

CELEBRATING 75 YEARS OF SERVICE • CELEBRATING 75 YEARS OF SERVICE • CELEBRATING 75 YEARS OF SERVICE

Architects of Rural Progress

*Egyptian Electric Cooperative Association
Improving the Quality of Life of
Our Members*

CELEBRATING 75 YEARS OF SERVICE

A message from your Manager



James Riddle
*Executive Vice
President/
General Manager*
Egyptian Electric
Cooperative
Association

One of the best known quotes throughout the cooperative world is a recollection of a land buyer from the Tennessee Valley Authority of a gentleman's comment at a church. His comment was,

"Brothers and sisters, I want to tell you this. The greatest thing on earth is to have the love of God in your heart, and the next greatest thing is to have electricity in your house."

This of course was in the late 1930's or early 40's. At that time electricity was just becoming available in the rural areas. That availability changed rural America and its quality of life ever since.

Today, as we celebrate our 75th Anniversary, we are quickly losing members who still remember when electricity first came to their farm. It was a time of wonder, awe, and at times tears of joy coming from knowing the hard life of rural living would now be better.

After the Rural Electrification Administration was established in 1935, Egyptian Electric Cooperative was officially formed on August 25, 1938, at the Farm Bureau building in Murphysboro. The hard work of a dedicated group of visionary leaders led to a dream becoming reality. From that time onward our members, employees and directors have worked hard to improve the quality of life in southern Illinois. Their goal was to ensure the members had the same benefits and luxuries that urban residents had.

The cooperative business model has been proven time and time again to be successful because there is no incentive for stockholder profit. Any changes or improvements are a direct effort to help members. If money is saved, it benefits members, not owners or stockholders. Another way to say it is that the cooperative puts the members first. For-profit companies strive to make profit for stockholders and provide no voice for their customers.

As we reflect on the many changes that have occurred over the last 75 years, take confidence that our mission of "Improving Our Members' Quality of Life" has not. While some things come and go, that mission will always remain a constant at your cooperative.

Sincerely,



James Riddle
Executive Vice President/General Manager

Egyptian Electric Cooperative Association

Architects of Rural Progress

*H*istory in southwestern Illinois was made on a biting cold March 30, 1940, when Harry Sickmeyer tripped the switch at a small rural electric substation near Sparta, Ill. Egyptian Electric Cooperative Association went into operation that day when Sickmeyer, a community leader and organizer, energized the substation and the first 95 miles of lines.

Sickmeyer of Campbell Hill was president of the fledgling cooperative. It was a proud and fulfilling moment for him and his fellow cooperative pioneers who struggled and volunteered many hours of their time to help get the cooperative started.

For many of them, the day was the reward for years of efforts to bring electricity to the rural area of southwestern Illinois. Sickmeyer and others in the Sparta area initially encouraged local power company officials to extend service to their area in 1934. They went as far as to organize a community meeting for the power company in September of that year. At the 11th hour, however, the utility backed out and would not attend the meeting.

“When the Sparta manager refused to come to our meeting, we knew it had knocked our project in the head,” he said. “Then came the breakthrough with the REA (Rural Electrification Act).”

Rural electric leaders in Jackson and Randolph counties began organizing separately

in 1937 and 1938. When their efforts failed to progress, they joined forces in the late summer of 1938. The co-op was organized officially in the Farm Bureau building in Murphysboro. Incorporators included Theodore Kueker of Ava, William McKee of Jacob, Park Jarrett of Rockwood, Robert Gale of Gorham, C.E. Dietz of DeSoto, Raymond Herrington of Murphysboro, Albert Kothe of Percy, Floyd Cox of Oraville and Sickmeyer. The leaders soon would meet to plan their strategy to sign up co-op members.

The co-op leaders agreed to a goal of signing up 500 members in the two-county area as soon as possible. Sickmeyer would head the drive in Randolph County; McKee headed the effort in Jackson County. The efforts of Sickmeyer, McKee and a host of co-op volunteers were rewarded on Feb. 20, 1939. After months of hard work, disappointments and rejections, the Rural Electrification Administration approved a loan of \$500,000 to the cooperative.

A contract of \$424,000 to build the first 95 miles of lines was awarded to the Donovan Construction Co. of St. Paul, Minn. Construction began in the fall of 1939 and the first pole was set at Winkelman's Grove on Sept. 13. The kickoff

Rural electric leaders in Jackson and Randolph counties began organizing separately in 1937 and 1938. When their efforts failed to progress, they joined forces in the late summer of 1938.



Crews work to build one of the Cooperative's substations in the early years.

event included dignitaries from the REA in Washington, D.C., the state rural electrification office in Springfield and the University of Illinois in Champaign. A highlight of the meeting was a memorial service led by Carl Robinson of Murphysboro. "Fitting tribute was paid to Fanny Flatiron, Lulu Lamp, Bonnie Well-Bucket, Miss Ice Box, Benny Broom and Willie Washboard as farm wives ... read the tributes to the outmoded first aids to farm wives," reported the Sparta News-Plaindealer.

Line work commenced but was halted after a couple weeks by a union-led salary dispute. Work resumed in mid-December after the strike was settled and within a few short months the first lines were energized. By November, the entire "A" section of line was energized.

Veteran cooperative directors recalled the fascination and excitement of those early days and the coming of electricity. Archie Hamilton of Ava recalled coming home from school as a youngster and flipping the switch just to see if the electricity had been turned on yet. "We had our house wired well

before the lines were energized. It was such a pleasure on that first evening when I came home and flipped the switch - and the lights actually came on!"

Hubert Chapman of Carbondale recalled his family's house had a single light bulb in each room and one outlet. The first major purchase after the lines were energized was a refrigerator, he said. "I was absolutely fascinated by the electric lights at the age of 12," he recalled.

Of course the job had only begun. In many areas the work of getting memberships and line easements had yet to begin. "In some areas it was quite difficult to get easements because of family quarrels dating back many years. We would find it almost impossible to get clearance for right-of-way construction because of grudges and neighborhood feuds," Sickmeyer said. "Some were of such long standing that the original cause of the argument had been forgotten."

He remembered one such case near the St. Leo's Hill area. Easements were impossible to obtain in the area, so co-op supporters turned to the local priest, Father Armbruster.

The priest listened to their pitch, and then asked them to leave easement permits with him. After a few weeks they were told to return.

"When we returned, he presented us with a package of signed easements. Every one of those easements had been signed by

the landowners. He had done in three weeks what probably would have taken many months of negotiating by outsiders," Sickmeyer noted.

In getting the easements signed in the area, the priest helped ensure electricity would come to his church and school.

Longtime cooperative power use representative Dick Robinson initially joined the cooperative to obtain right-of-way easements in September of 1939. While most rural people were supportive of the co-op program,

"Fitting tribute was paid to Fanny Flatiron, Lulu Lamp, Bonnie Well-Bucket, Miss Ice Box, Benny Broom and Willie Washboard as farm wives ... read the tributes to the outmoded first aids to farm wives."

- Sparta News-Plaindealer



Robinson remembered working with a few members in a less than satisfactory manner.

"I was going ahead of the contractor marking trees to be trimmed or cut. A certain sassafras tree was growing along a fencerow. I tagged it for trimming, but somehow the crew figured it was to be cut down rather than trimmed and they chopped it down. First thing I knew I had a very large and very unhappy farmer shouting at me," he recalled.

Much of the progress of the first years came to a halt in 1943. The coming of war brought a tightening of line-building supplies to Egyptian and other co-ops across the country. There were war-related tensions in Egyptian's area – some which extended to the newly developed electric co-op.

"There were a lot of German people in this area at the time. Many of them still spoke German and we were at war with Germany," recalled Hamilton. "People were all concerned about that and during the war there was a guard house at our Bremen substation, with a guard stationed there. They actually built a wooden wall around the station and filled it with sand. They were concerned with German war sympathizers."

Hugo Wendell was the initial Project Superintendent of the co-op. T.F. Fieker, who came from Shelby Electric's project, was named Project Superintendent in 1940

and Wendell was placed in charge of line construction. Fieker resigned two years later to join the Army and was succeeded by F.E. "Toady" Fair, who held the job for about two years before leaving to join an Iowa co-op. W.L. Engelhardt was named co-op manager in December of 1944 and served about six months. He was succeeded by Arkansas native Raymond Holt on July 5, 1945, starting a period of intense growth for the co-op.

"Construction of lines had come to a complete standstill due to World War II restrictions on material," Holt recalled. "The cooperative had 12 employees at the time. Our equipment was limited to several broken-down trucks. We couldn't buy the supplies we so desperately needed."

Veteran Lineman Dale Deppe, who joined the co-op crews in mid-1945, remembered digging pole holes by hand. "They put us in this little truck, hauled us out to the work site and set the water keg in the center of six to eight guys who would dig holes. The last guy in line would pick up the water keg and bring it along with his tools and lunch bucket," he said. "So after you finished digging a hole, you'd carry the water keg, your lunch bucket and all your tools. You'd go up six spans or more, walking past the other six or eight guys who were digging too. Then you'd dig another one."

The crew members were expected to dig

Crews build a three phase feeder line to provide members with adequate electric power.



Former lineman and area serviceman Elmer Nagel with his service truck.

six to eight pole holes apiece every day.

Improvements came along quickly. In 1947 the co-op purchased a two-way radio communications system – one of the first used by an Illinois electric co-op. Deppe recalled those days on a line crew without any communication. “We were out there working on our own,” he noted. “We usually didn’t even have a way to get to a phone. We just waited until the truck would pick us up.”

Veteran Lineman and Superintendent Dean Reiman worked the lines many years before the co-op purchased its first hydraulic bucket truck in the early-1960s. “The co-op was really having growing pains and I was the foreman of the crew that received the first bucket truck. It was an International with a fold-over boom and a digger. It was a dandy ... a Jim dandy.”

The manager and board continued the task of building a first-class organization, along with a distribution system capable of serving both current and future members’ needs. Holt slowly developed a staff of professionals who not only would build and maintain the system, but expand it to develop appliance sales and service, energy

marketing and communications programs.

Ora Snider, who later would join the Southern Illinois Power Cooperative at the Lake of Egypt staff, was electrification advisor. His primary job was to work closely with members, helping to solve their problems. The biggest task of the time was just keeping ahead of the growing energy usage of members. By 1950 the average EECA member used 158-kilowatt hours of electricity each month – on a system designed for an average use of 80 kWh.

Robinson, who had joined the co-op originally to gain easements, began working as power sales director during the 1950s – and helped develop marketing and sales promotions to encourage members to use more electricity, while using it wisely. He later was promoted to district office manager. During this period the co-op, like many others in the state, developed an active appliance sales and service program.

Veteran staffer Bob Stein joined the co-op in 1956, installing and repairing appliances and electrical equipment. “The first thing we’d sell them was a water pump,” he recalled. “When we got that water pump in,

then people could have inside plumbing, an electric water heater, a range and a refrigerator. We built a lot of load that way.”

In fact, electric demand grew to the point that power supply became a dominant factor and an increasingly important issue in the late 1940s and early 1950s. Jim Holloway, former state legislator and Egyptian Electric manager, recalled the period during the late 1950s when the investor-owned utilities placed a cap on power sales to the cooperatives.

“The public utilities were saying at that time ‘we can let you have what you’ve been using in the past, but no more than that.’ In other words they were saying ‘no more power,’” Holloway noted. “In this business there’s no such thing as standing still. You’re either moving forward or you’re moving backward.”

Holt and leaders from Southern Illinois Electric Cooperative in Dongola, and SouthEastern Illinois Electric Cooperative in Eldorado, had joined together to form Southern Illinois Power Cooperative (SIPC) in 1948. Some 10 years later, their vision was rewarded when the power cooperative became more than a plan on paper. Southern Illinois electric co-op leaders made the decision to build their own power plant south of Marion. That location and the lake that was built to provide cooling water for the power plant are today known as the Lake of Egypt. SIPC ensured the members of the co-ops had, and still have today, a secure source of wholesale power.

The announcement to grant the SIPC loan came during the National Rural Electric Cooperative Association (NRECA) annual meeting in St. Louis on Feb. 23, 1960. Longtime Administrator Dave Hamil made the surprise announcement.

“It went down in our history as one of the most important days in rural progress,”

noted Holt, who served as SIPC’s president for many years. “It meant the rural areas of this part of the state would have an adequate supply of reasonably-priced electricity.”

Owning their own generation since the

early 1960s meant the southern Illinois cooperatives “control our own destiny,” noted Egyptian Manager Harry Kuhn. “Those pioneers were willing to gamble a little and sacrifice a lot in order to control their own destiny. The decision to build that plant and incur a \$25

million debt was a giant step. There was a lot of risk involved in developing SIPC.”

For a variety of reasons ranging from power supply issues, the building of “spite lines” into co-op territory and load pirating, the cooperative had a history of some difficult times with the investor-owned utilities serving southern Illinois. Ray Holt noted that the power company “pushed its lines into the best territories in our area” during the 1940s as the cooperative was extending service to rural areas.

“They’d extend those lines out past the

“The first thing we’d sell them was a water pump,” he recalled.

“When we got that water pump in, then people could have inside plumbing, an electric water heater, a range and a refrigerator. We built a lot of load that way.”

- Bob Stein

After a well pump and running water were installed, the next electric appliances were typically a water heater and a washing machine.





The Cooperative's Steeleville billing office in the 1950s.

edge of town as far as they could possibly go and stub them off. They did it to keep the REA from coming in and they did it in a lot of places," remembered Dale Deppe. "In some areas those lines are still there, serving no purpose whatsoever."

He recalled a time near Pinckneyville when Illinois Power crews set poles in holes dug by co-op crews. "At one time we were told that we should not even socialize with them ... not even speak to them. That's how bad things had gotten," Deppe added. "These organizations were hot against each other."

Relations between the cooperative and other southern Illinois power suppliers is much improved and more businesslike today, former cooperative Manager Kuhn reflected.

Egyptian Electric's headquarters facility has been located in Steeleville since the earliest days of the cooperative. The small Randolph County town was selected because it was a central location. The decision to locate in Steeleville was not a popular one in nearby Chester, where business leaders lobbied co-op leaders to locate the headquarters in their river bottom town.

The initial Steeleville office was located downtown, in a building that would later house the Witherby appliance store. In 1950 the cooperative moved to its current office on the west edge of Steeleville. When it was

dedicated on May 20, 1950, the facility was one of the first of its kind in the country. The building's 16-room office and warehouse was completed at a cost of \$135,000.

The cooperative also maintains a district office in the southeastern part of its territory. The initial district office was located in a Quonset hut in Carbondale and in the late 1940s was moved to the current site in Murphysboro which was formerly a chicken factory. That facility was torn down and replaced in 1969 and then added on to in 1996. Today the district office is located near the center of the cooperative's growth areas.

Virginia Frazier witnessed much of the Carbondale-area growth. She worked many years in the co-op's power use program as home service advisor. Frazier joined the co-op staff in 1958, just in time to see major growth on Carbondale's south side, in and around the Southern Illinois University campus.

"As the university grew, so did the number of homes in our rural service area. I worked as the home service advisor and we did kitchen planning and held cooking schools for the members. We put on demonstrations at the university using electric appliances," she said. During the 1950s and 1960s, Egyptian Electric had an active, successful appliance sales and service program, as did many cooperatives.

The 1950s and 1960s brought many changes in the Egyptian Electric's inside operations as well. Merle Fuhrhop, longtime office manager, joined the co-op in 1948 and had a first-hand view of the 30-year transition from manual office operations to use of personal computers. In the late 40s the co-op staff posted accounts by hand on ledger cards, transferring to a Burroughs billing machine in 1951. In 1958 the co-op got its first IBM keypunch machine, a model 48. "We punched information to the card and then took it to a service bureau in St. Louis to have it analyzed and reports printed out," he said.

In 1963, the co-op purchased an IBM 402 accounting machine. Ten years later Egyptian Electric purchased its first mainframe computer, an IBM System III. The co-op

transferred to an IBM System 400 main-frame in 1992. Fuhrhop and the Egyptian staff were among the computer pioneers of Illinois electric cooperatives.

Five co-op managers have followed the initial five project superintendents who served until 1945. Holt was Egyptian's manager for 31 years, serving until June of 1976 when he was succeeded by Jim Holloway, a southern Illinois State Representative who had worked for the co-op in a public relations capacity. Holloway retired in February of 1983 and was succeeded by Manager Harry Kuhn, a North Dakota native who joined the cooperative initially as system engineer after serving many years as REA field engineer and consultant. When Kuhn retired in 2002, Mark Stallons, system engineer for Midwest Energy Cooperative in Cassopolis, Mich., was selected to lead the Cooperative. In 2009, when Stallons left to lead a larger cooperative in Kentucky, James (Jim) Riddle joined the Cooperative. Riddle left Clinton County Electric Cooperative in Breese as the general manager to come to Egyptian.

Kuhn reflected upon the cooperative's relative good fortune in dodging storm-related damage over the years. The worst storms included a tornado in 1957, ice storms in 1978 and 1979 and high straight-line winds in 1980. Kuhn joined the cooperative staff in 1979, just months after a February ice storm

left serious damage to the system.

"I was sitting in Jim Holloway's office one afternoon and he was just commenting on how well things were going ... and an hour later the whole system blew down," Kuhn noted. "We had a tremendous wind storm that came through in July of 1980. It brought 85 mile an hour winds that went diagonally down the middle of our system."

The damage was so severe and widespread the cooperative called for help through the Illinois Electric Cooperative Emergency Work Plan; linemen with vehicles were brought in to assist Egyptian employees with the damage. Compounding the situation was extremely hot weather which followed the storm during the days of recovery. It took the cooperative nine days to return all members to service, Kuhn recalled.

Longtime Lineman Dale Deppe recalled the tornadoes of Dec. 18, 1957, when 15 separate tornadoes passed through the co-op service territory during a 24-hour period. The storm left half the co-op's membership without power, some for a week and a half. The City of Murphysboro was extremely hard hit by one of the tornadoes. "It was a terrible mess. We worked 34 straight hours and never went home for a break, except to eat," he said. "It took us by surprise. We had never experienced anything like that before."

In 2009, the Cooperative was struck by one of the worst storms in its history on

The derecho of May, 2009 caused devastating damage to the Cooperative's electric system. More than 140 additional personnel assisted Cooperative crews. It took nearly two weeks to completely restore service.



The Egyptian Board of Directors in 1969. Longtime General Manager R.S. Holt is seated in front row, far right.



May 8, just shortly after General Manager Jim Riddle became manager. Rather than tornadoes, the Cooperative system was hit by a derecho, a widespread, long-lived, straight-line windstorm that struck the system for over 15 minutes with winds in excess of 80 mph. When finished, the Cooperative was left without power to more than 9,000 of its 14,000 meters, primarily in the Carbondale area. The Murphysboro District Office

went from eight linemen on the Friday of the storm to more than 140 four days later. Even with all of the additional crews from other co-ops and contractors, it took over two weeks to completely restore service. When damage repairs were completed, the cost of the storm was more than \$4 million. Fortunately, the event qualified as a FEMA reimbursable event and the Cooperative was spared much of the cost of repair.

In the late 1970s and early 80s, Egyptian Electric, and sister cooperatives SouthEastern and Southern, were raising electric rates caused by construction of the new 173 MW generating Unit 4 at SIPC. Interestingly, the cost of the pollution control equipment for Unit 4 in 1978 cost more than the construction of the original power plant, transmission system, headquarters and the lake did in the early 60s.

"We had some real rate shock," Kuhn

remembered. "We raised rates 20 percent a year for two years and then we increased rates by about 40 percent over the next three years."

Compounding the matter, the unit came into service shortly after the 1973 Arab oil embargo. The U.S. was entering a period of unprecedented energy conservation. The curtailing of energy usage extended to electricity and "we went from annual growth of five or six percent to a major drop off," noted Fuhrhop. "All of a sudden our economy dropped off and with the higher rates our members cut their use of electricity."

That period also led to a change on the co-op's board of directors, as well. Longtime Director Harold Dycus of Carbondale, who would go on to serve in a variety of leadership capacities on the Egyptian, SIPC, and national levels, was nominated from the floor and elected to the board at the cooperative annual meeting in 1975.

"The co-op had been accustomed to running a certain way and they were run very well with few upsets. But with the changes in rates and the change in the membership, some thought there ought to be a broadening of the base. This board was broad-minded enough to accept that," noted Dycus.

Dycus and others remembered some stormy annual meetings during the late 1970s as rates increased and members questioned the cooperative's ability to deliver service at a reasonable price. Other than those few meetings during the late 1970s, the co-op's annual meetings have always been successful, family-oriented events.

During the 1950s and 60s, Egyptian Electric was part of the caravan association, a group of co-ops that pooled their resources to provide tenting and other equipment for holding an outdoor, county fair type of meeting.

"We'd have those meetings in the tent and our people would come early in the morning and stay all day. We had a beauty contest and other attractions. People really loved to attend," remembered longtime Director Ed Timpner.

Longtime Line Superintendent Dean

Reiman recalled that co-op members would arrive early in droves just to be eligible for the early bird prize. "People would rush in to register in time for that. We'd have quite a gathering and people would arrive early for the entertainment and the picnic lunch. Then the business meeting would start at one o'clock or so. It was quite a program and one that was well appreciated by the members who attended."

In recent years the cooperative has held its annual meetings at the American Legion Hall in Steeleville, where members gather for the business meeting in air-conditioned comfort. When the Cooperative served ice cream bars in celebration of its 50th Anniversary in 1988, it started a tradition that continues still today.

Egyptian Electric serves a diverse membership – ranging from farmsteads and rural homes to subdivisions and large manufacturing facilities. The co-op serves a vibrant and growing manufacturing, commercial and residential base in the Carbondale and Murphysboro areas, where much of the steady growth is occurring.

Much of the recent growth in the Carbondale area has been centered around Southern Illinois University Carbondale (SIUC) and the Southern Illinois Airport. In 2012, SIUC moved its nationally recognized automotive and aeronautical programs into the new Transportation Education Center facilities on the airport proper. Shortly before the completion of these new facilities, the Illinois National Guard located a new headquarters at the airport. Additional growth is expected in the future as the Airport Authority and the Jackson Growth Alliance strive to attract appropriate industry to the area.

Egyptian served an extensive coal mining industry in its area during the 1960s and 1970s. That growth contributed greatly to the co-op's economic success. While all of the mines from that period have now closed, the Cooperative provides electric service to many of the Knight Hawk Coal Company mines, a new mining operation that has experienced excellent growth.

The cooperative serves a unique and interesting area – and is noteworthy for being the



only Illinois cooperative to provide electrical service west of the Mississippi River. Since 1948, Egyptian Electric has served historic Kaskaskia Island on the Missouri side of the Mississippi River. The island is home to a few people, small businesses and churches. The island is steeped in history and the cooperative has developed its own history on the island, maintaining service there through storms and floods.

Egyptian Electric has a proud tradition of providing high quality service at competitive rates. The co-op also has a history of being fiscally conservative, developing a member-owned business that is very strong financially. Co-op leaders point to several reasons for this success.

Egyptian Electric has gone from horse and buggy equipment to technology that is the most modern available to efficiently improve operations. Kuhn and Holloway both credited the co-op's veteran staff for much of Egyptian's success.

"We've had a good group of employees who have been with us for a long time. They've been very dedicated to this cooperative. We have very little employee turnover and we've given out a lot of watches for 25 years of service," he said. Kuhn cited three retired employees as examples – Merle Fuhrhop, veteran office manager with 55 years; Lineman Dale Deppe, 46 years, and David Sickmeyer, meter technician (and grandson of Harry Sickmeyer) with 40 years.

"Our employees have been extremely loyal

Linemen Roger Stuva and Mike Chamness install a new transformer in the Carbondale area to meet increasing load growth.



The framework of the Southern Illinois Power Cooperative at Lake of Egypt takes shape. This was the home to the plants first three generators of 33 MW each.

to Egyptian Electric,” noted veteran Director Ed Timpner. “If our members needed help or information, or had questions, they did their best to help in any way they could.”

Veteran Lineman and Superintendent Dean Reiman said the co-op has always been a great place to work. “I’m proud to have been associated with Egyptian Electric. I spent 32 years working for the cooperative and I enjoyed working with our employees and our members,” he said. “The co-op always provided steady work and things were growing here. We hired people all the time and we never had any layoffs. We always provided good wages and an excellent health plan and a good pension plan.”

Bob Stein said part of the success came from the co-op’s structure.

“Our employees are part of something at Egyptian Electric. That makes them a little different than people who work for big companies. We’ve actually been part of a family or that’s the way it always seemed to me. We were running a service that helped a lot of people. I always felt good about that.”

Egyptian Electric has a proud tradition of providing high quality service at competitive rates. The co-op also has a history of being fiscally conservative, developing a member-owned business that is very strong financially. Co-op leaders point to several reasons for this success.

Cooperatives like Egyptian Electric have been good for the country, noted Virginia Frazier.

“There’s a certain satisfaction that comes from working with people and cooperating with others and seeing a co-op grow and succeed. Our leaders today ought to take a good look at cooperatives as a way to solve some of our problems. Cooperatives have been good citizens in this country and they work. This one does.” The cooperative model continues to “work” today.

To ensure cooperative members have a reliable source of electric energy for years to come, Southern Illinois Power Cooperative purchased a portion of the new Prairie State Energy Campus (PSEC) near Marissa, Ill., in 2006. PSEC is a state of the art coal-fired power

plant that came on-line in 2012 and uses the newest technology to ensure the plant is a good environmental steward. The plant was even located across the road from the coal mine that provides the coal to eliminate all transportation costs and environmental impacts.

While supporting the use of coal as an economic fuel for electric generation, Egyptian Electric and SIPC have not forgotten the importance of efficiency and finding renewable energy sources. In 2002, SIPC replaced three of the original boilers with a fluidized bed unit that was more efficient and has lower emissions. In 2008, SIPC was a founding member of the National Renewables Cooperative Organization (NRCO). NRCO provides ongoing opportunities for its members to have access to and development of cost-effective renewable energy resources. This participation led to SIPC's long-term power purchase agreement for 10 MW of electricity from the Pioneer Trail Wind Farm near Paxton, Ill.

EECA has also voluntarily supported solar energy by contributing to the Renewable Energy Trust Fund of the Illinois Department of Commerce and Economic Opportunity (IL DCEO). This support allows Cooperative members to receive grants for the installation of small photovoltaic (PV) generation systems. A number of EECA members have taken advantage of this opportunity.

Egyptian has long embraced the concept of energy efficiency for its members. In the late 1980s, the cooperative actively participated in and promoted the Rural Home Energy Grant program. In 2010 and 2011, EECA distributed more than \$130,000 in energy efficiency rebates through the Home Energy Efficiency Rebate Program. This award winning program was made available with funds from the American Recovery and Reinvestment Act (ARRA) through the Association of Illinois Electric Cooperatives. EECA also provided a leadership role in

the development of the Certified Comfort Home program, a recognized guide to the construction of energy efficient homes throughout Illinois.

Egyptian Electric has long promoted the use of energy efficient air-source and



geothermal heat pumps. More than 30 percent of the households the Cooperative serves are heated with heat pumps. Egyptian was one of the first cooperatives within the state to have a certified Building Performance Institute (BPI) energy auditor on staff. EECA has offered blower door and infrared camera inspections as a part of its energy audits for numerous years.

The cooperative continues to make strides in the use of technology to more efficiently and effectively provide quality service to its members. EECA installed an Automated Meter Reading (AMR) system in the late 1990s. The initial installation was to eliminate manual reading of meters within corporate city limits where the cooperative was required to read meters. This eliminated manpower and vehicle expenses. In the mid-2000s, the Cooperative undertook a multi-year effort to install Advanced Metering

Egyptian Electric was one of the first cooperatives in the state to contribute to the Illinois Energy Trust Fund, allowing members to apply for grants to install alternative energy systems.



Infrastructure (AMI) meters at all service locations.

“Along with the AMI system,” said Shane Hermetz, assistant manager, “our cooperative has installed an outage management system. This system has the ability to communicate with the AMI meters to determine current status, blinks, over/under voltage, etc. To enhance accuracy of the outage management/staking system, the entire electric system was mapped using the Global Positioning System (GPS) in 2008 and 2009.”

Not only has Egyptian focused on all-around efficiency, but also in making peoples’ lives better and more convenient. In the 1990s, the cooperative, along with the other SIPC distribution cooperatives, formed a subsidiary entitled Southern Services.

“Southern Services provided long distance phone access to our members, reducing their long distance costs substantially. In the last few years, however, cellular phone service has eaten into the long distance market, and in 2009, we ceased to provide this service any longer,” said Bryce Cramer, district office and member services manager.

In 2000, EECA formed Egyptian Water Company to provide potable water to the Sparta and Steeleville areas. In July 2010, this subsidiary was transferred to Washington County Water district. The water company is currently in its third phase of expansion.

The cooperative has continued to be committed to making the members their first priority. EECA has actively engaged its members in communication of the impact of climate change legislation to the membership and has encouraged members to communicate with their legislators to tell them they want a fair, affordable and achievable legislation.

“Any carbon tax will increase costs to our members due to the large percentage of generation from coal. Every \$10 carbon tax would mean an increase in retail rate of one cent per kWh,” said Jim Riddle, executive vice president/general manager.

As with all utilities, the challenge of keeping rates reasonable during a time of escalating costs, a sluggish economy and a move to increased environmental regulations is a huge challenge.

“Improving the quality of life of our member-owners at a reasonable price – EECA’s mission – will not change, even in unstable economic times,” said Riddle. “However, with the need to stabilize rates while providing improved services, I have no doubt there will be changes in the future that none of us would have envisioned years ago. But as our focus is on the members of the Cooperative, I have no doubt they will be positive changes.”



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