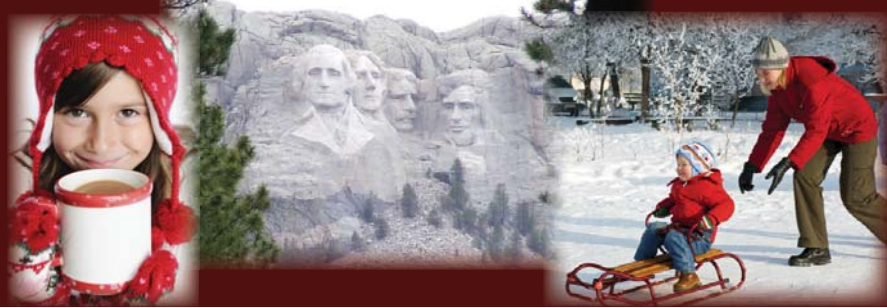


# News Line

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## CEC announces Annual Meeting topics

CEC will be holding its Annual Meeting of Shareholders at the Perryville American Legion at 6:30 p.m. on April 21, 2011. In the coming weeks, each shareholder will receive a proxy ballot along with a list of director candidates and proposed changes to CEC's Articles of Incorporation and By-laws. As CEC initiated last year, shareholders can vote their proxy ballot via mail or in-person at the annual meeting.

In addition to the voting process, the annual meeting will feature reports from CEC's Board President and CEO. According to CEO Van Robinson, "I want members to save the date and consider attending this year's meeting. We'll be discussing significant events of 2010 and our outlook on issues such as 2011 rates, 2011 capital credit retirement, facilities planning, and other important topics."

### 2011 Rates

At this time, CEC is projecting no rate increase for 2011. While CEC's power supply costs are projected to increase slightly, it is believed that this amount will be minimal and can be absorbed. Power supply costs account for approximately 80 percent of CEC's expenses. These costs have increased substantially from 2005 to 2010. However, 2011 appears to be much more

stable. CEC and its power supplier, Wabash Valley Power Association, will discuss power supply issues and the future outlook for the electric industry.

### 2011 Capital Credit Retirement

CEC is a not-for-profit organization and operates on the cooperative business principles. Unlike a for-profit business, CEC periodically returns margins (i.e. the difference between revenues and expenses) to its members as a "capital credit retirement." Retiring capital credits is a fundamental part of being a cooperative. CEC renewed its commitment to this principle in 2010 by retiring \$1 million of past margins. In 2011, CEC plans to retire capital credits once again. Details will be provided at the annual meeting.

### Facilities Planning

CEC is continually looking for ways to manage costs while providing the reliable, efficient electric service you expect and deserve. As Robinson discussed at last year's annual meeting, facilities is one of the areas being addressed. During 2010, CEC hired a consultant with cooperative facilities expertise to analyze its situation. The consultant's observations and recommendations included:

- Existing warehouse, equipment

- storage, and office space are inadequate and need expansion;
- The headquarters is located in the flood plain and should be relocated to a central part of CEC's service territory, such as property currently owned in the Perryville area;
- Reducing the number of facilities from five locations to three locations and centralizing administrative, engineering, certain customer service and operational functions would promote efficiency and long-term cost savings;
- Two service departments should be relocated to more accessible areas.

The consultant's recommendations have been taken under advisement by the CEC Board of Directors. No specific timetable for approval has been created, but CEC has initiated a more detailed study to examine the related costs, benefits, and any potential rate impacts.

According to Robinson, "While Shareholders are not required to attend the annual meeting, it's a great opportunity to learn about your electric utility and to ask questions of directors and management. We look forward to seeing you on April 21."

## It pays to be on time

Congratulations to **Mr. and Mrs. Roy Lorenz** who won \$100 for paying on time in December. You still have a chance to win, because the drawing has been extended. So make sure your payment is received in CEC's office by the original bill due date, and you could be the next winner.

Consider signing up for Auto Pay, so your bill will be paid on time every month. Your payment can be automatically drafted from your bank account on the due date or charged to a credit card. And unlike most utilities, this is still a *free* payment option with CEC. Give us a call for more information or go to [www.cecmo.com](http://www.cecmo.com).

# The monthly customer charge

Frequently overlooked and mostly misunderstood



If you asked a CEC Customer Service Representative for the most frequently asked question, their response would most likely be, “**What is the customer charge on my bill?**” Although consumers typically pay a minimum charge for most services such as water, gas and phone, many folks still don’t understand why CEC’s electric bills include a monthly customer charge.

Simply put, there are two components of a residential electric bill: the energy charge (kWh) and the customer charge. The energy charge recovers CEC’s **variable costs** for the electricity your home used. These variable costs include fuel used in Wabash Valley’s power plants, generation purchased from other utilities, and other costs that fluctuate as you use more or less energy. The

customer charge recovers Citizens’ **fixed costs** that are incurred regardless of any kilowatt hours consumed. These fixed costs include billing, metering, and repaying loans on our infrastructure (poles, wires, transformers, etc).

**Example:** You might compare the customer charge to your personal fixed expenses, like your car payment. If you borrowed money to purchase your vehicle, you have to make a monthly payment whether you drive the car that month or not. The gasoline is the variable cost (like energy charge) that fluctuates according to how much you travel.

What it all boils down to is this - by paying \$24 per month (or 80 cents per day), you have reliable electricity available to serve your family’s needs. In addition, if a storm comes through and tears down power lines, you will not have to pay for system repairs. You’ve already paid your fair share.

## Tree trimming schedule for 2011

We are scheduled to clear the following circuits in 2011:

- 80 miles of distribution lines in Dorlac, Sprott and Lake Genevieve areas.
- 85 miles in the Friedheim, Longtown and Apple Creek areas.
- 94 miles of 3 circuit lines in the Bloomsdale, Kinsey and Brookstone areas.
- 66 miles in the Neely, Leemon and Fruitland areas.

## Help is available to lower electric bills

Even if your household income exceeds the federal guidelines for energy assistance, you may be eligible to receive weatherization assistance from East Missouri Action Agency (EMAA).

EMAA wants you to know that the income guidelines for the weatherization program are considerably higher than for assistance. Despite whether you own or rent your home, you may qualify to receive a free energy audit and energy efficiency improvements such as insulation and air sealing.

Learn more about applying for assistance or weatherization benefits:

- Call 1-800-392-8663;
- Visit your county EMAA office; or
- Go to [www.eastmoaa.org](http://www.eastmoaa.org), where you can print off the application forms.

