

JO-CARROLL

A Touchstone Energy® Cooperative  **HI-LINES**



PRESIDENT'S REPORT

by Michael Hastings

During the past year, I have shared information with you about the cost of service study undertaken by the cooperative. In October, the board of directors approved an unbundled structure for Jo-Carroll Energy's electric and natural gas rates, based on the recently completed study.

Currently, energy rate structures are based on two main components – a facility charge and an energy charge. The new unbundled structure separates and further breaks down these charges for the delivery cost of energy and the wholesale power itself.

Unbundling rates creates transparency in energy costs. The more you know about the parts of your bill, the easier it is to under-

stand what is driving those costs. We're also redesigning our bill formats to provide more information and make the bills easier to read.

You will begin to see these changes on your May 2015 billing statement that reflects the electricity or natural gas you use in April 2015.

To help explain the new rate structures and unbundled bills, we're preparing a series of newsletter articles, bill inserts and web posts. A series of member meetings is planned for the coming months throughout our service territory, as well.

Please watch for the article series, along with the meeting schedule, in the January issue of this newsletter.

Reader Prize

Each month we print the name of a Jo-Carroll Energy member who is eligible to win a monthly \$25 readership prize. If your name is printed in this month's edition, and not a part of any article, contact Jo-Carroll Energy and claim your prize no later than the 10th of the month following publication.



Reserve your place in the sun!

Subscriptions to South View Solar Farm panels now available

Visit www.jocarroll.com for information



A bright future...

A groundbreaking ceremony for the community solar project at Jo-Carroll Energy was held Friday, Oct. 31 in front of the solar farm site at the cooperative's Elizabeth headquarters. Board chairman David Senn, president and CEO Michael Hastings, senior vice president and assistant general manager Kyle Buros, and director of engineering Jesse Shekleton turned over the first shovels of dirt to mark the beginning of the project. When the project is finished, 460 solar panels will be installed at the community solar farm array, designed with a combined capacity of 126.5 kW (dc). Subscriptions for output from the solar farm are still available to members. Visit www.jocarroll.com for more information. Pictured above are (from left): Jo-Carroll Energy board members Bob Kuhns, Ron Hallendorff, Doug Darby, Martin Werner, Senn; Buros; director Pat Smith; Hastings; and Shekleton.

For your information

Your Board of Directors:

David Senn
Chairman
District 7

Chris Stadel
Vice Chairman
District 4

Marcia Stanger
Secretary
District 3

Martin Werner
Treasurer
District 1

Joseph Mattingley
District 2

Patricia Smith
District 5

Thomas Lundy
District 6

Russell Holesinger
District 8

Larry Carroll
District 9

Robert Kuhns
District 10

Douglas Darby
District 10

Ronald Hallendorff
District 10

Office Hours:
Monday-Friday

Elizabeth
793 U.S. Route 20 West
8 a.m. to 5 p.m.

Savanna
103 Chicago Ave.
8 a.m. to 1 p.m.
1:30 to 4:30 p.m.

Geneseo
1004 S. Chicago St.
7:30 a.m. to 1 p.m.
1:30 - 4 p.m.

**Services and
Billing Questions:**

(800) 858-5522
www.jocarroll.com

**For emergencies
and outages call:**
(800) 927-5254

Resume of Minutes

Regular Board Meeting • September 24, 2014

The board met on Wednesday, September 24, 2014, at the Jo-Carroll Energy Headquarters. The following is a summary of the meeting activities. The Agenda as modified and the Consent Agenda were approved.

Chairman's Report – Chairman Senn talked about the Power Cost Adjustment that would be discussed later in the meeting. Senn thanked Director Mattingley for assisting with the resolutions at the Region 5 and 6 Meeting.

Dairyland Report – Director Stadel reported on the Dairyland's revenues, budget and equity. He reported that the coal supply continues to be short. He reported that he toured a manure digester and the solar array at Vernon Electric Cooperative, both of which are part of Dairyland's renewables portfolio.

APGA Report – Director Carroll provided information from the Source magazine, and an outline of services from APGA. Director Mattingley reported on efforts to get the gas and electric industries to work more closely together.

PPI Report – Director Hallendorff and CEO Hastings reported on the PPI Board Meeting. They stated that there are still issues with the Prairie State campus. CEO Hastings reported that Prairie State is seeking a permanent CEO.

Monthly Committee Review

a. Policy Committee Report – Policy 133 – Wage and Salary Administration was approved without revisions.

CEO's Report – The CEO reported on the following in addition to his written report:

a. Financial Operating Report – Hastings reported that the Cooperative had an unaudited margin of \$446,438 in August. The Board accepted the August Financial Operating Report for filing by general consent.

b. Power Supply Report – CEO Hastings reported that issues have been identified that need to be resolved for the Dairyland agreement involving power supply.

c. CFO Report – CFO Heidenreich reported on the proposed alternative capital credit retirement method. She also reported that the Cooperative has renewed our lines of credit.

d. Sr. Vice-President and Assistant General Manager Report – Sr. Vice President and Assistant General Manager Buross gave an update on the Natural Gas Peaking unit, the Community Solar Project and the line extension policy for both electric and natural gas.

e. Culture of Excellence and Communications – Merri Sevey, Vice-President of Human Resources reported that interviews will begin for the Manager of Safety and Loss Control. She reported that there are postings for Staking Technician and Journeyman Lineworker, Savanna. Culture of Excellence train-

ing will continue during the week of November 10th. Sevey reported on the HR meeting she attended in Springfield.

f. Member Services – Jennifer Skien, Vice-President of Member Services reported on the mobile workforce application. She also reported that unbundling of rates is on hold until the cost of service study is completed.

g. External Affairs Update – Chris Allendorff, Corporate Counsel and John Cox, Board Attorney reported on External Affairs.

Allendorff reported that the General Assembly and Congress are not in session. He reported that TCEDA is working with several businesses that are close to being operational in the LRA. TCEDA continues to work with the LRA to attract businesses to that location. Training workshops for local businesses who may be interested in contracting with the Thomson prison were held. National Manufacturing Day is October 3rd and Cox stated that local young people are not aware of the manufacturing industry in our area. Attorney Cox gave an update on the contributions that TCEDA has received. Allendorff reported on the "But For" clause that the Illinois DCEO imposes on businesses applying for EDGE funding, the Illinois W-2 Rule as it pertains to new businesses seeking incentives, Highway 20, and Enterprise Zone issues.

Board Issues

a. Member Survey – Merri Sevey and Peggy

Francomb reported on the Member Survey that was conducted by Inside Information. The survey recognized the mix of members, taking into consideration their age, length of service, and type of service. The survey results showed a significant increase in overall satisfaction with the cooperative.

b. Cost of Service Study – CEO Hastings and CFO Heidenreich reported on the status of the cost of service study.

c. NRECA Course 958.1 – The course was discussed and the attendees noted.

d. Form 990 – CFO Heidenreich reviewed the Form 990 schedules with the Board and the form was filed.

e. PCA Adjustment – CEO Hastings discussed the PCA and the Cooperative's status with the financials, budget, and equity-building. The Board approved reducing the PCA by .0075 per kWh with staff providing monthly updates to the Board.

Reports – Reports were heard on the following meetings/events: Region 5 & 6 Meeting and the Representative Brian Stewart event.

Upcoming Meetings – Member Appreciation Days and the 2015 NRECA Annual Meeting were discussed.

Adjournment – The meeting was adjourned at 11:39 A.M.

Petitions now available for 2014 board elections

Nomination petitions are now available for the 2014 Jo-Carroll Energy Board of Director elections.

Four positions will be filled during the election. Districts included are: District 5, now represented by Pat Smith; District 7, now represented by Dave Senn; District 8, now represented by Russell Holesinger; and District 10, now represented by Doug Darby, Ron Hallendorff and Bob Kuhns. Elections will determine one board representative in each of Districts 5, 7 and 8 and two representatives in District 10.

Any Jo-Carroll Energy member residing in the district of a director

whose term is expiring, including the incumbent director or directors, may petition for nomination. Members interested in seeking election to the board may pick up a nomination petition at one of Jo-Carroll Energy's offices or download a petition from the cooperative's website at www.jocarroll.com.

Petitions must be signed by at least 25 Jo-Carroll Energy members residing in the district for which the director is to be elected. Petitions must be filed at Jo-Carroll Energy's headquarters no later than Feb. 17, 2015.

In order to qualify to have their names placed on the ballot, all

nominees must participate in an orientation process provided by the attorney for the cooperative assuring that all nominees fully understand the expectations and responsibilities of directors, including but not limited to: time demands, educational expectations and fiduciary duties.

Complete details on director qualifications and the nomination procedure can be found in Jo-Carroll Energy's bylaws. The bylaws are posted on the cooperative's website at www.jocarroll.com. Anyone without Internet access may request a copy by calling 800-858-5522.

Get involved: Apply for our Member Advisory Council

Jo-Carroll Energy's Member Advisory Council is a valuable link in receiving input from our members.

Jo-Carroll Energy needs members who care about their community and take an interest in their cooperative to serve on the council.

Started in late 2012, the council has met during the last two years to learn more about the co-op business model and has provided input on important issues such as electric aggregation, capital credits, our website and bill redesign.

For more information or MAC application, please call 800-858-5522, email MAC@jocarroll.com or visit the Member Involvement page on our website.

Sabers, Krohmer complete apprenticeships



Two Jo-Carroll Energy lineworkers, Jake Sabers and Kurt Krohmer, have completed the requirements of their apprenticeships and are now journeymen lineworkers. Above left, Sabers receives his certificate of completion from Michael Hastings, president and CEO; above right, Krohmer receives a certificate of completion from Merri Sevey, vice president of human resources.

Bundle up for winter storms

Are you ready for winter's cold grasp? Snow and ice are inevitable when dealing with winter storms, but being prepared can make a world of difference.

Prepare a winter survival kit

Severe winter storms often bring heavy accumulation of ice and snow, which can lead to downed power lines and extended outages. Jo-Carroll Energy crews will work hard to restore power, but having a winter survival kit on hand is a smart idea.

- **Food:** Store food that does not require cooking, such as canned goods, crackers, dehydrated meats and dried fruit. Keep a large supply of water on hand. Ready.gov recommends five gallons per person.
- **Medication:** Be sure to refill all prescriptions in the event of a major power outage.
- **Identification:** Keep all forms of identification handy, such as driver's licenses, photo IDs and social security cards. Bank account information and insurance policies are also good to have on hand.
- **Other items:** First Aid Kit, blankets, flashlight, battery-powered radio and extra batteries.



Stay warm and safe

If an outage occurs, you should plan for an alternate heating source. A fireplace, propane space heater or wood-burning stove would be sufficient. Fuel and wood-burning heating sources should always be vented, and make sure carbon monoxide and smoke detectors are working properly. Always practice extreme caution when using alternate heating sources. If you decide to use a portable genera-

tor during an outage, make sure it is placed outside the home for proper ventilation. Be careful not to overload the generator. Use appropriate extension cords that can handle the electric load.

Follow these tips, and your family will stay warm in the event of a power outage. For more information on preparing for winter storms, visit www.jocarroll.com or www.ready.gov.

Power out?

- If the power is out, confirm the outage by checking your electrical panel for a fuse that has blown or a breaker tripped.
- Call us at 800-858-5522 to report your outage. Be prepared to provide your name, address of outage, return phone number and if you know whether any of your neighbors' power is out.
- Any information you can provide about an outage is appreciated and helps our crews determine the source of the problem more quickly.

Stay informed

- Visit the Storm Center on our website at www.jocarroll.com and to view a live outage map.
- Like us on Facebook for updates on major outages.

Winter heating assistance available

The Low Income Home Energy Assistance Program assists low-income residents with their winter heating costs. Three agencies provide funding through LIHEAP to assist those in need.

The current income guidelines are: a single-person household can qualify with a monthly income of up to \$1,459; a two-person household up to \$1,966; a family of three up to \$2,474; and a family of four can't bring in more than \$2,981. Income requirements increase by \$508 for each additional person.

Eligible households will receive funding which will be applied directly to utilities unless the household includes heating costs in their rent.

For members who reside in Jo Daviess County, call NICAA, Freeport office, for an appointment at (815) 232-3141 or (800) 883-1111.

If you reside in Carroll or Whiteside counties, call Tri-County, Rock Falls office, at (815) 625-1172 or (800) 323-5434.

For members who reside in Henry County call Project Now at (309) 852-4565 for an appointment.

Warm someone's heart
this holiday and
give the gift of Energy

Holiday Energy Credits

A wonderful gift for any
Jo-Carroll Energy Member!

Certificates are available
in any amount and are
applied to the member's
energy bill for the amount
purchased.

Ask any member service
representative for more
information

Win NEW LED Christmas Lights!

Contest Rules:

- Submit a photo of your 2014 indoor or outdoor holiday lighting display with a contest entry form to jscott@jocarroll.com by Dec. 12, 2014. Forms can be found at any Jo-Carroll Energy office. You may also call (800) 858-5522 to request a form or download one at www.jocarroll.com.
- Entries will be judged based on creativity and the number of lights used.
- The top 15 entries will be awarded 10 70-bulb strands of LED holiday lights in a one-for-one exchange of incandescent holiday lighting. Winners must be willing to trade their incandescent lighting to receive new LED lighting. Winners will be notified Dec. 19. Lighting exchange will take place after the holiday season.
- Note: To be eligible, cooperative members must receive electric service from Jo-Carroll Energy.



Jo-Carroll Energy will be closed
Dec. 24 and 25 for the Christmas holidays
and Jan. 1, 2015 for New Year's Day.

Maple Grove Framing and Gallery, Geneseo

Children's art and military awards are Linda Gillet's favorite items to preserve and display. Gillet and her husband, Peter, have framed thousands of pieces of art, photographs, garments, quilt blocks, mirrors and family heirlooms over the past 16 years.

The couple purchased Maple Grove Framing and Gallery in 1998, when it was a very small business. Since then, the business multiplied from 100 customers to more than 3,500 throughout Henry County and the QCA.

Linda Gillet has an eye for design and a taste for quality as proven in her customers' satisfaction.

"We have to be fussy, particular... immaculate," said Gillet. "That is the difference between us and the kitchen table framer."

Gillet called herself a "kitchen table framer" at one time. She had little knowledge of framing when she and her husband purchased the business; but, through the guidance of the previous owner, hours of research and their desire to learn, the two grew in their experience and quality of work.

With 4,000 molding frames to choose from and countless matte colors and textures, the sky is the limit in preserving and displaying your favorite piece of art, history or treasure.

"Many people don't realize they can preserve their items," stated Peter Gillet.

Every material used at Maple Grove Framing and Gallery is acid-free and selected to preserve the item or items it displays. Conservation glass protects each item from the effects of both natural and artificial light.

Whether you have a design in mind, or just have an item to display, Linda and Peter Gillet are delighted to help.

"Customers bring us a box of memories and say, 'What can we do?'" stated Linda Gillet.

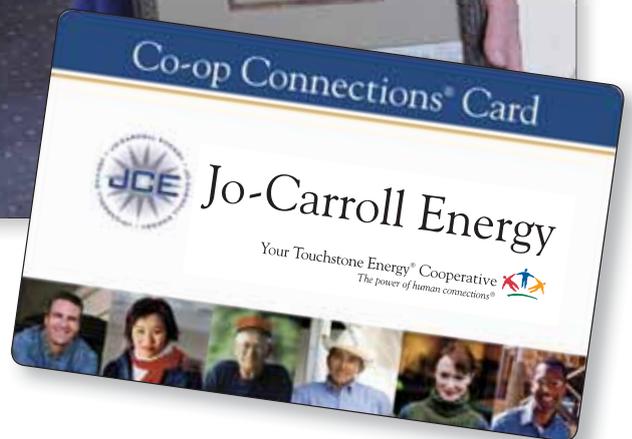


Peter replied, "Everything that comes through the door is different. We do our best to create a masterpiece."

Visit the gallery and design studio at 118 W. Second Street in Geneseo or call 309-944-5228 for inspiration for your next framing project.

Jo-Carroll Energy members may

receive 20% off a framing order at Maple Grove Framing and Gallery when they present their Co-op Connections Card.



Jo-Carroll Energy

793 U.S. Route 20 West • P.O. Box 390
Elizabeth, Illinois 61028-0390

Thank You

for helping us celebrate Co-op Month!

Cool temperature and rainy skies didn't stop members from attending Jo-Carroll Energy's Member Appreciation Days celebrating October Co-op Month. Approximately 700 members visited one of four appreciation events held in Galena, Mount Carroll, Geneseo and Fulton, where board members and employees served hot dogs and chips. Members were able to learn more about the co-op and energy efficiency with a trivia game and try their hand at a dart throw to win bill credits and other prizes.

Congratulations to the winners of our door prizes: Ray Vandyke, Thomson; Bill Brearton, Chadwick; Norma Knott, Fulton; Karen Fanderclan, Fulton; Frank O'Leary, Elizabeth; Mary Kmucha, Galena; Helen Bezaury, Geneseo; and Wayne and Evelyn Colter, Geneseo.



Holiday Gift Giving

Purchase a cookbook at any Jo-Carroll Energy office



\$10



Great gift for the holidays!

Jo-Carroll Energy to disburse \$738,000 in capital credits

Jo-Carroll Energy will pay out capital credits totaling \$738,000 to members in December. The board of directors approved the retirement at its October board meeting.

More than 18,270 members will receive a check or bill credit in December, the first time the cooperative will use a newly adopted system.

Jo-Carroll Energy has retired capital credits using the "first in, first out" or FIFO method on a delayed schedule of about 25 years, since capital credits were first retired in 1983. Under this process, members who were first to purchase energy were the first to be paid back.

The change utilizes a hybrid method. It keeps the 25-year rotation plus retires 5 percent of all remaining capital credits at a discounted rate. The new hybrid method retires capital credits to more active Jo-Carroll Energy members while not neglecting the cooperative's commitment to return capital credits to its long-time and former members. This retirement process helps strengthen members' relationships with their cooperative. Under the new method, active members will receive capital credits up to \$599.99 as a bill credit. Active members with retirements of \$600 or

more and all inactive members will receive a check. As in previous years, the minimum check amount is \$10; any retirement less than \$10 will be carried over until the next year or until the minimum is reached.

Capital credits represent a members' ownership in Jo-Carroll Energy and is one of the benefits of being a cooperative member. Allocating and retiring capital credits to members helps distinguish cooperatives from for-profit utilities. Jo-Carroll Energy is proud to support our members and communities by putting money back into the pockets of those we serve.



The graphic features a red circular background with a white banner across the middle. Inside the circle are three white pine trees. Below the banner, the dates "Oct.27th- Dec.5th" are written in a white ribbon. The text "Annual Holiday Food Drive" is prominently displayed below the dates. At the bottom, there are two large red curly braces framing a list of participating food pantries.

Light up the Holidays

Oct.27th- Dec.5th

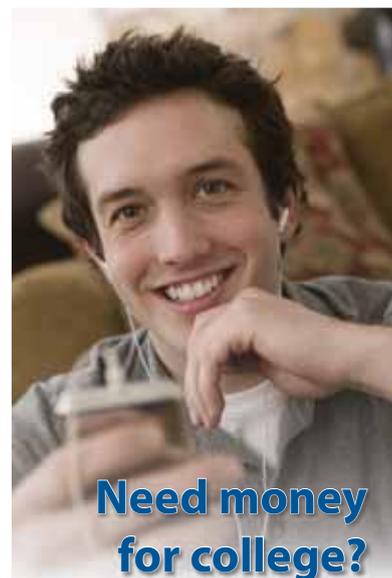
Annual Holiday Food Drive

Donations of nonperishable items accepted at Jo-Carroll Energy's Elizabeth, Savanna and Geneseo offices.

Receive an LED nightlight with donation.

Donations will benefit the following food pantries:

East Dubuque Food Pantry, United Churches of Galena, Elizabeth Food Basket, Hanover Food Bank, Savanna/Mt.Carroll Food Pantry, Helping Hands Food Pantry, Thompson/Fulton Food Pantry, Albany Food Pantry, Erie Food Pantry and Geneseo Food Pantry



Need money for college?

Scholarships available through the Jo-Carroll Energy Scholarship and the IEC Memorial Scholarship programs

apply now!

Visit www.jocarroll.com for information