

# POWERLINE

NEWSLETTER FOR CO-OP MEMBERS OF CORN BELT ENERGY



## Capital credits

### One of the many benefits of being a co-op member

It's time for you to get the credit — capital credits, that is— for helping build, sustain, and grow your local electric cooperative. This summer, Corn Belt Energy will retire — or payout — \$9 million to co-op members like you across portions of 18 counties served by the co-op.

When you signed up to receive electric service from Corn Belt Energy you became a member of an electric utility. While investor-owned utilities often return a portion of any profits back to their shareholders, electric co-ops operate on an at-cost basis. So instead of returning leftover funds, known as capital credits, to people who might not live in the same region or even the same state as you do, Corn Belt Energy allocates and periodically retires capital credits (also called patronage dividends, patronage refunds, patronage capital, or equity capital) to our member/owners based on how much electricity you purchased during a year.

This is the largest single retirement in the cooperative's 79-year history. \$4.8 million in capital credits will be returned to those who were members during 2015 through 2016. In addition, approximately \$4.2 million in capital credits will be returned to those who were members from 1986 through a portion of 1992 in our Central Region (Champaign, DeWitt,

Ford, Livingston, Logan, Macon, McLean, Piatt, Tazewell and Woodford counties) and to those who were Illinois Valley Electric Cooperative members from 1977-1986, in our North Region (Bureau, Henry, Kendall, Knox, La Salle, Marshall, Putnam and Stark counties).

That may seem like a long time ago. However, those funds helped us keep rates affordable, reduced the amount of money we needed to borrow from outside lenders to build, maintain, and expand a reliable electric distribution system, and covered emergency expenses. Checks will be sent to the last-known residences of these account holders if they are no longer a member.

For more information, please refer to the following frequently asked questions:

#### WHAT ARE CAPITAL CREDITS?

An electric cooperative operates on an at-cost basis by annually "allocating" to each member, based upon the member's purchase of electricity, operating revenue remaining at the end of the year after all expenses have been paid. Later, as financial condition permits, some of all of these allocated amounts— capital credits—are retired. Capital credits represent the most significant source of equity for Corn Belt Energy.

Since a cooperative's members are also the people the co-op serves, capital credits reflect each member's ownership in, and contribution of



capital to, the cooperative. This differs from dividends investor-owned utilities pay shareholders, who may or may not be customers of the utility.

#### WHERE DOES THE MONEY COME FROM?

Member-owned, not-for-profit electric co-ops set rates to generate enough money to pay operating costs, make payments on any loans, and provide an emergency reserve. At the end of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating "margin." Margins are allocated as capital credits.

#### HOW ARE MARGINS ALLOCATED?

Margins are allocated to members as capital credits based on their

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electric kilowatt purchases from the cooperative—how much power the member used. Member purchases may also be called patronage.

#### ARE CAPITAL CREDITS RETIRED EVERY YEAR?

Each year, the Corn Belt Energy Board of Directors makes a decision on whether to retire capital credits based on the financial health of the cooperative. During some years, the co-op may experience high growth in the number of new accounts, or severe storms may result in the need to spend additional funds to repair lines. These and other events might increase costs and decrease member equity, causing the board not to retire capital credits. For this reason, Corn Belt Energy's ability to retire capital credits reflects the cooperative's strength and financial stability. The board alone decides whether to retire capital credits.

#### HOW MUCH WILL BE RETIRED IN TOTAL IN 2017?

\$9 million will be retired in 2017.

#### HOW MUCH HAS CORN BELT ENERGY PAID IN TOTAL CAPITAL CREDIT RETIREMENTS SINCE IT BEGAN IN 1938?

Corn Belt Energy has paid nearly \$40 million in capital credits retirements to current and former members to date.

#### HOW OFTEN DO MEMBERS RECEIVE CAPITAL CREDIT RETIREMENTS?

The Corn Belt Energy Board of Directors makes a decision each year whether or not to retire capital credits. When the cooperative is strong enough financially and member equity levels high enough, the board directs staff to retire some portion of past years' capital credits.

#### HOW WILL THE RETIREMENT WORK?

Inactive or former members who no longer purchase electricity from Corn Belt Energy (but who purchased electricity during the years being retired) will receive a check. Due to the expense involved in processing printed checks, the minimum retirement check that will be written to current members will be \$10.

#### WHAT IF I HAVE MOVED?

If you move or no longer have electric service with Corn Belt Energy it is important that you inform the cooperative of your current address, so that future retirements can be properly mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement.

If you have additional questions about the Corn Belt Energy capital credit retirement or would like to update your address, please contact us at 1-800-879-0339.



## Call before you dig

To avoid personal injury and damage to underground lines, state law requires you to contact Joint Utility Locating Information for Excavators (JULIE) before any digging project, regardless of the project size or depth.

The call is free, and so are the services.

According to state law, the person doing the digging is required to call JULIE with the locate request information at least 48 hours (*two working days, excluding weekends and holidays*) in advance of the start of excavation. You must begin your project within 14 days from the time you call and if you want to start your project over the weekend, remember to contact JULIE by Wednesday at 4:00 pm.

In order to help the utility locator properly identify your project area, JULIE recommends that you mark the area where you will be digging with white paint and/or flags.

Each JULIE utility member is responsible to mark their own underground facilities with paint or flags within the two working day period required by law (*excluding Saturdays, Sundays and holidays*). Visit [www.illinois1call.com](http://www.illinois1call.com) to learn more about the process.



**Know what's below.  
Call before you dig.**

# Keep Food Safe

## Before, During and After a Power Outage

Unfortunately, power outages do occur from time to time. It's important to know how to keep your food safe during an outage. Use these tips from USDA to help minimize food loss and reduce your risk of illness.

### Before power outage



Keep refrigerator at **40° or below**. Freeze items like fresh meat and poultry that you won't use immediately. Keep freezer set to **0° or below**. Group frozen foods to help items stay colder longer.



If you anticipate an extended power outage, buy dry or block ice to keep the fridge and/or freezer cold.

### During power outage

**Keep the refrigerator and freezer doors closed!**

If the doors stay closed during the length of the outage:



A full freezer will hold its temperature for **48 hours**.



A refrigerator will keep food safe for **four hours**.

### After power outage

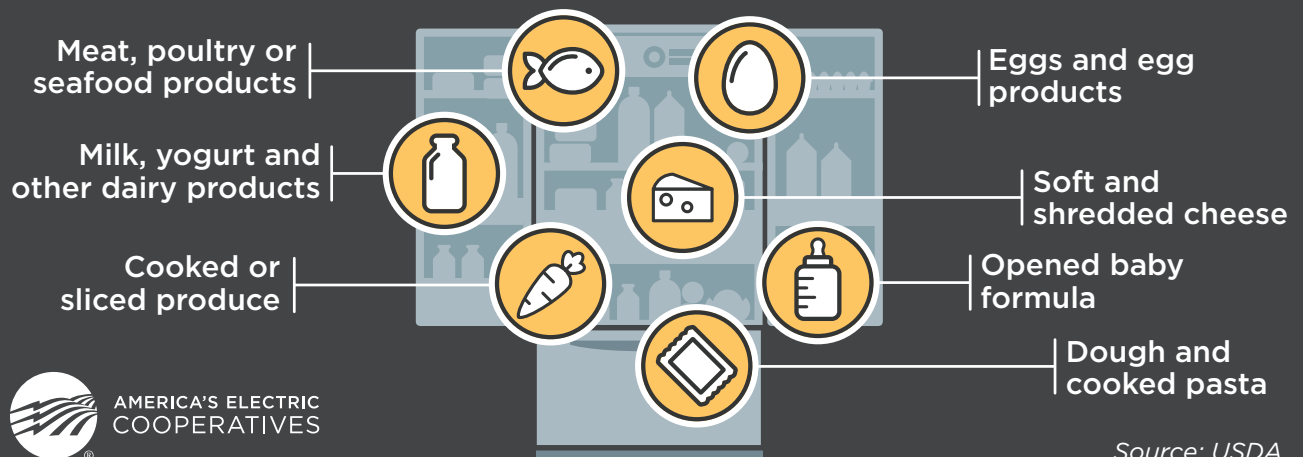


Check the temperature inside your refrigerator and/or freezer.



If the temperatures are safe, the food should be safe to eat.

### Foods that should be thrown out after an extended power outage:





## Summer safety tips

### Avoid Power Lines

Overhead wires enter houses and buildings at places called service drops. Service drops are not insulated, so never attempt to touch these wires.

Storms or accidents can sometimes cause power lines to fall to the ground. Assume any wire lying on the ground is carrying electricity and stay away from it. If you spot a downed wire, immediately call your local police and Corn Belt Energy; Keep others from getting near the downed wire until help arrives.

### Tree Safety

Tree limbs that grow up near power lines can be unsafe. If you climb

such a tree, you could get hurt from electrical shock. Never trim trees near power lines – if you see a tree growing too close to power lines, contact Corn Belt to report it.

### Hot Tubs and Pools

Water and electricity never mix! Keep electronics like radios away from pools and hot tubs, and watch for overhead power lines when cleaning pools, sailing or fishing. Never install pools underneath or near power lines. Never touch an electrical appliance if you are wet; always dry off completely.

### Outdoor Electronics



Be careful when using electrical

appliances outdoors. Whether it's a bug zapper, an electric charcoal lighter, or a radio or CD player, use outlets that have weatherproof covers and ground fault circuit interrupters (GFCI) to prevent serious shock injuries. Use portable GFCIs for outdoor outlets that don't have them.

### Kites and Balloons

Since overhead power lines are not insulated, a kite or balloon string can conduct electricity to the ground. If a kite gets stuck in a tree that is near power lines, do not climb up to get it. Fly kites and model airplanes in large open areas like a park or a field.

## CONTACT US

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