



**Farmers Mutual  
Electric Company**

## News Release

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**//For Immediate Release//**

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### **Jo-Carroll Energy and Farmers Mutual Electric Announce Plans to Combine**

*The two not-for-profit cooperatives join forces to improve service and efficiency for members*

ELIZABETH and GENESEO, Ill. (October 27, 2011) – Jo-Carroll Energy, Inc. (NFP) and Farmers Mutual Electric Company today announced plans to combine to form a larger, member-owned utility cooperative. The combination, which is subject to approval by the members of Farmers Mutual, will result in a not-for-profit cooperative serving approximately 28,000 electric and natural gas accounts in portions of Carroll, Jo Daviess, Henry, and Whiteside counties. The boards of both cooperatives voted unanimously to approve the transaction at separate meetings earlier this week.

“This is a unique opportunity to bring the best of both worlds to the energy consumers in our region,” said Farmers Mutual General Manager Robert L. Delp. “Members of both co-ops will continue to enjoy safe and reliable service from a locally based, democratically controlled, member-owned cooperative, while realizing improvements in service and efficiency that come from being part of a larger organization.”

Both organizations are not-for-profit, member-owned cooperatives, each with more than 70 years of experience serving the people of northwestern Illinois. Jo-Carroll Energy is headquartered in Elizabeth and serves approximately 20,700 electric accounts and 5,700 natural gas accounts in portions of Jo Daviess, Carroll and Whiteside counties. Farmers Mutual is headquartered in Geneseo and serves approximately 1,500 electric accounts in Henry and Whiteside counties.

Under the terms of the agreement, all members of Farmers Mutual will become members of Jo-Carroll Energy, and all employees of Farmers Mutual will become employees of Jo-Carroll Energy. The Farmers Mutual office in Geneseo will remain open to accept payments, answer member questions, and serve as an outpost for line personnel serving the area. Capital credits accrued by Farmers Mutual members will be transferred to their new Jo-Carroll Energy accounts and paid out following a special capital credit retirement agreement approved by both boards.

The combined cooperative will continue to be governed by a board of directors elected by and from the membership. Plans call for three members of the Farmers Mutual board to join the nine-member Jo-Carroll Energy board for a total of 12 directors. After a two-year transition and integration period, the board will be reduced to 10 members.



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Rates for the two cooperatives are similar and will remain separate for the time being. As the systems are integrated over time, the cooperative will merge rates so members in the same rate classes pay the same rates.

“We are excited to bring together two strong organizations with long and proud histories of service to our members,” said Jo-Carroll Energy President and CEO Michael Hastings. “In addition to the service and efficiency improvements that will benefit all members at both cooperatives, Farmers Mutual and Jo-Carroll Energy will each bring unique strengths to the combined organization.”

Farmers Mutual members will enjoy a significant expansion in the number of services available to them, including online bill pay, automated meter reading, budget billing, energy audits, and discounts at local and national businesses through the Touchstone Energy Co-op Connections Card. Jo-Carroll Energy members will benefit from a stake in one of the newest, cleanest and most efficient power plants in the country, which is important for long-term power supply planning.

Farmers Mutual will conduct a special meeting of its members to explain the transaction, discuss its benefits, and hold a member vote on Monday, Nov. 14, 2011, at its headquarters in Geneseo. Registration will start at 6 p.m., and the business session will begin at 7 p.m. Farmers Mutual members will receive an official notice and additional information by mail prior to the meeting.

For the combination to be approved by Farmers Mutual members, it must receive a two-thirds majority of all votes cast at the meeting. Votes will be counted and certified by the cooperative’s legal counsel, and the results will be announced at the meeting and in a news release.

Jo-Carroll Energy’s bylaws do not require a special member vote since it is the surviving entity.

*Jo-Carroll Energy, Inc. (NFP) is a not-for-profit distribution cooperative owned and controlled by the members it has reliably served since 1939. Headquartered in Elizabeth, Ill., the cooperative currently serves more than 26,000 electric and natural gas accounts in Jo Daviess, Carroll and Whiteside counties. Jo-Carroll Energy is a member of Touchstone Energy® - an alliance of more than 700 consumer-owned electric utilities across the nation. For more information on Jo-Carroll Energy, visit [www.jocarroll.com](http://www.jocarroll.com).*

*Farmers Mutual Electric Company is a not-for-profit electric distribution cooperative established on January 16, 1936. Farmers Mutual provides retail electric service to approximately 1,500 rural residential, agricultural and business consumers in the Henry and Whiteside counties of Illinois.*

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