



Clinton County Connection

Your Touchstone Energy® Partner 

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Mike Johnson

Visit our website
at www.cceci.com

In observance of Veteran's Day, the office will be CLOSED on Friday, November 11th

In observance of Thanksgiving, the office will be CLOSED on Thursday, November 24th & Friday, November 25th in observance of Thanksgiving

The rate picture is starting to clear

Last month we continued the discussion concerning a probable rate increase in 2012. One of my early statements was, "We will continually update you as information unfolds."

During the last month we have been able to determine some of the impacts we are facing in 2012. First, (and by far the largest component) we have determined that our cost of power from Southern Illinois Power Cooperative (SIPC), our wholesale power provider, will increase more than 22 percent. That one item alone would generate a 15 percent increase in member rates if the Board of Trustees decided to "pass" that increase along dollar for dollar. At this point, it would seem unlikely that the Board would make that decision. Other expenses (although much smaller in amounts) are also expected to increase.

As of this writing, it appears fairly likely that the overall rate increase to the membership in 2012 will fall between 8 percent and 11 percent. It also appears as if some rate schedules will see a larger than average increase while other rate schedules will see a smaller than average increase. At the same time, I believe each billing component (facility charge, first energy block and second energy block) will have varying percentage increases. This all falls under the process of proper rate design. The keys to rate design are: (1) Must yield the required revenues to ensure long-term financial stability of the cooperative; (2) rates should provide predictable and stable revenues; and (3) probably most important, they should be easily understandable by the membership.

The objectives of proper rate design are: (1) fixed costs should be recovered by fixed revenue sources; (2) which means variable expenses then need to be recovered through variable revenue streams. Each rate schedule

should "pay its own way"; otherwise one rate schedule (or class of service) subsidizes another rate schedule. Proper rate design should promote and reward innovation, conservation and energy efficiency.

Rates should be, to the extent as possible, free from controversies. I started in the utility business over 30 years ago. My first job was as a rate analyst at a medium sized investor owned utility. I was fresh out of college with a degree in Economics and I really thought I could change the world. On my first day, my boss sat me down and started to lecture me about the finer points of rate making. After what seemed like days of blah, blah, blah, he completed his lecture with, "All that financial we just discussed doesn't mean anything when setting rates; it all comes down to three words, politics, politics, and more politics."

Please come to your area meetings on October 19 and 20 and learn more about your 2012 rates.

I would like to take this opportunity to invite the membership to visit our website, www.cceci.com. You will have the opportunity to sign up for E-Business; the button is on the upper left of our home page. All you will need is a Cooperative billing statement and a valid email address. Once you are signed in, you will be able to view your personal account and have the option to pay your bill via our website using debit card, credit card, or checking account information.

Please remember, all initiatives we embark on always have our members' best interest in mind. Providing our members with affordable electricity and excellent service will continue to be our goal in the future. As always, if you have any comments or questions, please don't hesitate to contact me at johnson@cceci.com.

Attention Teachers and Administrators!

Have an educational project you'd like funded?

\$8,000 available through Touchstone Energy Classroom Empowerment Grants



Touchstone Energy®
The power of human connections

Enter Touchstone Energy's Classroom Empowerment Grant Competition and your submission could win a \$500 grant for classroom and education enhancement projects!

Touchstone Energy Classroom Empowerment Grants totaling \$8,000 are being funded by Clinton County Electric Cooperative (CCEC) for the 2011-2012 school year. For more information about the grant program, or to get an application, please contact your school superintendant or Brenda Knolhoff at Knolhoff@cceci.com.

Grant applications will need to include the following information:

1. A description of the project and what it will accomplish
2. The estimated cost of the project
3. An explanation of why outside funds are necessary to complete the project
4. Whether funding options have been pursued, and if so, how
5. When project will be completed
6. The number of people affected by the project
7. If the project's goals are measurable, and how
8. How the project ties in Touchstone Energy's four core values of Integrity, Accountability, Innovation and Commitment to Community

Photos and supporting data are optional. Grant applications must be received at CCEC by Nov. 4, 2011. Entries will be evaluated by an impartial panel of judges. Awards will be announced on Dec. 9, 2011.



Last year's winners:

\$1,500 - Carlyle Community School District

Submitting teachers: Tara Joiner, Special Education; Patty Harre, 6th grade Science teacher; and LuAlice Kampwerth & Chris Dooley, High School and Grade School Librarians.

\$1,000 - Central High School

Submitting teachers: Rick Harre, Head of Agriculture Department and Amanda Ringwald, Business teacher.

\$2,500 - Germantown Grade School

Submitting teachers: Pam Kreke, Special Education; Becky Hitpas, Pre-K teacher;

Margie Koopmann, 4th grade teacher; Lynn McSparin, 3rd grade teacher; and Cindy Zurliene, teacher and principal.

\$500 - St. Rose School District

Submitting teacher: Matt Scheibel, Science teacher.

\$2,000 - Wesclin High School

Submitting teachers: Rachel Willenborg, Family & Consumer Science teacher; Kristen Oster, Librarian; Daralynn Gross, Special Education Coordinator; and Julie Boeckman, 4th grade teacher.

Facility charge – what & why

Clinton County Electric Cooperative (CCECI) has a Facility Charge that you may have noticed on your bill for more than 10 years. Currently that charge is \$22 per meter, per month for the typical single phase home/farm account.

CCECI is a cost-based electric distribution utility cooperative. Each customer or member is supposed to pay their fair “share” of the expenses incurred in getting electricity to your homes and businesses. While our financial statements break down costs into many categories, there are really two main categories of expense that CCECI incurs in getting electricity to your place.

The main (variable) expense, or about 65 percent of our total expense, is the cost to purchase power from our wholesale power supplier, Southern Illinois Power Cooperative. CCECI does not generate its own power. The second (fixed) expense is the cost to get the power from CCECI owned substations to your home. These expenses include the cost of billing, meter reading, accounting, insur-

ance, office operations, taxes, interest expense, depreciation, system maintenance and other expenses that would occur even if no one on our system used any electricity.

There are many schools of thought when it comes to recovery of these expenses, and honestly none of them are perfect. The \$22 per meter, per month facility charge partially recovers these costs. The energy charge recovers the balance. That could be considered an imbalance, where fixed expenses are recovered through a variable revenue stream (energy charge). This isn't fair for either the membership or the cooperative.

For example, when the weather is extremely hot and you are running your air conditioner almost non-stop like July of this year, you (the member) are probably paying too much of the fixed expenses since it is embedded within the energy charge. Conversely, when the weather is mild and your consumption of energy is down, you are probably paying too little of the fixed expenses, which isn't good for

the cooperative. Dependency upon the weather isn't in the best long-term interest for either party. To be fair, the facility charge should reflect the actual cost of providing the member with electricity.

CCECI has investment in place to serve you if and when you decide to flip the switch. The electricity is still flowing in the lines. In fact, when you are gone for extended periods of time and don't use any energy, the rest of the members on our system are subsidizing you because the full cost of minimum service is only partially included in the facility charge. Currently, members who only need service on a seasonal basis are actually getting an incredibly good deal, while the rest of the membership is paying for it. Subsidizing facility charges is not the cooperative way.

During our 2012 rate design process your board will be reviewing and evaluating what the facility charge needs to be in order to meet the membership's and Cooperative's long-term best interest and minimize members subsidizing other members.

Attend the fall area meetings

Please plan to attend the fall area meetings where three lucky members will win a \$150, \$100 or \$50 bill credit at each meeting; but most importantly, attend to hear the latest news on your 2012 electric rates. Also, take the opportunity to meet many of the cooperative employees and Board of Trustee members.

Date	Location	Registration Begins	Meeting Begins
Wednesday, October 19	Breese KC Hall	12:30 PM	01:00 PM
Wednesday, October 19	Carlyle VFW	06:30 PM	07:00 PM
Thursday, October 20	Albers Legion	06:30 PM	07:00 PM

Spotlight on Brian

Brian Taylor began working for Clinton County Electric Cooperative in April of 1996 and has worked as a lineman since he started. Over the past 15 years, Brian has traveled to three different states to help other cooperatives restore power after major storms. Brian finds his job as a lineman very rewarding, hearing appreciation from our members quite often for all of the linemen's work to restore power, especially during inclement weather. Brian and his wife Reagan celebrated their 10th wedding anniversary last month. They live in Breese and have a 7-year-old daughter named Emma. In his free time, he enjoys coaching Emma's soccer team and attending concerts with Reagan. When Brian isn't working, he may also be found rooting on Mizzou basketball



Brian Taylor

or football, his favorite college team. He also tries to find time to golf or go boating in his spare time.

Donate canned goods in exchange for CFL light bulbs

In our continuing efforts to provide our members and communities with superior services, CCEC is once again sponsoring the Lite 4 a Bite program. Exchange two or more canned or other non-perishable food items

into our office in exchange for a CFL light bulb! A maximum of four bulbs will be given to each membership, while supplies last. The food collected will be distributed to local food banks throughout the CCEC service area. Please help us help others!



Clinton County Electric Cooperative, Inc.

**IMPORTANT ANNOUNCEMENT!!
OFFICE HOURS ARE CHANGING**

*Effective Tuesday, January 3, 2012
our office hours will be changing to*
7:00 am to 4:00 pm

*Please call 526-7282
with any questions*

Telephone: 618-526-7282
Outages: 800-526-7282
Fax: 618-526-4561
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