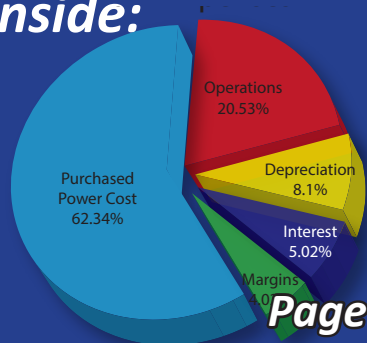


PowerLines

A monthly publication for member/owners of Eastern Illini Electric Cooperative

June 2015

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Attention

businesses and churches:

To receive the \$25 attendance credit at the annual meeting, any person representing a business or other organization (non-residential) must present a letter from the proper officials of that entity (preferably on company letterhead) designating that person as the official representative.

Official Notice

Eastern Illini Electric Co-op's Annual Meeting of Members

Thursday, June 11, 2015

Paxton-Buckley-Loda (PBL) Junior/Senior High School, Paxton, Illinois

Notice is hereby given that the 28th Annual Meeting of Members of Eastern Illini Electric Cooperative will be held on Thursday, June 11, 2015, at 7 p.m. at the PBL Junior/Senior High School, 700 West Orleans Street in Paxton, Illinois. Registration will begin at 3 p.m. and will close at 7 p.m. The meeting will be called to order at 7 p.m. and action will be taken on the following:

1. The reports of officers, directors and the President/CEO.
2. The election of four directors (one each from Directorate Districts 3, 4, 5 and 6).
3. To consider and transact all other business which may properly come before said meeting or any adjournment or adjournments thereof.

Dated at Paxton, Illinois, this 28th day of May 2015.

Bradley J. Ludwig
Secretary

Reasons to attend the annual meeting

\$25 attendance credit

Kids' activities

A free meal

Engaging seminars

A live band



Eastern Illini
Electric
Cooperative

330 W. Ottawa | Paxton, IL 60957

www.eiec.coop | info@eiec.coop

800-824-5102

A Touchstone Energy[®]
Cooperative



Financial Summary

This financial information represents Eastern Illini's operations for the fiscal years ended December 31, 2014, 2013 and 2012. These reports were taken directly from the Cooperative's books and records, which have been audited by the firm of Olsen Thielen & Co., LTD. The American Institute of Certified Public Accountants sets the standards and scope of the audit.

Operating Statistics

	2014	2013	2012
Total kWh purchased	268,777,930	260,558,090	246,898,274
Total kWh sold	247,462,085	240,538,280	225,651,460
Average number of accounts	13,545	13,626	13,686
Average monthly kWh use	1,522	1,471	1,374
Average revenue per kWh sold	\$0.1413	\$0.138	\$0.141
Average cost per kWh purchased	\$0.081	\$0.076	\$0.077

Revenue and Expenses

	2014	2013	2012
Total operating revenue	\$34,963,250	\$33,276,659	\$31,860,308
Operating Expenses			
Cost of power	\$21,794,595	\$19,865,426	\$18,891,386
Operations and maintenance	3,804,814	3,606,867	3,071,676
Consumer accounts	689,395	665,610	646,329
Customer service and information	644,626	719,721	703,473
Administrative and general	1,973,859	2,087,961	2,154,109
Depreciation	2,830,730	2,761,615	2,705,043
Interest expense	1,754,626	1,893,776	2,111,682
Other deductions	63,748	58,815	49,181
Total Operating Expense	33,556,393	\$31,659,791	\$30,332,879
Operating margins	1,406,857	1,616,868	1,527,429
Non-operating margins	1,693,153	1,925,475	1,401,462
Income or (loss) from investments	(29,120)	115,426	(118,439)
Net Margins for the Year	3,070,890	\$3,657,769	\$2,810,452

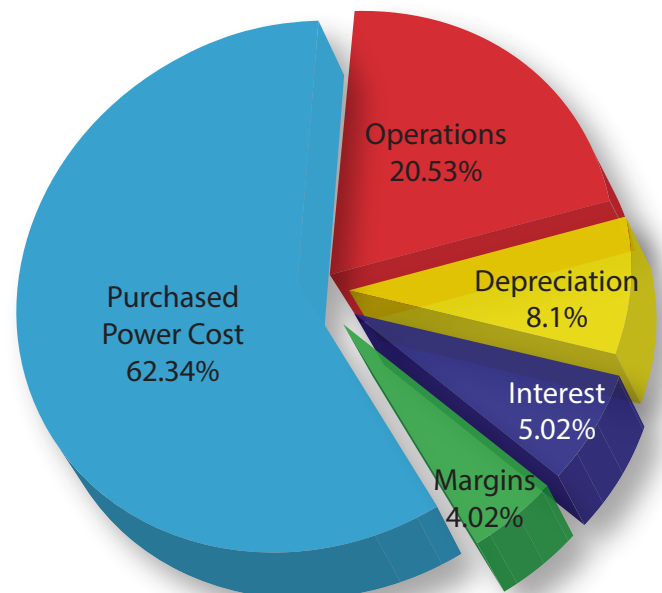
Balance Sheet

Assets	2014	2013	2012
Cost of electric plant	\$94,209,393	\$92,075,867	\$89,484,087
Less: accumulated depreciation	38,556,515	36,783,870	34,896,586
Net Utility Plant	\$55,652,878	\$55,291,997	\$54,587,501
Cash - general	\$346,522	\$219,803	\$274,289
Investments	18,449,797	17,457,264	16,272,410
Accounts receivables, net	2,526,729	2,748,010	3,275,624
Materials and supplies	595,383	647,719	657,093
Prepaid and other current assets	747,158	648,478	843,799
Total Assets	\$78,318,467	\$77,013,271	\$75,910,716
Members' Equity and Liabilities			
Membership fees & other equities	\$2,552,716	\$2,228,182	\$1,158,793
Patronage capital	28,165,946	28,111,637	28,359,153
Operating margins	1,406,857	1,616,868	1,527,429
Non-operating margins	2,807,309	1,143,275	(897,627)
Long-term debt	35,295,434	36,006,879	37,754,353
Accounts payables	3,251,109	3,210,211	2,953,819
Deposits & prepayments	502,440	515,255	530,835
Other non-current liabilities	4,336,656	4,180,964	4,523,961
Total Members' Equity & Liabilities	\$78,318,467	\$77,013,271	\$75,910,716

Eastern Illini Services Corporation

	2014	2013	2012
Operating revenues	\$0	\$40,776	\$38,246
Operating expenses	19,717	19,392	49,943
Net Operating Income	\$(19,717)	\$21,384	\$(11,697)
Income from equity investments	\$(9,427)	\$108,699	\$(122,790)
Other	24	(14,658)	16,048
Net Income (Loss)	\$(29,120)	\$115,425	\$(118,439)

2014 Expenses



Annual Meeting Activities

3 – 7 p.m. Annual Meeting Registration - Make sure you register for your \$25 attendance credit

Activities and Events

Gene Trimble Band
Bucket truck demonstrations
Inflatables
Miniature golf
Petting zoo
Snacks in the courtyard

4 – 7 p.m. Dinner - catered by Niemerg's Catering

Seminars - (see the complete schedule below)

7 p.m. Business Meeting - including board of directors' election and a 2014 recap

7:30 p.m. Adjourn



Seminar Schedule

Each session will be offered three times - at 4 p.m., 5 p.m., and 6 p.m.

Room 604

Low Maintenance Gardening/Spring and Summer Bulbs
Mary Dickinson, University of Illinois Master Gardener

Room 605

Gordyville USA: Horses and Other Stories
Mary Hannagan, Gordyville USA

Room 606

USDA Rural Economic Development Opportunities
Mary Warren, USDA

Room 608

The Heating and Cooling System that Makes the Most Cents
Dave Buss, Certified Geoexchange Designer

Room 609

Solar Decathlon House
University of Illinois Decathlon Team

Room 610 **

So, what is a Cooperative, and why should I care?

This room will feature engaging displays, and EIEC staff answering your questions.

Get more out of the seminars

Each seminar topic will have their own room. You will have a chance to speak with the presenters and view their displays before, during, and after each of the sessions.

This will allow you to get your specific questions answered, and give you a chance to dig a bit deeper in to the topics.

****Room 610** will feature EIEC staff answering your questions and will also have several interactive displays. It will be an open room with no set times or schedule.

Executive Report

Eastern Illini Electric Cooperative's mission is to provide safe, reliable, premium-quality, economically-priced electricity and other related services to our member/owners.

Note the focus on you, the member/owner to be provided safe and reliable power at the best possible cost given the unique constraints of our service territory. EIEC, as a member-owned cooperative, has a more than 75 year history of improving the quality of life for you - our member/owners.

We as consumers sometimes take electricity (and the conveniences it provides) for granted in this fast-paced, technologically driven world we live in. However, just a few generations ago, electricity to rural areas was a novelty. By forming cooperatives such as EIEC, and providing service to areas where for-profit companies would not, cooperatives have forged a strong bond with their member/owners. We are proud of this heritage and work hard to continue the tradition of service that defines us as a cooperative organization.

Safety

Our driving and continual focus for the cooperative is the safety of our employees, our members, and the general public. The commitment to safety is reflected in the support of our Board of Directors, management, and our employees. Please join us in ensuring you are taking action to remain safe in your daily activities.

Financial Goals

2014 was a very good financial year for your cooperative. Electricity sales, and the associated revenues, were above budget for the year as a result of the abnormally cold winter and a large harvest (grain drying load) which offset a cool summer period.

Operating margins totaled slightly above \$1.4 million on total operating revenues of nearly \$35 million. The combination of higher than budgeted revenue and lower than budgeted expenses allowed EIEC to provide bill offsets or credits of nearly \$700,000 to members in October, November, and primarily December.

Also, approximately \$336,000 of revenue was deferred to our power supplier, PPI, to offset power costs over the next few years. Equity for the year ended at 44.60 percent, which is above our target value of 40 percent. A strong equity position allows us to reduce our borrowing costs.

Technology

We now have an online outage map designed to give you a real-time idea of where - and how severe - outages are occurring. You can access the map by visiting our website at www.eiec.coop. Members can now report outages directly via their mobile devices. We are also utilizing our Facebook page to provide you with interesting stories and timely updates.

You can also view and pay your bill online or on your mobile device by utilizing SmartHub. With SmartHub, you can receive text messages and emails to alert you when you have a bill ready to view. We've also just activated a feature that allows you to view your electric consumption on an hourly basis.

Power Supply and Reliability

Our main source of power (more than 60 percent) is provided by the Prairie State coal-fired power plant which is located in Washington County, IL. Our wholesale provider, Prairie Power, Inc. (PPI), owns 130 MW of this facility, along with various other natural gas fired generation units, and a portion of wind energy provided by the Pioneer Trail Wind Farm.

PPI also contracts for power supply in the Midcontinent Independent System Operator (MISO) market. PPI is continually monitoring existing and future market trends in balancing the decision of owning or contracting for future generation resources, in order to provide supply diversity to our membership, for a stable long-term portfolio.

Our distribution system performed well this year, resulting in an available reliability of 99.98 percent for those situations within our control (excluding major storms and transmission supply

outages). Even with the inclusion of major storm events and transmission supplier outages, our available reliability was a very respectable 99.95 percent. We continue to monitor and upgrade our system to maintain the high level of service you've come to expect.

New Substations

We are beginning work on the construction of three new distribution substations, located in the Loda, Tolono, and St. Joseph areas, which will be the first new substations constructed by EIEC since the early 1980s. We are planning to have the Loda and St. Joseph substations completed in the latter portion of 2015.

Margins and Capital Credits

Each year, we review our revenue collected compared to our expenses in providing you electric service. This difference is referred to as margins. The margins try to balance internally generated operating cash with capital provided from long term borrowings. Our board has set a policy goal of returning margins back to you on a 25-year cycle.

In 2014, we were able to retire \$1,363,246 in capital credits to member/owners who received service in 1982 and portions of 1983. This return of your equity, or prior investment in EIEC, is one of the unique benefits of membership in a local, not-for-profit co-op.

Opportunities

We have been working for some time with potential new large member loads in our southern service territory (near Tuscola) and our eastern service territory (near Homer). Although these facilities are not certain to ultimately begin operation, their interest in and location within the EIEC service territory is positive, and would be a benefit to all of our membership.

Challenges

The electric utility industry is continually evolving and becoming more complicated. One of our challenges is to maintain our system and service to the standards that you expect and deserve.

-continued on page 5, directly to the right

Board of Directors' Election

Eastern Illini Electric Cooperative's Board of Directors is made up of co-op member/owners - just like you. They are tasked with setting the policies and guidelines that Eastern Illini's management team then carries out.

Each year, three of the nine positions on Eastern Illini's Board of Directors are up for election. Board terms are for three years. This year, the three incumbent directors with expiring terms are running unopposed. There is also a special election for Directorate District 5, to elect a director to fill the remaining two years of that term (resulting from a retirement in 2014).



Directorate District 3 Candidate Steve Meenen

Steven Meenen has served on the Eastern Illini Electric Cooperative Board since 2006. He currently serves as assistant secretary. He received the National Rural Electric Cooperative Association Credentialed

Certification in 2008.

Meenen and his wife, Kimberly, reside near Melvin in Ford County.



Directorate District 4 Candidate Bruce Ristow

Bruce Ristow was elected as a director of Eastern Illini Electric Cooperative in 2006. He received the National Rural Electric Cooperative Association Credentialed Certification in 2008.

Ristow and his wife, Pam, reside near Cissna Park in Iroquois County.



Directorate District 5 Candidate Kevin Moore

Kevin Moore was appointed by the Eastern Illini Electric Cooperative Board of Directors in September of 2014 to fill the unexpired term in Directorate District 5 until the June 11, 2015 Annual Meeting.

Moore was born and raised in the Rossville area. He is a graduate of Rossville-Alvin High School and received a B.S. in Mechanical Engineering from Rose-Hulman Institute of Technology.

Moore and his wife, Kacey, reside near Rossville in Vermilion County.



Directorate District 6 Candidate Brad Ludwig

Bradley J. Ludwig was elected as a director of Eastern Illinois Power Cooperative in March 1985. He has served on the Eastern Illini Electric Cooperative board since consolidation and currently serves as

secretary/treasurer.

Ludwig received the National Rural Electric Cooperative Association (NRECA) Professional Directors Certification in 1990, and the NRECA Credentialed Certification and the NRECA Board Leadership Certificate in 1998.

Ludwig and his wife, Sally, reside near Collison in Vermilion County.

Executive Report, continued from page 4

EIEC has an average system density of only three accounts per mile of line in service, with a total of nearly 4,500 miles of energized service lines. Our territory includes a stable, but not a growing membership base. There is only one co-op in the state of Illinois with a lower density.

An area we are watching closely along with PPI, and cooperatives across the nation is action by the Environmental

Protection Agency (EPA). Later this summer, the EPA is scheduled to release its final regulatory rule governing carbon emissions of existing fossil based generation sources. This action by the EPA has the potential to impact future supply costs of electricity, although a likely protracted legal and regulatory battle is expected to delay any immediate or short term impacts.

We have a good track record of success, and we appreciate the confidence that you have placed in us and our employees to represent your interests in operating our cooperative.

We hope you've enjoyed this brief recap of our 2014 performance.

Bob Hunzinger
President/CEO

Tom Schlatter
Board President

By the numbers

General information

Electric accounts:	13,545
Miles of line in service:	4,520
Accounts/mile of line (density):	3
Number of counties served:	10
Square miles of service territory:	4,500
Employees:	56
Vehicles in fleet:	44

Electric system

Electric poles:	90,000
2014 system maintenance:	\$3.8 million
Total plant value:	\$94 million

Electric use

Average monthly kWh use:	1,522
Total kWh sold in 2014:	247,462,085
Capital credits retired in 2014:	\$1,363,246

Cooperatives in general

Electric co-ops in Illinois:	25
Electric co-ops in the nation:	905
Cooperatives in the nation:	over 26,000

Annual Report

The information listed here is a summary of the annual report. The complete Annual Meeting Program/Annual Report will be available at the annual meeting on June 11 and at www.eiec.org.

Sample Ballot

EASTERN ILLINI ELECTRIC COOPERATIVE

June 11, 2015

Paxton, Illinois

For Director from
Directorate District 3
(3-year term) ☐ (vote for one)
Steve Meenen
Melvin

For Director from
Directorate District 4
(3-year term) ☐ (vote for one)
Bruce Ristow
Cissna Park

For Director from
Directorate District 5
(2-year term) ☐ (vote for one)
Kevin Moore
Hoopeston

For Director from
Directorate District 6
(3-year term) ☐ (vote for one)
Brad Ludwig
Fithian

After reviewing the bylaws, petitions, affidavits, and qualifications of the potential candidates, the Eastern Illini Electric Cooperative 2015 Credentials Committee has determined that the above candidates are eligible to serve as directors of Eastern Illini Electric Cooperative.

Directions

The PBL Jr./Sr. High School is in Paxton. To get there, go north on Cherry Street (near Hardees) from Route 9 (Ottawa St.). Go approximately five blocks, then turn west on Orleans Street towards the school. Registration is at the north end of the complex.

Proxy Ballot

Eastern Illini Electric Cooperative's 2015 Annual Meeting of Members

As a member/owner of Eastern Illini Electric Cooperative, an Illinois Corporation, I, the undersigned, hereby appoint _____ my proxy to vote in my stead at the 2015 Annual Meeting of Members to be held at the Paxton-Buckley-Loda Junior/Senior High School, Paxton, Illinois, on June 11, 2015. This proxy is unlimited as to matters on which it may be voted.

Date

Signature of member/owner giving proxy

Name: _____

Address: _____

No member/owner may vote as a proxy for more than three member/owners and the presence of a member/owner at the meeting revokes a proxy heretofore given.