offer a more stable cost than the other power suppliers, the board concluded.

### **Residential rates**

Most of our members are served on the Residential/Farm Rate, which will increase by an average of 19 percent. The rate has two components: a monthly Facilities Charge, and an Energy Charge.

The Facilities Charge recovers a portion of the cost to provide basic service each month, including the lines, transformer and meter, billing, and customer records. The Facilities Charge will go from \$26 to \$35 per month.

The average residential consumer used 932 kilowatt-hours per month in 2007, and the bill for that amount of energy will go from \$126.65 to \$150.56. Smaller users will actually have a larger percentage increase than larger users, since the monthly Facilities Charge is a bigger part of their bill.

Answers to some typical questions are included on page four. Members will receive their first bills under the new rate in early February 2009, for power used in January.

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David Stuva

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Dana Smith, *editor*



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# Board report

## Regular Board meeting Oct. 27, 2008

The regular monthly meeting of the Board of Directors of Rural Electric Convenience Cooperative Co. was held at the cooperative headquarters at 7 p.m. on Oct. 27, with all members present. Also present were President/CEO David Stuva; Manager of Office Services, Dean Fuchs; Director of Member and Public Relations, Dana Smith; Manager of Operations and Maintenance, Lou DeLaby; Field Engineer and Purchasing Agent, Martin Hinton; Administrative & IT Specialist, Sandy Lex; Carl Dufner, AIEC Vice President of Engineering; and Attorney Jerry Tice.

\* The minutes of the Sept. 30 regular board meeting were approved as presented.

\* CEO Stuva introduced Sandy Lex and Dean Fuchs, who reviewed the proposed Identity Theft Prevention policy and steps the co-op must take to reduce the possibility of identity theft from member records or transactions.

\* CEO Stuva introduced Carl Dufner to review preliminary electric rate changes for the various rate classes served by RECC. The directors will vote on final approval of the rate schedules at a December board meeting.

\* CEO Stuva and Lou DeLaby reported on the condition of the nine substations that RECC is purchasing from Prairie Power, Inc. as part of the co-op's buyout plan.

\* Lou DeLaby reported on line improvement and relocation projects, and that the Trade-A-Tree Program has resulted in 236 trees being removed from nearby electric lines.

\* The Prairie Power Report was given by Director White.

\* The AIEC report was given by Chairman Ayers. He reviewed the executive summary of

the AIEC board meeting held Oct. 16.

\* The Attorney's Report was given by Attorney Tice. He noted that the co-op is required to appoint a Rebate Analyst with respect to the recently issued CREB financing.

## President/CEO's Report

CEO Stuva reviewed the following reports which had either been mailed or distributed to all directors and attorney: Member and Public Relations, Job Training and Safety, Meters and Outages, Operations and Maintenance, Engineering and Construction, Cash Disbursements Summary and Check Listing. The board accepted the reports. Financial and statistical reports for September 2008 were reviewed and accepted.

CEO Stuva also:

\* Reported that September 2008 kWh sales were 29 percent less than September 2007, due to mild weather and the grain-drying season starting very late. For the year, sales are down just 3.34 percent compared to 2007.

## Board Action

The board acted on the following:

\* Approved the application for, or reinstatement of, membership and electric service for 17 persons.

\* After hearing the report from the Operations Committee, approved the recommended salary adjustments for cooperative employees and President/CEO David Stuva.

\* Approved the recommendation of the Operations Committee to increase the director per diem fee by \$25.

\* Approved an increase in the hourly fee paid to the cooperative attorney.

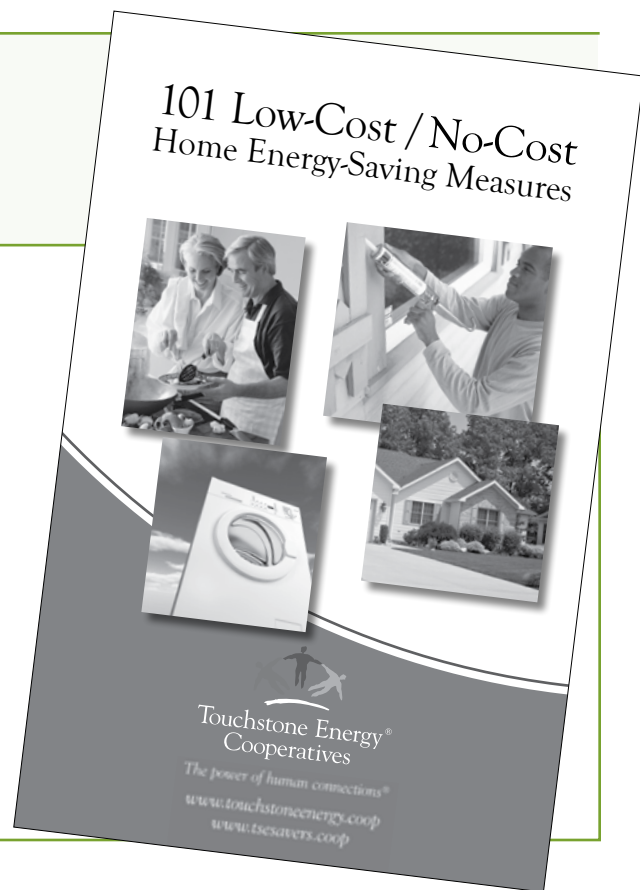
The meeting adjourned at 11:50 p.m.

# 101 tips for saving energy

No one likes to waste energy, and there are a lot of things you can do to conserve without spending a lot of money. RECC is offering a whole booklet full of ideas in the free "101 Low-Cost/No-Cost Home Energy-Saving Measures," published by the nation's Touchstone Energy cooperatives. The booklet covers energy use throughout the house, including water heating, laundry, kitchen items, lighting, and heating and air conditioning.

Whether it's a matter of changing habits (like turning of the lights when you leave a room) or checking small details (like locking your windows to assure a tight seal against the wind), we can all find ways to use less energy and save on our monthly bills.

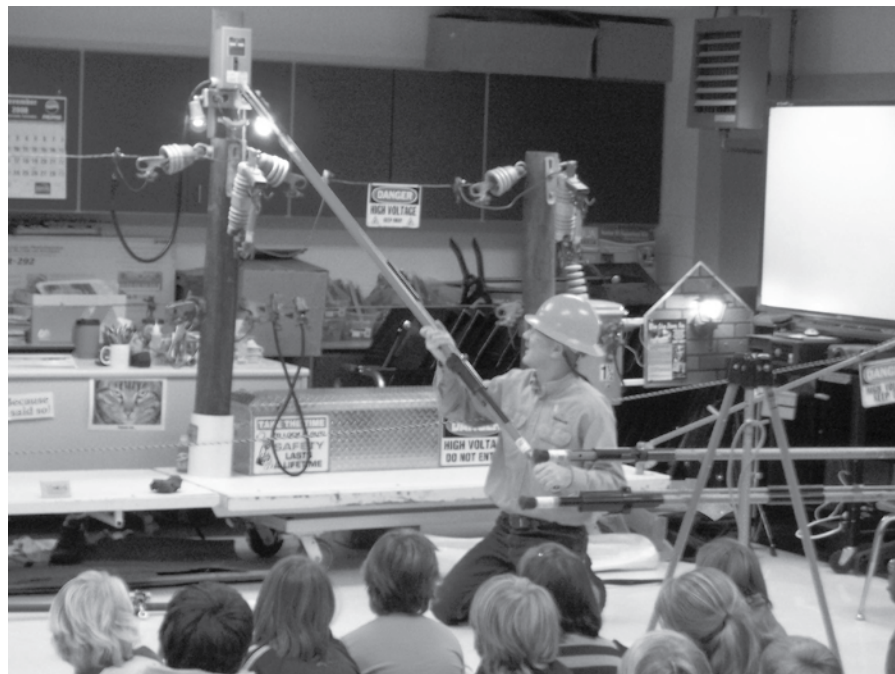
Call our office at 800-245-7322 to request your free copy of this idea-packed booklet. You can also see more energy tips at the Touchstone Energy Web site [www.tsesavers.coop](http://www.tsesavers.coop)!



## High-powered safety demo

Real-world electric safety was the topic of lively presentations in Litchfield on Nov. 20, where the Live Line Demo program showed students and adults how to avoid common hazards around electric wires and devices. Rural Electric Convenience Cooperative sponsored two programs at Russell Elementary School for 200 fourth and fifth graders, and one for emergency responders at the Litchfield Fire Department. Volunteers from the Raymond-Harvel Fire Department joined Litchfield fire and police representatives for the in-depth evening training meeting.

Kyle Finley, who owns and presents the Live Line Demo program, made his safety points with dramatic demonstrations, flashing arcs of high voltage electricity, and exploding fuses. He also drove home the message that most electrocutions involve common 120-volt power, because



we use it every day in our homes, schools and workplaces. Finley cited several tragic incidents, involving youngsters to trained professionals, where unsafe equipment or bad

decisions led to deaths. RECC's purpose in bringing the Live Line Demo to the area is to help prevent those accidents and loss of life.

# Questions and Answers About RECC rate changes

**Question:** How much are the co-op's rates going up?

**Answer:** In total, rates will increase by \$2.77 million a year. Different consumers will see varying percentage changes in their bill, depending on their rate schedule, monthly energy use and in some cases their usage patterns such as peak demands.

**Question:** When will I see the increase on my bill?

**Answer:** The new rates will apply to usage beginning Jan. 1, 2009. Members will see their first bills under the new rates in the February billing statements, which will be mailed around Feb. 7.

**Question:** Is the "buyout" from PPI causing our rates to go up more?

**Answer:** RECC is now a member-owner of Prairie Power, Inc., just as you're a member of RECC. PPI has made investments to serve our needs along with the other PPI member co-ops, and RECC will pay a portion of those investment costs when we leave PPI to avoid harm to the remaining co-ops. We are also credited with a portion of the assets of PPI, such as their office building and small power generating facilities.

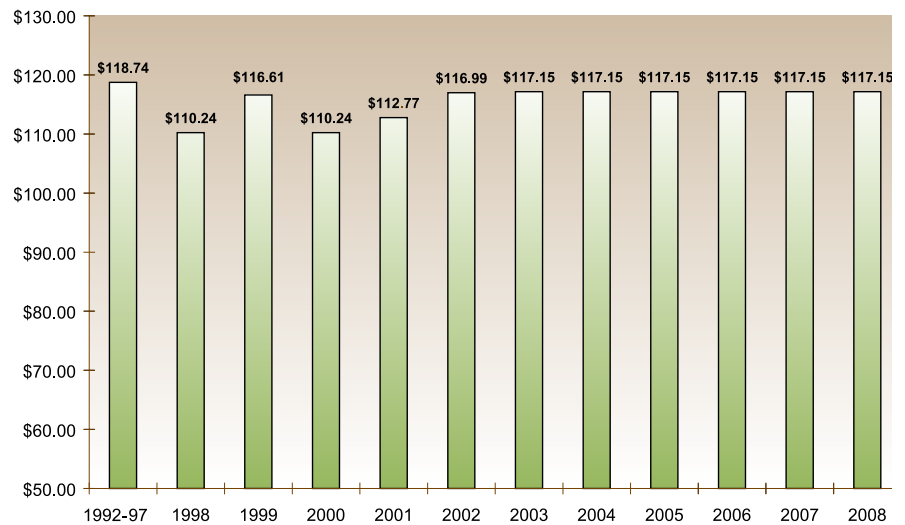
Even with this "buyout" of long-term costs, RECC members will be paying less in 2009 under the switch to IMEA's wholesale power. And, the Board believes that IMEA's more diversified power supply will result in more stable electricity prices in the next decade and beyond.

**Question:** Why are the Facilities Charges going up?

**Answer:** The Facilities Charge represents a portion of the "fixed costs" of serving each account. From maintaining the lines and transformer to sending a bill each month, there is a cost to provide electric service, whether any energy is consumed or not.

While the Facilities Charge may

## Bill for Average Monthly Use on Rate 1 (Excludes Utility Tax)



RECC's members have seen very stable rates for the past 16 years, but rates will be going up in January 2009.

still not cover the entire monthly cost of providing a basic service, we think it should be close to the actual cost. This ensures that all members are carrying their "fair share" of the costs of operating the cooperative.

**Question:** Will the Dual Meter rate for electric heat still be offered?

**Answer:** The Dual Meter rate provides a discount for electric heating, air conditioning and water heating, in return for the ability to connect a load management switch to the air conditioner and water heater elements. Homes with electric heat also help us build load in the winter, which helps us make better use of our distribution facilities year-round and spread the cost of ownership over a bigger sales base.

The new Dual Meter rate of 7¢/kwh reflects the higher cost of energy in general, including coal and other fuels used to produce electricity. Overall, RECC's Dual Meter rate has been and continues to be very competitive since its beginning in 1986 at 4¢/kwh.

**Question:** What is the co-op doing to help members manage their bills?

**Answer:** RECC offers a number of options to help members manage their power bills. Some of those services include automatic payment options, budget billing, energy audits and energy efficiency programs. To learn more about those programs, we encourage member-consumers to call us or visit our web site at [www.recc.coop](http://www.recc.coop).

**Question:** What is the cooperative doing to hold down rates?

**Answer:** RECC strives to operate efficiently while sticking to our mission of providing affordable, high-quality and reliable electric services. We're always looking for ways to manage costs, which may include partnerships, energy efficiency programs, etc.

RECC hasn't raised our rates since 1992. We've been able to hold our rates down by managing costs and implementing a number of cost-saving measures such as using technology to increase our efficiency. For example, RECC now employs 24 people, compared to 29 employees in the 1990s.

# Seven Memorial Scholarships available for 2009

Seven scholarships of \$1,250 each will be awarded in 2009 to eligible high school seniors through the Illinois Electric Cooperative (IEC) Memorial Scholarship Program.

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.

Candidates are judged on the basis of grade point average, college entrance exam scores, work and volunteer experience, school and civic activities, and a short essay that demonstrates their knowledge of electric cooperatives.

Application forms are available from the RECC office in Auburn, and must be returned to our office by Jan. 1, 2009. Winners will be announced by May 1, 2009. You can request an application and rules sheet by calling our office at 438-6197.



## NEED TO HEAT A COLD ROOM?



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- \* Cold bedrooms
- \* Cold floors
- \* Noisy heaters
- \* High heating costs

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Call RECC at 438-6197

## Geothermal Tax Credits

Congress is encouraging the installation of geothermal heating/cooling systems with a new tax credit for residential and commercial buildings, under the Energy Improvement and Extension Act of 2008, part of the economic recovery package passed in October. The legislation offers a one-time tax credit of 30 percent of the total investment for residential geothermal heat pump installations, with a maximum credit of \$2,000 per residence. For commercial installations, the credit is 10 percent of the cost with no maximum amount. To qualify for the tax credit, residential systems must meet Energy Star requirements. The legislation is retroactive for residential systems installed after Dec. 31, 2007, and for commercial installations after Oct. 3, 2008. Owners can file for the credit by completing the Renewable Energy Credits subsection on their 2008 tax return forms. Other home energy efficiency measures may also qualify for tax credits – check with your tax professional for more details!

## Security Tip

If you have trouble remembering where you put your car keys, here is a tip that will keep you safe too. Put them on the nightstand beside your bed every evening. That way, if you hear a noise outside or an intruder attempting to enter your home, just press the panic button on the key fob. The alarm will be set off and the vehicle's horn will continue to function until you push the panic button again or the battery dies. It's doubtful an intruder will stick around very long once an alarm starts sounding. At the very least, neighbors will begin looking out windows and most criminals don't want that.

It's a good idea to carry your keys in your hand when walking to your vehicle from a building too, especially in unlit areas. An activated car alarm is sure to draw attention that an attacker won't want. Be sure to pass this on to friends and loved ones. It could save a life or a crime of sexual abuse.

## Save on your online shopping!

Several retailers are increasing their savings during the holiday season for RECC members in the Co-op Connections Card program! From books to flowers to travel packages and more, you can shop for yourself or that special someone and save a trip to the mall. Co-op Connections also introduces a new participating business this month called RedEnvelope, with 15 percent discounts for cooperative members. RedEnvelope's mission is to make gift giving for every occasion easy and fun, with a



variety of items like jewelry, gadgets and tools, gourmet items, baby gifts and much more. Look for all of these special offerings on the Co-op Connections national site, available through our own Web page at [www.recc.coop](http://www.recc.coop)!

## LED Christmas lights at North Pole

The city of North Pole, Alaska is pretty dark this time of year, but it won't be for long. The city is using more than 11,000 LED Christmas lights to decorate a 65-foot white spruce tree for its "Christmas in Ice" event. The energy-saving LED lights replaced 2,000 incandescent bulbs used in the past. The same LED lights are widely available in local stores, in similar shapes, colors and sizes to old-fashioned



Christmas lights. LEDs use a fraction of the power that incandescent burn, run cooler, and last longer, which offsets their higher purchase costs. If you're buying new, lighted decorations this year, consider the energy savings of LED bulbs!

# 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"/> Marathon Lifetime-Warranty Water Heaters |
| <input type="checkbox"/> Dual Meter Heating Rate | <input type="checkbox"/> Surge Suppressor Lease     | <input type="checkbox"/> Long Distance Saving Rates               |
| <input type="checkbox"/> Security Light Rental   | <input type="checkbox"/> Co-op Power Plus™ Visa     | <input type="checkbox"/> AT&T Wireless Cellular Phone Savings     |
| <input type="checkbox"/> Convectair Heaters      | <input type="checkbox"/> DTN Wireless Internet      |   |

## Electric heating equipment rebates

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

- Geothermal System – \$500/home
- Air Source Heat Pumps – \$500/home (with electric back-up)
- Air Source Heat Pumps – \$200/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:  New Home  
 Gas Conversion  
 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](http://www.recc.coop)

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

*Christmas waves a magic wand over this world,  
and behold, everything is softer and more beautiful.*

*-Norman Vincent Peale*

*From our cooperative  
family to your family,  
all of us at Rural Electric  
Convenience Cooperative  
want to wish you a joyful and  
peaceful Christmas season!*

*The RECC office will be closed on Christmas Day and New Year's Day.  
As always, our crews are on-call for any service emergency!*