



How We're Special

The cooperative principles guide co-ops to be stewards of their communities

By Magen Howard

Every October since 1930, not-for-profit cooperatives of all kinds have recognized National Cooperative Month as a way to educate the public about how co-ops work and to appreciate their many members.

This year, Monroe County Electric Cooperative (MCEC) highlights the notions that guide all co-ops: the seven cooperative principles. These notions lead electric cooperatives like MCEC to do business in a better way every single day. Here are real-life examples of how the principles affect your cooperative.

No. 1 Voluntary and Open Membership

No. 2: Democratic Member Control

Co-ops are open to anyone who is able to use its services, which means any person who moves onto MCEC lines is allowed membership. Annual meetings serve as a way for members to get to know the people who run their co-op, and it's where members are updated on business matters. Every year in March, MCEC convenes for its annual membership meeting

"Democratic member control" means members vote for a board director who represents them on a board, which governs the cooperative. Annual meetings also serve as the forum for electing board directors

No. 3: Members' Economic Participation

Because electric cooperatives are owned by its members, they do not create profits for distant shareholders. Any excess revenue—called "margins"—is allocated back to the membership in the form of capital credits, or patronage capital. Capital

credits are "retired" and then paid back to members each year based on their purchases (in the case of electric cooperatives, electricity) from the cooperative. Margins are used by the co-op as working capital for a period of time and then paid back to individual members.

MCEC has retired \$4,279,636 in capital credits to members since 1938.

"Allocating and retiring excess revenue to members helps distinguish cooperatives," points out Alan W. Wattles, President/CEO. "We're proud to support our communities by putting money back into the local economy—and into the pockets of those we serve. It makes our business model special."

Nationally, electric cooperatives have retired \$11 billion in capital credits since 1988--\$768 million in 2012 alone.

No. 4: Autonomy and Independence

Electric cooperatives form a vast network across America. They're found in 47 states, and cooperative-owned electric lines cover 42 percent of the nation's land mass. But what's unique is that each cooperative is an autonomous, independent business. "We work with our co-op neighbors, but MCEC's members are the sole governors of MCEC," Wattles explains. "Our member-elected board of directors approves policies and resolutions that inform the way we do business."

No. 5: Education, Training, and Information

Cooperatives have a charge to keep their members informed—not

just about cooperative business, but also about topics like energy efficiency, safety, and community contribution. For example, the Illinois Country Living magazine and the Co-op Echoes newsletter are two ways MCEC keeps its members up on relevant news.

You can also stay informed on our website at www.mcec.org.

No. 6: Cooperation Among Cooperatives

Even though co-ops are independent entities, they still rely on one another to share resources, information, and, in some cases, manpower.

Electric co-ops have long relied on one another to get power restored more quickly after severe weather emergencies. Called "mutual-aid agreements," it works just as it sounds: When MCEC needs extra hands after a major storm, co-ops from neighboring towns and states help out. And when neighboring co-ops need help, MCEC sends crews to them.

"Mutual-aid assistance gets power back on so much faster than we could with just our crews," Wattles says. Some examples of this over the past few years: We sent some of our linemen to Norris Electric Cooperative (NEC) in Newton to help with an ice storm and to Egyptian Electric Cooperative (EEC) in Steeleville to assist with a major wind storm. Likewise, we received assistance from EEC in Steeleville with a localized wind storm in the New Athens area and were helped by linemen from Southeastern Electric Cooperative in Eldorado during the big ice storm in late 2006.

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No. 7: Concern for Community

Possibly the most visible of all the cooperative principles, the last is what drives electric co-ops to be good stewards of the communities they serve.

MCEC undertakes a variety of projects, from school grant programs to Live Line Safety Demonstrations for area schools, businesses, emergency personnel and civic organizations. We also hold a yearly "Lite for a

Bite" CFL light bulb giveaway trade for a can or box of food that we then donate to area food pantries.

"While our first priority is delivering safe, affordable, reliable electricity to those we serve, we also feel strongly about supporting and contributing to the development of our communities," Allan Masterson, Director of Member Services stresses. "Even if there were no 'concern for community' principle, every person

who works at MCEC lives here, too. We're friends and neighbors first."

Sources: National Rural Electric Cooperative Association, National Rural Utilities Cooperative Finance Corporation

Magen Howard writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives.

The Seven Cooperative Principles, Explained

1. Voluntary and Open Membership—

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2. Democratic Member Control—

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.

3. Members' Economic Participation—

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence—

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other

organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training, and Information—

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and

opinion leaders, about the nature and benefits of cooperation.

6. Cooperation Among Cooperatives—

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7. Concern for Community—

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

How Do Capital Credits Work?

Because electric co-ops operate at cost, any excess revenues, called margins, are returned to members in the form of capital credits.

1 Your co-op notifies you of how and when you'll receive your capital credits retirements.

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2 Your co-op tracks how much electricity you buy and how much money you pay for it throughout the year.

1

Electric co-ops have retired \$11 billion to members since 1988.

3 At the end of the year, your co-op completes financial matters and determines whether there are excess revenues, called margins.

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4 When the co-op's financial condition permits, your board of directors/trustees decides to retire, or pay, the capital credits.

3

2 Your co-op allocates the margins to members as capital credits based upon their use of electricity during the year.

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Source: National Rural Utilities Cooperative Finance Corporation

Empower Your School

To apply for grants, visit our Web site at www.mcec.org to download instructions and a grant application. Requests must be received by Friday, November 8th.

Monroe County Electric Cooperative is again offering Touchstone Energy Classroom Empowerment Grants for grade schools located within the Cooperative's territory.

We know adequate funding for many school systems has been a challenge. We are committed to the communities we serve and want to provide assistance to them. Commitment to Community is one of our Touchstone Energy core principles.

Ten Classroom Empowerment Grants of \$500 are being offered to public and private K-8 schools to help them with projects that will improve educational opportunities for students. Eligible schools are those within our cooperative service area.

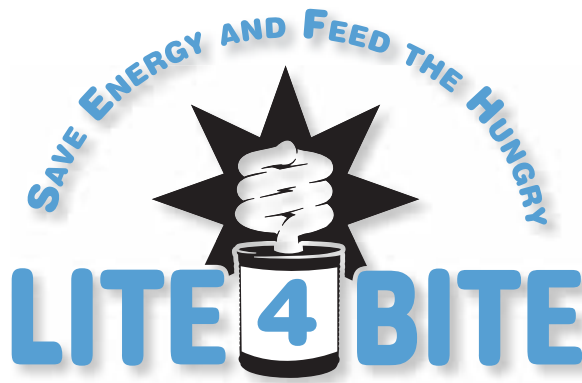


Mr. Nick Bambrough, math teacher at New Athens High School used a \$500 grant last year to help fund a solar panel project. His math students, who did most of the work in completing the project, constructed the solar panel array to charge a series of 30-TI Inspire Graphing Calculators, which they use in class. The 100 Watt panel charges a 12 volt battery which is connected to a DC to AC inverter. This inverter then provides charging power to the calculators.



Classroom Empowerment Grants

A Commitment to Our Schools



October has been designated National Cooperative Month since 1930. As part of our commitment to community, Monroe County Electric Cooperative (MCEC) is once again celebrating by promoting energy efficiency, while collecting food for our local communities.

In October, November and December (or until supplies last), members will receive one free compact fluorescent light (CFL), up to a maximum of four CFLs for each commercially canned or packaged food item you bring in to the MCEC office in Waterloo.

“Because of the economy, the need for food in our community is growing every week. We appreciate any donation, whether it is food or money,” explains Diana Wegener of Western Egyptian Food Pantry in Waterloo.

Please help MCEC assist our local food pantries by stopping in by the Co-op office and donating to our food drive! You are helping your neighbors in need, while saving energy in your homes. Our local food pantries serve over 200 people in our communities each month. Donations will be delivered by the Co-op in mid-December.

ENERGY EFFICIENCY TIP OF THE MONTH

Keep Your Energy Bill Out of Hot Water

Water heating can be expensive, but there are a number of ways to lower your costs. One way is to use less water. Repair leaky faucets immediately and use low-flow shower heads. Did you know that a family of four, each showering for only five minutes a day uses 700 gallons of water a week? You can cut that amount in half by using low-flow aerating showerheads.) Insulate your hot-water storage tank and pipes, and drain a quart of water from your water tank every three months to remove sediment that impedes heat transfer and lowers the efficiency of your heater (follow the manufacturer's instructions). Lower the thermostat on your water heater to 120 degrees; water heaters sometimes come from the factory with higher temperature settings than are necessary. When buying a new water heater, compare EnergyGuide labels to find an energy-efficient model.

MCEC Line Outages - August 2013

Time Off	Duration	# Out	Location	Cause Desc	Sub
08/03/13	5:01	145	Smithton Area	Small Animals Or Birds	Smithton
08/03/13	1:19	57	G Rd	Small Animals Or Birds	Waterloo
08/06/13	2:38	34	Triple Lakes Rd	Other, Faulty Equipment	East Carondelet
08/12/13	1:05	18	Forest Hill Lake Ln	Small Animals Or Birds	East Carondelet
08/19/13	0:09	68	Allschied's Subdivision	Vehicles Or Machinery	N. Waterloo
08/25/13	1:26	5	Autumn Dr	Small Animals Or Birds	Millstadt
08/28/13	8:13	227	Coxeyville Rd/Lou Dell	Other, Deterioration	N. Waterloo
08/30/13	1:18	5	Shilliday Ln	Small Animals Or Birds	Waterloo

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