

MINUTES OF REGULAR MEETING OF DIRECTORS
October 25, 2011

The regular monthly meeting of the Egyptian Electric Cooperative Association Board of Directors was held on Tuesday, October 25, 2011, at the Steeleville office. The meeting was called to order at 8:30 a.m. with the President and Assistant Secretary present.

Present for the **October 25, 2011**, meeting:

Paul Pyatt, President	Allen Haake	James Riddle, EVP/GM
Raymond Mulholland, VP	Paul Hicks	M. Shane Hermetz, Asst Mgr
Randall Campbell	Ken Jarrett	Brenda Rapp, Staff
Larry Ebers	Gilbert Kroening	Art Pontow, Staff
	William Broom, Attorney	

Kevin Liefer, absent

The consent agenda, consisting of the consideration of minutes of the board meeting held September 27, 2011, the list of checks written for the month of September, the September treasurer's report, capital credit estate refunds (\$7,099.93), the safety report, the outage report, and the AIEC meeting report, was approved by a motion from Mr. Mulholland, seconded by Mr. Campbell. Motion carried.

SIPC DIRECTOR REPORTS: The SIPC reports were given by Mr. Riddle, Mr. Mulholland and Mr. Haake. On motion of Mr. Hicks, seconded by Mr. Kroening, the SIPC reports were approved. Motion carried.

MAJOR CAPITAL PROJECTS: The SI Airport substation is complete and in the final testing phase; it will be energized in November. The Carterville Substation project should be energized in November, but we are working around billing. We are estimating work on the Boskydell Road project will be ongoing until approximately March. Supposedly, there has been a site selected for the VA Medical Clinic; however, it is not in our service area. Oilfield will be doing some upgrades to the Pyatt and Evansville substations before year end.

FINANCIAL REPORTS: Mr. Pontow presented the financials for the month of September. There were margins of \$381,066 for September, which put YTD margins at \$1,854,187. Electric revenue YTD is up .8% compared to last September and YTD kWh sales are up 1.5%. Line loss year-to-date is -1.2%; however, there is a substantial amount to be realized before year end. YTD expenses are under budget and gross margin on sales is over budget which puts actual margins considerably higher than budget. The mapping work is complete so that expense will show up in next month's totals.

LEGAL REPORT: Attorney Broom gave an update on the issues he is currently involved with for Egyptian Electric---service area disputes, a liability claim and the agreement with Citizens Electric. The Carterville franchise agreement has been signed by the Carterville city council. The recent Illinois Civil Union Act does necessitate a bylaw revision at next year's annual meeting.

MANAGER'S REPORT: Mr. Riddle presented the Manager's report adding to the September operating reports. He gave an update on the 2011/2012 goals, the 2012 NRECA Annual meeting, the available options with the CFC line of credit and financing of long term debt. On a motion of Mr. Haake, seconded by Mr. Jarrett, the manager's report was approved. Motion carried.

2012 BUDGET: There was a review of the preliminary 2012 budget. Items discussed were major expense items (right-of-way program, member services programs, outside professional services, administrative expenses, dues and contributions), capital expenditures (materials, equipment, tools, vehicles, and buildings), insurance summary, the vehicle replacement schedule, travel authorizations and capital credits. Capital expenditures differ from expense items because they are depreciated over the life of the assets. Plans are to retire the 1980 and 1981 capital credits in November 2012. We are waiting to receive budget figures from SIPC so the final budget for EECA will most likely be brought back for approval at the December board meeting.

RATE DISCUSSION: There was a lengthy discussion on rates. All the various costs have been put into the new rates. The power cost adjustment used over the past several years will no longer be applied unless absolutely necessary or may be used to give a credit on the bill should the PCA drop. Environmental costs will continue to show up on the bill. As previously decided, the new rates will apply to February usage. Mr. Kroening made a motion, seconded by Mr. Hicks, to accept all revised rate schedules as presented. Motion carried. (See attached Rate Schedules.)

CARTERVILLE FRANCHISE: The Carterville franchise was up for renewal. The franchise gives us the right to have services lines within the city limits and use its easements without charge. It also helps resolve disputes as to whose right it is to serve an area or customer. Mr. Haake made a motion, seconded by Mr. Mulholland, to approve the Carterville Ordinance #1302-11; this franchise is in effect for ten years. Motion carried unanimously.

RESAP: (Rural Electric Safety Achievement Program) The inspection committee visited our offices on October 12 and 13 and we now have a list of improvements that need to be done at our two offices. We will accomplish the majority of the suggested improvements over a three-year timeframe. We expect to receive a discount on our insurance rates by participating in this program.

INTERCONNECT AGREEMENTS: After reviewing our current policy (Policy 509 – Interconnection Policy), let it be noted that board approval is not required for these agreements. That being the case, after our engineering department has done a final inspection and given approval, management has the authorization to sign the agreement. The board will be notified when new interconnect agreements are entered into. We currently have ten interconnect agreements signed---one for a windmill and nine for solar panels.

UPCOMING MEETINGS: Three directors indicated they will attend Course 914.1---Cooperative Communications and Public Opinion---The Director's Perspective in Springfield on November 10. Mr. Jarrett plans to attend the three courses in January and February, which are required courses for CCD certification.

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:36 a.m.

Date Approved: November 29, 2011

Kevin Liefer, Secretary
Recorded by Brenda K Rapp, Assistant Secretary

EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
Steeleville, Illinois

SCHEDULE "A" - GENERAL SERVICE - SINGLE-PHASE RATE

TYPE OF SERVICE

Single-phase, 60 cycles, at available standard voltages.

AVAILABILITY

Available to any Consumer, whether farm and residential (Rate Code 901, 907 & 911), small commercial (Rate Code 601 & 611), churches and schools (Rate Code 201 & 211), or seasonal (Rate Code 801 & 811), located in the area served by Egyptian Electric Cooperative Association whose required installed transformer capacity is under 50 KVA, subject to the following conditions:

1. That the request is for single-phase service with a transformer requirement of 50 KVA or less.
2. Consumer is located adjacent to Cooperative lines having adequate capacity to supply Consumer's requirements.
3. Electric energy delivered hereunder is not to be used for resale purposes, stand-by service, or in parallel with any other source of electric energy.

CONDITIONS OF SERVICE

1. The starting current of the largest motor cannot exceed 260 amperes.
2. Consumer agrees to maintain as near unity power factor as practicable. Cooperative reserves the right to measure power factor and Consumer agrees to correct power factor to maintain a minimum of 90% lagging.

SERVICE CHARACTERISTICS

The Seller shall install lines together with transformer and meter installations of proper capacity to fully provide the Consumer with electric energy for his requirements. The Seller shall use reasonable diligence to maintain a constant and uninterrupted supply of energy to the Consumer's metering point; however, if such supply shall fail or be interrupted, or become defective through an act of God or the public enemy or by accident, labor troubles or action of the elements or for any other cause beyond reasonable contract, the Seller shall not be liable therefore.

The Consumer shall provide suitable space and the necessary right-of-way, easements and clearances for the installation of the Seller's lines, transformers and meters to the Consumer's premises, and shall permit free access to the same at all reasonable hours for the purpose of inspecting and checking Seller's installations. The Consumer shall maintain, as nearly as practicable, equipment of standard rating and high power factor, to the benefit of both parties hereunder, and shall follow the National Electric Code in installing the wiring and electrical equipment.

RATES FOR SERVICE

The Seller shall own, install and maintain, on the Consumer's premises, meters of the proper size and type to accurately measure the Consumer's current consumption. The total power and lighting load shall be measured through one meter and billed as one service at the rates herein specified; however, at the discretion of the Seller, the loads may be separately metered and billed as one meter.

For the foregoing service the Consumer shall pay the Seller at the following Rates for Service:

1. Facility Charge: \$36.00 per month for single-phase service
2. Energy Charge: All energy @ \$0.103/kWh

TAX ADJUSTMENT

A five percent (5%) or \$00.0032 per kWh tax, whichever is the lower, levied under the Illinois Public Utilities Revenue Act shall be added to the rates and minimum charges specified in this schedule. Any additional taxes that may be imposed by taxing authorities on the Consumer also shall be added to the above rates and minimum charges.

POWER COST ADJUSTMENT

Energy charges may be increased or decreased as necessary to maintain financial integrity, meet mortgage obligations and /or maximize loan discounts.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges as determined for the Consumer in question.

1. The Facility Charge specified above -or
2. \$1.00 per KVA of installed transformer capacity.

TEMPORARY SERVICE

Temporary service may be supplied under this rate except that the Consumer shall pay, in addition to the foregoing charges, the total cost of connection of service less the value of materials returned to stock. A deposit, in advance, may be required of the full amount of the estimated bill for service, including the cost of connection and disconnection.

SERVICE FEE

A non-refundable service fee shall be collected before any Consumer receives service at a new or existing location.

TERMS OF PAYMENT

The above rates are net, the gross rates being five percent (5%) higher. In the event the current monthly bill is not paid by the due date, the gross rates shall apply.

This schedule of rates shall be effective for February 2012 usage.

EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
Steeleville, Illinois
SCHEDULE "C" - GENERAL SERVICE - THREE-PHASE RATE

TYPE OF SERVICE

Three-phase, 60 cycles, at available standard voltages.

AVAILABILITY

Available to any Consumer (Rate Code 701 & 711) located in the area served by Egyptian Electric Cooperative Association whose required installed transformer capacity is under 50 KVA, subject to the following conditions:

1. That the request is for three-phase service with a transformer requirement of 50 KVA or less.
2. Consumer is located adjacent to Cooperative lines having adequate capacity to supply Consumer's requirements.
3. Electric energy delivered hereunder is not to be used for resale purposes, stand-by service, or in parallel with any other source of electric energy.

CONDITIONS OF SERVICE

1. The starting current of the largest motor cannot exceed 260 amperes.
2. Consumer agrees to maintain as near unity power factor as practicable. Cooperative reserves the right to measure power factor and Consumer agrees to correct power factor to maintain a minimum of 90% lagging.

SERVICE CHARACTERISTICS

The Seller shall install lines together with transformer and meter installations of proper capacity to fully provide the Consumer with electric energy for his requirements. The Seller shall use reasonable diligence to maintain a constant and uninterrupted supply of energy to the Consumer's metering point; however, if such supply shall fail or be interrupted, or become defective through an act of God or the public enemy or by accident, labor troubles or action of the elements or for any other cause beyond reasonable contract, the Seller shall not be liable therefore.

The Consumer shall provide suitable space and the necessary right-of-way, easements and clearances for the installation of the Seller's lines, transformers and meters to the Consumer's premises, and shall permit free access to the same at all reasonable hours for the purpose of inspecting and checking Seller's installations. The Consumer shall maintain, as nearly as practicable, equipment of standard rating and high power factor, to the benefit of both parties hereunder, and shall follow the National Electric Code in installing the wiring and electrical equipment.

RATES FOR SERVICE

The Seller shall own, install and maintain, on the Consumer's premises, meters of the proper size and type to accurately measure the Consumer's current consumption. The total power and lighting load shall be measured through one meter and billed as one service at the rates herein specified; however, at the discretion of the Seller, the loads may be separately metered and billed as one meter.

For the foregoing service the Consumer shall pay the Seller at the following Rates for Service:

1. Facility Charge: \$55.00 per month for three-phase service
2. Energy Charge: All energy @ \$0.106/kWh

TAX ADJUSTMENT

A five percent (5%) tax or .0032 per kWh, whichever is the lower, levied under the Illinois Public Utilities Revenue Act shall be added to the rates and minimum charges specified in this schedule. Any additional taxes that may be imposed by taxing authorities on the Consumer also shall be added to the above rates and minimum charges.

POWER COST ADJUSTMENT

Energy charges may be increased or decreased as necessary to maintain financial integrity, meet mortgage obligations and /or maximize loan discounts.

MINIMUM MONTHLY CHARGE

The minimum monthly charge shall be the highest one of the following charges as determined for the Consumer in question.

1. The Facility Charge specified above --- or
2. \$1.00 per KVA of installed transformer capacity.

TEMPORARY SERVICE

Temporary service may be supplied under this rate except that the Consumer shall pay, in addition to the foregoing charges, the total cost of connection of service less the value of materials returned to stock. A deposit, in advance, may be required of the full amount of the estimated bill for service, including the cost of connection and disconnection.

SERVICE FEE

A non-refundable service fee shall be collected before any Consumer receives service at a new or existing location.

TERMS OF PAYMENT

The above rates are net, the gross rates being five percent (5%) higher. In the event the current monthly bill is not paid by the due date, the gross rates shall apply.

This schedule of rates shall be effective for February 2012 usage.

EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
STEELEVILLE, ILLINOIS 62288
Schedule LP-1—LARGE POWER SERVICE—OVER 50 KVA

AVAILABILITY

Available to any Consumer (Rate Codes 301, 311, 501 & 511) located in the area served by the Cooperative for any use of electric energy, whose required installed transformer capacity is over 50 KVA, subject to the following conditions:

1. Consumer is located adjacent to Cooperative lines having adequate capacity to supply Consumer's requirements.
2. Electric energy delivered hereunder is not to be used for resale purposes, stand-by service, or in parallel with any other source of electric energy.
3. A written contract shall be executed before service is energized.
4. The consumer may be required to provide a contribution in aid to construction.

SERVICE CHARACTERISTICS

The Seller shall install lines together with transformer and meter installations of proper capacity to fully provide the Consumer with electric energy for his requirements. The Seller shall use reasonable diligence to maintain a constant and uninterrupted supply of energy to the Consumer's metering point; however, if such supply shall fail or be interrupted, or become defective through an act of God or the public enemy or by accident, labor troubles or action of the elements or for any other cause beyond reasonable contract, the Seller shall not be liable therefore.

The Consumer shall provide suitable space and the necessary right-of-way, easements and clearances for the installation of the Seller's lines, transformers and meters to the Consumer's premises, and shall permit free access to the same at all reasonable hours for the purpose of inspecting and checking Seller's installations. The Consumer shall maintain, as nearly as practicable, equipment of standard rating and high power factor, to the benefit of both parties hereunder, and shall follow the National Electric Code in installing the wiring and electrical equipment.

RATES FOR SERVICE

The Seller shall own, install and maintain, on the Consumer's premises, meters of the proper size and type to accurately measure the Consumer's current consumption. The total power and lighting load shall be measured through one meter and billed as one service at the rates herein specified; however, at the discretion of the Seller, the loads may be separately metered and billed as one meter.

For the foregoing service the Consumer shall pay the Seller at the following rates for services:

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|---------------------|---|
| 1. Facility Charge: | \$55.00 |
| 2. Demand Rate | 0-40 kW - \$105.00
Over 40 kW @ \$14.00/kW |
| 3. Energy Rate: | All energy @ \$.0631/kWh |

POWER FACTOR ADJUSTMENT

The Consumer agrees to maintain unity power factor as nearly as practical. The real demand will be adjusted to correct for average power factors lower than 90%. Such adjustments will be made by increasing the real demand 1% per each 1% by which the average power factor is less than 90% lagging.

POWER COST ADJUSTMENT

Energy charges may be increased or decreased as necessary to maintain financial integrity, meet mortgage obligations and /or maximize loan discounts.

Above rates subject to Federal, State and Local Taxes.

MINIMUM CHARGES

The Greater Of:

1. The demand charge
2. \$1.00/KVA of installed transformer capacity
3. The minimum stated in the contract for service

This schedule of rates shall be effective for February 2012 usage.

**EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
STEELEVILLE, ILLINOIS 62288
Schedule LP-2 – INDUSTRIAL DEDICATED SUBSTATION**

AVAILABILITY

Available to any Consumer (Rate Codes 305, 306 & 307) located in the area served by the Cooperative for any commercial and industrial use, subject to the following conditions:

1. Consumer is located adjacent to Cooperative lines having adequate capacity to supply Consumer's requirements.
2. Electric energy delivered hereunder is not to be used for resale purposes, stand-by service, or in parallel with any other source of electric energy.
3. A written contract shall be executed before service is energized.
4. The consumer may be required to provide a contribution in aid of construction.
5. The consumer receives service at 69 KV and owns the distribution substation or has made a contribution in aid of construction equal to the cost of the substation.

SERVICE CHARACTERISTICS

The Seller and/or consumer shall install lines together with transformer and meter installations of proper capacity to fully provide the Consumer with electric energy for his requirements. The Seller shall use reasonable diligence to maintain a constant and uninterrupted supply of energy to the Consumer's metering point; however, if such supply shall fail or be interrupted, or become defective through an act of God or the public enemy or by accident, labor troubles or action of the elements or for any other cause beyond reasonable contract, the Seller shall not be liable therefore.

The Consumer shall provide suitable space and the necessary right-of-way, easements and clearances for the installation of the Seller's lines, transformers and meters to the Consumer's premises, and shall permit free access to the same at all reasonable hours for the purpose of inspecting and checking Seller's installations. The Consumer shall maintain, as nearly as practicable, equipment of standard rating and high power factor, to the benefit of both parties hereunder, and shall follow the National Electric Code in installing the wiring and electrical equipment.

RATES FOR SERVICE

The Seller shall own, install and maintain, on the Consumer's premises, meters of the proper size and type to accurately measure the Consumer's current consumption. The total power and lighting load shall be measured through one meter and billed as one service at the rates herein specified; however, at the discretion of the Seller, the loads may be separately metered and billed as one meter.

The consumer shall pay all Cooperative's power costs associated with the consumer's dedicated substation including a Customer Demand Charge which recovers the Cooperative's costs associated with serving that consumer. The current Wholesale Power Rates are as follows and are subject to change if the Cooperative's wholesale power supplier changes their billing rates.

- | | |
|-----------------------------|---|
| 1. Energy Charge: | All energy @ \$0.03106 per kWh per month. |
| 2. Power Cost Adjustment: | See below. |
| 3. Wholesale Demand Charge: | \$18.67 per kW per month. |
| 4. Customer Related Charge: | \$1.66/kW per month |

POWER FACTOR ADJUSTMENT

The Consumer agrees to maintain unity power factor as nearly as practical. For accounts metered on the primary side of the substation transformer the consumer shall be billed \$0.475 per kVar consumed below 92% power factor during the monthly one hour coincidental peak of the wholesale provider. For accounts metered on the secondary side of the substation transformer the consumer shall be billed \$0.475 per kVar consumed below 92% on average during the billing period.

POWER COST ADJUSTMENT

Energy charges may be increased or decreased as necessary to maintain financial integrity, meet mortgage obligations and /or maximize loan discounts.

Above rates subject to Federal, State and Local Taxes.

MINIMUM CHARGES

The monthly minimum bill shall be \$16,500.00 in all cases except where the consumer owns or has made a contribution in aid of construction financing all substation, transmission, and distribution facilities required to provide service.

This schedule of rates shall be effective for February 2012 usage.

**EGYPTIAN ELECTRIC COOPERATIVE ASSOCIATION
STEELEVILLE, ILLINOIS 62288
Schedule LP-3 – INDUSTRIAL RATE – HIGH LOAD FACTOR**

AVAILABILITY

Available to any Consumer located in the area served by the Cooperative for any commercial and industrial use, subject to the following conditions:

1. The electrical load under normal operations will exceed 1000 kW and the monthly load factor will be in excess of 400 kWh/kW a minimum of 10 out of the previous 12 months.
2. Consumer is located adjacent to Cooperative lines having adequate capacity to supply Consumer's requirements.
3. Electric energy delivered hereunder is not to be used for resale purposes, stand-by service, or in parallel with any other source of electric energy.
4. A written contract shall be executed before service is energized.
5. The consumer may be required to provide a contribution in aid of construction.

SERVICE CHARACTERISTICS

The Seller shall install lines together with transformer and meter installations of proper capacity to fully provide the Consumer with electric energy for his requirements. The Seller shall use reasonable diligence to maintain a constant and uninterrupted supply of energy to the Consumer's metering point; however, if such supply shall fail or be interrupted, or become defective through an act of God or the public enemy or by accident, labor troubles or action of the elements or for any other cause beyond reasonable contract, the Seller shall not be liable therefore.

The Consumer shall provide suitable space and the necessary right-of-way, easements and clearances for the installation of the Seller's lines, transformers and meters to the Consumer's premises, and shall permit free access to the same at all reasonable hours for the purpose of inspecting and checking Seller's installations. The Consumer shall maintain, as nearly as practicable, equipment of standard rating and high power factor, to the benefit of both parties hereunder, and shall follow the National Electric Code in installing the wiring and electrical equipment.

RATES FOR SERVICE

The Seller shall own, install and maintain, on the Consumer's premises, meters of the proper size and type to accurately measure the Consumer's current consumption. The total power and lighting load shall be measured through one meter and billed as one service at the rates herein specified; however, at the discretion of the Seller, the loads may be separately metered and billed as one meter.

For the foregoing service the Consumer shall pay the Seller at the following rates for services:

- | | |
|--------------------|-------------------|
| 1. Facility Charge | \$125.00 |
| 2. Demand Charge | \$18.67 per kW |
| 3. Energy Charge | \$0.04056 per kWh |

POWER FACTOR ADJUSTMENT:

The Consumer agrees to maintain unity power factor as nearly as practical. The real demand will be adjusted to correct for average power factors lower than **90%**. Such adjustments will be made by increasing the real demand 1% per each 1% by which the average power factor is less than **90%** lagging.

POWER COST ADJUSTMENT:

Energy charges may be increased or decreased as necessary to maintain financial integrity, meet mortgage obligations and /or maximize loan discounts

Above rates subject to Federal, State and Local Taxes.

MINIMUM CHARGES

The Greater Of:

1. The demand charge
2. The minimum stated in the contract for service
3. \$16,500.00

This schedule of rates shall be effective for February 2012 usage.