

JAMUP

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Your Touchstone Energy® Partner 

What are capital credits?



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Administration
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Capital credits are a benefit to belonging to a cooperative. You, and every member who receives electric service from Southern Illinois Electric Cooperative

(SIEC), own part of SIEC.

Like all businesses, SIEC earns revenues and pays expenses. The difference between revenue earned and expenses incurred is called profit for most businesses. But for cooperatives, like SIEC, this difference is called margins. Because SIEC is a non-profit utility, SIEC returns positive margins to members at a later time based on a decision by the board of directors to retire allocated capital credits. Thus, capital credits represent your share of SIEC's margins as well as your ownership of SIEC.

Here's how they work...

Allocation: Each year, members are allocated the previous year's margins based on the amount of electricity purchased in relation to the total amount of electricity purchased from all members. An allocation is issued by the board of directors. An allocation represents the member's share of ownership in a nonprofit, member-owned cooperative.

Retirement: The margin allocations accumulate over time in the member's name. They are periodically retired (refunded) when directed by the board of directors based on the financial condition of SIEC.

Frequently Asked Questions

What happens to a member's capital credit if the member no longer has an account with SIEC?

A member who terminates service no longer receives additional capital credit allocations. The balance in the member's capital credit account is maintained until it is retired in full.

It is the member's responsibility to notify SIEC of any address changes so that the member can be located when it is time to retire capital credits allocated to the member's account. Even if you are no longer on the SIEC system, please keep your contact information current. Remember, a member's capital credits are their ownership of SIEC. Thus, this ownership is an asset that belongs to the member.

What happens to a member's capital credits if the member dies?

Capital credits earned by a deceased member are paid to the member's estate. To assist the member's heirs in closing the estate, SIEC offers a special capital retirement of the outstanding balance of the deceased member's capital credit account, at a discounted rate.

Why are some capital credits retirements discounted?

In the interest of fairness to all members, SIEC discounts special retirements to estates to reflect the net present value of making a capital credit retirement now that would otherwise be paid later. The smaller amount received today, if invested until the normal retirement date, would be equal to the normal retirement amount.

I have an account that is in my deceased parent's names. Should I obtain membership in my name?

Yes. A membership is required by the person who is receiving electric service. Also, when you obtain a membership in your name, you will be able to retire the deceased parent's capital credit account (see previous frequently asked question).

Does the member have to report capital credits on tax returns?

Capital credits are a return of money paid for electricity in a previous year and are generally not taxable income for residential consumers. Commercial and industrial consumers should discuss any capital credit retirements with their tax advisers.

If you would like to know additional details about capital credits, please do not hesitate to contact our office at 618-827-3555.

By the community, for the community

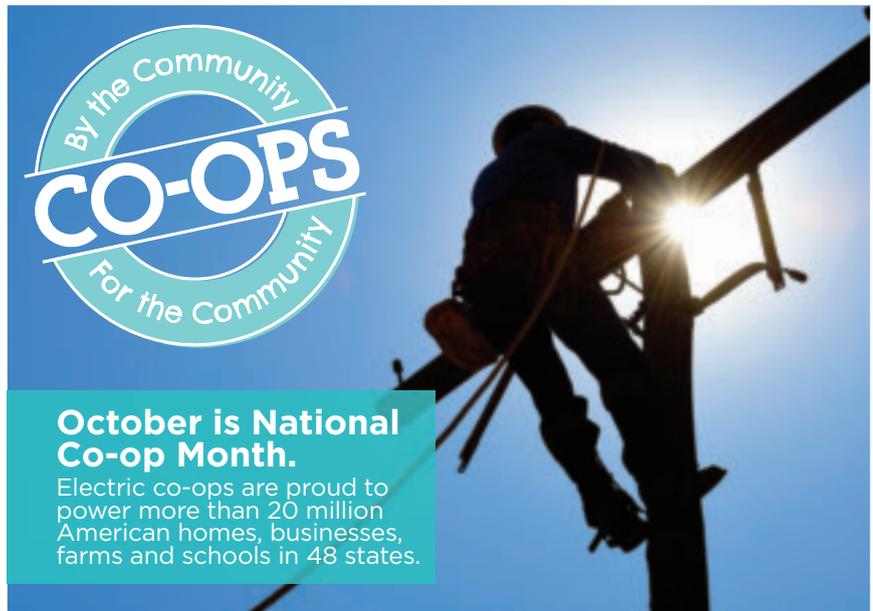
October is National Co-op Month

When you think of October, pumpkins, Halloween and beautiful fall foliage naturally come to mind. But October is notable for another reason – it’s National Co-op Month! This is the time of year when cooperatives across the country, including Southern Illinois Electric Cooperative (SIEC), celebrate who we are and more importantly, the members we serve.

Cooperatives are different than other types of businesses. When the market declines to offer a product or service, or does so at a very high price, co-ops intervene to fill the need.

Similar to how SIEC was built by members who came together to bring electricity to our community, cooperatives are conveners for the common good. Your electric co-op exists to provide safe, reliable and affordable energy to you, the members of the co-op. Equally important is our mission to enrich the lives of the members we serve.

As a co-op, we are well-suited to meet the needs of the community because we are locally governed. SIEC’s leadership team and employees live right here in the community. Our board of directors, who helps set



October is National Co-op Month.

Electric co-ops are proud to power more than 20 million American homes, businesses, farms and schools in 48 states.

long-term priorities for the co-op, live locally on co-op lines. These board members have been elected to the position by neighbors like you.

We know our members (that’s you!) have a valuable perspective. That’s why we are continually seeking your input. Whether through community events, our social media channels or the annual meeting, we want to hear from you.

Our close connection to the community ensures we get a first-hand perspective on local priorities, thereby enabling us to make more informed decisions on long-term investments.

Another feature that sets our co-op apart from a traditional utility is one of our core principles, “Concern for Community.” We participate in the Electric Cooperative Youth Tour, where we take our community’s brightest

young people to Washington, D.C. for a week-long immersion to experience democracy in action.

Ultimately, the larger community benefits from these programs because of you and your neighbors. You empower the co-op through your membership and through your participation in and support of these programs.

We hope you will think of SIEC as more than your energy provider, but instead as a local business that supports this community and powers economic development and prosperity for the people. **Paul Dunbar**

We will continue to learn from our members about their priorities so that we can better serve you – because your electric co-op was built by the community, for the community.

SIEC Board of Directors

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- Bob L. McIntosh (Vice President) Pulaski Co.
- Randall Rushing (Secretary-Treasurer) ... Massac Co.
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For Outages Call:

800-762-1400 • 618-827-3555

Member prize



In this issue of the JAMUP, we printed the names of three SIEC members who are eligible to receive a \$10 credit toward their utility bill. If you find your name printed in this center section and it’s not part of the story, call Bree with your account number at **800-762-1400** to claim your prize.

Smart devices: They're definitely smart, but not always secure

For many of us, buying and using technology to make our homes smarter and interconnected is as tempting as walking through a candy store as a kid.

Although not found in every household, many U.S. homes have one or two components, such as a smart security system complete with cameras, a smart thermostat or a know-it-all “voice assistant” such as Amazon’s Alexa. The rest of our homes range from doing things the old-fashioned way (no smart devices at all) to having a home decked out in every smart technology one could imagine.

According to Statista, a company specializing in market and consumer data, North Americans are forecast to spend \$63 billion in the smart home market in 2022. That’s nothing to sneeze at. (But if you do, you may hear Alexa say, “Bless you.”)

Although convenient – who doesn’t want real-time glimpses of who is ringing our doorbell or to hear Google Assistant recite a recipe – smart devices come with their own set of security concerns.

Canada’s CBC News hired hackers (ethically responsible ones of course) to hack a family’s smart home, and they got in, literally. “All it took was a white van, a team of three hackers and a phishing email to remotely unlock ... the front door.”

This scenario is not intended to scare people; rather we encourage you to give your smart devices serious thought before diving in. Security measures for smart devices are similar to the steps we should take in our daily life to protect against seedy scammers and hackers.



For example, be leery of emails or calls asking for personal information such as login info or passwords. Although everyone loves to use the same passwords for everything, doing so can make your smart devices vulnerable. (Note: Be creative and make them hard to crack.) Although it seems obvious, never use the factory-set password; change it immediately.

Many tech companies are considering (and others have already switched) to two-step authentication for the smart devices they sell. Although the extra step can feel like a pain, the two-step process is a good thing; it is a valuable step in keeping you and your family safe and your conversations private.

Without the code provided in the second security step, outsiders can’t access your device or account, even if they guessed your password.

For more in-depth technology advice, consult an IT professional. For more information about electrical safety, visit SafeElectricity.org.

Safe Electricity and Southern Illinois Electric Cooperative recommend these basic tips to make your smart devices more secure:

- NEVER click a link in an email claiming to be from a security- or smart-home related company, even if it looks official. Scammers and hackers get sign-in information and passwords this way, which they can use to hack your smart technology.
- Although tempting, don’t use all the same passwords for all of your devices. **Jackie Hamilton**
- Absolutely change factory-set passwords provided by the manufacturer.
- Make your passwords complex and challenging.
- If you do receive an email from your smart device manufacturer, see if the email address the company used is the same as the one they have used to contact you in the past. These emails should be general in nature and should never ask for personal or log-in information.
- Never give out login, password or other personal information in an email, over the phone or for any other reason unless you are the one contacting the company directly via verified phone number or other trusted method of contact.
- Regularly update the device’s software so that it is protected by the latest security.
- Unless the hacker makes him/herself known, it can be hard to detect if a smart device has been hacked until the obvious happens.
- If it has been hacked, your gadget might be slower than usual, unresponsive or compulsively reboot.
- If you are tech savvy, keep watch on the IP addresses that access the devices.

Disclaimer: Tips are designed to increase awareness. For expert and in-depth technology advice, contact an IT professional or manufacturer.

Southern Illinois Electric Cooperative

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It's large and in charge: Respect the mighty substation

You may live near or drive by a substation each day and not give it much thought unless you happen to be an electrical engineer or utility employee. **Christina D. Taylor**

Although they look like something that could transform into a giant-sized, building-stomping futuristic robot, substations play an important role in providing electricity to your work or home.

As most people know, fenced-in substations are part of the electrical generation, transmission and distribution system. Transformers are contained inside many of them, and their job (as its name implies) is to transform voltage from high to low or vice versa depending on its location on the distribution path.

Besides transformers, substations usually house switches, protective devices and control equipment. In large substations, circuit breakers are used to interrupt any short circuits or overloads that may occur.

Stay safe around substations

- Substations carry high voltages of electricity, and they should be respected. Southern Illinois Electric Cooperative and Safe Electricity remind you to:
- NEVER go near a substation.
- Teach children to NEVER go near a substation or climb its fence to retrieve a ball or pet. Let them know they should always stay away and tell a parent or adult, who should call us to report the incident at 1-800-762-1400.
- In general, teach children about the dangers of electricity from a young age.
- If a transformer near your home catches on fire, DO NOT try to put out the fire yourself (water and electricity don't mix). Call 9-1-1 to report the fire.
- If you see an issue with or notice something unusual about a substation, transformer or power line,

contact us. Never try to address a problem yourself.

Once you have the safety tips down, consider a fun fact to know about transmission substations. There are three types: step-up, step-down and distribution. According to OSHA (Occupational Safety and Health Administration):

- A step-up version receives electric power from a nearby generating facility and uses a large power transformer to increase the voltage

so it can travel to distant locations.

- Step-down transmission substations are located at switching points on an electrical grid and connect different parts of the electrical system.
- Distribution substations are located near end-users, like you, and change voltages to lower levels to power homes and businesses.

For more information about electrical safety, visit SafeElectricity.org.



Energy Efficiency Tip of the Month

Heating requires more energy than any other system in your home, typically making up about 42% of your energy bill. With proper equipment maintenance and upgrades like additional insulation and air sealing, you can save about 30% on your energy bill.

Source: energy.gov

