

President's Report



William R. Dodds
President/CEO

The value of electric cooperatives

Why being a member of a co-op saves you money

There are three main types of electricity providers in the U.S. Investor-owned utilities (IOUs) serve primarily densely populated areas. Municipal-owned utilities also serve densely populated cities from the very large, such as Los Angeles, to the very small like Robersonville, NC. And of course, there are rural electric cooperatives like Spoon River Electric that serve the less populated parts of the country.

In the utility business, population matters a lot. Since the costs to serve any given area are similar, the more customers that you have allows you to spread the costs among more people to keep rates lower. At least that is the theory.

The graphic below shows the national averages of density and revenue per mile of electrical line for IOUs, municipal-owned utilities and electric co-ops. Municipal-owned utilities, which operate in cities and towns, have the greatest density – 48.3 customers per mile of line, generating an average of \$113,301 of revenue. IOUs follow with 34 customers per mile of line, while generating average revenues of \$75,498. Finally, electric co-ops average 7.4 members (not customers, but members) per mile of line, bringing in an average of \$14,938 of revenue per mile.

Spoon River Electric serves 3.9 members

per mile generating \$7,767 of revenue per mile.

If I were to give this data to any business school in the country and ask (based on this information) what the rates should be for

each of the utilities, the answer would likely be that electric co-ops would have a rate 7.5 times greater than municipal-owned utilities and 5 times higher than IOUs – but that is not the case. Why not?

It has to do with the business model. IOUs are owned by outside investors that may or may not be users of the electric utility they own. These companies' stocks are traded on Wall Street, and those investors demand a return on their invest-

ment. This drives up the price that their customers pay. Many municipal systems charge rates that generate a "profit" for their cities to help pay for other services. Spoon River Electric operates on a not-for-profit basis. Of course, we are a business and must generate enough revenue to cover costs (the largest being the purchase of wholesale power). But we don't have to charge rates to pay outside stockholders.

Since our members are our owners, we can provide safe, reliable and affordable power to you. That is just another way your co-op brings you value.

Revenue in Review

Because of higher population densities (more consumers served per mile of line), municipal electric systems and investor-owned utilities receive more revenue per mile of line than electric cooperatives.

Consumers served/revenue per mile of line for different utilities:



Source: National Rural Electric Cooperative Association, September 2012

Spoon River Electric Cooperative

930 South Fifth Ave, PO Box 340,
Canton, IL 61520
8:00 a.m. – 4:30 p.m.
309-647-2700 • www.srecoop.org

President/CEO

William R. Dodds
bdodds@srecoop.org

Chairman

Bernard Marvel, Browning

Vice Chairman

Terry Beam, Cuba

Secretary

Steve Pille, Glasford

Treasurer

Lyle Nelson, Abingdon

Assistant Treasurer

Robert Lascelles, Ipava

Board of Directors

James Banks, Canton
Jack Clark, Lewistown
Greg Leigh, Avon
John Spangler, Marietta

Editor of Spoon River News

Taryn Martin
tmartin@srecoop.org

Spoon River Electric Cooperative – By the Numbers

Miles of line energized: 1,255
Number of members served: 4,808
Number of power poles
in territory: 29,255

Lineman Appreciation Day is April 13



Thank your Spoon River Electric Linemen for all their hard work! Pictured left to right, Paul Moffit, Sean Koen, Trent Ross, Bill Sego, Dusty Wintermote, Donnie Schrodt, and Rick Roudebush.

Energy Efficiency Tip of the Month



Summer is right around the corner! Have you changed your home's air filter? Filters get loaded with more and more particles as they do their job. This actually has the effect of making them more efficient, but it also increases resistance and reduces airflow. Remember to check filters once a month.

Source: EnergySavers.gov

Have a successful planting season rooted in safety

As farmers make plans to return to their fields for spring planting, Spoon River Electric and the Safe Electricity program (www.safeelectricity.org) urge them to be particularly alert to the dangers of working near overhead power lines. Operating large equipment near these lines is one of the often overlooked, yet potentially deadly, hazards of working on a farm.

Start by making sure everyone knows to maintain a 10-foot clearance minimum from power lines. "Sometimes a power line is closer than it looks," says Molly Hall, executive director of the Energy Education Council's Safe Electricity program. "Helpful safety steps include using a spotter and designating preplanned routes that avoid hazard areas."

Be aware of increased height when loading and transporting tractors on trailer beds. Many tractors now have tall antennas extending from the cab that could make contact with power lines. Avoid raising the arms of planters or cultivators near power lines, and never attempt to raise or move a power line to clear a path.

Simply working too close to a power line is dangerous as electricity

can arc or "jump" to conducting objects, such as a ladder, pole or truck. Remember, non-metallic materials such as lumber, tires, ropes and hay will conduct electricity depending on dampness, dust and dirt contamination.

"If your equipment does come into contact with power lines, stay in the cab and call Spoon River Electric for help," explains Hall. "If the power line is energized and you step outside, your body becomes the path to the ground. Even if a line has landed on the ground, there is still potential for the area to be energized. Warn others who may be nearby to stay away and wait until help arrives."

If exiting the cab is absolutely necessary because of fire, the proper action is to jump—not step—with both feet together, hitting the ground at the same time. Do not allow any part of your body to touch the equipment and the ground at the same time. Hop to safety, keeping both feet together as you leave the area.

For more tips and information on how to stay safe this planting season, visit SafeElectricity.org.



Did you know the refrigerator is one of the biggest energy hogs in your home? Use these simple tips on how to keep your fridge running efficiently.

- **REMEMBER TO COOL DOWN.** Warm food in the refrigerator forces the appliance to adjust the temperature, using more energy.
- **A FULL FRIDGE IS A HAPPY FRIDGE.** When your refrigerator and freezer are full, the appliance runs more efficiently.
- **KEEP IT CLEAN.** Remember to clean dust and dirt from the coils behind or underneath the refrigerator.
- **TAKE COVER.** Uncovered food and liquids release moisture and force the compressor to work harder.



Photo source: General Electric





ATTENTION 2014-2015 SENIORS!

Spoon River Electric Cooperative is Awarding Three \$500 Scholarships to High School Seniors

High school students who are seniors during the 2014-2015 school year, and are the son or daughter of a Spoon River Electric member are eligible to apply for a \$500 Scholastic Scholarship, a \$500 Honorary Scholarship, and the \$500 Scott Parrish Memorial Scholarship, which will be awarded at this year's Annual Meeting on June 18, 2015

Please fill out the form at the bottom of the page and return it to the Cooperative to participate. Applications must be turned in by **Friday, June 5, 2015** to be considered. Please see official rules and descriptions of scholarships below.

OFFICIAL RULES

- **Applying students and their parent/legal guardian must be present at the Annual Meeting June 18, 2015, to win.**
- Students must be a son or daughter of a Spoon River Electric Cooperative Member.
- Students must be a high school senior during the 2014-2015 school year and begin college undergraduate studies in the 2014-2015 school year. -Students must plan on attending a two-year or four-year accredited college or university, including vocational/technical schools.
- Scholarship winners must be full-time students (at least 12 hours) during the 2014-2015 academic year.
- Scholarships are for one year and are non-renewable.
- Past Spoon River Electric Cooperative scholarship winners are not eligible to receive another one.

SCHOLASTIC AND SCOTT PARRISH MEMORIAL SCHOLARSHIPS

- The Scholastic and Scott Parrish Memorial Scholarships will be awarded based on an application detailing GPA, college entrance test scores, work and volunteer experience, participation in school and community activities, and a biographical statement.
- Semi-finalists will be notified by mail with a time and place for a personal interview.
- Those not chosen as semi-finalists for the Scholastic and Parrish Scholarships will be automatically placed in the Honorary Scholarship drawing.

HONORARY SCHOLARSHIP

- The Honorary Scholarship will be awarded by a drawing as students are recognized at the Annual Meeting.
- All applicants are eligible for the Honorary Scholarship drawing except the Scholastic and Parrish Scholarship winners.



Scholarship Participation Request

Name of Student _____

Address of Student _____

Name of Parent/Guardian _____

Telephone Number _____

Scholarship Applying For: Scholastic* _____ Honorary _____

Return To: Taryn Martin
Spoon River Electric Cooperative
PO Box 340
Canton, IL 61520
647-2700

*Those applying for the Scholastic Scholarship will receive an additional form in the mail regarding scholastic achievement.