



Clinton County Connection

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Your Touchstone Energy® Partner 

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Mike Johnson

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Additional Information Concerning Probable 2012 Rate Increase

My article last month started to discuss Clinton County Electric's probable 2012 rate increase. One of my last statements in that article was, "We will continually update you as information unfolds."

We began a Revenue Requirements Study earlier this summer. By looking at all sources of revenue and determinates of cost, this study tries to determine the revenue your cooperative will need to obtain long-term financial security. I would expect that study to be finalized in early to mid-September.

There are two main categories of expenses that Clinton County Electric incurs in supplying electricity to your home/business. The first and largest expense, which equates to about 65 percent of our total costs, is the cost of purchased power from our wholesale power supplier, Southern Illinois Power Cooperative. The second expense category includes the costs of getting the power from the substation to your home/business. These expenses include the cost of system operations and maintenance, billing, meter reading, member records and collections, member service and information, accounting, insurance, depreciation, taxes, etc. These fixed expenses occur every month and their recovery is necessary to make it possible for us to have safe and reliable electric service available for your use at any time, whether you choose to use it or not.

A utility's rate design determines how these two cost categories will be recovered through the various components of your electric bill; the fixed monthly facility charge, the kilowatt hour (kWh) energy charge and in some cases the kilowatt (kW) demand charge. True rate design principles state that consumers should pay the costs they impose

upon the utility. Further, the fixed costs of the utility should be recovered through fixed charges and variable costs should be recovered through variable charges. Our largest variable charge is the energy we purchase from SIPC. However, it has been typical for electric utilities, including Clinton County Electric Cooperative, to recover a majority of their fixed costs through the variable component, the kWh charge of your utility bill.

Currently, Clinton County Electric receives about 75 percent of its revenues from energy charge/sales. We know that our fixed costs amount to more than 25 percent of our total cost; therefore, recovering that much of a majority of our revenue from the energy charge puts Clinton County Electric at a greater risk to weather extremes. This also creates a disincentive to promote energy efficiency programs because it reduces our ability to recover our fixed costs through energy sales. Therefore, collecting our monthly fixed costs through the facility charge of your electric bill minimizes the aforementioned risks.

In the next month or two, the Board of Trustees and management will be reviewing and finalizing the Revenue Requirement Study that will determine the overall revenue needs of your cooperative. We will also be reviewing rate design, how much of the revenue will be recovered through the facilities charge, energy charge, and demand charge. We will use information from our last Cost of Service Study (which was completed in 2007), comparisons with other Illinois Cooperatives, and other sources in this rate design review to determine our revenue needs.

(Continued on page 16c)

Why increase your rates by 5 percent?

In order for the Cooperative to operate in an efficient and financially sound manner, we must maintain a prompt payment procedure administered fairly and equitably to all. Any variance from this procedure is costly to the Cooperative as well as to all members, but mostly the late-paying members. Ultimately, if you don't pay your bill by the due date each month, you have just given yourself a 5 percent rate increase.

How long does a member have to pay their bill before a late payment charge is added?

The net amount of the bill is due on or before the 25th of the month. The gross amount, which includes a 5 percent late charge, applies to payments received after the 25th of the month. Any bill payments made through our website (www.cceci.com), put in the night depository, or received at our local post office prior to 8 a.m. on the first business day following the 25th of the month will not be assessed the late payment charge. All payments received after this time will be charged a 5 percent penalty.

How much is the late charge and why is it charged?

The late payment charge, or penalty, is 5 percent more than the net amount. This amount is added to cover the expense of additional paperwork and special handling involved in processing past-due accounts. Why do you want to give yourself a 5 percent rate increase? This is exactly what you are doing when you don't pay your bill by the 25th of the month.

If the bill is not paid on or before the 25th of the month, then what happens?

A delinquent notice is prepared and mailed on or about the 28th or 29th of the month. This notice is a friendly reminder that you may have misplaced or overlooked paying your bill. The delinquent notice states the amount you now must pay and

also gives the final disconnect date on which the bill is due. This date is usually about 10 days from issuance of the reminder notice. The notice states if the bill is not paid by the final disconnect date, a collection trip may be made and a \$35 collection fee will then be added to the bill. Most importantly, if the bill is not paid at the time of collection, service may be disconnected.

If a member is unable to pay their bill, what should they do?

It is the member's responsibility to call or come into the office to make payment arrangements to pay their bill. This should be done as soon as possible. Definite payment arrangements must be made with a representative of the Cooperative to avoid disconnection. The Cooperative's after-hours answering service does not have the authority to make payment arrangements.

If no arrangements are made and the bill is still not paid, then what happens on the disconnect date?

On or about the 10th of the month, the Cooperative will send an employee to the member's premises to collect payment or disconnect service. At this point, the member can still avoid disconnection by paying the past due portion of the bill along with the \$35 collection fee. The Cooperative representative is authorized to accept full payment, but may refuse a personal check from a member who has a history of writing insufficient funds checks. Members may also go to our website or call the office to make payment via debit/credit card or checking account at this time as well.

If the member states that they believe the past due bill was too high, will the service still be disconnected?

Yes, the service will be disconnected if the bill is not paid. Inquiries about a high bill should be discussed

with the office as soon as the member receives the bill in question. The Cooperative wants to know about a questionable bill so we can work together to resolve any issues – this needs to be done way before the disconnection process.

If service is disconnected for non-payment, what is the member's next step?

It is in the member's best interest to avoid all the added expense of reconnection by paying the bill or making payment arrangements prior to disconnection. But if a member is disconnected for non-payment, the fees for reconnection are the total of the following:

Past due balance
Collection fee of \$35
Reconnection fee of \$65 during linemen working hours; \$100 after hours
And ...
Additional deposit on account representing an amount equal to the member's highest bill in the last 36 months.

Again, this amount must be paid to the Cooperative in the form of cash, money order or credit/debit card before the account can be reconnected (a check is not an acceptable form of payment for reconnection of service.)

If you have any questions concerning bills or Clinton County Electric billing procedures, please call our office at 526-7282 or email us at billing@cceci.com.

Among the most important values of your member-owned electric cooperative are openness, fairness, and security – everyone having the real facts, everyone paying their fair share and everyone being confident that we have the resources to protect your investment and meet your electric service needs in the future. Like any business, we need to make sure our prices match our costs so our rates are fair, based on facts, and set at a level that will allow us to provide reliable service to all consumers. As a member-owned, not-for-profit business, any revenues collected that are not consumed to operate the business are returned to members as patronage dividends.

As mentioned in my article last month, 2012 rates will be the main topic of conversation at our Area Meetings this fall on October 19 and 20, so be sure to mark your calendar and plan to attend to hear the latest updates. (Please see important dates section on page 16d for times and locations of these scheduled meetings.)

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.

Set It and Forget It:

The Benefits of a Programmable Thermostat

A programmable thermostat is one of the quickest, easiest and most inexpensive ways to save on energy bills year-round. The average household in Clinton County Electric Cooperative, spends more than \$1,200 in heating and cooling costs. Programmable thermostats—which cost between \$50 to \$200—are a smart investment because they can reduce energy costs by as much as 15 percent, or about \$180 annually.

A programmable thermostat makes saving energy easy by controlling the heating and cooling settings in both the winter and summer. It's like putting your house on "cruise control" by using pre programmed settings that regulate the home's temperature during the night and even while you're on vacation. This type of thermostat automatically turns down the heat in the winter and turns up the cooling in the summer. A homeowner can save energy and money while still maintaining overall comfort.

Programmable thermostats are an easy energy-saving tool. Here are a few more energy savings tips:

- Always look for the ENERGY STAR label when buying a new thermostat.
- Use the pre-programmed settings to maximize energy savings.
- Heat pump systems require a special type of programmable thermostat. Consult with Clinton County Electric Cooperative, Inc's energy advisor or a HVAC specialist to determine what will work best for your home.
- Be sure to have the thermostat installed correctly using a certified HVAC contractor.

Programmable thermostats offer a lot of value by maximizing energy savings without sacrificing comfort. Best of all, they can be tailored to match a family's schedules. To learn more about buying and setting a programmable thermostat, contact your Energy Advisors at Clinton County Electric Cooperative, Inc. or visit TogetherWeSave.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 and Friday,
November 25th



Spotlight on Allan

Allan Deiters is our spotlighted employee this month. Al started working for the cooperative way back on January 11, 1988. He is the son of Robert (Butch) and the late Anna (Liening) Deiters. He married Jeanette Schwend in 1978, and they have two daughters. Both daughters were married last year; Stacey to Tim Seipp and Nichole to Chris Horstmann. Al works as a lead lineman at the cooperative. He handles all service calls throughout the day such as out-ages, JULIE locates, and security light repairs. With this position, Al has the opportunity to travel the entire CCECI service area. This allows him to personally meet many of our members, which is the



Allan Deiters

favorite part of his job. In his spare time, he enjoys spending time with family, good friends, boating, camping, hunting, fishing and dining out.



In observance of Labor Day, the office will be CLOSED on Monday, September 5th

2011 Fall Area Meetings

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

Please plan to attend the fall area meetings for the latest on your 2012 electric rates. Also, take the opportunity to meet many of the cooperative employees and board of trustee members.

