

History of the City of Highland Municipal Utility

The history of the Highland Electric Department has its roots in dissatisfaction with street lighting. In the latter years of the nineteenth century, city streets were illuminated by kerosene streetlights. However, Highland residents returning from visits to the electrified towns of Vandalia, Collinsville, and Effingham sang the praises of electric light. Consequently, on August 23, 1892 an ordinance was passed authorizing a seven year contract with the General Electric Light Company of Chicago to furnish electric service to the city. General Electric built a small power plant at the west end of 8th street and within four months was providing power for street lighting, in addition to stores and residences.

Throughout the term of the original contract with General Electric, service to both the city and private customers was spotty, at best. The City Council thought that at an annual cost of \$1,800 the street lighting service was far less than what should be expected. One result of the poor service was that sometime during that first seven year contract the General Electric facilities were sold to the Highland Electric Company. Unfortunately, service under the HEC did not improve in the least.

From almost the very beginning of electrification, public opinion began calling for city ownership and operation of the electric system. In 1899 an ordinance a city ordinance was passed approving the purchase of the electric plant for the sum of \$8,500. Additional ordinances authorized a bond issue to pay for the plant and to hire a city electrician for \$70 per month. Within 10 years the first industrial users of electricity came on-line. By 1915 most of the industries in town were electric customers. The burgeoning growth of users caused increasing expenses to the city's electric system operation. Because of the increasing costs, by 1922 the City was in debt to the tune of \$60,000. The City was forced to issue funding bonds to retire the debt and put the electric plant on more of a business basis.

In 1935, another bond issue covered the cost of plant improvements done under the PWA plan. By 1966 there was insufficient capacity to meet peak loads. So a 2050 kW engine was installed at the power plant. In 1968 a second 2070 kW unit was installed. Peak load continued to increase, resulting in the installation of two 4415 kW engines in 1971.

Prior to 1977, the Highland electric system was self-sustaining, in that all demand was met by the City's own generators. Beginning in 1977, the City switched to a system in which the base load was carried by power imported from Illinois Power and the City of Springfield, carried along a 34,200 volt transmission line. By 1984 Highland had a contract that purchased firm power from Illinois Power, with additional interruptible power being available from IP and the City of Springfield. The City generators were used for peak shaving and emergency back-up to the transmission line.

Starting in 1990, the City became a member utility of the IMEA, the Illinois Municipal Electric Agency. The IMEA is a consortium made up of 40 municipal electric utilities located throughout Illinois. The main purpose of the IMEA is to purchase and provide electricity to its members at a wholesale rate. Member utilities then re-sell the electricity to their customers at retail rates. The bulk of the purchased power is supplied by Central Illinois Power, Commonwealth Edison and the Trimble County Kentucky power plant, 12% of which is owned by the IMEA. Additional power needs are met by member generation or spot market purchases.

In late 1998, the IMEA began construction on a new 138,000 volt transmission line running from Collinsville to Highland. The line serves as an interconnection between the City and the transmission grid via Illinois Power. The line was commissioned in June of 1999, resulting in a far more reliable electric supply for the City. Outright ownership of the \$8 million dollar line was acquired by the City in 2002.

