

The Cooperative Difference

Today most electric co-op consumers don't remember the first day electricity came to their homes. In fact, your electricity was probably already there when you moved in; one of those automatic things like the telephone line and running water.

The day you joined your electric cooperative you became a member of a unique organization. An electric cooperative is different. The fact is, there are a lot of positive differences between receiving your electricity from a cooperative and receiving it from an investor-owned utility (IOU) or municipal utility.

The bottom line:

- Your electric cooperative is not-for-profit and consumer-owned, like the local credit union or food co-op. That means any margins (Margins = Revenue – Expenses) are eventually returned to the member (you) in the form of capital credit payments.
- Your electric co-op is committed to providing the best possible service at the lowest possible cost. We take pride in our cooperative, a grass roots system of service started by pioneers like those who settled this area. Keeping the cost of electricity affordable helps keep local businesses competitive, while preserving our rural heritage and standard of living.

The board room:

- As a member of this electric cooperative, you have a direct voice in the operation of the cooperative. You elect the board of directors and vote on business matters at the annual meeting.
- The directors and management of your electric cooperative have a genuine interest in you. After all, directors receive their electricity from the cooperative too. Anytime you have a problem or concern, you can call your cooperative office or your director.

A philosophy of service:

- Cooperatives were the first to serve rural areas. They were formed when IOU's refused to serve sparsely populated areas. Because IOU's are profit motivated, they didn't see the value of serving rural areas.
- Cooperatives are involved in our communities. We live here, too, and take an active interest in bettering our communities through involvement in local schools, civic clubs and business organizations.

- Electric cooperatives help each other out. Your electric cooperative is one of hundreds of co-ops across the country providing electricity and other service to rural and urban America. When a major storm or other disaster forces an outage, neighboring cooperatives often come to the rescue, providing their equipment and personnel to help get the power back on fast.

Once in a while, electric cooperatives are taken to task for the low-interest loans received from the Rural Electrification Administration. This program was developed to provide funding for the high cost of constructing thousands of miles of power lines needed to provide electricity to rural America. Today, these funds are essential to maintain those power lines and the equipment needed to serve new growth. In truth, IOU's and municipal utilities receive far more subsidies than electric cooperatives; IOU's receive big tax benefits, and municipal utilities are allowed to raise capital by selling bonds that have tax-exempt interest.

Electric co-ops face other hurdles:

- We have to provide electricity at a price competitive with IOU's, while constructing and maintaining relatively more miles of distribution lines. The average electric cooperative has 7 consumers per mile (ACEC has only 6) compared to 35 for an IOU, and 47 for a municipal.
- We have fewer large industrial and commercial consumers than IOU's. Our revenue comes from serving many small accounts, homes, farms and communities.
- Our consumers are mainly residential, creating a low usage factor. Our power demand can skyrocket, depending on the time of year. That's why every co-op works hard to level out its peak load.

Innovation and creativity have always been a part of the cooperative system. Despite our low population density and high cost of bringing electricity to rural America, we continue to work to maintain stable rates. That's our commitment to you, our owner and member.

There is something different about receiving your electricity from an electric cooperative. We think it's a difference you can be proud of.