

## You Get the Credit

*Operation at cost is part of the cooperative difference*

### President's Report



William R. Dodds  
President/CEO

### Contents

Directors re-elected .....	16b
How Capital Credits work .....	16c
Scholarship winners .....	16d

Electric cooperatives aren't like other utilities — you, as a member, own a portion of the business. And one benefit of that membership involves the allocation of excess revenue, called margins, in the form of capital credits.

Electric co-ops operate at cost — collecting enough revenue to run and expand the business but with no need to raise rates to generate profits for distant shareholders. When Spoon River Electric Cooperative has money left over, it's allocated back to you and other members as capital credits. When the co-op's financial position permits, the co-op retires, or pays, the capital credits to members by check.

Members are annually allocated capital credits based on the amount of electricity they consumed during a year. Soon we

will mail checks for capital credits from the years 1971 and 1972, which the Spoon River Electric Cooperative Board of Directors approved in August.

Nationally, in 2010, electric cooperatives retired \$626 million in capital credits to current and former members. Since 1988, co-ops have retired \$9.5 billion, based on data from the federal Rural Utilities Service and the National Rural Utilities Cooperative Finance Corporation (CFC), the premier private market lender to electric cooperatives.

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.

The retirement of capital credits—so-called because members provide capital to the cooperative for it to operate and expand—depends on the co-op's financial status.

Spoon River Electric Cooperative holds onto allocated capital credits to cover emergencies, such as a natural disaster, and other unexpected events, and to expand its electric system, all of which may require large-scale construction of poles and wires. This action decreases the need to raise rates or borrow money to pay for the infrastructure. After a number of years, if financial conditions permit, the board of directors may decide to retire a set amount of capital credits.

If you have any questions about capital credits, please call the office at (309) 647-2700.



*Spoon River Electric Cooperative President/CEO Bill Dodds accepts the Illinois Cooperative Council's Cooperative Manager of the Year award from Nancy Nixon, Marketing Manager for the Association of Illinois Electric Cooperatives, and Duane Noland, President/CEO of the Association of Illinois Electric Cooperatives.*



*Re-elected to the Spoon River Electric Cooperative Board of Directors at the Sept. 1 Annual Meeting of Members were (left to right) Lyle Nelson, District 1, Greg Leigh, District 2 and Jim Banks, District 3.*

## Spoon River Electric Cooperative

930 South Fifth Ave, PO Box 340, Canton, IL 61520  
 8:00 a.m. – 4:30 p.m.  
 309-647-2700 • [www.srecoop.org](http://www.srecoop.org)

***President/CEO***

William R. Dodds  
[bdodds@srecoop.org](mailto:bdodds@srecoop.org)

***Chairman***

Jack Clark, Lewistown

***Vice Chairman***

Bernard Marvel, Browning

***Secretary***

Steve Pille, Glasford

***Treasurer***

Lyle Nelson, Abingdon

***Assistant Treasurer***

Terry Beam, Cuba

***Board of Directors***

James Banks, Canton  
 Robert Lascelles, Ipava  
 Greg Leigh, Avon  
 Kathy Smysor, Smithfield

***Editor of Spoon River News***

Brenda Rothert  
[brothert@srecoop.org](mailto:brothert@srecoop.org)

### 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



## MY APPLIANCES AREN'T THE ONLY ENERGY STARS IN MY HOUSE.

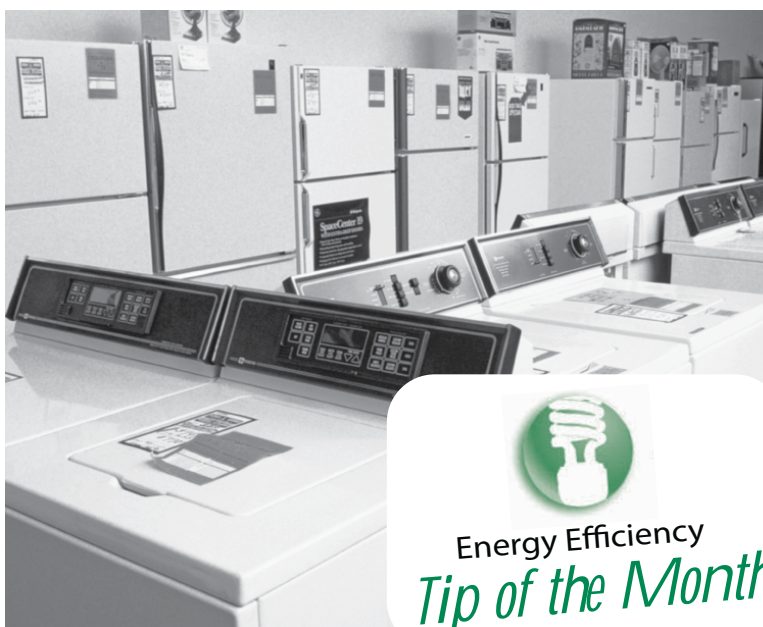
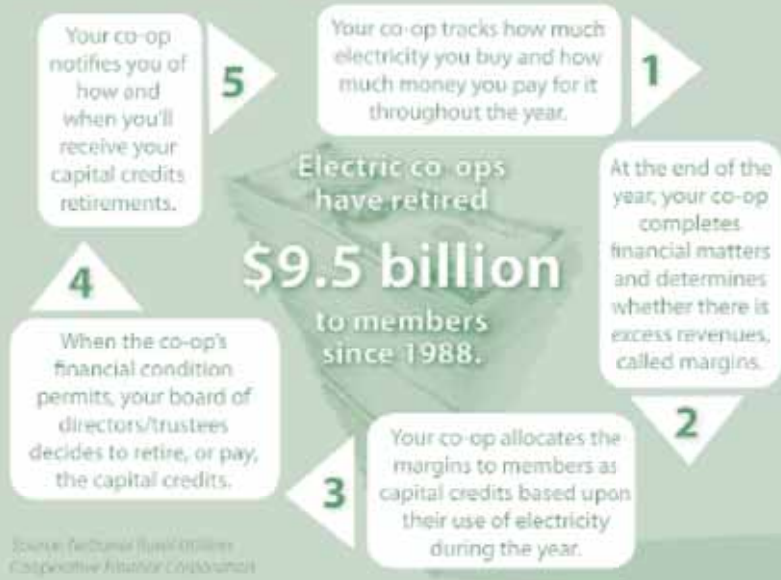
I'm saving just by using more efficient settings on my ENERGY STAR® qualified appliances. What can you do? Find out how the little changes add up at [TogetherWeSave.com](http://TogetherWeSave.com).



[TOGETHERWESAVE.COM](http://TOGETHERWESAVE.COM)

### How Do Capital Credits Work?

Because electric co-ops operate at cost, any excess revenues, called margins, are returned to members in the form of capital credits.



When buying a new appliance, check the black and yellow EnergyGuide label. This label provides an estimate of the product's energy consumption and efficiency. It also shows the highest and lowest energy efficiency estimates of similar models. Most major appliances—such as refrigerators, dishwashers, and clothes dryers—are required to have these labels.

*Source: U.S. Department of Energy*



◀ *Spoon River Electric Cooperative Board Member Kathy Smysor presents Stephen Lane, son of Noel and Jamie Lane of Smithfield, the \$500 Spoon River Electric Cooperative Scholastic Scholarship at the 2011 Annual Meeting of Members.*



◀ *Nancy Parrish presents Nichole Cattron, daughter of Nancy Cattron of Ellisville, with the first \$500 Scott Parrish Memorial Scholarship at the 2011 Annual Meeting of Members.*



◀ *Spoon River Electric Cooperative Board Member Kathy Smysor presents Austin Tarter, son of Kevin Tarter of Canton, the \$500 Spoon River Electric Cooperative Honorary Scholarship at the 2011 Annual Meeting of Members.*

▶ *All the winners of scholarships at the 2011 Annual Meeting of Members are congratulated on stage at the meeting. Scholarships ranged from \$100 to \$500. Standing with the students are Spoon River Electric Cooperative Scholarship Committee members Kathy Smysor, Terry Beam, Jim Banks and Steve Pille.*

