



Clinton County Connection

Your Touchstone Energy® Partner 

Published by Clinton County Electric Cooperative, Inc. • cceci@cceci.com • www.cceci.com



Mike Johnson

Visit our website at www.cceci.com

As mentioned in last month's edition of this magazine, the Board of Trustees of Clinton County Electric Cooperative, Inc. approved a \$1,214,000 rate increase effective with January, 2012 electric consumption at its regular board meeting on October 25, 2011.

The primary reason for the rate increase is an expected \$2,000,000 increase in our wholesale power costs from Southern Illinois Power Cooperative (SIPC). You may ask, "Why are the power costs increasing so dramatically?" Basically two main reasons; first, Prairie States Generating Station will start generating energy for sale in January 2012. SIPC owns about 8 percent of that new power plant. Second is the ever increasing cost of complying with the Environmental Protection Agency (EPA) regulations. Regulatory costs have risen dramatically over the past couple of years. Right now, almost 20 percent of our wholesale power cost is attributed to these regulations, and the percentage is expected to increase in the future.

Highlights of 2012 Rate Increase

1. Protects long-term financial condition of the Cooperative
2. Significant increases in single phase monthly facility charges
3. Developing rates that will prepare us for the future energy markets
4. Movement towards each rate schedule "paying their fair share"
5. Promote high energy efficient heating/cooling consumption

I will spend most of this article discussing Rate 01 since over 75% of our billings are under this rate. The chart on the right demonstrates the approved rate levels vs. the rate currently in effect.

Let's first discuss the increase in facility charge. Our goal here is to recover fixed costs through a fixed revenue source. On page 16c of the October issue of this magazine we presented an article describ-

ing the facility charge. This is the first of many significant increases to the facility charge. We estimate the charge should be around \$40 to \$50 per month. With our current rate structure, when the weather is extremely hot and you are running your air conditioner almost non-stop like July of this year, you (the member) probably paid too much of the fixed expenses since some of them are embedded in 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.

I mentioned earlier that one of the highlights of this rate increase was developing rates that will prepare us for the future energy markets. What does that really mean? We believe the future energy markets will see dramatically increased commodity prices. This will be caused by the aging of coal generating stations nationwide, and increasing EPA regulations that will probably force some coal generating units to shut down in the near future. Economics would tell us that with an increasing demand for electricity combined with a decreasing supply of energy, prices will have to go up. Our current declining block rate structure really "doesn't fit" into our expectations of the future energy markets. With our declining rate block the member pays less for the incremental energy they use. Our expectations would be exactly opposite of that in the future. That is why we are reducing the "energy gap" as detailed in the chart above. Eventually we will reduce the "energy gap"

(Continued on page 16b)

Rate 01	Approved	Current
Monthly Facility Charge	\$28.00/month	\$22.00/month
Energy Charge		
1st Block	\$0.10103/KWh	\$0.09950/KWh
2nd Block	\$0.08600/KWh	\$0.07200/KWh
"Energy Gap"	\$0.01503/KWh	\$0.02750/KWh

to zero; that is called a straight line or flat energy rate. In years to come I am guessing we will be migrating to an "inverted rate" design where the incremental energy members use will actually cost more.

This transition from our current declining block rate structure to an inverted rate design will take many years to accomplish. We plan on proceeding slowly and with caution. Our goal will be to educate the membership on the potential impacts of this transition.

I am sure that everyone reading this article wants one question answered. "How will this rate increase impact MY bill?" As you can see by reviewing the Rate 01 chart above, all three billing components are increasing at different percentages. Therefore, there is no typical percentage increase. We have developed a web-based tool that will answer your questions; all that you need is a copy of your billing statement and access to the internet. Simply go to www.cceci.com and **you will see a button that looks like a calculator.** Click on that button and a pop-up screen will appear. Look at the lower left hand corner of your billing statement and determine what rate schedule you are being served on, answer yes or no to the questions concerning "two lines" and then click

the next button. Enter the number of kWh from "kWh usage" on your bill and click the next button again. You will see the "change" and "percent change" that you can expect to see once the approved rates take effect.

A couple of other significant changes will be taking place on Rate 10, Rate 20 and Rate 24.

With Rate 10 (seasonal accounts), the facility charge will be increasing from \$25.75 per meter/per month to \$36.00. Seasonal customers pose a unique problem. The fixed costs to serve them are greater than those to serve a typical residential customer and the usage by a seasonal customer is extremely low. Therefore, this puts a financial burden on the cooperative. The increase in facility charges should offset some of that financial burden.

One of the highlights of the rate increase is to promote high energy efficient heating/cooling consumption (Rates 20 & 24). We were able to accomplish that

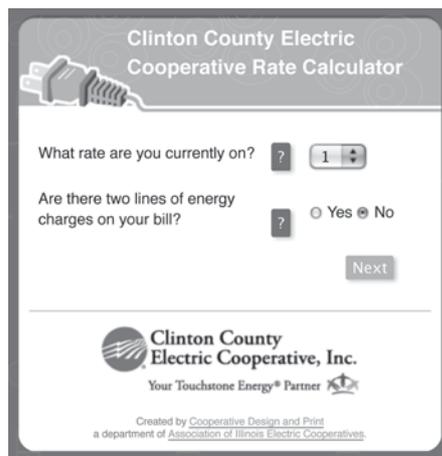
by not increasing these two rates at all. The \$3.00 per meter/per month facility charge as well as the \$0.0720/kWh energy charge will remain the same in 2012.

Trust me, no one likes rate increases, but I think the Board of Trustees evaluated, analyzed and decided upon a rate increase plan that is fair while protecting the long-term financial condition of the cooperative.

Please visit our website, www.cceci.com and go to the button that looks like a calculator to see how the 2012

rate increase impacts your account. 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.



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. Bring 2 or more canned or other non-perishable food items to 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!

Applications are being accepted for 2012 Youth Day and Youth Tour

Clinton County Electric will again sponsor up to 12 area sophomores or juniors to attend Youth Day in Springfield to be held on March 28, 2012, sponsored by the cooperative and the Association of Illinois Electric Cooperatives. Of these 12, two will be selected to go to Washington DC from June 15-22, 2012 for an all-expense paid tour.

WHO MAY ENTER?

Youth Day in Springfield and Youth Tour to Washington DC are open to high school sophomores and juniors that are children of Clinton County Electric Cooperative members. Children of Clinton County Electric Cooperative board of directors or employees are not eligible.

YOUTH TO SPRINGFIELD.

A panel of judges will choose up to 12 students who will participate with more than 125 other youths from other Illinois electric cooperatives in Illinois Rural Electric Youth



Day in Springfield set for Wednesday, March 28, 2012. The day's activities in Springfield will include touring the State Capitol complex, visiting with legislators and a luncheon. Clinton County Electric's two Washington tour winners will be selected from these 12 students.

WASHINGTON TOUR.

The two local winners will join about 70 other Illinois students

who are winners of similar contests sponsored by other Illinois electric cooperatives. They will travel on air-conditioned buses, leaving on June 15 and returning June 22. While in Washington DC, they will visit such attractions as the White House, U.S. Capitol, Smithsonian Institution, Arlington National Cemetery, Lincoln Monument and many other national monuments and places of interest.

Applications are available at www.cceci.com/youthprograms. Completed applications need to be returned to the cooperative office no later than **January 31, 2012**. Feel free to contact Brenda Knolhoff at Knolhoff@cceci.com with any additional questions.

This program may be suspended at any time due to inadequate funding or participation. As noted above, there will be a maximum number of 12 participants chosen. Notifications will only be made to those chosen to participate in the program.

Did you know you can pay your electric bill through our website?

Simply visit our website at www.cceci.com, click on **E-Business Solution** on the upper left side of the page and follow the prompts for your initial set-up. The only thing you will need is a copy of your electric statement in front of you. Once you are set-up you will be able to pay your bill via credit card, debit card or from your checking account. You will also have the ability to set your electric bill up for recurring payment each month giving you peace of mind knowing your bill is paid on time! Also,

once registered, we have your email address and a notification will be sent to you via email each month letting you know your bill is available online for viewing. You will continue to receive your paper bill in the mail unless you opt for "paperless" billing on our website. By signing up on our website, you also gain access to valuable information about your account history. Do not hesitate to contact us at 526-7282 or via email at billing@cceci.com with any questions.



Employee Spotlight

**Our office hours
have changed.**

**Effective
January 3, 2012, the
cooperative office
hours are
7:00 AM - 4:00 PM
Monday through
Friday.**

In February of 2008, Adam Robke began employment with Clinton County Electric as an Apprentice Lineman. Adam grew up in Germantown and currently resides in Breese. He graduated from Mater Dei High School in 2005. After high school he attended Ranken Technical College and graduated from their Electrical Automation Program in 2007. In February, 2011, Adam completed his training to be promoted to a Journeyman Lineman at the Cooperative. In Adam's spare time, he enjoys hunting, fishing, golfing and spending time with family and friends.



Adam Robke

Mark your calendar



2012 Clinton County Electric Cooperative Annual Meeting

Thursday, March 15, 2012 – Be sure to mark your calendar!

It is never too early to plan for your upcoming annual meeting

