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Members should carefully read these instructions to assure their ballot is completed correctly and not voided due to incorrect completion.

Upcoming Meeting and Board Elections Bring New Procedures

At the Special Meeting of Members on August 26, 2004, EnerStar members approved bylaw changes that overhaul the director election process. In order to institute the bylaw amendments, the current board districts were redistricted into nine Representative Districts, which were then assigned three to a Voting District. Although the Voting Districts range in size, they contain approximately equal numbers of members.

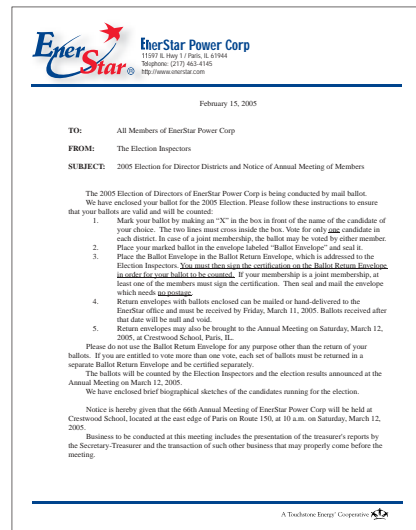
The bylaw changes approved at the Special Meeting were two fold. The December issue of this magazine highlighted the first part of the change - new procedures for director nomination. This issue will highlight the second part – new voting procedures.

Previously when voting in director elections, all voting was done in person or by proxy at the annual meeting. The new procedure allows for mail-in voting prior to the meeting.

EnerStar Board Chairman Tom Murphy said, “Co-ops are owned by the membership, but members can’t maintain control of the co-op through their elected local member representatives unless they vote. We are glad that it will now be easier for members to participate in the democratic process. I’m confident that over time these changes will lead to a more involved membership.”

Via mail in late February, members will receive an envelope containing all necessary voting documentation for the EnerStar board elections. The following items will be included: Official Notice, Voting Ballot, Ballot Envelope, and a Return Envelope.

Official Notice – Each year, EnerStar sends every membership an announcement of the meeting as required by the bylaws. With the bylaw amendments, the format will be different but the information will remain the same. The notice will include the meeting date, time, and location. It will contain election information and voting instructions. Members should carefully read these instructions to assure their ballot is completed correctly and not voided due to incorrect completion. The notice will also include a brief candidate biography. The candidates are solely responsible for the content provided in the candidate biographical information.



SAMPLE

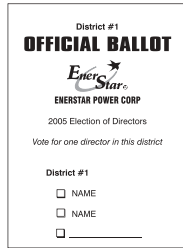
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Voting Bal-

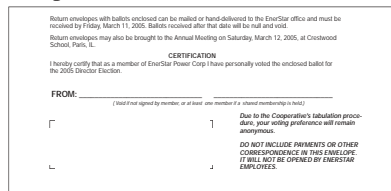
lot – Normally, there are three Voting Districts from which a candidate is chosen to complete a three-year term. Ballots are color coded by Voting District. To properly complete a ballot, members should mark an “X” in the box. The two lines of the “X” must cross inside the box. Members must not color in the box or use a check mark when voting. The Election Inspectors are required to void any ballot incorrectly completed. The completed ballot should be placed inside the Ballot Envelope and sealed. Election Inspectors will open the ballot envelopes and count the ballots at the Annual Meeting. The Election Inspectors Committee consists of



EnerStar members who are not current EnerStar employees or directors. Members’ voting preferences will remain anonymous. Election results will be announced at the close of the meeting after all business properly brought before the meeting has concluded.

Ballot Envelope - This envelope is smaller than the return envelope with the words “Ballot Envelope” clearly stated on the front. Completed ballots should be sealed inside this envelope. The ballot envelope should be placed in the return envelope and sealed.

Return Envelope – The return envelope is the larger of the two envelopes. For the convenience of our



members, the return envelope will be stamped and self-addressed to the attention of the Election Inspectors. Members are required to sign the back of the return envelope where indicated. This certification verifies that the member personally voted the enclosed ballot. If the account is a joint membership, only one member is required to certify the ballot.

Members may return their ballots one of three ways. Return envelopes with ballots enclosed can be mailed or hand-delivered to the EnerStar office and must be received by **Friday, March 11, 2005**. Ballots received after that date will be null and void. Return envelopes may also be brought to the Annual Meeting on Saturday, **March 12, 2005**.

Members with questions regarding the new voting procedures should contact EnerStar’s Vicki Ewing at (217) 466-7601 or Angela Griffin at (217) 466-7603.

Board Election Dates To Know:

JANUARY 11, 2005

Last day to turn in petitions and personal biography at the EnerStar office. Biography will be published in the Official Notice of Meeting and must be 250 words or less.

As a result of the redistricting, four director positions will be open for election at the forthcoming 66th Annual Meeting of Members on March 12, 2005. Open positions are:

For 3-year terms:

Voting District A, Representative Board District 1, *currently served by Jeff Zimmerman.*

Voting District B, Representative Board District 5, *currently served by Carrol Drake.*

Voting District C, Representative Board District 9, *currently served by Danny Gard.*

For 2-year term:

Voting District B, Representative Board District 6, *currently served by Tom Murphy.*

Petition Process

In the December issue of this magazine, the new director petition process was outlined. Because the petition period does not end until January 11, 2005, it is important to again outline the new nominating procedures to the EnerStar membership.

New nominating procedures and rules will also be in place for the 2005 Annual Meeting. All candidates will now be nominated by petition only. The bylaw changes abolished the former practice of nominating committees and nominations from the floor.

Petitions will require the signatures of 15 EnerStar members who live in the candidate’s Voting District. All members signing petitions must have an original membership card on file and must be currently receiving electricity from the cooperative. Candidates will also need to check with cooperative personnel to make certain they reside within the newly mapped Representative District.

Petitions first became available for pickup at EnerStar headquarters on December 1. Members can continue to pick up petitions until Janu-

ary 11, 2005, the day that completed petitions must be returned to the EnerStar office.

Candidates should also provide a short biographical sketch, 250 words or less, to be published with the Annual Meeting Notice. These should be turned in with the petitions in order to meet publishing deadlines.

Members wishing to receive an election petition, or who have questions regarding the petition process, should contact Vicki Ewing at (217) 466-7601 during normal business hours.

Representative Board District Descriptions

District – Year Open for Election

Voting District A

District 1-2005

The Townships of Newman, Bowdre, and Sargent in Douglas County, Illinois; the Townships of East Oakland and Ashmore in Coles County, Illinois; the Township of Embarrass in Edgar County, Illinois; and all that portion of the Township of Shiloh lying south of the 1800th Road in Edgar County, Illinois.

District 2-2006

The Townships of Carroll and Love in Vermilion County, Illinois; the Townships of Young America, Ross, Prairie, Edgar, and Brouilletts Creek in Edgar County, Illinois; and all that portion of the Township of Shiloh lying north of the 1800th Road in Edgar County, Illinois.

District 3-2007

The Townships of Buck, Paris, Hunter, and Stratton in Edgar County, Illinois.

Voting District B

District 4-2006

The Townships of Kansas and Grandview in Edgar County, Illinois; all that portion of the Township of Symmes lying south of the 400th Road and west of Illinois Highway 1 in Edgar County, Illinois; and all that portion of the Township of Symmes lying south of the 300th Road and east of Illinois Highway 1 in Edgar County, Illinois.

District 5-2005

The Township of Elbridge in Edgar County, Illinois; all that portion of the Township of Symmes lying north of the 400th Road and west of Illinois Highway 1 in Edgar County, Illinois; and all that portion of the Township of Symmes lying north of the 300th Road and east of Illinois Highway 1 in Edgar County, Illinois.

District 6-2005

(for two year term)

The Townships of Westfield and Douglas in Clark County, Illinois; all that portion of the Township of Dolson lying north of the 2000th Road in Clark County, Illinois; and all that portion of the Township of Wabash lying north of Interstate Highway 70 in Clark County, Illinois.

Voting District C

District 7-2006

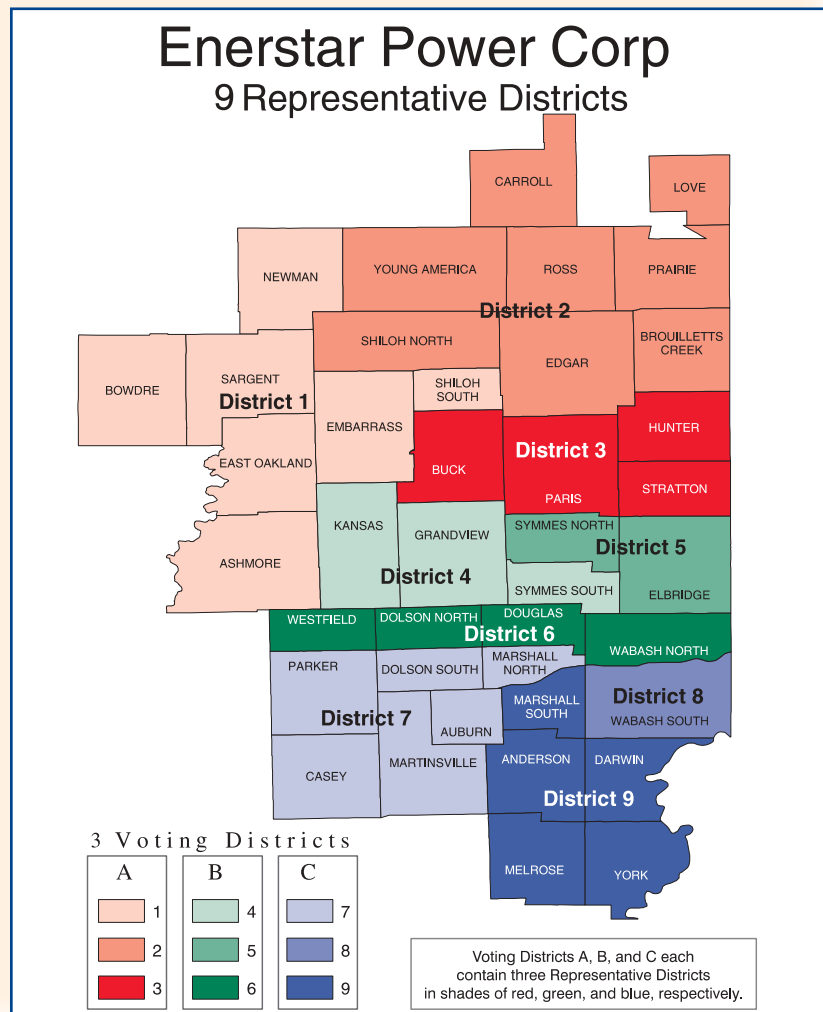
The Townships of Parker, Casey, Auburn, and Martinsville in Clark County, Illinois; all that portion of the Township of Dolson lying south of the 2000th Road in Clark County, Illinois; and all that portion of the Township of Marshall lying north of Interstate Highway 70 in Clark County, Illinois.

District 8-2007

All that portion of the Township of Wabash lying south of Interstate Highway 70 in Clark County, Illinois.

District 9-2005

The Townships of Anderson, Darwin, Melrose, and York in Clark County, Illinois; and all that portion of the Township of Marshall lying south of Interstate Highway 70 in Clark County, Illinois.





Make the New Year a time of Reflection...

A Great Time to Review What Guides Our Cooperative.

Your electric cooperative, EnerStar Power, is a not-for-profit cooperative business. As a member of the cooperative, you enjoy privileges that customers of other electric companies do not have. Electric cooperatives are special businesses because the members we serve own us. The New Year is a great time to review the seven cooperative principles that guide our business and reflect the best interests to our members.

1) Voluntary & Open Membership - Our cooperative is a voluntary organization, open to all persons able to use our services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2) Democratic Member Control - EnerStar is a democratic organization controlled by our members. Members serving as elected representatives of the board of directors are elected by the membership. Members have equal voting rights—one member, one vote.

3) Members' Economic Participation - Members contribute equally to, and democratically control, the capital of our cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative, setting up reserves, and supporting other activities approved by the membership.

4) Autonomy & Independence - EnerStar is an autonomous, self-help organization controlled by our members. If we enter into agreements with other organizations, including governments, or raise capital from external sources, we do so on terms that ensure democratic control by our members and maintain our cooperative autonomy.

5) Education, Training & Innovation - Our cooperative provides education and training for our members, elected representatives, officers, and employees so they can contribute effectively to the development of our cooperative. We inform the general public—particularly young people and opinion leaders—about the nature and benefits of cooperation.



6) Concern for Community - While focusing on our members' needs, cooperatives work for the sustainable development of their communities through policies accepted by our members.

7) Cooperation Among Cooperatives - Our cooperative serves our members most effectively and strengthens the cooperative movement by working together through local, national, regional, and national structures.

It is worthy to note how electric cooperatives in Illinois were organized. During the 1930s, as

our country was emerging from the throes of economic depression, electricity use was becoming widespread in our nation's cities. However, rural Americans were still in the dark. Investor-owned utilities would not invest in rural America. They simply felt that it would not be profitable to serve rural areas.

President Franklin D. Roosevelt saw the benefits electricity provided and wanted all Americans to share in the value it offered. Roosevelt signed federal legislation that offered the investor-owned electric companies low-interest loans to finance the construction of electric facilities in rural areas. To his surprise, the investor-owned electric companies still had no interest in serving rural areas, even though there was great interest by rural Americans to receive the benefits of electricity in their homes and on their farms.

So rural Americans took their future into their own hands. Local groups across the country came together and formed electric cooperatives. These were 'grassroots' efforts with volunteers often going door-to-door to solicit interest and collecting memberships. The low-interest loans were leveraged with private dollars to build a system based upon cooperative principles that continues to enhance the quality of life of rural Americans.

Rural cooperatives like EnerStar, then known as Edgar Electric Cooperative, are an excellent example of the power of community. When one person joins with many people, great things can be accomplished together.

While the cooperative may have changed greatly in the last 65 years, the basic principles that drive the cooperative remain unchanged. Our mission is to improve the quality of life in the rural communities we serve. Your electric cooperative will continue to grow, advance, and be a much stronger organizations for those who will inherit it from us.



Directors Authorize Sale of Propane Division

At the 2004 Annual Meeting of Members, on behalf of the board of directors, EnerStar Board Chairman Tom Murphy addressed the cooperative membership. Murphy reviewed the board's accomplishments from the previous year and outlined the vision for the future.

"Our job as directors is to develop the vision, to tell management where we want this cooperative to go," said Murphy. "We have accomplished a lot over the last couple of years. We are definitely heading in the right direction, and I am proud of what this board and the employees at EnerStar are doing." He added his emphasis on the fact that EnerStar continues to fulfill the responsibility launched 65 years ago when Edgar Electric (now EnerStar Power) became an electric cooperative.

Two of the goals highlighted by Murphy were subsidiary profitability and cooperative equity. Murphy explained the board felt strongly about improving the financial status of the cooperative.

With those goals in mind, EnerStar recently signed an agreement to sell its propane business, EnerStar Resources. "It is a good business decision to sell at this time," emphasized Murphy.

In a transaction closed on November 15, 2004, and effective November 1, 2004, the propane assets were sold to Vanson, LLC, an independent propane marketer with locations in Michigan, Indiana, and Illinois. Vanson has nearby plants in Lafayette, Crawfordsville, and Mount Carmel, Illinois, and Princeton, Indiana.

Vanson has hired the employees of EnerStar Resources and as part of the agreement, will change the name from EnerStar Resources in the near future. The propane office will remain at the cooperative headquarters through the winter heating season until new office space can be located.

Vanson has an excellent reputation in the propane industry, and we believe this will be a smooth and seamless transition for EnerStar Resources' propane customers. The telephone numbers will remain the same, and Vanson has committed to honor all existing budget and contract agreements.

EnerStar Power will continue to honor the total energy electric rate for propane customers through the winter heating season. Information regarding the phase-out of this rate will be mailed directly to customers towards the end of April 2005.

Member News

Planned outage call list if you are on life support, let us know

EnerStar Power does its best to keep your electric service on 24 hours a day, 7 days a week, and 365 days a year. Yet despite our best efforts, there are many reasons why an outage may occur, be it inclement weather or birds looking for a crevice to nest or malfunctioning equipment.

For most members, this is merely an inconvenience. But for those who depend on electricity to power life support equipment, an outage can present a severe hardship.

If you or a relative depend on electrically powered life support equipment, it is important to inform EnerStar regarding your situation. The cooperative maintains a Planned Outage Call List and you may qualify to be included. A planned outage is an outage in which the cooperative is aware in advance that an electrical outage will occur. This does not include outages caused for any other reason.

The notification list is not necessarily limited to health issues, and in some instances, considerations will be given to businesses. For instance, businesses may request to be on the planned outage call list if their confinement livestock is dependent on electricity for survival. EnerStar accounts classified on commercial rates automatically qualify for the call list.

It is important to stress that by being placed on the planned outage call list, EnerStar is in no way guaranteeing uninterrupted power supply. If you or your business depends on uninterrupted power supply, the use of an electric generator is highly recommended. It is also recommended that computers have some sort of battery back up systems.

To be considered for the Planned Outage Call list, members should contact EnerStar's Tim Haddix at 217-466-7617 during normal business hours.

Do You Have Story Ideas? Call us!

EnerStar is looking for new ways to promote area communities and the service territory that it serves. Do you have an interesting story you would like to share? A unique activity or hobby? A unique business you would like to promote? Maybe you know of some interesting local history? If so, then tell us about

it so we can tell others!

What stories would you like to see included in this magazine? If you have an idea of an appropriate story, call Angela Griffin at (217)466-7603 and tell her about it. You can also e-mail her at agriffin@enerstar.com. Thanks!



Mission statement

EnerStar Power Corp exists to serve the changing needs of its members by improving their quality of life, by actively supporting community development and serving their energy needs.



WildBlue Coming Soon

Local Residents Gain Access to Satellite Broadband Internet

Computer Wares in Paris, a wholly owned subsidiary of EnerStar Power, will offer WildBlue satellite-delivered broadband Internet access to homes and businesses throughout the east central Illinois and west central Indiana area. This service will be available around mid-May 2005.

WildBlue will be available virtually anywhere in the continental United States, regardless of geographic location. It can be used where cable modems, fixed wireless technologies, and digital subscriber line (DSL) Internet access are not available.

With service that is up to 25 times faster than standard 56K dial-up connections, WildBlue allows users to retrieve information quickly and access rich content that is not available through dial-up modems. The service will be a continuous on-line connection that does not require a telephone line.

The WildBlue equipment will consist of a mini-dish to be put on the roof or a wall of homes and small offices. The WildBlue Service will be available at low consumer prices starting at \$49.95 per month. There will be several packages to choose from featuring different speeds.

“We look forward to providing broadband Internet access to the communities we serve,” said Jim Lewis, Manager of Computer Wares. “We are pleased to bring Edgar and Clark Counties affordable, two-way high-speed Internet access with no phone lines, no cable, and no dial-up, that is always on and available anywhere our members work or live.”

Those who wish to receive additional information and updates on WildBlue should e-mail Computer Wares at wildblue@enerstar.com. To sign up for the priority waiting list, log on to the Computer Wares Web site at www.comwares.net.



FREQUENTLY ASKED QUESTIONS – *Information is still somewhat tentative and is therefore subject to change at service launch.*

What is WildBlue?

WildBlue is a leading satellite Internet company, providing high-speed data services to homes and small offices in unserved or underserved communities.

How does it work?

Each subscriber will have a small satellite dish connected to a modem similar to a cable modem. This modem will have an Ethernet port that can be connected directly to a personal computer or an internet router. The modem will communicate through the dish with the WildBlue satellite that will in turn relay communications to one of five gateways around the country. These gateways are connected to the Internet backbone.

How does WildBlue differ from current satellite offerings?

WildBlue’s Ka-Band Satellites are optimized for broadband. They use multiple spot beams pointed at different geographic regions rather than one beam that covers the continental United States. Spot beams



allow a large degree of frequency re-use; i.e., multiple beams can re-use the same frequency as long as they are aimed at different parts of the country. By contrast, Ku-Band satellites, primarily used for broadcast applications, have a single beam covering the entire continental United States. This limits frequency re-use and reduces broadband capacity to a fraction of the comparably priced Ka-Band satellite.

How fast is WildBlue's service? How does it compare to cable modems and DSL?

WildBlue's always-on broadband Internet connection provides speeds that are comparable to DSL and cable modem service. At launch, we will offer downstream speeds of up to 1.5 Mbps - more than 30 times faster than today's dial-up speeds- and upstream speeds of up to 256K, which exceed most current satellite broadband providers. WildBlue's high bandwidth also opens up a window to a world of rich content that is largely unavailable through dial-up modems.

What will it cost?

Computer Wares will offer high-speed Internet access at \$49.95 per month for 512kbps download, \$69.96 per month for 1mbps download, and \$79.95 per month for 1.5mbps

download. All upload speeds will be 256kbps. The installation fee will be \$299.00 and will include both equipment and a standard installation. A 1-year initial commitment will be required.

What will the installation process be like? Can a customer install his own dish?

Computer Wares' certified WildBlue professional installation specialists will quickly and efficiently install equipment and activate WildBlue's broadband service. The satellite mini-dish is about 26x28-inches and can be easily mounted on a roof or outside wall. A cable from the dish will connect to a satellite modem (a small box placed next to the PC), which will connect to a customer's PC via standard Ethernet. Installation will require trained and certified installation professionals to make sure that the dish is pointed at the satellite accurately and all connections are made properly. Self-installation is not currently being offered.

Do I need a southern line of sight to receive a signal from your satellite?

Yes. You will need a view of the southern sky to receive a signal from the WildBlue satellite.

Are there any time limits?

This service is always on. Your monthly fee pays for unlimited Internet service at no additional cost.

Is there an additional cost for more computers?

No additional monthly fees; however, additional hardware will be required to connect additional computers. An Internet Router/Firewall is recommended.

What other services will be included?

Your monthly fee for WildBlue service will include e-mail accounts, Web hosting, and 24-hour 7-days-a-week support.

What is the impact of latency? Can I play real-time Internet games or make Internet phone calls on your service?

The WildBlue system is engineered to help offset the impact of latency. However, there is a delay of about a quarter second as the signal travels up to the satellite and back down to the ground. For most Internet applications this latency does not affect performance; however, there are some applications, like voice over IP or real-time interactive gaming, where latency will have a noticeable affect on performance over the WildBlue network.

Employee Spotlight

Serving as Interim CEO and President of EnerStar Power since April 2004 is Peter Kollinger. He previously served as EnerStar's Chief Financial Officer for 12 years.

Peter has a bachelors of science degree in business with majors in accounting and management from Eastern Illinois University, as well as extensive training specific to the electric utility industry.

He has worked in the electric co-op industry for 23 years. His

previous employment includes Clay County Electric in Flora and Jo-Carroll Energy in Galena. Peter was also employed at Adams Telephone Co-operative in Golden.

"I have worked in the cooperative world for most of my adult life. In general, I would say the cooperative work environment is very pleasant and the people I have worked with are very nice. A common thread is that they are all local employees serving local members, and they enjoy what they do," said Peter.

Peter and his wife, Kate, have two children and reside in Paris, Illinois. Peter enjoys motorcycling and exercising. He has completed two extensive hikes at the North and South Ridges of the Grand Canyon

National Park in Arizona. He also enjoys spending time on his family's farm near Beecher City, Illinois.



Peter Kollinger
Interim President/CEO
EnerStar Power

Project ChildSafe - Putting a Lock On Gun Safety

The Illinois electric cooperatives, including EnerStar Power, have joined the Project ChildSafe program. Electric co-ops across Illinois will distribute free gun-locking devices and safety instructions at local co-op offices, annual membership meetings, safety programs and other events.

The free gun-locking device distributed in the Project ChildSafe program is a vinyl-covered steel cable with one end permanently secured to a keyed padlock. The lock prevents the firearm's action from closing.

Project ChildSafe has already distributed more than 6 million safety kits to 35 states.

Sponsored by the National Shooting Sports Foundation (NSSF), the program is funded by a grant from the Department of Justice and is a component of Project Safe Neighborhoods. Project Safe Neighborhoods is a comprehensive,



In Illinois, Project ChildSafe is distributing 257,000 safety gunlocks like this one for free. The gunlocks are available through local electric co-ops, law enforcement offices and other outlets.

strategic approach to reducing gun violence in America.

For more information contact your local law enforcement office or go to www.projectchildsafel.org. For Illinois gun safety tour schedules, visit www.ProjectChildSafe.il.gov.

To pick up your free gunlock, stop by the EnerStar offices located at 11596 Illinois Highway One in Paris, just north of Twin Lakes.

Touchstone Energy Nationally Trusted

Harley and Ann Bennett of Marshall, IL took this photo at a balloon festival while on vacation in Albuquerque, New Mexico in early October. The couple saw the balloon and recognized the Touchstone Energy logo because EnerStar Power is a part of the national alliance of electric cooperatives.

All across the nation, Touchstone Energy cooperatives have the same four core values: innovation, accountability, community, and integrity. Members everywhere know they can trust electric cooperatives that have proudly formed an alliance with other electric cooperatives to become Touchstone Energy cooperatives.



Photo by Harley and Ann Bennett of Marshall, IL.

Happy New Year!

Our offices will be closed December 30 and 31 in observance of the New Year's Day holiday.