Once again, Shelby Electric Cooperative is offering area high school students an opportunity to get a close look at their state government. The Association of Illinois Electric Cooperatives (AIEC) and its member cooperatives, including Shelby Electric Cooperative, are sponsoring the Illinois Electric and Telephone Cooperatives “Youth Day” and the “Youth to Washington” tour. Both of these programs have been in existence for more than 40 years. Today, many alumni of these programs work in local, state and federal government. Additionally, some are serving as elected officials.

James E. Coleman, President and CEO of Shelby Electric Cooperative and the Board of Directors of Shelby Electric Cooperative would like to provide two students from every high school in the Cooperative’s service area the opportunity to attend “Youth Day” which is scheduled for April 1, 2009. Shelby Electric will provide transportation and meals. During the day in Springfield, hundreds of students from all over Illinois will have an opportunity to meet with their elected senators and representatives at the Capitol. In addition, students will tour the State Capitol complex, the Illinois Supreme Court and visit the Abraham Lincoln Presidential Museum. Last year, 12 students from 7 area high schools attended “Youth Day,” representing Shelby Electric Cooperative.

Two of the Shelby Electric student representatives who attend the “Youth Day” event will be selected to attend the “Youth to Washington” tour. Winners of the “Youth to Washington” tour in 2008 were Mason Flowers from Cowden-Herrick High School and Margaret Riley from St. Teresa High School. This year Shelby Electric Cooperative will again sponsor two students on a weekend, all expense paid trip to Washington, D.C. The “Youth to Washington” tour will begin on Friday, June 12, 2009 and conclude on Friday, June 19, 2009. During the week in the nation’s Capitol, the Illinois contingent will meet with Illinois senators and the downstate Illinois congressional delegation at a Capitol Hill luncheon. Meetings are also scheduled with leaders of co-op organizations such as the National Rural Electric Cooperative Association. In addition, there will be opportunities to tour many historic sites. For more information about the “Youth to Washington” tour visit www.youthtour.coop.

Any student interested in participating in “Youth Day” should contact the guidance counselor at their high school. For additional information, please contact by calling Marla Eversole, Member Services Representative, at 217-774-3986 or 1-800-677-2612.
Shelby Electric Cooperative wants to help you become more energy efficient in your home and lifestyle. Little changes can add up to savings and more comfort in your home.

Have you ever felt a draft on a cold day from around your light switches and outlets? If you have felt cold air leaking into your home on a winter day, be assured it is also leaking hot, humid air into your home in the summer.

Foam sealers are an inexpensive way to gain comfort and energy savings in your home. To help you get started, Shelby Electric Cooperative will provide, free of charge, one pack of Frost King Multipack Foam Sealers per member, while supplies last. To pick up your free pack, stop by the Cooperative headquarters. Pick up your free Touchstone Energy “101 Low-Cost/No-Cost Home Energy-Saving Measures” brochure while you are there.

‘Real Life, Real Power’ will help empower members to become more energy efficient, saving money along the way. We would like to share your energy efficiency solutions and tips with other members. Each month we will print member tips in the ‘Real Life, Real Power’ section of Shelby News/ICL. From the tips submitted, two names will be drawn each month for a $10 Shelby Electric bill credit. All members submitting tips will have their names entered into a drawing for a prize at the end of 2009. Our deadline for print is a full month before an issue is mailed. For example, items you are reading in this February Shelby News insert were submitted to our printer on January 1, 2009.

Please submit your tips to:
Shelby Electric Cooperative
Real Life, Real Power
PO Box 560
Shelbyville, IL 62565

Or email: meversole@shelbyelectric.coop

<table>
<thead>
<tr>
<th>DATE</th>
<th>HOURS</th>
<th>SUBSTATION</th>
<th>CAUSE</th>
<th>MEMBERS AFFECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/4/2008</td>
<td>0.36</td>
<td>Velma</td>
<td>Broken conductor</td>
<td>410</td>
</tr>
<tr>
<td>12/7/2008</td>
<td>5.38</td>
<td>Moweaqua</td>
<td>Broken conductor</td>
<td>71</td>
</tr>
<tr>
<td>12/7/2008</td>
<td>4.00</td>
<td>Pana</td>
<td>Vehicles</td>
<td>79</td>
</tr>
<tr>
<td>12/10/2008</td>
<td>1.55</td>
<td>Richland</td>
<td>Trees</td>
<td>79</td>
</tr>
<tr>
<td>12/14/2008</td>
<td>4.00</td>
<td>Taylorville</td>
<td>Miscellaneous</td>
<td>123</td>
</tr>
<tr>
<td>12/15/2008</td>
<td>1.30</td>
<td>Dunkel</td>
<td>Broken conductor</td>
<td>142</td>
</tr>
<tr>
<td>12/15/2008</td>
<td>2.15</td>
<td>Dunkel</td>
<td>Broken conductor</td>
<td>59</td>
</tr>
<tr>
<td>12/16/2008</td>
<td>1.30</td>
<td>Neoga</td>
<td>Broken conductor</td>
<td>115</td>
</tr>
<tr>
<td>12/16/2008</td>
<td>3.30</td>
<td>Taylorville</td>
<td>Unknown</td>
<td>71</td>
</tr>
<tr>
<td>12/19/2008</td>
<td>0.30</td>
<td>Taylorville</td>
<td>Broken conductor</td>
<td>88</td>
</tr>
<tr>
<td>12/19/2008</td>
<td>2.45</td>
<td>Taylorville</td>
<td>Broken conductor</td>
<td>580</td>
</tr>
<tr>
<td>12/31/2008</td>
<td>1.15</td>
<td>Shelbyville</td>
<td>Trees</td>
<td>64</td>
</tr>
</tbody>
</table>
Shelby Electric Cooperative members experienced a rate increase effective January 1, 2009. The following information was put together in hopes of answering any questions you may still have. You can also refer back to your December 2008 and January 2009 issues of the Illinois Country Living Magazine. In addition, you can read archived issues of the Cooperative’s insert by clicking on the Shelby News icon on the website, www.shelbyelectric.coop.

1. Why are we experiencing a rate increase? And, why now?
   First, you will need a little background information. Shelby Electric Cooperative, along with 10 other electric cooperatives in Illinois, purchases electricity from Prairie Power Incorporated or PPI. For the past three years, PPI has been working to secure a long-term, economical power supply. They purchased a stake in a new clean-coal power plant located in Lively Grove, Illinois called Prairie State Energy Campus. (see a story relating to the Prairie State Energy Campus in the March issue)

   PPI anticipated the power plant would be online in time to coincide with the expiration of Shelby Electric’s current rate contract, which expired at the end of December 2008. Due to unfavorable environmental challenges, the process has been delayed until 2011. PPI was then forced to purchase base-load power on the open market causing Shelby Electric’s wholesale power to increase approximately two cents per kWh. That may not seem like much, but it will result in a substantial increase in Shelby Electric’s operating costs.

   As member-consumers, it is necessary that Shelby Electric asks you to share in these costs. Maintaining dependable service at the most affordable price possible is the cornerstone of Shelby Electric’s business model. To be successful in providing that kind of service, it is essential to protect the integrity and financial stability of the organization.

2. How much can I expect my bill to go up?
   Residential members will experience a total rate increase of approximately 19 percent - the primary driver being the substantial increase in Shelby Electric’s purchased power as explained above. For 16 years, Shelby Electric has managed to avoid an energy rate increase for its members. It is simply not realistic to continue with our rates intact when our operating expenses have significantly increased in that 16-year period.

   With that being said, keep in mind Shelby Electric Cooperative is a not-for-profit, member-owned cooperative. It exists to serve its members with reliable, affordable power. Shelby Electric is in business for the good of the public rather than the financial benefit of an individual owner or stockholders.

3. How will the increase look on my bill?
   For residential members on Shelby Electric’s Schedule A Rate Tariff, which makes up the majority of its member base, the total rate increase percentage consists of the following three components:
   a) The facility charge, a monthly charge necessary to help cover Shelby Electric’s basic costs associated with providing electricity, will go from $22 to $29.
   b) The portion of the bill reflecting your energy consumption will increase 10-12 percent.
   c) The line item on your bill called the Wholesale Power Cost Adjustment (WPCA) has always appeared on your bill but has never been utilized. The WPCA can be adjusted monthly, up or down, to keep Shelby Electric’s budget in order and will be utilized beginning at the first of the year. It is anticipated that, once the clean-coal power plant is up and going and barring any major cost overruns and/or carbon legislation, the WPCA will allow flexibility to reflect a reduction in the wholesale power cost.

4. Is Shelby Electric the only one raising rates?
   Absolutely not. Due to rising consumer demand and increasing costs, electric utilities nationwide are being forced to seek rate hikes. Newspaper articles announcing double-digit rate increases for utilities all across the country have become commonplace as the industry has moved toward a deregulated environment in which higher costs must be passed on to the consumer.

5. What can I do to make my bill more manageable?
   Shelby Electric offers a number of options to help members manage their power bills. The development of ideas for energy efficiency programs to be implemented throughout 2009 is one example of Shelby Electric’s dedication to educating members on how to reduce costs. A Member Services Representative is on staff and happy to work with you on ways to decrease your power usage and increase the energy efficiency of your home.

   In addition, Shelby Electric offers a levelized-billing program that averages monthly costs in order to soften the financial impact on members during high-usage months. Members who have paid their bills in a timely manner for the past 12 months may be eligible.

6. When can I expect another increase?
   As mentioned before, Shelby Electric has not had an energy rate increase in 16 years. There are times when unforeseen circumstances cause change or have the potential to change the stability of the Cooperative, such as storm damage or the rising costs for coal, natural gas, etc. Shelby Electric works hard to anticipate any potential issues that could escalate the costs of energy. Whenever possible, work is done to minimize the impact those issues could have on your energy bill. Alternatives are thoroughly examined before a rate increase is considered. Again, it is Shelby Electric’s mission to provide you with reliable, affordable electricity.

   Please contact Shelby Electric with any questions you may have. You are encouraged to visit Shelby Electric Cooperative’s website www.shelbyelectric.coop if you would like to learn more about the rate increase. The website can also be used as your online tool in creating a more energy-efficient lifestyle by clicking on the Touchstone Energy Savers home icon on the website. Thank you for your loyalty and commitment – Shelby Electric looks forward to working with you, as energy efficiency is our future.
Every year Shelby Electric Cooperative awards three academic scholarships in the amount of $1,000 each. Scholarships are awarded to a son or daughter of a current Shelby Electric Cooperative member who is receiving electric service from the Cooperative at the time the scholarship application is submitted. In 2008, the winners were Andrew Ninmer, Taylorville High School; Margaret Riley, St. Teresa High School; and Samantha McCue, Bartlett High School.

“We are pleased to be able to provide these outstanding students with an opportunity to be awarded a scholarship as a way to give back to the communities we serve,” said Marla Eversole who coordinates this program for the Cooperative.

High school seniors pursuing a college education in the United States are eligible to participate in the program. Scholarships may be used for educational costs at any two-year or four-year accredited college or university, including vocational/technical schools. Candidates are judged based on grade point average, college entrance tests scores, work and volunteer experience, participation in school and community activities, a biographical statement and a short essay that demonstrates knowledge of the organization and services of Shelby Electric Cooperative.

March 16 is the deadline for receipt of completed applications for 2009. Scholarship winners will be notified in June.

Applications can be obtained by visiting the Shelby Electric Cooperative website www.shelbyelectric.coop and looking under the “Our Community” menu tab or by calling Marla Eversole, Member Services Representative. The telephone numbers for the cooperative are (217)774-3986 and 1-800-677-2612. Applications may also be obtained from high school guidance counselors.

Scholarship recipients for 2008 were (left-right) Andrew Ninmer of Taylorville, Margaret Riley of Decatur and Samantha McCue of Bartlett, who wasn’t available for picture.

Energy Efficiency Tip of the Month

Keep your fireplace damper closed unless you built a fire. An open damper allows as much warm air to escape as a fully open window. If you never use your fireplace, plug and seal the chimney flue.

Keep your fireplace damper closed unless you built a fire. An open damper allows as much warm air to escape as a fully open window. If you never use your fireplace, plug and seal the chimney flue.

Source: U.S. Department of Energy