

JAMUP

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Your Touchstone Energy® Partner 

Capital Credits – How they affect members

By David A. Johnston, Director of Administration & Finance

I would like to discuss capital credits with you. What are they? How do they make us different than other electric utilities? How do you benefit from them? Will we distribute them in 2015? **Galen Shelton**

Because electric cooperatives are owned by its members, we do not create profits for distant shareholders. Any profit—called “margins”—is allocated back to you, our members, in the form of capital credits. Capital credits are “retired” and then paid back to members each year based on your amount of electricity purchased from the cooperative. Margins are used by the co-op as working capital for a period of time, then paid back to individual members.

Allocating and retiring excess revenue to members helps distinguish cooperatives. 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.

At our annual meeting of members on Aug. 6, it was announced that SIEC will distribute \$587,726.02 in capital credits back to members who purchased electricity from us in 1986. Active members will receive a bill credit on their bills later this year. Inactive members will have their checks mailed to their last known address.

We ask a favor of you this year... if

you lived on our lines in 1986 and you notice your capital credit bill credit later this year, think for a few moments about the value of your electric cooperative membership. What other utilities or companies pay you back like SIEC?

If you have any questions about capital credits, please call our Capital Credit Specialist Bree Hileman at 1-800-762-1400.



Southern Illinois Electric Cooperative (SIEC) has retired **\$6,282,575.07** in capital credits to members since 1986. Nationally, electric cooperatives have retired \$11 billion in capital credits since 1988.

SIEC Board of Directors

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For Outages Call:

800-762-1400 * 618-827-3555



OCTOBER IS NATIONAL CO-OP MONTH

I ❤️ MY CO-OP

CO-OPS ARE LOCAL

ELECTRIC CO-OPS LIGHT AMERIC

CO-OPS BUILD COMMUNITY

In case you missed it, here are a few highlights from this year's annual meeting...



Co-op lines: single or looped?

By Tom Tate

Living on Southern Illinois Electric Cooperative's (SIEC) lines is a literal expression, meaning you have a system of poles and wires connecting your home or business to the co-op so you can get power when and where you need it. While these systems of poles and wires all look quite similar, there are distinct differences. Let's take a look at those differences and why they are important. Caution: Utility terms ahead!

Everything starts at the substation when it comes to co-op distribution systems. Transmission lines feed high voltage into the substation, where it is reduced to a more manageable and safer level. On the other side of these transformers, distribution feeder lines carry the power out and into the service area, where they "feed" power to a sizeable block of co-op members. This is an efficient way to move a large amount of power closer to its point of use. These are also what are termed radial feeds, meaning only one end is connected to a power source.

At certain points along the feeders, lateral lines branch out to connect member loads, which are the amounts of power a home or business needs. Systems are designed to supply the amount of load to which they are connected. If you look at a simple map of SIEC's distribution system, it resembles the veins and arteries of the human body. Only in this case, it carries life-enhancing electricity instead of life-sustaining blood. These lateral lines are also radial in many cases. Eventually, the last member is reached



and the system goes no further.

Lateral lines are the "single" lines referenced in the title of this article. When co-op distribution systems were first built, the most cost effective solution in a lot of cases was the lateral approach. This was especially true for end-of-line members. There is one drawback to a lateral or single line approach, however. When there is a fault (something causing the flow of electricity to stop, like a tree on the lines or a pole being broken by a car) in the system, every member beyond that point loses power until the problem is located and corrected.

Enter the looped line approach. A normal evolution in distribution system growth is to replace radial lines with loop connections. The loop is connected to a power source at two ends rather than one. This power source can be another substation or another feeder from the same substation. With this approach, when power is interrupted, we have the opportunity to rapidly restore power to a large portion of the affected members.

Here is how the loop works. Let's say a tree branch breaks and falls onto the wires. Equipment on the lines senses the fault and operates protective devices immediately in front of the fault, just like circuit breakers do

in your own home. No power flows beyond the protective device, and all members beyond this point lose power.

Back at the co-op, members have started calling about the power outage. Crews are sent to the area to find and fix the problem. If the line is a single, radial one, power for everyone is out until the problem is corrected. But, if a loop is in place, crews in the field can, in many cases, reroute the power around the fault. This means faster power restoration for many members. The purpose of the loop approach is exactly this, restoring power to members faster than where a single line is in place. While the loop approach is always preferred, circumstances such as geography, terrain, cost, and member location dictate that the single line approach is still prevalent in many areas of the Co-op's service territory.

SIEC maintains over 2,000 miles of line, which brings power to over 11,000 members' meters. In the event of a power outage, please give us a call at 800 762-1400. Allison Walkern

Tom Tate writes on cooperative issues 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.

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 Cathy with your account number at **800-762-1400** to claim your prize.

2015 Prizes at SIEC Annual Meeting of Members



SIEC thanks these vendors for donating prizes to our Annual Meeting this year. They are as follows: Aclara, Bennett & Middendorf LTD, Bridgewell Resources LLC, Brownstown Electric, Cache River Chevrolet, Cox Industries, Crop Production Services, ETC, Fager-McGee Commercial Construction, Fastenal, Fletcher-Reinhardt Co, General Hardware & Supplies, Gilltree Inc, HD Supply Power Solutions, Henkels & McCoy, Honey's Tire Center, Jeff's Automotive, Lawson Products, Lee Inspection & Consulting Services Inc, The Metropolis Planet, Milsoft Utility Solutions, National Information Solutions Cooperative, Nelson Tree Service, Oil Field Electric, Plant Growth Management Systems, Repperts Office Supply, Roy Walker Communications Inc, Southern FS, Styles Office Solutions, T & I Office Equipment, Tallman Equipment Co, Toth & Associates, United Utility Supply, WIBH, Wright Brothers

Romelia Newburn

WINNER		PRIZE
Alice Meyer	Metropolis	6 Month e-edition subscription & \$25 rural king gift card
Brenda Goines	Grand Chain	Fishing pole
Jerry Palmer	Anna	\$40 SIEC bill credit
Lonnie Graham	Anna	Work light & \$25 sears gift card
Darlene Terbrak	Cobden	12 Piece picnic basket
Karnak Pentecostal Church	Karnak	4 Pack of miners baseball tickets & goody bag
W R Stokes	Grand Chain	Dry erase combo kit
Jamie McLane	Jonesboro	4 Piece glass canister set
Jonathan McLane	Jonesboro	Gift certificate for \$25 (any Southern FS location) & Honeywell fan
Henry Tripp, Jr	Dongola	Free oil change (CacheRiver) & coop hat
Jack Winters	Buncombe	32" TV
Karen Wright	Jonesboro	1 Year subscription to gazette democrat & \$25 bass pro shop giftcard
Vicki Wilson	Jonesboro	\$40 SIEC bill credit
Darrell Higgins, Jr	Belknap	Large cooler & first alert smoke alarm
Roscoe Nance	Cobden	4.5 Quart crock pot & certificate for tshirt from general hardware
Joseph Bierbaum	Olmsted	\$75 Bass pro shop gift card
Loran Hoffman	Dongola	Energizer led flash lights
Mt Sterling Church	Brookport	Wall clock
Village of Karnak	Karnak	Oil change (Jeff's Automotive) & \$25 Visa gift card
Janet McMahan	Vienna	Spice kit & \$25 Rural King gift card
Enloe Clemons	Dongola	Gift certificate for \$25 (any Southern FS location) & 8 outlet surge protector
Donald Bridges	Olive Branch	Back pack sprayer
Stanley Thomas	Mounds	\$40 SIEC bill credit
Earnest Newton	Cobden	Free oil change to cache river, smoke detector
Revelation Road Baptist Church	Vienna	Sunbeam steam master iron & certificate for tshirt from general hardware)
Fred Pender	Jonesboro	Black & decker programmable coffee maker
Bob Reynolds	Pulaski	Sentry safe small chest safe
Larry Cheek	Ullin	Mr coffee ice tea maker & small cooler
Henry Taylor	Ullin	\$50 Walmart gift card
Boyd Devore	Metropolis	Car care kit & 8 outlet surge protector
W Carl Lingle	Metropolis	\$25 Amazon gift card & 5 piece Greenlee screwdriver set
William Meyer	Karnak	Pizza stone kit & George Foreman grill

WINNER		PRIZE
Dennis Lingle	Metropolis	\$40 SIEC bill credit
St Johns Church	Dongola	3 in 1 cupcake caddy
Jerry Penrod	Dongola	Wireless temperature station
Linda Smith	Tamms	Drill set & back pack
Richard Goines	Karnak	\$25 Amazon gift card & Hershey's milkshake machine
Linda Blake	Villa Ridge	Office chair
Randall McClellan	Karnak	Coleman led lantern
Jay Rossberg	Anna	1 Year subscription to the Gazette & First Alert carbon monoxide detector
Charles Bottom	Tamms	Hooded sweatshirt, tshirt, hat & \$25 Rural King gift card
Elizabeth Thomas	Mounds	Black & decker 12 speed blender
Tom Greenwood	Jonesboro	\$50 Walmart gift card
Gerald Paschal	Brookport	Motorola 2 way radios
Suzette Cole	Ullin	Rubbermaid double cargo organizer
Alison Bishop	Metropolis	Free oil change (Cache River) & hat
Beverly Graham	High Ridge, Mo	Premium traveler roadside kit
Clarence Pind	Anna	Stihl leaf blower
Anderson Church	Karnak	Tree guide book & \$25 Rural King gift card
Dorothy Terbrak	Dongola	Dewalt small angle grinder
Cheri Bland	Karnak	Sony dvd player
Mildred Henderson	Olmsted	Sweatshirt, 2 hats, 24 hour 1 quart thermos
True Light Baptist Church	Pulaski	Coleman queen blow up mattress
First Baptist Church	Olmsted	Pyrex 10 piece glass storage set
Garrett Wilson	Karnak	\$40 SIEC bill credit
David Hogue	Vienna	Free oil change (Cache River), small cooler, hat
Terry Wiseman	Dongola	Multi purpose binocular
Gloria Sharp	Cobden	Large duffle bag, hat, carbon monoxide detector
Phyllis Rentfro	Karnak	Dual alarm clock & USB charger
Dennis Vanderpool	Karnak	Printer
Fawn Follis	Jonesboro	Leaf blower
Christopher Bunyan	Cobden	\$50 Grand prize
Christopher Vellella	Tamms	\$100 Grand prize
Richard Wells	Buncombe	\$300 Grand prize

Southern Illinois Electric Cooperative

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