March, 1996
Vol. 45, Number 3

Adams Outlet

News for Members Of Adams Electrical Co-Operative, Camp Point, Illinois

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Adams Outlet

Editor
David Stuva, CREC

ADAMS OUTLET (USPS 005-220) is published monthly for $2.00 per year by Adams Electrical Co-Operative, Highway 24 East, Camp Point, Illinois 62320. Second-class paid at Camp Point, Illinois and at additional mailing offices. POSTMASTER: Send address changes to Adams Outlet, Highway 24 East, Camp Point, Illinois 62320.

Office hours:
Monday-Friday
7:30 a.m. - 5:00 p.m.

TO REPORT AN OUTAGE

1. Check your fuses and circuit breakers. Do the neighbors have electricity?
2. If the problem appears to be with the cooperative's lines, call the following phone number. Give your name and map number, which is found on the bottom of your electric bill.
3. For service outages, phone:
   1-800-232-4797
   Local calls dial direct:
   (217) 593-7701
   In an emergency, call:
   Douglas Aeilts 593-7340
   Norm Henze 696-4873
   Penny Padgett 593-7155
   Kris Stanley 593-6585
   David Stuva 593-7350
   Don Taylor 696-2364
   Jim Thompson 222-4935

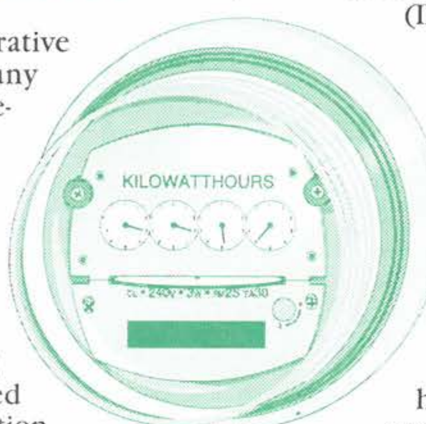
by Douglas Aeilts
General Manager

First Rate Change since April 1985

It has been 11 years since the cooperative has had an assessment increase. However, the cooperative will not receive sufficient revenue this year to meet the financial requirements set by our bankers, Rural Utilities Service (RUS) and National Rural Utilities Cooperative Finance Corporation (CFC). The board of directors has worked to hold off the rate increase for as long as possible. We cannot put the rate increase off any longer without putting the cooperative in financial jeopardy.

The two primary reasons for this rate increase are to recover higher wholesale power costs from Soyland Power Cooperative and inflationary increases of the cooperative's distribution costs.

Margin Stabilization



Your cooperative has absorbed any changes in wholesale power costs or increased distribution costs for the last 11 years by utilizing an approved accounting procedure called margin stabilization. This accounting procedure averages the peaks and valleys of fluctuating rates and costs rather than constantly changing rates or using a monthly power cost adjustment (PCA). The margin stabilization plan allowed the cooperative to defer $579,340 of expenses from 1995 to 1996. As a result, the cooperative must increase revenues to pay for the deferred expenses and to meet current expenses.

Wholesale power costs are approximately 68 percent of your cooperative's total expenses. Approximately 13 percent of costs are fixed expenses, i.e. long-term interest and depreciation expenses. That leaves only 19 percent of total expenses or about $2,000,000 for the board of directors to control. Control over this 19 percent is very limited also. Maintenance of the lines, restoring electric service after storms, and mailing the monthly statements are just a few of the daily tasks still required.

Illinois Power Proposal Rejected

At last year's annual meeting, I reported that Soyland Power Cooperative had negotiated a proposal with Illinois Power (IP) Company to buy Soyland's assets (including the Clinton Nuclear Plant) in exchange for long-term power contracts from the distribution cooperatives. This proposal would have required the government (RUS) to forgive some of Soyland's debt. The government refused to accept the Illinois Power Company proposal. If this proposal had been accepted, the cooperative's wholesale power costs would have been reduced and your retail rates would have been lowered.

(continued on page 3)

Retail Rate Adjustment Approved

Over the past several annual meetings, we have tried to prepare you for the inevitable -- a rate increase.

Since April 1, 1985, we've managed to hold off the increase through careful planning, margin stabilization, off-peak electric heat and air-conditioning sales and a little luck. However, inflation and increasing expenses have surpassed cooperative revenues. Therefore, the rate increase we've managed to forestall for 11 years is going to happen.

On March 18, 1996, your board of directors voted to increase the facility charge from \$12.00 to \$16.00 per month. The directors also approved an average 8.5% increase on the following electric rates: Schedule A, Schedule AH, Schedule B and Schedule BH. When combined, the facility charge and 8.5% rise in energy rates represent an approximate 11.5% rate increase.

The increase will become effective on April 1, 1996, and will show up on your May 1, 1996 electric bill. For the average residential member using 726 kilowatt-hours a month, the change will mean an increase in their electric bill from \$99.63 to \$110.89 per month on Schedule A, for a difference of \$11.26.

A comparison of old and new residential rates with dollar amounts for various kilowatt-hour consumption is on page 5. ■

Rate Change

(continued from page 2)

Soyland is continuously looking at other alternatives to reduce its wholesale power costs. It has issued a "request for proposal" nationwide for the purchase of all its generating assets, existing power supply contracts and for new lower priced long-term wholesale power contracts. These proposals will be reviewed and evaluated by June 1. Soyland is also looking at other potential options for reducing wholesale power costs.

Goal – Decreasing Wholesale Rates

Twenty-one distribution cooperatives own Soyland. Every distribution cooperative has two representatives on the Soyland board of directors. The Soyland board agrees that wholesale rates must be substantially decreased. But there are numerous opinions regarding how large the decrease must be and how dramatic their action must be to achieve competitive wholesale power costs.

There is tremendous pressure on the Soyland board and management to reduce wholesale power costs in the near future. I am confident that there will be action taken at Soyland in 1996 to start the process of reducing wholesale power costs.

Even though the last rate increase was in April 1985, Adams Electric's retail rates are still too high. We have worked hard to provide rate options which save you and the cooperative money. The load management program offers rate options such as Controlled Heating and Cooling Rate, Controlled Air-Conditioning Rate, Time-of-Day Rate and Interruptable Rate. They have reduced the cooperative's peak demand costs significantly. These options have grown tremendously and have resulted in lower electric bills for those who have participated. Without the load management programs, the rate increase would have been sooner and more significant.

The board of directors and management of Adams Electrical Co-Operative are committed to keeping the rates as low as possible. Unfortunately, an average rate increase of 8.5% is required to maintain the cooperative's financial stability. The cooperative will also be increasing the monthly facility charge to bring all members closer to actually paying the fixed costs of providing electric service.

The details of the rate increase are explained in other articles in this newsletter. The staff and I are available to discuss the rate increase or other rate options with you personally. Please call if you have any questions. ■

A Closer Look at the Facility Charge

In providing power to all cooperative members, Adams Electrical Co-Operative has to pay certain "fixed" expenses, whether electricity is used every day or just once a year. These fixed expenses include: transformers, electric lines and equipment, insurance, billing costs and interest on loans, to name a few. The most equitable way for members to share these costs is through a facility charge.

A cost-of-service study conducted this winter identified the revenue and expenses associated with each rate class. With this information, the cooperative was able to determine whether each rate class of members was paying its fair share of costs.

According to the cost-of-service study, the \$12.00 monthly facility charge was not covering fixed costs which are to be equally shared by all members. By increasing the facility charge to \$16.00 per month, the cooperative will bring all members much closer to paying the actual fixed costs of providing electricity.

The cooperative is not trying to penalize cabin owners or other members who use small amounts of electricity. We certainly could have applied the rate increase to the energy charge. But, this would have left some members paying all or most of the fixed expenses that should be shared by all members, regardless of how much electricity they use.

With the increase in the facility charge, the cooperative is ensuring that each component of an electric rate (fixed expenses, demand and energy charges) stands on its own merit. It also helps make sure no single group of members subsidizes another group of members. ■

The Challenge of Providing Power to Rural Areas

Before rural electric cooperatives like Adams Electrical Co-Operative were created, most rural homes did not have power, though homes in the city were electrified. The reason was existing power companies could not or would not serve the sparsely populated rural areas. The rest is history and today, people are fortunate enough to live almost anywhere knowing electricity will be available.

Living in the country certainly has its advantages, but it can also have a few drawbacks. Since rural areas are sparsely populated, your electric cooperative maintains more than 2,100 miles of power lines to serve 7,100 cooperative members. That is a lot of wire! In fact, if you'd stretch it one direction, the wire would reach from Camp Point to San Francisco, California. In comparison, to serve the same number of urban consumers, investor-owned utilities would only need to maintain between 200 to 300 miles of power lines, depending on their consumer density.

Adams Electrical Co-Operative has fewer consumers per mile of electric line compared to an investor-owned utility. Consequently, there are fewer people to share the expense of maintaining the power lines that go for miles and miles into the countryside.

Adams Electrical Co-Operative's service territory makes its system more susceptible to wind and storms. However, when Mother Nature does cause an occasional outage to occur, your cooperative works diligently to restore service as quickly as possible. We know you depend on us, so we will work day and night until the power is restored. ■

New Rates Effective April 1, 1996

Schedule A (Green Book)

kWh	Old Rate *(includes tax)*	New Rate *(includes tax)*	Difference
0	$12.00	$16.00	$4.00
100	$24.07	$29.07	$5.00
500	$72.35	$81.35	$9.00
750	$102.53	$114.03	$11.50
1,000	$129.70	$144.20	$14.50
1,500	$184.05	$204.55	$20.50
2,000	$233.15	$259.90	$26.75
2,500	$277.25	$304.00	$26.75
3,000	$321.35	$348.10	$26.75
4,000	$409.55	$436.30	$26.75
5,000	$497.75	$524.50	$26.75

New Rate Blocks	Price
Facility Charge	$16.00
First 750	$0.1275 /kWh
Next 750	$0.1175 /kWh
Next 500	$0.1075 /kWh
Over 2000	$0.085 /kWh

Schedule AH (Yellow BooK)

kWh	Old Rate *(includes tax)*	New Rate *(includes tax)*	Difference
0	$12.00	$16.00	$4.00
100	$24.07	$29.07	$5.00
500	$72.35	$81.35	$9.00
750	$102.53	$114.03	$11.50
1,000	$129.70	$144.20	$14.50
1,500	$184.05	$204.55	$20.50
2,000	$213.15	$233.65	$20.50
2,500	$242.25	$262.75	$20.50
3,000	$271.35	$291.85	$20.50
4,000	$329.55	$350.05	$20.50
5,000	$387.75	$418.25	$30.50

New Rate Blocks	Price
Facility Charge	$16.00
First 750	$0.1275 /kWh
Next 750	$0.1175 /kWh
Next 3000	$0.055 /kWh
Over 4500	$0.075 /kWh

Multi-County 4-H Electricity School

Ninety-three youngsters and several parents got hands-on experience in the 1996 Multi-County 4-H Electricity School, held March 4, in the Camp Point Community Building. Everyone watched two movies on electrical safety. The instructors emphasized safety throughout the day.

The school was co-sponsored by Cooperative Extension Services in Adams, Brown, Schuyler, Pike, and McDonough counties, Adams Electrical Co-Operative and Central Illinois Public Service Company (CIPS).

The 4-H participants were divided into four different levels of instruction. Tim Rawlins, Mary Ridder, Lynne Smith, Jim Wood and Mark Cornell of CIPS taught the first-year members. First-year members made a 10-foot extension cord and studied proper fusing and wire size. Everyone got to take their extension cord home.

Second-year members received house wiring training from Robert Post and George Clark, Adams Electrical Co-Operative, Janice Webster of Adams County Extension and Cheryl Westfall of Pike County Extension. Assisting was Darren Simon. Members learned how to wire single-pole switches, three-way and four-way switches in addition to multi-branching circuits for receptacles.

Third-year participants solved various electrical situations and practiced their house wiring skills. They were taught by Brainard Passley, Randy Rigg and Kevin Knight from Adams Electrical Co-Operative and were assisted by Andrew Foss.

The advance class was a "job shadowing" program. Randy Rigg explained how to repair several used appliances and Jim Thompson then took the group to an actual substation.

A very special thanks goes to Prairie Farms, Quincy, for providing the students with milk for lunch. ■

Joyce Hibbert is New Part-time Employee

Adams Electrical Co-Operative's part-time custodian is Joyce Hibbert. This part-time position was created when Dennis Hibbert retired on Jan. 31, 1996. Joyce is a 1960 graduate of Pittsfield High School and has cleaned homes for 13 years.

Joyce and her husband, Dennis, live northwest of Paloma and have been married 31 years. They have three children: Doug, Philip and Susan. Doug and his wife, Lori, have one daughter, Ashley. The Hibberts attend the Camp Point Christian Church. ■

Joyce Hibbert

Take Charge in 1996

by Dian Link
Cooperative Extension Service

"Take charge of your nutrition!" Since 1980 the American Dietetic Association has designated March as Nutrition Month.

The theme of the National Nutrition Month Eat Right America Campaign this year is "Enjoy the Variety of Food Choices." Many foods are available all year. Grocery stores, food services and restaurants offer a number of choices. Use this month to take a look at the selections you make. Try to increase the number of different food choices you make. Emphasize fruits, vegetables and whole grain foods.

Choose foods that you enjoy! Try new foods and different combinations of foods. Select a variety of foods when you shop. Use the food guide pyramid and the updated dietary guidelines to make these choices. The 1995 Dietary Guidelines for Americans tell us to:

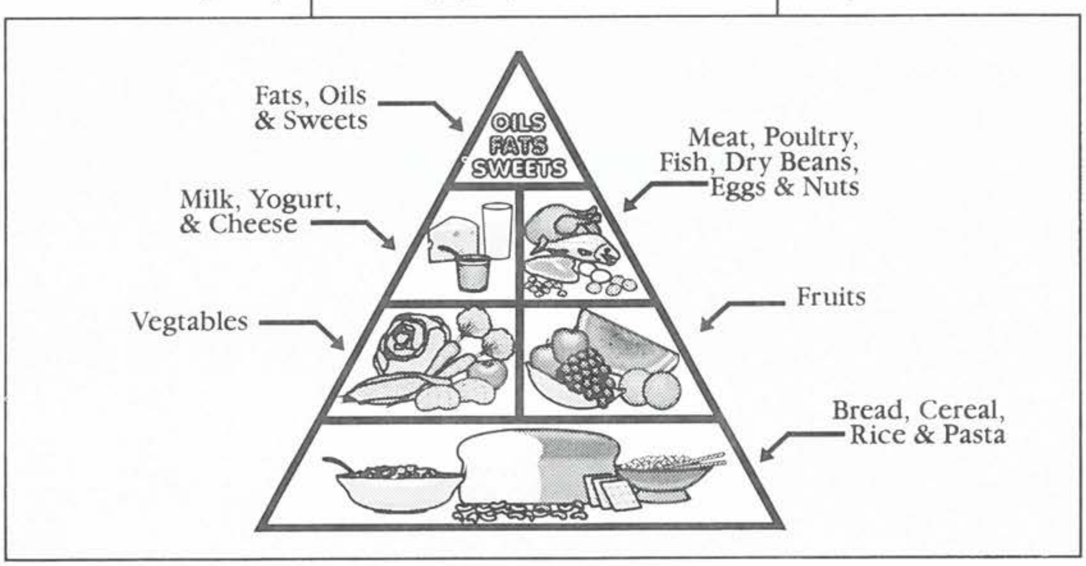
- Eat a variety of foods.
- Balance the food you eat with physical activity – maintain or improve your weight.
- Choose a diet with plenty of grain products, vegetables and fruits.
- Choose a diet low in fat, saturated fat, and cholesterol.
- Choose a diet moderate in sugars.
- Choose a diet moderate in salt and sodium.
- If you drink alcoholic beverages, do so in moderation.

Choose a variety of foods! Foods come in a rainbow of colors. Include these in your meals each day. Variety helps you obtain the many nutrients you need. Choose foods in season to save money. A wide range of fresh foods are available today. To complete your meal plan, choose frozen and canned foods to follow the current recommendations.

Choose your favorite foods! Balance these choices. Use the food guide pyramid to help you plan the food selections for the day.

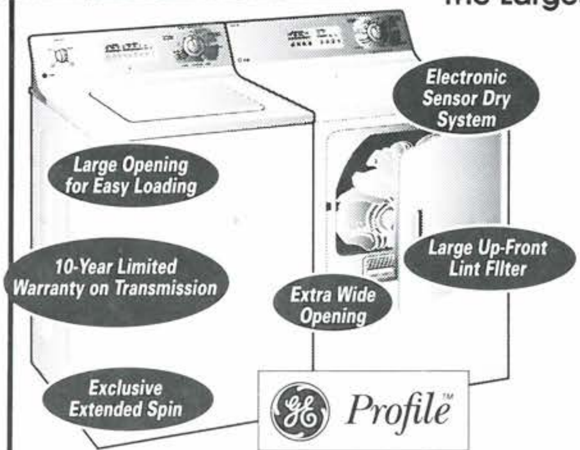
Prepare foods with a taste of seasonings and spices. Limit the seasonings that are high in salt or sodium. Use preparation methods that don't require large amounts of additional fat. Use cooking sprays. Simmer food in clear broth rather than oil. Use the microwave to prepare food with little added fat. Remember, some fat is essential for health. It is needed for the body to use the fat soluble vitamins. There are a number of ways to select recipes for the day. Choose recipes that follow the dietary guidelines. Change your favorite recipes to decrease the fat, sugar, and/or sodium. Use your family's favorite recipes and balance your other food choices for the day. Your local extension office can provide information to help you. "Altering Recipes for Good Health" is a North Central Regional Extension Publication that has many good tips.

The new food labels have been in effect since May of '94. They help in selecting foods that fit into your strategy for the day. Labels give the amount of fat, calories, and sodium listed in a serving of food. The Extension brochure "How to use the new food label" is available. You can take charge of your nutrition. You can keep your food choices in balance and your portions moderate. You can take the time to enjoy each meal and snack. You are in charge. Enjoy the Variety of Food Choices. ■



Spring White Sale

$75 Rebate



The Largest Capacity Laundry Pair You Can Buy!

- Quiet-By-Design™ Construction. Our Quietest Ever! GE Profile™ Washers & Dryers have Quiet Package insulation to reduce noise!
- New Auto Balance Suspension System virtually eliminates off-balance loads!
- Exclusive Auto HandWash® cycle provides gentle wash action for fine washables.

Washer WPSQ4160T
Dryer DPSQ495ET
Gas Dryer DPSQ495GT available at extra cost.

Washer $599.95 **Dryer $509.95**

Model FH15DS

14.8 CU. FT. CAPACITY CHEST FREEZER

- 2 removable sliding baskets.
- Temperature monitor with audible alarm.
- Upfront defrost drain.
- Self-ejecting key.

$429.95

Candace Weeks
Member Service Assistant

Appliances can be seen at the Camp Point Showroom between 7:30 a.m. and 5:00 p.m., Monday through Friday.

Adams Electrical Co-Operative
Your Full-Service Appliance Dealer Since 1959
phone: 800-232-4797

George Clark
Service Technician

HOTPOINT