



## BOARD BULLETIN

### Annual Meeting Preview From President Steve Rau

As the president of the Board of Directors of ECI REC, I want to encourage all our members to attend our Annual Meeting of the members. It's an important part of your role as an owner of our Cooperative. Both CEO Harry Ruth and I will be speaking at the meeting. Below is a brief summary of what we plan to cover.

#### 2012 IN REVIEW

- **Electricity sales** - Like the economy, your Cooperative had a decent, but unspectacular, year in 2012. Sales of electricity fell below 3.6% expectations, yet operating margins were close to budget, missing projections by only .4%. Due to an unusually large, non-cash patronage allocation of \$688,553 from our energy supplier, net margins exceeded the budget by 41%.
- **Rebuilt lines** - In keeping with the commitment to continued investment in the distribution system, our contractor rebuilt 40 miles of old distribution lines in 2012. This work is financed in part by a federal FEMA grant; ECI REC will pay only 15% of the total cost. Construction of a new wireless communications network was completed.
- **Upgraded substations** - The first 5 (of 18) substations were upgraded in 2012. The voltage serving these sites will go from 34,500 volts to 69,000 volts. We are installing larger transformers and state-of-the-art circuit breakers controlled by high-tech electronics that will experience fewer, shorter outages.

#### 2013 EXPECTATIONS

- **Increased sales** - In 2013, we expect a significant increase in usage by two accounts: a new grain drying and handling facility likely to be built in Fayette County, and a

pipeline pumping station (a current member).

- **Distribution system** - Our contractor should rebuild another 100 miles of lines in 2013. We have also scheduled three additional substation upgrades this year and should begin preparation for two more upgrades in 2014. Our entire system should be connected to the new communications network by the end of this year.
- **SmartHub benefits** - This new online communications platform already allows members to pay bills online. It also allows you to see your past usage, past bills, or e-mail us. Beginning in May you saw a new look to your monthly bill from ECI REC—it now contains additional information.
- **Energy wise** - Later this year, we will introduce a new online Energy Calculator to help you use electricity and other fuels more efficiently. This software can download your actual usage from our billing system and provide you with ways to cut your energy bill. It will also suggest investments that you can make in your home to save money.
- **Goodbye and hello** - CEO Harry Ruth is retiring at the end of June after ten years with ECI REC. We wish him well in his retirement. Incoming CEO Steve Marlow, who has served our Cooperative in various roles for 32 years, brings a deep understanding of and passion for ECI REC.