Clinton County Connection

Your Touchstone Energy® Cooperative

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What are capital credits?

Bob Kroeger,
President/COO

Capital credits are a unique feature of the cooperative business model. CCEC is a not-for-profit electric cooperative, and the people we serve are its member-owners. Notice I used the word member and not customer. There is a difference. Most months the revenue we collect from our members exceeds our expenses. These profits are referred to as margins. When you become a member of the cooperative, you are assigned a member number that ties you to your capital credit account. At the end of every year, these margins are allocated back to each member's capital credit account. The dollar amount allocated to your account will vary depending on the electric you consumed and purchased throughout the year.

Assuming the cooperative is financially stable, capital credits are retired or paid back, in the form of a check, to the membership approximately 20 years after they were earned and allocated. We wait 20 years to retire capital credits because as a not-for-profit organization, CCEC does not generate capital or money from any outside sources. During this time, margins are used to finance a portion of long-term capital improvements such as line construction, pole replacements, substations and system improvements. The portion not funded by margins is funded through long-term borrowing or debt. CCEC could borrow 100 percent of the funds needed for capital improvements but that would result in increased interest expense and would need to be recovered through higher rates. We could also fund 100 percent of our capital needs through margins, but that too would result in higher rates. CCEC strives to maintain a healthy balance between using member capital and long-term borrowing to finance capital improvements.

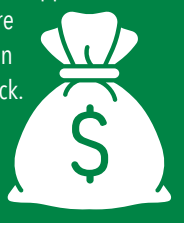
Capital contributed through margins by the membership also builds equity or ownership in the cooperative. CCEC's financial policy states that we will attempt to maintain an equity ratio between 40 and 50 percent. This means the CCEC membership owns 40 to 50 percent of the cooperative, and the remaining 50 to 60 percent is financed by long-term borrowing. Equity ratios in this range are typical for electric cooperatives. A strong equity ratio is a key financial metric that lenders look at when we need to borrow money. It also allows CCEC to continue to retire capital credits to the membership.

Earlier I said there is a difference between a member and a customer. Under the cooperative business model, margins are used to make system improvements and over time are returned to the members who initially contributed. This sets us apart from investor-owned utilities, such as Ameren, that pay their dividends or profits to their shareholders, who may or may not be customers.

Since being organized in 1939, CCEC has retired over $10.2 million in capital credits back to the CCEC membership. Member Economic Participation, one of the seven cooperative principles we are guided by, is demonstrated through the cooperative membership providing a portion of the capital required to build and maintain the facilities needed to serve the CCEC membership. The capital credit process is one of the many ways cooperatives differ from other business models. Thank you for making this investment in your cooperative. If you have any questions regarding the capital credit process, please contact the cooperative office Monday-Friday, 7 a.m. to 4 p.m., at 800-526-7282.

Capital credit retirement

At the December 20, 2022, Regular Meeting of the Clinton County Electric Cooperative Board of Trustees a resolution to retire an estimated $534,000 in capital credits was approved. Checks were mailed on Feb. 28, 2023. If you were a member and purchased electricity from CCEC in 2001, 2002 or 2003 you will likely receive a check. However, if your retired capital credits total under $10, they will be held until the accumulated amount is over $10.



Grants awarded

Grants totaling $4,000 were awarded to area teachers through the Touchstone Energy 2022/2023 Classroom Empowerment Grant Program.

Clinton County Electric Cooperative awarded checks to the following participants:

Germantown Elementary

From left to right: Superintendent Robin Becker, special education teacher Kristine Beer and kindergarten teacher Cheri Markwell accepted a $1,500 check from CCEC representative Carrie Trame.

Carlyle Grade School

Carrie Trame, CCEC representative (right), presented a check in the amount of $500 to Carlyle Grade School on behalf of a grant request written by second grade teacher Brandi Gore (left).

Mater Dei Catholic High School

From left to right: Business teacher Cory Arentsen, English teacher Pam Zurliene and science teacher Erika Knolhoff accepted a $1,500 check from CCEC representative Carrie Trame.

Trenton Elementary

A check for $500 was presented to Trenton Elementary on behalf of a grant request written by third grade teacher Sara Barton. Pictured left to right is Barton and CCEC representative Carrie Trame.

When Floodwaters RISE

7 Tips to Evacuate Safely

Once you leave your home:

1. Never drive around barricades.
2. Listen to weather alerts for information and instructions.
3. Do not walk, swim or drive through floodwaters.
4. Know that standing water could be energized.
5. Stay off bridges over fast-moving water.
6. Stay inside your car if it is trapped in rapidly moving waters.
7. Get on the roof if water is rising inside the car.

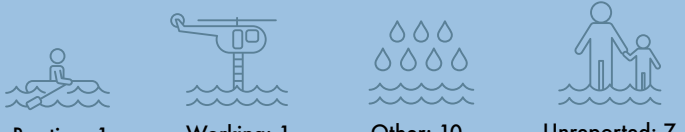
Do not return home until it is safe to do so.

Source: Ready.gov

Flooding Dangers

145 U.S. flood-related fatalities in 2021

Driving: 76 | At home: 40 | Walking/hiking: 8 | Falling in: 2



Boating: 1 | Working: 1 | Other: 10 | Unreported: 7

Source: National Weather Service

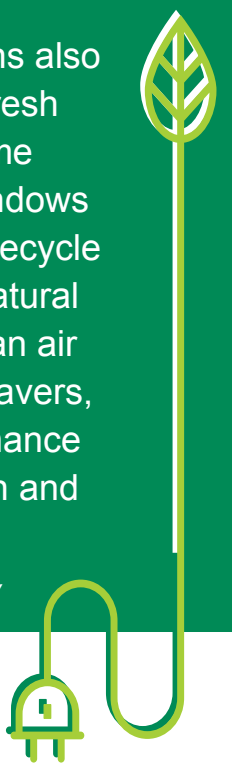
Safe Electricity.org®

Energy Efficiency Tip of the Month

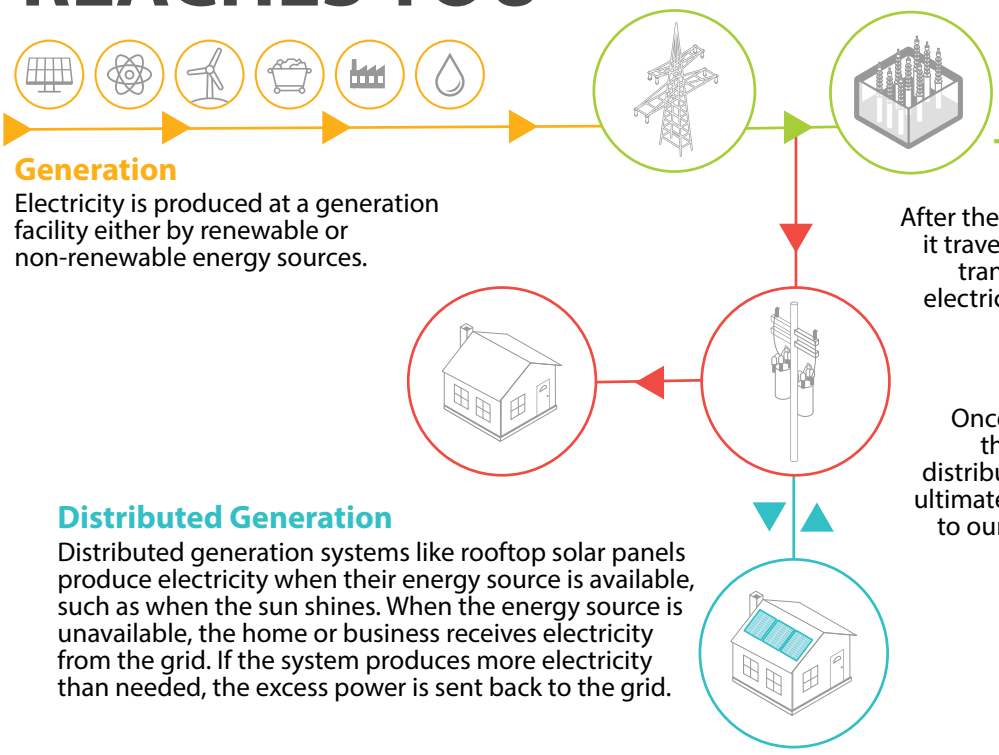
Washing windows and screens is a great way to practice energy efficiency during spring cleaning. Clean windows and screens make your home brighter by allowing more sunlight in, reducing the need for lamps and fixtures.

Clean screens also allow more fresh air in the home when the windows are open to recycle indoor air. Natural light and clean air are energy savers, and they enhance overall health and productivity.

Source: energy.gov



HOW ELECTRICITY REACHES YOU



Generation
Electricity is produced at a generation facility either by renewable or non-renewable energy sources.

Transmission Lines and Substations
After the electricity is generated, it travels through high-voltage transmission power lines to electric substations, where the voltage is lowered.

Distribution Lines
Once the voltage is lowered, the electricity travels over distribution power lines, which ultimately deliver the electricity to our homes and businesses.

Distributed Generation
Distributed generation systems like rooftop solar panels produce electricity when their energy source is available, such as when the sun shines. When the energy source is unavailable, the home or business receives electricity from the grid. If the system produces more electricity than needed, the excess power is sent back to the grid.

Considering Solar? Call us first!

As interest in "green" energy and ways to save money on utility bills continue to grow, some cooperative members may be considering the installation of a solar array.

Since these types of systems have the capability of returning electricity back to the electric grid, there are some major safety considerations to sort through before a system is installed.

Before deciding to buy a solar array, examine the economics to determine if such a system will lower your monthly electricity costs. If you do decide to install a solar array, contact our office as early as possible in the process.

A CCEC representative will provide information on our interconnection process and policies, as well as answer any questions you may have. That way, you and your installer will have the information needed as you progress with your system.

For more information on CCEC policies and requirements, please contact our office Monday through Friday, between 7 a.m. and 4 p.m. at 800-526-7282.

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