

## Rates to change in May

### President's Report



William R. Dodds  
President/CEO

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We at Spoon River Electric Cooperative provide our members with power, which is supplied by Prairie Power, Inc. in Jacksonville. Prairie Power is also a non-profit, member-owned cooperative, and our cooperative is one of those members.

Prairie Power's costs to produce power have increased, and those costs must be passed on to its members. Since our cost for purchasing power is rising, we also have to pass the expense on to our members.

Effective May 1, the rates for all Spoon River Electric Cooperative members will change.

Facilities charges for all members will increase. The residential single-phase facilities charge, now \$18, will be \$22. The residential three-phase charge, now \$31, will be \$35. The commercial single-phase charge, now \$18, will be \$30. The commercial three-phase charge, now \$31, will be \$35.

We will be eliminating sum-

mer and winter rates for all members except those on the primary electric heat source rate plan. We are currently auditing members on that plan to make sure our records are up to date.

The amount of increase will vary depending on the type of user you are. Rates are being adjusted to cover our costs for each rate class.

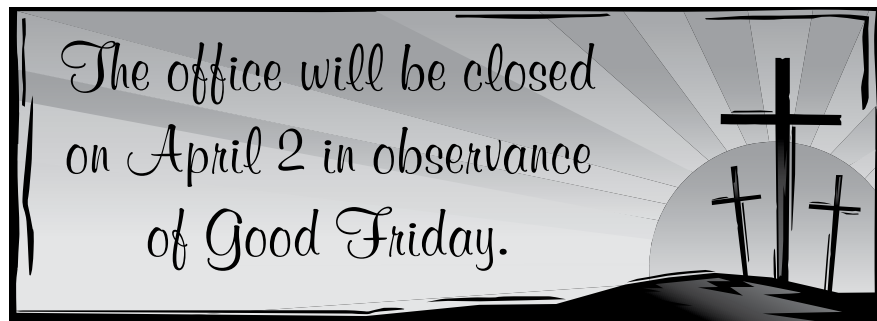
The Spoon River Electric Cooperative Board of Directors voted on this rate adjustment after a lengthy cost of service study by cooperative staff and engineers from the Association of Illinois Electric Cooperatives. The purpose of the study was to look at our different types of customers and see what it costs to provide power to each group. We based our new rates on a fair allocation of what it costs us to serve members.

We are ending discounted rates that encouraged additional usage. A fair rate will be charged for every kilowatt hour used,

and the rate will not go down as more electricity is used.

I want to underscore the importance of energy efficiency. By being a wise consumer of energy, you can minimize the effect of rising power costs. Switching to Energy Star-rated appliances and compact fluorescent bulbs and weatherizing your home will save you money every month. Tax incentives can help lower the cost of investing in new equipment. A visit to the Energy Efficiency Center at Spoon River Mechanical Services at 405 1/2 E. Linn St. in Canton will show you ways to save energy by changing out old equipment.

If you want to learn more about how changes around your home can add up to big savings, visit [www.togetherwesave.com](http://www.togetherwesave.com). You can link to this website through our site at [www.srecoop.org](http://www.srecoop.org). You can also call our office at (309) 647-2700 for advice on energy efficiency.





It's a great time to be energy efficient! With Energy Star appliance rebates available on furnaces, air conditioners and water heaters, you can save energy and money. Spoon River Mechanical Services is a participating provider in the program, which provides discounts on the purchase of new high-efficiency equipment.

Tax credits are another great way to save money on new equipment. You can use both programs for some equipment and maximize your savings.

Call Spoon River Mechanical Services today at (309) 647-3450 to learn more about these programs.



## Spoon River Electric Cooperative

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### Spoon River Electric Cooperative – By the Numbers

Miles of line energized: 1,249 • Number of members served: 4,944  
Number of power poles in territory: 29,255

# Capital Credits **QA**

## **What are Capital Credits?**

A cooperative does not earn profits in the sense that other businesses do. Instead, any margins, or revenues remaining after all expenses have been paid, are returned to the members in proportion to their usage of the co-op's services through capital credits allocations and retirements. Capital credits represent each member's share of the cooperative's margins and ownership of the co-op.

## **What do cooperatives do with Capital Credits?**

Every business needs to maintain a suitable balance

between debt and equity to ensure its financial health and stability. Capital credits are the most significant source of equity for most electric cooperatives. Equity is used to help meet the expenses of the co-op, such as paying for new equipment to serve members and repaying debt. Capital credits help keep rates at a competitive level by reducing the amount of funds that must be borrowed.

## **How does the cooperative determine who receives Capital Credits?**

Capital credits are allocated to each member of the cooperative

every year based on participation in the cooperative. The board of directors determines the basis for the allocation. Frequently, the allocations are based on such measures as the total dollar amount of services purchased or kilowatt hours of electricity consumed.

## **How are Capital Credits disbursed?**

Every year the board of directors determines whether the co-op's financial position permits the return, or retirement, of capital credits and, if so, what amount of capital credits will be retired.

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