


HI-LINES

A newsletter for members of JCE Co-op



CONTENTS | February 2025

 Elizabeth, IL

 800-858-5522

 jcecoop.com



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The consumer price index (CPI) has increased by over 30% in the past 10 years, with most of that (20%) in the past four years. This is the highest we've seen since the late 1970s and early 1980s. These unprecedented increases have added significant pressure on all of our budgets in an already challenging time.

Due to the pressures of inflation, JCE Co-op members will see a rise in their energy bill later this spring as a rate increase approved with the 2025 budget goes into effect. This increase averages 6% across all rate classes.

The electric utility industry has been hit by extreme inflation rates on essential materials needed to deliver electricity to you. From 2021 to 2024, the cost of materials like transformers, wire (both overhead and underground), and other hardware needed to keep the grid functioning has surged by a staggering 51%.

Because of this excessive inflation, budget and rate development has been extremely challenging for the co-op.

For the 2025 capital expense budget, we meticulously reviewed line by line and cut what wasn't necessary. We also reviewed and reprioritized items in the operating and maintenance budget. We are currently evaluating where we can cut additional dollars.

With these cuts we were able to minimize the average rate increase to 6% across all rate classes. The rate changes go into effect during the March billing cycle, which you will see reflected in your April bills. (The tables on the following page provide more details.)

We understand utility costs and their impact on household and business budgets are a concern for our members. Our surveys tell us that roughly one-third, 27%, of you feel we could do better with our rates. At the same time, most of you continue to speak favorably about the co-op's service reliability, employees and member service.

I hope this column helps explain the process we go through to establish rates and keep the same level of safe reliable service, and as important, why our rates are competitive considering the modest number of accounts we serve. My purpose is to be transparent about the process and what we are doing to help stabilize rates in the future.

Because of inflation, the past few years have been even more challenging to stabilize rates while maintaining safe and reliable service in an area with a small rural population. We serve 20,000 electric and 5,700 natural gas accounts, as well as a growing number of fiber subscribers, as compared to more urban areas with thousands more consumers.

For instance, we budgeted more than \$2.5 million to maintain vegetation and tree growth around our lines. In our electric business unit, we have approximately 2,400 miles of overhead power lines that we own and manage. On average we serve just over 8 electric accounts per mile of line. In a large metropolitan area, 30 or more accounts are served per mile of line. When you consider that differential, we are doing a remarkable job of minimizing the cost to you.

To validate that we are fairly and equitably accounting for these costs across rate classes, we can rely on an independent



CEO'S REPORT
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Inflation continues to drive costs higher *(Continued)*

consultant to perform an annual cost-of-service study. The study calculates the cost to provide service to each of the rate classes.

Monthly charges explained

Two components of our rate that are most misunderstood are our monthly facility and member service charges. These charges are determined by the cost-of-service study and are higher for utilities serving less dense rural areas. For our electric accounts, these charges are in line with the other 24 Illinois rural electric co-ops, which averaged \$47 per month in 2024 for residential accounts compared to ours at \$46 for 2025.

The facility charge is the basic cost to provide reliable, safe energy. It covers expenses such as power lines, pipelines, trucks, labor and other expenses the co-op incurs ensuring energy is available when you need it, no matter how much energy is sold. The member service charge is a flat service fee covering administrative and account management costs including billing, postage, facilities, software systems and other overheads.

Future rate stabilization: What is JCE doing?

Besides the cost of distributing energy, more than half of your bill is for the energy itself. On the electric side, the co-op has ownership and representation on the board of two generation and transmission (G&T) co-ops.

Unlike the investor-owned utilities that serve the more populated areas of the state, G&Ts have ownership in generation and transmission assets that provide energy for the region. Ownership helps stabilize future energy and capacity costs. For instance, in other parts of the

state electric capacity costs alone are expected to be 2 to 3 cents higher in 2025. When compared, our all-in rates will be in line with others. As future demand for electricity increases and supply continues to decrease, the G&T cost model with ownership in generating assets is expected to be more stable.

For those members who purchase natural gas (gas) services from the co-op, similar to electricity, the cost of the gas and transporting it to our area makes up more than 50% of our member's bill. The co-op monitors pipeline transmission costs to deliver gas to our area from Texas and Canada. These costs continue to increase. For example, one of the two pipelines that deliver gas to our area proposed an extremely large rate increase, but through collective efforts, the increase was approved for much less. To help stabilize the cost of gas to our members, the co-op purchases most of the gas in advance during price dips in the market.

We also utilize storage. Overall, we prepurchase and store up to 80% of our members' typical five-year average usage specifically for the winter months when prices are typically more volatile because of the higher demand for heating.

On the local delivery side, the co-op owns about 300 miles of pipeline, serving approximately 5,700 accounts. For our member's safety, the industry is heavily regulated, which adds cost. Some proposed regulations aren't necessary. As a member of the American Public Gas Association, new regulations are closely monitored. When we discover a proposed regulation that is overreaching, we band together with more than 800 other public gas utilities to refute.

Member growth matters

Throughout 2024 we talked a lot about how your co-op is growing, growth that has benefits for the co-op members. We are growing our fiber network using more than \$100 million in grant awards. The awards on average are covering 70% of the cost for the co-op to bring fiber to unserved and underserved residents in

Single phase rate

	Current	Revised
Monthly charges		
Facility charge	\$ 35.00	\$ 38.00
Member service charge	\$ 7.00	\$ 8.00
Charges per kWh		
Delivery charge	\$ 0.03870	\$ 0.04641
Energy charge	\$ 0.03984	\$ 0.03984
Generation charge: ≤1,500	\$ 0.04684	\$ 0.04684
>1,500	\$ 0.01741	\$ 0.0174
Transmission charge	\$ 0.02877	\$ 0.02877

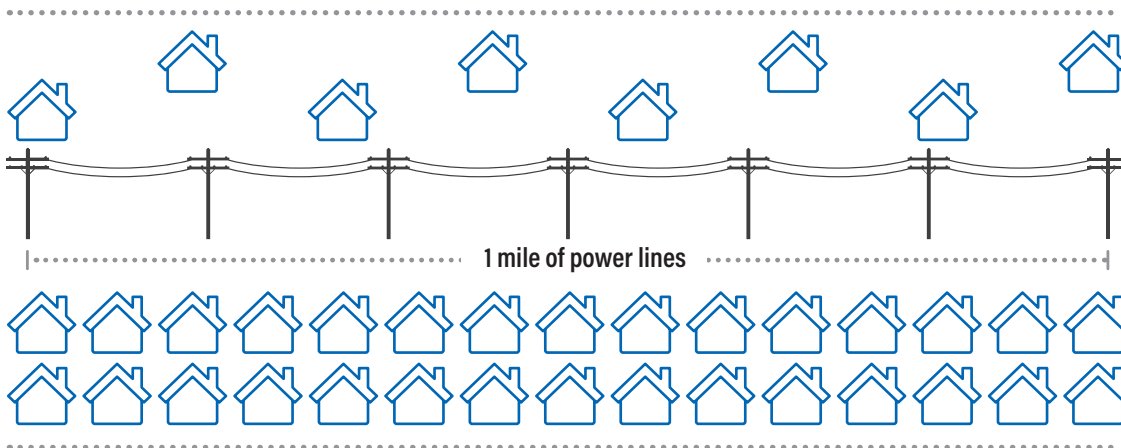
Single phase annual impact

Residential	Current	Revised	Increase	Percent change
Home #1 <i>Annual average kWh 6,394</i>	\$1,489.64	\$1,586.93	\$97.30	6.5%
Home #2 <i>Annual average kWh 2,674</i>	\$3,523.99	\$3,710.77	\$186.78	5.3%
Home #3 <i>Annual average kWh 17,481</i>	\$2,677.99	\$2,831.41	\$153.42	5.7%
Home #4 <i>Annual average kWh 8,343</i>	\$1,790.07	\$1,902.40	\$112.32	6.3%

Electric cooperatives

Serve 8 consumer members per mile of line

Electric co-ops maintain more miles of power lines per consumer than other electric utilities.



Other electric utilities

Serve 30 consumers per mile of line

northwest Illinois. JCE Co-op was ahead of most when we piloted fiber in the Galena business district nearly 10 years ago. With that experience, along with a local team of passionate employees and a progressive board, the co-op was in a good position to compete for a large amount of Federal, State and local dollars to improve our communities and your quality of life.

The build out of fiber will not only increase revenue to the co-op through subscribers, but also will improve efficiencies and reliability of our electric and natural gas business units by increasing the speed of communication between equipment, which provides more accurate information on fault locations, etc. All of which will help our bottom line, improve safety and reliability, and stabilize future rates.

As I have shared in the past, our goal is to maintain rate increases at or below inflation. Over a 10-year period (2016-2025), average rate increases will be lower than overall inflation by 1.5 to 2.5%, depending on where CPI projections fall out for 2024 and 2025.

As a cooperative, we are not in business to make a profit. As noted at the beginning of this column, the co-op has cut its own distributions costs where possible without compromising safety and reliability.

We recognize that rate increases may be hard for some members. If you have any questions about your bill, please do not hesitate to reach out to us. We can provide you with information about your bill, and energy use and put you in touch with agencies who can assist those members in need of assistance with their energy bills.

JCE Co-op also has a number of resources to provide members with energy efficiency information to help members find ways to lower their energy costs. Members can contact us about a free home energy assessment, check out a kill-a-watt meter to measure how much energy appliances are using or contact our energy advisor about a home or business energy audit. Our website at jcecoop.com has an area devoted to energy efficiency and offer links to additional resources.

Rate 42 farm and residential gas service

	Current	Revised
Distribution Charges		
Facility charge	\$ 20.00	\$ 20.00
Member service charge	\$ 7.00	\$ 8.00
Delivery charge per therm	\$ 0.4700	\$ 0.5012
Energy supply charges: Charge per therm varies and could change each month based on the monthly cost of purchased natural gas.		

Natural gas annual impact

Rate 42 farm and residential gas

	Current	Revised	Increase	Percent change
Service #1	\$766.98	\$803.38	\$41.41	5.4%
<i>Annual average therms 943</i>				
Service #2	\$653.79	\$687.69	\$33.89	5.2%
<i>Annual average therms 702</i>				
Service #3	\$974.32	\$1,029.49	\$55.17	5.7%
<i>Annual average therms 1,384</i>				



2025 incentive program launches

Get benefits with energy efficient purchases

Members wanting to save energy and money in the new year should review JCE Co-op's 2025 energy efficiency incentive forms. If it is time to upgrade your old appliances or change out your heating, cooling and/or water heating system, we have savings for you!

JCE offers energy efficiency incentives for our electric members in collaboration with Dairyland Power Cooperative, one of our wholesale power suppliers, to help members use energy wisely. We also offer an array of incentives for our natural gas members.

Eligibility criteria for each category is listed on the forms found at jcecoop.com/incentives. To receive an incentive, the member must purchase a qualifying item, fill out the incentive form and return the form with documentation to the cooperative within three months of purchase or installation (instructions on the form). Equipment must be installed within the cooperative's service territory and, in most cases, be ENERGY STAR® rated.



Incentive summary for electric members

HVAC—Geothermal Heat Pump HVAC

Upgrade existing ground source heat pump

- Interior equipment\$400/ton

New installations

- Ground source heat pump\$600/ton
- Exterior loop field\$600/ton
- Installation cost\$600/ton

Air Source Systems

- Air Source Heat Pump & Mini-split SEER2 14.3+, HSPF2 7.5+, SEER 15.0+, HSPF 8.8+\$175/ton
- New furnace w/ECM motor \$35
- Smart thermostat (Honeywell or Emerson brand) \$25

Electric appliances

- Inductive range \$25

Energy Star electric appliances

- All-in-one washer/dryer combo (heat pump drying) \$25
- Clothes dryer or washer\$25
- Dehumidifier\$25
- Dishwasher\$25
- Refrigerator (>10 cubic ft)\$25
- Freezer (>10 cubic ft) \$25
- Recycling of freezer, refrigerator or window air conditioner \$25

Lighting

- Occupancy sensor\$5/sensor
- LED lamp/fixture \$0.50/800 lumens
- LED exit sign \$5/sign

Electric water heaters

- Heat pump water heater (UEF≥3.50) \$30

The following water heater incentives require load control

- Residential high efficiency water heater 75-99 gallons (UEF≥0.88)\$125
- Residential high efficiency water heater≥100 gallons (UEF≥0.88)\$300

ElectricSense NEW Home Program

- New home must meet specific program/code requirements . . . \$500

Incentive summary for natural gas members



Natural gas appliances

- Water heater (UEF≥67%) \$50
- Stove\$50
- Clothes dryer\$50
- Fireplace insert\$50
- Other\$50
- Generator\$50

Natural gas outdoor appliances

- Pool heater 10% of equipment & material cost up to \$150
- Hot tub 10% of equipment & material cost up to \$150
- Deck heater 10% of equipment & material cost up to \$150
- Outdoor fire pit 10% of equipment & material cost up to \$150
- Grill 10% of equipment & material cost up to \$150

Natural gas heating

- Natural gas furnace/boiler AFUE ≥ 95%\$125

Fuel switching incentives also available. Check out agricultural, commercial and industrial incentives online.

Questions about the program or energy efficiency questions can be directed to our energy advisor John Scott (Inspector Watts) at jscott@jcecoop.com or 815-858-2207, ext. 1339.



Exciting changes coming to our lockbox services this spring

At JCE Co-op, we're always looking for ways to better serve our members, and your feedback plays a crucial role in guiding our decisions. You spoke, and we listened! This spring, we'll be transitioning our lockbox payment processing to a location closer to home in Chicago.

Why the change? By moving our lockbox processing closer, we aim to streamline your bill payment experience and reduce mail delays. This adjustment means your payments will be processed more efficiently, providing you with added peace of mind.

As we prepare for this transition, we'll be sharing more details through bill inserts, email updates, and our monthly magazine. Keep an eye out for these communications to ensure you're informed every step of the way.

Thank you for your continued support and feedback as we work to enhance our services for all our members. If you have any questions please contact Member Services by calling 800-858-5522.



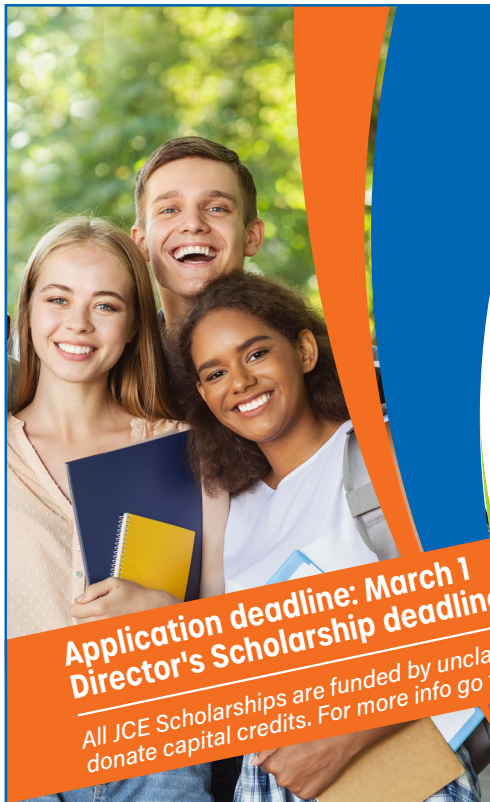
Reader prize!

Each month we print the name of a JCE Co-op 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 JCE Co-op.



JCE Co-op would like to thank everyone who participated in our annual 2024 Food Drive. Along with cash donations, this year's event collected over 600 food items for our area pantries.

Thank You!



2025 JCE CO-OP SCHOLARSHIP OPPORTUNITIES

JCE Co-op will award up to \$25,000 to students from its service territory through its scholarship program in 2025.

6

JCE Scholarships in the amount of \$1,000 to high school seniors who will enroll in a college or university.

4

Two-Year/Tech School Scholarships in the amount of \$1,000 to high school seniors who will attend a 2-year/tech school.

2

Lineworker scholarships in the amount of \$2,000 each to students who plan to attend lineworker school.

4

Adult or non-traditional student scholarships in the amount of \$1,500.

10

Director's Scholarships of \$500 each to be awarded to current high school seniors.

Application deadline: March 1
Director's Scholarship deadline: May 1

All JCE Scholarships are funded by unclaimed and donate capital credits. For more info go to jcecoop.com

Whiteside County fiber milestone!

JCE Co-op has received the first installment of funding from Whiteside County for fiber buildout in northern portions of the county.

In late December, Gary Camarano, Whiteside County's economic development director, presented JCE Co-op President & CEO Mike Casper with a \$1 million check. This check represents the initial payment of the \$3 million the county committed to use as local matching funds for a Connect Illinois Round 3 grant from the state of Illinois. The county's match comes from ARPA funds received.

The co-op is using the \$69.9 million Connect Illinois funds to deploy high-speed fiber internet to areas of Whiteside, Carroll and Jo Daviess Counties. Jo Daviess Counties contributed another \$50,000 in local funds.

Camarano noted that Whiteside County's commitment of local funds was one of the keys to obtaining the grant. JCE Co-op is using the Connect Illinois grant to construct 1,200 miles of underground fiber to areas in the three counties, enabling the connection of more than 5,100 households, farms, and businesses.

The Whiteside County board voted to commit funds after a committee met over a 14-month period to discuss connectivity challenges and issues, best practices and community survey results.

"The public survey cemented that we really do need this," Camarano said. "There were enough people who were not being fully served, and then the pandemic showed us how important this was. Kids had to be dropped off at a local McDonald's for a hotspot to get online to do their assignments. Homes with more than one person using multiple devices, and no one was getting a good connection."

For farmers, enhancements through precision ag translate to increasing revenues and crops per acre, the use of less fertilizer for properly applied fertilizer and pesticides, and better water treatment.

"The facts are proving this to be a game changer," Camarano said. "We're catching up to the rest of the country as far as productivity...."

Read the full news article on our home page at jcecoop.com.



Pictured from left to right: Jesse Shekleton, Gary Camarano and Mike Casper



Fiber projects status updates

Construction of JCE Co-op fiber in the Garden Plain area is currently underway and is about 35 percent complete, including splicing. The Garden Plain project is the first JCE Co-op project in Whiteside County that is part of the Connect Illinois Round 3 Grant award received by the co-op.

"We are ready to light up the first members in January," said Jesse Shekleton, JCE Co-op director and general manager of broadband.

Ground for the cabinet site was broken in December, and construction began in late December. Approximately 70 fiber drops have been installed, and splicing began the last week of December.

In addition to co-op crews, contractor Always Underground, Inc. (AUI) is completing work in the area. All 1,200 miles of the Round 3 projects are exclusively underground.

Work will also begin in three other areas in Whiteside County. "Mother Nature plays a huge role when we have to stop construction and when we can start back up again in the spring," Shekleton noted, adding work will continue as long as possible.

JCE Co-op is already live with fiber in Fenton, which is part of the co-op's project funded by a USDA ReConnect Grant. **Kristina Tranel**

In the northern areas of the Round 3 grant, requests for proposals will be released in four more areas of Phase II of the grant, including areas in Jo Daviess, Carroll, and Whiteside counties. According to Shekleton, construction is expected to begin in the spring. The entire Round 3 grant is scheduled to be completed by the end of 2026.





YOUR BOARD OF DIRECTORS

David Senn
Chairman
District 7

Jerry Meyer
Vice Chairman
District 1

Robert Kuhns
Treasurer
District 10

Dan Tindell
Secretary
District 4

Joseph Mattingley
District 2

Allen Hendren
District 3

Patricia Smith
District 5

Thomas Lundy
District 6

Ted James
District 8

Larry Carroll
District 9

Office Hours:
Monday-Friday

Elizabeth
793 U.S. Route 20 West
7:30 a.m. to 4 p.m.

Savanna
103 Chicago Ave.
7:30 a.m. to 1 p.m.
1:30 to 4 p.m.

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

**Services and
billing questions:**
(800) 858-5522
jcecoop.com

**For emergencies
and outages call:**
(800) 858-5522

Resume of Minutes

November 26, 2024

Board Meeting Minutes Summary

The board meeting of Jo-Carroll Energy, Inc. (NFP) was held on Tuesday, November 26, 2024.

Safety Moment – President and CEO Mike Casper provided an example of how JCE Co-op utilizes HSI training videos to assist with training the employees on key safety topics. Each employee is assigned quarterly safety requirements, followed by a test. The use of the software helps keep employees engaged and aligned with the safety culture.

Approval of Agenda – A motion was made, seconded and carried unanimously to approve the meeting agenda.

Consent Agenda – A motion was made, seconded and carried unanimously to approve the consent agenda.

Presentations – Dan Marcure, V.P. and Chief Technology Officer, provided a demonstration of fiber internet hardware that is installed in the home when you receive fiber from JCE Co-op and explained how the equipment is installed and its function.

Governance Topics and Board Policy Review – None.

CEO/Financial Operating Report

CEO Report – President and CEO Mike Casper reported that after the 2025 proposed rates are approved, the 2025 proposed budget will be finalized and presented to the board in December.

Financial Operating Report – Chuck Woods, Chief Financial Officer, provided a summary of the October financial operating report. Revenue year-to-date (YTD) is approximately \$56.8 million. Total operations and maintenance expenses are approximately \$45.2 million, which is (\$1,299,538) under the budget of approximately \$46.5 million. Margins are approximately \$2.4 million. By general consent, the board moved to file the financial operating report with the auditor. In addition, Woods provided the 2025 Proposed Rates based off the Cost-of-Service Study.

Operations and Regulatory/ Legislative Update

Operations Update – Senior V.P. and Chief Operating Officer Kyle Buros reported that by the end of the year, JCE Co-op will have connected nearly 2,000 members with fiber.

IT Technology Report – Dan Marcure, V.P. and Chief Technology Officer, provided information during the presentation portion of the meeting.

Member Services Update – Jennifer Meyer, V.P. of Cooperative Services, provided an update on the JCE Co-op Strategic Plan. In addition, Meyer shared information and facts about natural gas safety.

External Affairs/Legislative Update – General Counsel, Terry Kurt reported on member meetings that took place after the JCE Open Board Meeting held in October.

Executive Assistant Update – Amy Johnston, provided information about the upcoming Director class in December.

Board Issues and Action Items

Review 2025 Proposed Rate based on Cost-of-Service Study – A motion was made, seconded, and carried unanimously to approve the proposed 2025 rates.

Select Proposed 2025 Board Meeting Dates – A motion was made, seconded, and carried unanimously to approve the proposed 2025 board meeting dates.

Reports/Updates

Association of Illinois Electric Cooperatives (AIEC) Report – Director Senn, had nothing to share outside of the AIEC Board Highlights that were previously sent in the board report.

Dairyland Power Cooperative (DPC) – Director Mattingley shared board meeting highlights from Dairyland Power



Resume of minutes *(Continued)*

Cooperative that included the results of a financial forecast indicating stable rates for 2025.

American Public Gas Association (APGA) Report

- Director Carroll discussed regulatory and legislative actions that may affect the natural gas industry. Casper shared that he would be meeting with Commissioners from the Federal Energy Regulatory Commission, along with representatives from APGA and other members to discuss policy priorities important to community-owned natural gas utilities, including the impacts of severe winter weather on our consumers and the need for new natural gas infrastructure to improve constraints.

Prairie Power Incorporated (PPI) Report – Director Kuhns shared highlights from the PPI Board Meeting, noting that energy costs were below budget.

Into Executive Session – A motion was made, seconded and carried unanimously to go into Executive Session at 11:46 A.M.

Out of Executive Session – A motion was made, seconded and carried unanimously to come out of Executive Session at 12:29 P.M.

Action Resulting from Executive Session – None.

Other Business – None.

Adjournment – Chairman Senn adjourned the meeting at 12:32 P.M.

BOD petitions available for 2025 director nominations

Nomination petitions for the JCE Co-op Board of Directors elections are now available for the districts up for election in 2025.

Director districts up for election are:

- District 1 (now represented by Jerry Meyer of East Dubuque)
- District 2 (now represented by Joe Mattingley of Scales Mound)
- District 4 (now represented by Dan Tindell of Galena)

Running for the board of directors and voting in the elections are a benefits of being a co-op member. Directors are democratically elected by the membership.

Any JCE member, including the incumbent director, residing in a district that is up for election may petition for nomination in that district. Members interested in seeking election to the board may download a nomination petition from the cooperative's website at jcecoop.com.

Petitions must be signed by at least 25 JCE members residing in the director is to be elected

Petitions must be filed at JCE's headquarters in Elizabeth no later that Friday, March 28. Petitions may also be dropped in the secure drop box at the Elizabeth office. Candidates should provide a short biographical

sketch and photo to be used in the candidate profiles that will be mailed with the election materials and published in the co-op's publications.

In order to qualify to have their names placed on the ballot, all nominees must participate in an orientation process provided by the attorney of the cooperative. This ensures that all nominees fully understand the expectations and responsibilities of being a director. These include but are not limited to: time demands, director education expectations and fiduciary duties. Complete details on director qualifications and the nomination procedure can be found in the cooperative's bylaws posted on jcecoop.com.

Election of directors is conducted online and by mail prior to the annual meeting of members, with results announced at the meeting. If only one candidate files for a district, ballots are mailed to members in that district and the election results are announced by vote at the meeting. If only one candidate files for a district, election is by vote of acclamation at the meeting.

The 2025 Annual Meeting of Members is set for May 28 in East Dubuque.

