



Season's Greetings

*From the Directors and Employees of
Shelby Electric Cooperative,
Shelby Energy Company and
PWR-net Wireless Broadband Internet.*

REAL LIFE REAL POWER

Getting prepared with Marla

The electric bill received in early December for November's use is usually not too shocking if November's weather was not extreme. The bill gets paid without too many grumbles. Who has time to grumble anyway? There is so much to do with holiday preparations. Keep in mind, many of the holiday activities and the choices made now will affect your electric bill in January, just like credit card bills arrive in your January mail after December's spending sprees. I'm not trying to sound like a Christmas Scrooge – think of it more like a helpful, energy efficient elf that is looking out for your January electric bill!

The air has a definite chill. We are not used to it. My kids walk around the house with their teeth chattering, grumping about the house being cold. I look them over and they are wearing *shorts and T-shirts*. They know what I'm going to say. "Put on a sweatshirt!" If I am not vigilant, they will adjust the thermostat to a temperature that makes the house feel toasty as a sugar cookie just taken out of the oven.

Speaking of cookies, chances are the kitchen appliances are getting the dust

brushed off of them and put to use from pre-Thanksgiving through the new year. Mixers get shaking and ovens get pre-heated. There are cookies and candies to make, rolls to raise, cakes to ice, hams and turkeys to bake. Refrigerators and freezers get opened and shut, **a lot**.

Winter officially blows in on December 21. It gets dark early. Lights and televisions may get turned on earlier. Oh yes, all those beautiful, electrically-charged Christmas lights are twinkling! Make the switch to LED lights and set them on a timer to use less electricity.

Consider adding smart strips to your gift list. Top a wrapped, electronic gift with a smart strip instead of a bow! Plug those new electronics and rechargeable items in to a smart strip that can be flipped on and off easily and reduce some of your home's phantom load.

Remember to budget for extra guests and the after effects. Holiday visitors often mean more laundry and hot water use, which doesn't get paid for until January.

When visitors leave, a quick check of the premises can be very beneficial.

Last year a member phoned in to discuss an unexpectedly high electric bill. We talked while I studied the account's consumption history. I asked about the use of space heaters. The member and I continued discussing holiday activities. A light came on in the member's memory – a bright, energy efficient light. Family had visited over the holidays and quite possibly left a space heater on in a camper. He was going to investigate. Later, I checked the member's hourly electricity consumption and found the hour after we spoke was the lowest hourly use recorded in the past 28 days. Space heaters can be beneficial, but often get left on accidentally in basements, upstairs bedrooms, bathrooms, etc. Remember, a 1500 watt space heater costs about \$0.16 for every hour of operation.

Electricity use is often thought about after it is used, when the bill arrives. This December, try to plan ahead and use electricity wisely and safely.

– Marla Eversole,
Member Services Representative

Shelby Electric announces proposed rate increase

New rates will take effect January 2012

Dawn of a new era

While it is certainly a trite saying, we are embarking upon what can be best described as the dawn of a new era. In 1954, Lewis Strauss, the Chairman of the U.S. Atomic Energy Commission, envisioned a future as one in which electricity would be too cheap to meter. Unfortunately, Mr. Strauss was incorrect in his prediction, at least within the foreseeable future.

As it played out, there was surplus electrical generation built in the 1970s and 1980s. During this time-frame and the decade that followed, supply outstripped demand, which effectively rendered the next kilowatt hour sold to be *less expensive* for the end consumer. This was due to plenty of capacity, regardless of how much was required by the grid. Therefore, rate structures were designed to reward those who used more electricity by implementing rates whereas a consumer used more, the kilowatt hours got *cheaper* to buy.

In this new era, it is quite to the

contrary. Much of those generation facilities that were built in the '70s and '80s are now looking at retirements as increasing environmental regulations require retrofits that no longer make them economically viable. Additionally, new plant construction is future constrained by an environmental movement that limits the siting of new nuclear and coal plants, substantially reducing the base load production available in the future. It is projected by the U.S. Energy Information Administration in its Annual Energy Outlook 2011 that this reduction in supply, coupled with growing electricity demand, will lead to the need to build 223 gigawatts of new generating capacity by the year 2035.

While currently our economy is depressed and capacity is not yet constrained to the extent that it will be; that near-term impact has been minimized. However, a near-term focus in the electric business leads to subjecting consumers to long-term risk and high price variability.

This is why your Cooperative's investment through its generation and transmission cooperative in the Prairie State Generating Campus (PSGC), a 1,600 megawatt, supercritical coal-fired generation plant located in Lively Grove, Illinois is so important. The future of your electric cooperative and its ability to meet its mission of safely delivering a reliable electric supply to you at an affordable cost relies on PSGC. This is an investment that will provide Shelby Electric's members with a long-term, stable supply of power for 40 years or more.

What does it mean for me now?

So, that is the good news. Your cooperative is positioned well for long-term success in meeting its organizational mission. Unfortunately, in the near term, costs will be affected and margins will have to be stabilized to enable the Co-op to continue to serve you in a reliable manner. Therefore, as

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OUTAGE REPORT

LINE OUTAGES

DATE	HOURS	SUBSTATION	CAUSE	MEMBERS AFFECTED
10/10/2011	0.38	Elwin	Vehicle	45
10/14/2011	1.15	Neoga	Trees	66
10/16/2011	1.55	Neoga	Trees	69
10/20/2011	2.45	Shelbyville	Broken pole	96
10/21/2011	0.40	Neoga	Trees	96
10/21/2011	1.30	Dunkel	Broken conductor	60
10/25/2011	1.00	Blue Mound	Animal/bird	111
10/28/2011	1.45	Shelbyville	Planned work	100

SUBSTATION OUTAGES

DATE	HOURS	SUBSTATION	CAUSE	MEMBERS AFFECTED
10/26/2011	1.50	Yantisville	Power supplier	746

“Rate increase” continued from 16b

was indicated at the Annual Meeting of the membership held in June and also in the meeting highlights printed in the August 2011 issue of the Illinois Country Living Magazine/ Shelby News member newsletter insert, members are going to be asked for a greater contribution beginning in January 2012.

All rate classes, including the electric heat, qualified heat pump and interruptible classes will be affected. Members will be notified once the final details of the rate adjustment have been approved by the board.

Why is a rate increase necessary?

As was the case in 2009, the last time the Co-op required an energy rate increase, the primary driver of the rate increase comes as the result of an increase in the **wholesale cost of power**. Prior to 2009, the Co-op had enjoyed a long-term, very favorable purchased power agreement that ended on December 31, 2008. Prior to the 2009 energy rate increase, the last time Shelby Electric raised its energy prices dates back to 1993. The only other increase within that period of time was a facility charge increase in 2006 and in 2009.

From 2003 to 2008, the Co-op's wholesale cost of power increased by 5.5 percent. That cost climbed over 25 percent from 2008 to 2009 and by another 5 percent from 2009 to 2010. Historically, as a percentage of the Co-op's total cost, wholesale power consumes 60-70 cents of every dollar of sales.

While wholesale power cost is the primary reason for the increase, other operating costs have gone up substantially over this period of time as well. The cost of everything from fuel, poles, wire, transformers and the



Up to 70 cents of every dollar you pay your local electric cooperative goes directly for wholesale power costs. Vehicles, poles and wire, right-of-way trimming, payroll, fuel and other operating expenses are covered by the rest.

people required to service the distribution system have increased as most things do over time.

While nobody likes to have to pay any more than they have to, we certainly don't enjoy having to charge any more either. Cost recovery is an important aspect of the organization when it comes to satisfying our vendors, suppliers and creditors. Therefore, we do have to ask that you share in this cost.

Putting it into perspective

Electricity as delivered by Shelby Electric, even after the increase coming in January, still continues to be a good deal when looking at the cost compared to the overall Consumer Price Index (CPI). If you consider the cost of electricity compared to the CPI from 1993 to 2010, the average increase in the cost of electricity delivered by your Co-op was 17 percent while the CPI during that period increased 51 percent. During that same period, the cost of all finished energy goods increased 114 percent.

What can I do to minimize the impact of the rate increase?

With this dawn of a new era, Shelby Electric has been actively

promoting energy efficiency over the last several years. Shelby Electric continues to offer energy audit services that will allow a member to identify some quick and cost-effective ways to reduce his or her energy requirements. Your Co-op also employs a full-time Member Services Representative to assist you in identifying how you may make changes that will result in a benefit to your bill.

Additionally, Shelby Electric offers budget billing. To sign up for budget billing, you may contact the Co-op office and ask to be connected to an account representative. A prepaid option of billing will soon be introduced to the membership. With prepaid billing, a member will monitor his or her usage through the Internet or an in-home display. All payments will be made as you go instead of accumulating over the course of the month. Hopefully, all of these resources will allow Shelby Electric members to better cope with the impact of this increase.

<p>Shelby Energy 1-217-774-2311 24-hours-a-day</p>	<p>PWR-net & WildBlue Internet 1-877-994-2323 weekdays (closed from 12:00 p.m. - 1:00 p.m.)</p>	<p>Shelby Electric Cooperative 1-800-677-2612 1-217-774-3986 24-hours-a-day</p>
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20 things a burglar won't tell you

1. Of course I look familiar — I was here just last week cleaning your carpets.
2. Hey, thanks for letting me use the bathroom when I was working in your yard. While I was in there, I unlatched the back window to make my return a little easier.
3. Those yard toys your kids leave out always make me wonder what type of gaming system they have.
4. Yes, I really do look for newspapers piled up on the driveway. And I might leave a pizza flyer on your front door to see how long it takes you to remove it.
5. If decorative glass is part of your front entrance, don't let your alarm company install the control pad where I can see if it's set. That makes it too easy.
6. A good security company alarms the window over the sink, as well as second floor windows.
7. It's raining, you're fumbling with your umbrella and you forget to lock your door. Understandable. But understand this: I don't take a day off because of bad weather.
8. I always knock first. If you answer, I'll ask for directions somewhere or offer to clean your gutters.
9. Do you really think I won't look in your sock drawer? I always check dresser drawers, the bedside table and the medicine cabinet.
10. Here's a helpful hint: I almost never go into kids' rooms.
11. You're right: I won't have enough time to break into the safe where you keep your valuables. But if it's not bolted down, I'll take it with me.
12. A loud television or radio can be a better deterrent than the best alarm system. Leave it on.
13. Sometimes, I carry a clipboard. Sometimes, I dress like a lawn guy and carry a rake. I do my best to never, ever look like a crook.
14. The two things I hate most: loud dogs and nosy neighbors.
15. I'll break a window to get in, even if it makes a little noise. If your neighbor hears one loud sound he'll go back to whatever he was doing. Call the police when you think you heard a window break.
16. I'm not complaining, but why would you pay all that money for a fancy alarm system and leave your house without setting it?
17. I love peeking into windows, looking for signs that you're home and for flat screen TVs, or gaming systems. I call this "window shopping for later," when I pick my targets.
18. Avoid announcing your vacation on your Facebook page. It's easier than you think to look up your address.
19. To you, leaving that window open just a crack during the day is a way to let in a little fresh air. To me, it's an invitation.
20. If you don't answer when I knock, I try the door. Occasionally, I hit the jackpot and walk right in.



Offices Closed
Your cooperative offices will be closed on December 23 and 26 to celebrate Christmas. Offices will also be closed on January 2 to celebrate New Year's Day.



PWR-net



"What a wonderful improvement PWR-net has been for us! Living in the country can have disadvantages; Internet service is no longer one of them, thanks to PWR-net. Installers were great and very professional" ~ Greg and Judy Miller of rural Shelbyville.

Just in time for Christmas, PWR-net is offering free basic installation, a \$99 value, during the month of December.
Use PROMO CODE 4610 when ordering.
Phone 1.877.994.2323 or E-mail subscriberinterest@pwr-net.coop