

The Cooperative Difference

First Electric Cooperative is a not-for-profit business. It charges a fair rate for electricity and uses the revenue to maintain equipment, build lines and operate the business. Any margins left over are returned to the members in the form of capital credits.

Capital credits are a unique benefit that differentiates cooperatives from any other form of business. Members of the cooperative have a financial stake in the business. This is called member economic participation and is one of the principles on which this business was founded in 1937. That is why it is so important that people who receive electricity from First Electric understand that they are members of the cooperative, not just consumers.

Capital credits are assigned to each account annually and refunded when financial conditions permit. How much members receive is based on how much electricity they used during the year or years that are being refunded.

First Electric takes pride in demonstrating this unique benefit of cooperative membership. We sincerely thank you and look forward to serving your electric power needs in 2012.



First Electric
Cooperative

Improving quality of life

Your Touchstone Energy® Cooperative





From you, for you.

At First Electric Cooperative, you are not just a member, you also are an owner of the company. Unlike other electric utilities, First Electric was created to ensure that you have a reliable source of electricity, not to make a profit.

Any revenue that is not needed to maintain the cost of providing service is assigned back to each member and refunded as capital credits, based upon the amount of electricity used.

The First Electric Board of Directors reviews the cooperative's financial position yearly and decides the amount of capital credits to refund.

This year, your board of directors approved a capital credit refund of \$3,813,744. It was allocated from a portion of years 1985 to 2010. Throughout the years, more than \$52.7 million has been refunded to First Electric members.

If your refund is less than \$20, then it will be applied as a line item credit on your December electric bill.

First Electric's line extension policy changing

First Electric Cooperative's line extension policy will change Feb. 6, 2012. The new policy requires no contribution from the member for qualified permanent services up to 1,000 feet. Beyond 1,000 feet, the member is responsible for all of the cost.

Line extension applications filed after Feb. 5, 2012, will fall under the new policy. At present, line extensions of up to 1,320 feet require no contribution from members when they are for qualified permanent services.

The change was due, in part, to increased cost of construction. It is estimated that fewer than 8 percent of all line extensions and less than 2 percent of residential extensions will be affected. Members may call 800-489-7405 for more information.