

JAMUP

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A Touchstone Energy® Cooperative 

What Are Capital Credits?



Julie Wilke
Director of Administration
& Finance

Southern Illinois Electric Cooperative (SIEC) is a local, community-focused cooperative, founded to bring energy to our area. Capital

credits are a benefit to belonging to a cooperative. You, and every member who receives electric service from SIEC, own part of Southern Illinois Electric Cooperative.

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 nonprofit utility, SIEC returns positive margins to members later as capital credits.

These capital credits are retained by the Cooperative and are used to maintain our infrastructure so we can serve our members, as well as service the Cooperative's long-term debt. Capital credits help keep rates at a competitive level by reducing the amount of funds that must be borrowed. Based on the financial condition of the Cooperative and approval by the board of directors, capital credits are retired and paid back to you, the member. Thus, capital credits represent your share of SIEC's margins as well as your ownership of SIEC.

Here's how capital credits work:

- 1. Allocation:** Each year, members are allocated the previous year's margins based on the member's electric revenue in relation to the total amount of electric revenue from all members. An allocation is directed by the board of directors. An allocation represents the member's share of ownership in a nonprofit, member-owned cooperative.
- 2. 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 in the future. 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 parents' 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

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SIEC 82nd Annual Meeting of Members Held

The 82nd Annual Meeting of Members was held on Aug. 4, 2022 at Shawnee Community College. There were 402 attendees who allowed us to engage them for the evening to conduct the business of the Cooperative. Members voted unanimously on electing directors for Alexander, Pulaski and Union counties, as well as bylaw revisions. As always, we had entertainment, door prizes, bill credits and scholarships.

Once again, Shawnee Community College showed superb hospitality. Without hesitation, they lend us annual support by allowing us to utilize their building, equipment and, most importantly, their employees. We greatly appreciate their support.

Thanks to all our member-owners who were able to attend and learn about the previous year's performance and what is on the radar for the future. Without your support we would not exist. Our goal is to keep you informed as to what is happening at the Cooperative so that you can make educated decisions about your energy needs. If you couldn't attend or if you ever have questions about the cooperative, please don't hesitate to reach out,

and we will do our very best to get you answers.

Thank you again for your membership and engagement in your cooperative. We hope to see you next year!

Mary A. Davidson

David Johnston
Executive VP/General Manager





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discuss any capital credit retirements with their tax advisors.

Thank you for being a member of Southern Illinois Electric Cooperative. This information is an effort to help our members better understand capital credits and explain how your investment in SIEC is one way the cooperative difference works for you.

For questions regarding capital credits, you can always contact us during business hours to speak with a member services representative at 800-762-1400 or 618-827-3555. **Kathy A. Rameau**

Thank you

We would like to thank all of our vendors who donated to our annual meeting this year. They are as follows: Air Evac Lifeteam, Anna Jonesboro National Bank, Brownstown Electric Supply Co., Coad Chevrolet Ford, Drake-Scruggs Equipment, Endrizzi Contracting LLC, First-Line Fire Extinguisher Co., Heritage Petroleum LLC, Honey's Service Station & Tire, Jeff's Automotive, Lee Inspection & Consulting Services, Inc., LogoStore USA, Nutrien Ag Solutions, Paducah Rigging Company, Reef Industries, Inc., Revlon Lounge & Restaurant, Roy Walker Communication, Saints Foundation of Shawnee Community College, Shawnee Community College Bookstore, Spurlock's Trash Services, Tallman Equipment Co., Inc., The Gazette Democrat, and Toth & Associates, Inc.

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

SIEC Board of Directors

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For Outages Call:
800-762-1400 • 618-827-3555

Southern Illinois Electric Cooperative

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P.O. Box 100
Dongola, Illinois 62926

618-827-3555

Office hours: 8 a.m. – 4 p.m.

www.siec.coop

Annual Meeting Prize List 2022

- James Racey, Vienna – Cup, charger bank, hat
- Bethany Baptist Church, Cypress – \$50 SIEC BILL CREDIT
- Chad Shreves, Karnak – Spice kit
- K Darryl Anderson, Karnak – Fire extinguisher
- Robert Hill, Anna – Shirt, multi-tool flashlight, cup, hat
- Janis Street, Tamms – Outdoor blanket & cooler tote
- Melvin Lessar, Tamms – 1 year subscription to The Gazette and a cup
- Kenneth Goines, Grand Chain – Cordless muscle massager
- Jamie McLane, Jonesboro – Fish fryer kit
- Marvin Barnhill, Metropolis – \$50 SIEC BILL CREDIT
- Hillerman Baptist Church, Grand Chain – HyperTough 4-pack ratchet tie-down set
- Shirley Anderson, Karnak – Carwash bucket & free oil change (Jeff's Automotive)
- James Schierbaum, Vienna – Cooler bag, hat, cup
- Randy Reagan, Ullin – \$25 Cabela's gift card
- Gary Collier, Anna – Black & Decker Dustbuster Advanced Clean
- Linda Hoehner, Anna – Cup, charger bank, hat
- Larry Dunkin Sr. Karnak – \$50 SIEC BILL CREDIT
- Mt. Sterling Church, Brookport – Air-Pop popcorn maker, popcorn and butter spray
- Bertha Waddy, Villa Ridge – Kidde smoke and carbon monoxide detector
- Ledillon Powers, Olmsted – Instant 2-quart air fryer
- Charles Williams, Metropolis – Hand chain hoist
- John Haase III, Dongola – Skil 4V rechargeable screwdriver
- Alexander Freewill Baptist Church, Thebes – \$50 SIEC BILL CREDIT
- Mose Jackson, Ullin – Milwaukee drill/driver combo kit
- Reba Waddy, Villa Ridge – \$25 Bass Pro Shop gift card
- Kami Johnson, Metropolis – Farberware 22-piece cutlery set
- Wendel Davis, Anna – Tote bag, hat and blanket-AJ
- Robert Chick, Metropolis – \$50 SIEC BILL CREDIT
- Michael Severns, Karnak – Large fireproof chest
- James Goines, Jonesboro – 1-year subscription to The Gazette and a cup
- Donald Light, Thebes – Shirt, stainless steel bottle, hat
- Mt Tabor Baptist Church, Tamms – Cardinals Sherpa blanket and logo cup
- Henry Tripp Jr., Dongola – Google Nest Mini
- Brenda Goines, Grand Chain – Car detail from Coad's in Anna
- Bruce Mosby, Jonesboro – \$50 American Express gift card
- Rosemary Oats, Tamms – 50' cord reel
- Charles Frayser, Grand Chain – Hart drill/driver set
- Karen Meyers, Karnak – HyperTough 118-piece home tool set
- Angela Beronich, Dongola – Keurig coffee maker
- Sandra Bridges, Cobden – \$25 Cabela's gift card
- David Hogue, Vienna – Everstart deluxe roadside kit
- Jacqueline Bunker, Grand Chain – LED area light with tripod
- Nina Riley, Karnak – Milwaukee package storage system
- Nancy Sharp, Olmsted – Cup, charger bank, hat
- Tina Benefield, Buncombe – 4' folding table
- Robert Pittman, Olmsted – \$50 Brick House Grill gift certificate
- Linda Blake, Villa Ridge – Fire extinguisher
- Larry Moore, Jonesboro – Outdoor blanket & cooler tote
- Marlene Rivero, Grand Chain – STIHL trimmer
- Sharon Wilson, Karnak – Bath and handtowel set and LED nightlight
- Robert Plott, Anna – Acurite weather station
- Donald Cox, Dongola – Kidde smoke and carbon monoxide detector
- Ozia Steele, Tamms – Hyper Tough 3-in-1 power hub set
- Rocky Sickling, Ullin – Car organizer
- Lyndal Qualls, Karnak – \$50 SIEC BILL CREDIT
- Todd Hileman, Jonesboro – HyperTough tool tote & tool set
- Donald Hammon, Buncombe – 10-piece mixing bowl & lid set & throw blanket
- Fred Pitts, Buncombe – SCC gift basket
- Craig Bradley, Karnak – Honeywell fan
- Norma Watson, Villa Ridge – \$25 Olive Garden gift card
- Diane Brown, Brookport – Echo Dot
- Thelma Harvell, Tamms – Brita water filter
- Susan Sherwin, Anna – \$50 SIEC BILL CREDIT
- Mildred Henderson, Olmsted – Cup, charger bank, flashlight, hat
- Sandra Price, Tamms – Cooler prize pack
- Kevin McCoy, Thebes – 3-step ladder
- Joel Bremer, Metropolis – Stihl blower
- Diane Waid, Metropolis – 10-piece mixing bowl & lid set & throw blanket
- Judith Wright, Karnak – SCC gift basket
- Johnnie Grayson, Tamms – \$50 SIEC BILL CREDIT
- Steve Fear, Dongola – \$25 Cracker Barrel gift card
- Darrell Ballard, Belknap – \$50 Walmart gift card
- Tommy Vaughn, Thebes – \$50 CASH WINNER
- K Darryl Anderson, Karnak – \$100 CASH WINNER
- Mark Busse, Goreville – \$300 CASH WINNER