

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. You, and every member who receives electric service from

SIEC, own part of Southern Illinois Electric Cooperative. Capital credits are just one of the many differences that set cooperatives apart from other utility business models.

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. *Zion Swansy*

Every business needs to maintain a suitable balance between debt and equity to ensure financial health and stability. 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 that are allocated, but unretired, are used to maintain, improve and expand our electrical system. Capital credits help keep rates at a competitive level by reducing the amount of

funds that must be borrowed. The board of directors determines the retirement of capital credits to its members based on the cooperative's financial stability. Based on approval by the board of directors, capital credits are retired and paid back to you, the member.

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 represents the member's share of ownership in a nonprofit, member-owned cooperative. SIEC notified members of the annual capital credit allocation on the Aug. 1, 2024 billing.
- 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. Member capital credits are typically given back in the form of a check mailed to members.

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 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 in SIEC.

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 credit retirement of the outstanding balance of the deceased member's capital credit account, at a discounted rate.

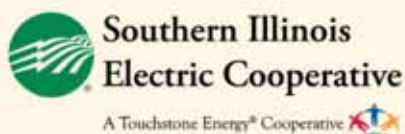
I have an account that is in my deceased parent's name. Should I obtain membership in my name?

Yes. 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).

Why are some capital credit 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

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“CONCERN FOR COMMUNITY”

ANNUAL MEETING LITE-4-BITE FOOD DONATION

2024 Recipient:
Karnak First
Baptist Church
Food Distribution
Center



Thank you for your generous donations!

Thanks to the generosity of our members at this year's Annual Meeting, SIEC was able to deliver several hundred pounds of non-perishable food items to the Karnak First Baptist Church Food Distribution Center this morning! Our Lite-4-Bite program continues to make a huge impact in the communities we serve, all thanks to you, our member-owners! Now that's "Concern for Community"!

Employees from SIEC Stephanie Theis & Mike Logeman pictured with representatives from Karnak First Baptist Church.

5 Tips for a Safe Harvest

Electrical safety during harvest season requires vigilance and proactive measures. Follow these tips to reduce the risk of electrical accidents.

1. Maintain at least a 10-foot distance from power lines when operating equipment like grain augers, elevators and other tall machinery.
2. Use a spotter to navigate safely around power lines and other electrical equipment.
3. Ensure all farm workers are trained on electrical safety procedures.
4. Regularly inspect all electrical equipment and machinery for signs of wear and damage.
5. Keep first aid kits and emergency contact numbers in an easily accessible location.



Beyond opening the box: Take steps to operate a generator safely

When the electricity goes out, your initial thought might be to run to the local hardware or big box store and buy a generator. However, using a generator should not be taken lightly, since it can be dangerous and even life-threatening if used incorrectly. There are several steps you should take before ever starting one up. **Orville R. Bailey**

But first, homework

Before purchasing a generator, the first step is to research the best option for your home and budget. The second, and more important step, is to educate yourself on how to use one safely.

Homeowners can choose from two types of generators: standby and portable. Standby generators are installed directly into the home's electrical system and are typically powered by natural gas or propane. These generators start automatically when the power goes out.

A portable generator is usually gas-powered and is, well, portable. You can power appliances by plugging them into it. Your generator should have

more output than the wattage of the electronics plugged into it. This way, the generator can create the extra electricity it takes for the initial power surge. Make sure there is nothing plugged into the generator when turning it on.

Safety tips

When you refuel a portable generator, make sure the engine is cool. Keep children and pets away from the generator, as it could burn them.

Generators pose electrical risks, especially when operated during inclement weather. Use a generator only when necessary during wet conditions. Protect the generator by operating it under an open, canopy-like structure and on a dry surface where water cannot form puddles or drain under it.

Generators can be deadly

Carbon monoxide fumes emitted by the gasoline engine on the generator can be deadly. Always operate your portable generator outdoors at least 20 feet from your home.

Misusing a portable generator or using a standby generator that is not installed correctly (and does not meet the electrical code) can cause backfeed, which puts others in danger. Backfeed happens when a generator feeds electricity back through a home's electrical system and meter into the power lines. To prevent this dangerous scenario, standby generators should have a transfer switch installed by a licensed professional. Do not plug a portable generator directly into a home outlet or electrical system. Instead, use a properly rated extension cord to plug appliances into an outlet on the generator for power.

When not in use

Operate your generator once a month for 10 minutes to ensure it is running properly. Keep your generator well maintained and follow all manufacturer's instructions. Have a standby generator installed in an easily accessible, weatherproof area.

For more electrical safety information, visit SafeElectricity.org.

What is a **TRANSFER** SWITCH?



A transfer or throw switch is an essential mechanism that safely shuts off power to the electrical grid before backup power is used. This switch is sometimes referred to as a double-throw switch, as it controls two separate circuits.

The switch's job is to safely transfer power from its primary source to a backup power source, enabling users to maintain power during an outage. It works by connecting a generator to your home's main circuits to provide backup power.

Properly installed transfer switches are essential because they prevent dangerous backfeed into the power grid, which endangers utility workers and others.

Make sure your permanent generator and switch are installed according to code and working properly. Never plug a portable generator into a wall outlet, as this can cause backfeed.

Learn more at:

**Safe
Electricity.org®**

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.

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Southern Illinois Electric Cooperative

7420 U.S. Highway 51 South
P.O. Box 100
Dongola, Illinois 62926

618-827-3555

Office hours: 8 a.m. — 4 p.m.

www.siec.coop

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credit retirement now that would normally be paid later. The smaller amount received today, if invested until the normal retirement date, would be equal to the normal retirement amount. **Christina M. Teller**


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.

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, please contact us during business hours to speak with an office services representative at 800-762-1400 or 618-827-3555.





STAY SAFE AFTER A STORM

- **Do not trim trees/branches** within 10 feet of a power line.
- **Read all instructions** and be familiar with equipment you intend to use.
- **Do not use a chainsaw for the first time** during cleanup.
- **Follow all safety recommendations** when using power tools.

- **Carry a ladder horizontally** instead of vertically.
- **Look for overhead power lines** before carrying a ladder.
- **Always look up** for overhead power lines before removing debris from gutters.

- **Take your time.** Rushing can result in serious injury.
- **Wear proper shoes and clothing** when using ladders and power tools.
- **Call your electric utility** to report branches in power lines; never try to remove them yourself.

 Remember, wait until an outage is restored before going outside to assess the damage.

 **Safe Electricity.org®**