

# PowerLines

A monthly publication for member/owners of Eastern Illini Electric Cooperative

March 2013

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## Member meetings

Learn more about our new  
rate restructuring and bill  
unbundling by attending an  
upcoming member meeting.

Check page 2 of this newsletter  
for the schedule and locations  
of the upcoming meetings.



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800-824-5102

A Touchstone Energy<sup>®</sup> Cooperative

## Unbundling your bill: Distribution

**Your new unbundled bill will  
make it easier to see where  
your electric dollar is going.**

As I have been discussing with you  
the last few months, we are getting  
ready for a big change in how your bill  
looks. This unbundling will coincide  
with a slight restructuring of your  
electric rates and will take effect with  
the bill you receive at the end of April.

I want to go through the components  
of the unbundled bill to give you a  
better understanding of why we charge  
what we do. This month, I'll discuss  
**distribution** charges. Next month, I'll  
go over **electric supply**.

The distribution portion of your  
monthly bill will recover the costs we  
incur in providing you access to the  
electric system. These costs include:  
facilities; poles; wires; transformers;  
substations; vehicles; equipment  
maintenance; and other equipment  
and systems that helps us maintain a  
safe and reliable distribution system.  
Also included are operating margins,  
metering, accounting, billing,  
member services, administrative and  
operations personnel.

**Currently, we have a facility charge  
that covers a portion of these costs,  
and the rest is included in your  
bundled energy cost.** With your  
new bills, we will replace the facility  
charge with a base charge and delivery  
charges that will allow us to keep the  
distribution costs separate from the  
electric supply portion.

This updated  
rate structure  
will better  
reflect how  
your monthly  
bill matches up  
with our costs to  
give you a better  
understanding  
of how your  
electric dollars

are spent to continue providing you  
with safe and reliable electricity.

Our current facility charge for  
member/owners on our basic  
residential rate is \$26.15 per month.  
Again, this number only covers a  
portion of our actual fixed costs. We  
recently brought in a rate consultant to  
perform a cost of service study for our  
system. That study indicated that our  
actual fixed costs are about \$70 per  
month for a residential home!

We certainly did not feel comfortable  
raising your facility charge (now called  
a base charge) that much, but we also  
knew we needed to move it closer to  
the actual cost. The new base charge  
for our residential general service rate  
will be \$40 per month. **It is important  
to remember that while the base  
charge is going up, your per kilowatt  
hour charges are going down.** The  
average net impact for a residential  
member/owner is less than a five  
percent increase.

Let's take a look at WHY the cost of  
service study put the fixed costs where  
they are: (continued on the next page)



MESSAGE FROM  
THE PRESIDENT

# Unbundling your bill, continued

## Density

One of the biggest issues we face in providing you with that safe and reliable electricity - at the exact moment you want to use it - is our density.

Density refers to the number of consumers (we think of you as

member/owners, because that is what you are) that an electric company has, divided by the actual miles of electric lines that they have built and maintain on a regular basis to provide service to all of its' consumers - or member/owners.

While investor owned utilities (IOUs, Ameren Illinois in our area) average about 34 consumers per mile of line, Eastern Illini averages only three member/owners per mile of line (see the chart above).

Today, one mile of overhead electric line costs around \$28,000 to build. Underground is twice that. We have about 4,500 miles of line throughout our service territory. **That's enough electric line to stretch from Paxton to Washington, D.C. and back, three and a half times!**

There are plenty of other costs, as well. A bucket truck costs up to \$239,000. We currently have 20 trucks in service. There are also costs associated with trimming trees, maintaining our 25 substations, calculating and sending your bills each month, and the list goes on and on. It really is amazing

how many aspects go into providing you with safe and reliable electric service.

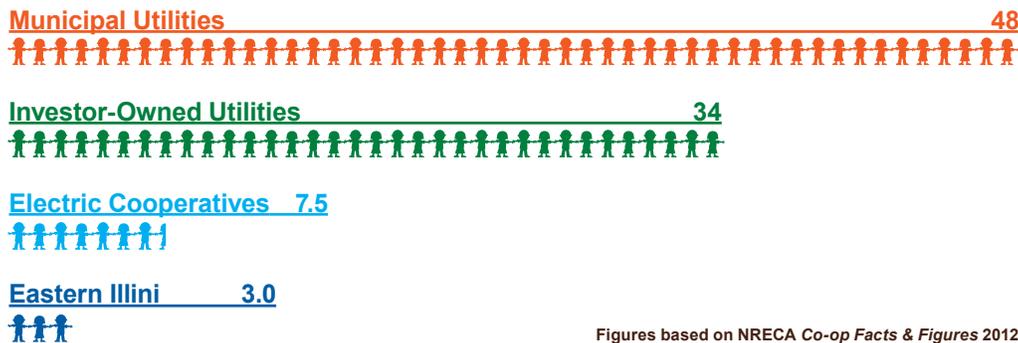
I hope this information helps explain our delivery component. Don't forget to read my message next month as I

explain the components that will make up the power supply portion of your unbundled electric bill. Also, please plan on attending one of our remaining member meetings (see schedule below).

Sincerely,

*Dave Champion*

## CONSUMERS PER MILE OF LINE



Figures based on NRECA Co-op Facts & Figures 2012

Keep in mind that the cost of actually building our electric system is just one piece of the puzzle. Every day our employees are working hard to maintain our electric system so that whenever you flip a switch, the lights come on. **In fact, we spend about \$4 million per year in system upgrades.**

## Attend a Member Meeting

Learn more about our rate restructuring at an upcoming member meeting.

Each meeting will begin at 6:30 p.m., and snacks will be provided. Visit [www.eiec.coop](http://www.eiec.coop) or call us at 800-824-5102 for directions or more information.

**Thursday, March 7 in Watseka**  
Super 8 Motel  
710 West Walnut Street

**Thursday, March 21 in Pesotum**  
Eastern Illini's Warehouse  
987 CR 200 North

**Thursday, March 14 in Hoopston**  
Hubbard Trail Country Club  
13937 East 3680 North Road

**Thursday, March 28 in Tuscola**  
Tuscola First Christian Church  
100 East Church Street

**Tuesday, March 19 in Mahomet**  
Farm Credit Services  
1100 Farm Credit Dr.

**Tuesday, April 2 in Paxton**  
Eastern Illini's Office  
330 West Ottawa Street

# Protect against power surges

## Power surges are responsible for millions of dollars of property damage each year.

Over time, power surges can cause cumulative damage while decreasing the lifespan of TVs, computers, stereo equipment, and anything else plugged into a wall outlet. Being educated is the key to choosing the best surge protection for your home.

How does a power surge cause damage?

### First, what is a surge?

“A surge is a boost in the electrical charge over a power line,” explains Mike Carroll, Eastern Illini’s energy advisor. “This can be caused by lightning, but it’s more commonly caused by motor-driven electrical devices, such as air conditioners and refrigerators, that require a lot of energy for starting and stopping compressors. Some surges can also be caused by faulty wiring.”

Frequent, small power surges tend to shorten the life of home appliances and electronics. “Power surges come in all shapes and sizes—the most extreme case being

a lightning strike because it can destroy equipment and sometimes set your house on fire,” comments Carroll. “But less severe power surges are rooted in hundreds of different causes.”

He continues: “The severity of a surge depends not only on the voltage and current involved but how long the event lasts. Most surges are very short in duration. It’s important for people to realize that surges can happen through any connection on your equipment. If there is a wire connected to your equipment, then it provides a path for a surge.”



*Some surge protection devices resemble a simple power strip that you plug into the wall. But remember—your power strip doesn’t provide surge protection unless it says so.*

### How can I protect my property?

A surge protection device mounted at your home’s main electrical panel or the base of your electric meter protects equipment inside your house or business from surges coming through “ports of entry,” such as outside electric, telephone, and cable TV or satellite dish lines.

Point-of-use surge protection devices do not suppress or arrest a surge but divert it to ground. They’re designed to protect your

sensitive electronic appliances, like a computer, and resemble a regular plug strip. However, don’t assume your plug strip offers surge protection unless it specifically says so. You can also install special electrical outlets that offer surge protection, which can be helpful in places like kitchen countertops.

“My computer is plugged into an uninterruptible power supply with surge protection,” Carroll notes. “We had a lightning strike, and a surge came in over the phone line. But the surge protector stopped it.”

One of the most effective ways to protect your property is a two-tiered approach. A service entrance surge protection device reduces power surges to a lower level that protects large appliances, such as your stove or clothes dryer, while point-of-use surge protectors defend your sensitive electronics.

Remember to be cautious when shopping for surge protection equipment. “Some items claim that they can save energy, and these claims are generally false,” Carroll concludes. “Surge protection is a valuable tool for protecting your home or business but not for saving energy.”



## Energy Efficiency

### Tip of the Month

Appliances account for about 13 percent of your home’s energy use. If they have energy-saving settings, use them! If they’re nearing voting age, considering replacing them with a new, energy-efficient model. And remember to try smart power strips for smaller appliances and electronics that continue to draw power even when turned off. For more tips, visit [EnergySavers.gov](http://EnergySavers.gov).

Source: U.S. Department of Energy

# Saving money? There's an app for that



The TogetherWeSave.com—Save Energy, Save Money app lets you see how much money you could pocket each month by switching from traditional incandescent lightbulbs to compact fluorescent lamps or light-emitting diodes.

In addition, you can use the app to evaluate energy guzzlers in your home—for example, what does it cost to run a dishwasher for an hour?

The free app is available for Apple iPhones and iPads at the iTunes store and for Android smartphones at

Play.Google.com; Simply search for Together We Save at either location.

At Eastern Illini, we take pride in our promise of providing you with safe, reliable and affordable electric service. But our promise goes beyond that.

We are also dedicated to improving the quality of life in our communities. This money-saving app is one more way we're looking out for you!

Find more ways to save at [www.eiec.coop](http://www.eiec.coop).

## Nomination petitions available March 15

**Nominating petitions for the June 13 director election will be available March 15.**

Directors in Directorate Districts 1, 7 and 8 will be elected at the June 13, 2013 Annual Meeting. Incumbent directors Harold Loy of Beaverville, District 1; and Kay

Horsch of Dewey, District 7; and Herb Aden of Newman, District 8, have indicated they will seek reelection.

Nominating petitions can be picked up at 8 a.m. on Friday, March 15, 2013, at our main office in Paxton, at 330 W. Ottawa.

Each member who desires to be elected to the board of directors must have a petition signed by not less than twenty-five (25) members of the cooperative. Petitions must be filed at the cooperative's headquarters in Paxton no later than 5 p.m. on Monday, April 29, 2013.

## Credentials Committee selected

**Committee tasked with reviewing potential candidates for Eastern Illini's board.**

Wayne Apperson of Foosland, Austin Apgar of Tuscola, Laverl Byers of Tuscola, Chris Elliott of Rankin, and Ken Kurtenbach of Chatsworth have been appointed by the Board of Directors to serve a 1-year term on the Credentials Committee. The Credentials Committee will meet at the cooperative's headquarters on Tuesday, April 30, 2013, to review the qualifications of all candidates who file nominating petitions to determine

their eligibility to serve as directors of the cooperative.

The nominating process is conducted in accordance with the following provision of the Cooperative's bylaws:

### **Article III, Section 3.5 Nominations:**

*"Any member of the cooperative in good standing who desires to be elected to its Board of Directors may be nominated by petition signed by not less than twenty-five (25) members and filed with the Secretary of the Cooperative not less than forty-five (45) days prior to the annual meeting of members. Nominations from the floor shall not be permitted. The Secretary of the Cooperative*

*shall cause to be prepared and posted at the principal office of the Cooperative at least thirty (30) days before the annual meeting, a list of the nominations for Directors thus filed with him or her.*

*"A specimen ballot marked "Ballot for Directors" containing the names and addresses of all nominees listed in the order determined by lot conducted by the Board of Directors of the Cooperative shall be printed in or mailed with the notice of the meeting. The Secretary shall also have printed in or mailed with the said notice of the meeting or separately not less than ten (10) days prior to said annual meeting, a statement of the number of directors to be elected and the district from which they are to be elected."*