



Egyptian Electric News

1732 Finney Road • Murphysboro, IL 62966 • 800-606-1505 • eeca.coop

AUGUST 2023

\$752,729 in capital credits to be returned to members this year

Egyptian Electric Cooperative (EECA) will retire (or pay) \$752,729 to our consumer-members who were served by our cooperative in 1992. This means if you had service in 1992, you will receive a portion of margins allocated in that year, proportional to the amount you contributed to each year's revenue.

When you sign up to receive electric service from EECA, you become a member, as well as a consumer.

While investor-owned utilities return excess revenue or profits back to shareholders, electric co-ops operate at-cost, and periodically retire capital credits to its consumer-members. Over our 85-year history, excess margins have helped keep rates affordable, reduced the amount of money needed to borrow to build, maintain and expand a reliable electric distribution system, and covered emergency expenses.

Traditionally, EECA capital credit returns have been distributed yearly, by check, to those who had service with us approximately 30 years prior. Last year, the board authorized a retirement in the amount of \$1,000,778.

Where does the money come from?

Electric co-ops set rates to generate enough money to pay operating costs, make payments on loans and provide an emergency reserve. At the end

of each year, we subtract operating expenses from the operating revenue collected during the year. The balance is called an operating margin. Margins are allocated as capital credits.

What are capital credits?

A primary difference between an investor-owned company and a cooperative, such as EECA, is that we operate with a not-for-profit business model, owned by the member-consumers we serve. When you pay your monthly EECA bill, you accumulate equity in EECA through capital credit allocation. Margins, more than the cost to serve members, are utilized as operating capital. When the co-op has a positive margin (excess of income over expenses), the margin is allocated through a capital credits system according to each member's usage. These account allocations are communicated each year on your June bill, from the prior year. We also publish yearly, usually in May, the methods on how to calculate your allocations from year to year.

How are capital credits allocated and retired?

Each year, members are allocated the previous year's margins, based on the amount of electricity purchased by each member in relation to the amount of electricity purchased from all members. An allocation represents the member's share of ownership in our cooperative.

The previous year's allocation will be noted on the member's bill; however, the member does not receive the money or bill credit until the retirement

is completed. The margin allocations accumulate over time in the member's name. They are periodically retired (refunded) when directed by the board based on the financial condition of EECA in accordance with EECA bylaws. When capital credit checks are issued, checks are mailed to the address we have on file, so it is important to keep your address up to date even if you move off our lines. **William Schrader** so we can find you when a retirement is made.

What do co-ops do with capital credits?

Every business needs to maintain a suitable balance between debt and equity to ensure financial health. Capital credits are the most significant source of equity for electric co-ops. Equity is used to help meet expenses, such as paying for new equipment and repaying debt. Capital credits help keep rates at a competitive level by reducing the amount of borrowed funds.

For more information about capital credits, please visit our website, eeca.coop, email capcredit@eeca.coop or call us at 800-606-1505.

Egyptian Electric is returning more than \$750,000 in capital credits to members who had service in 1992!



Egyptian Electric
Cooperative Association
Your Touchstone Energy® Cooperative 

1732 Finney Road
Murphysboro, IL 62966

Business hours/After hours
800-606-1505

24/7 Automated Pay-by-Phone
844-759-3977

Office hours 8 a.m. – 4:00 p.m. M-F
www.eeca.coop

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- Off-site kiosks located at 2301 N. Reed Station Parkway and 1815 W. Main in Carbondale



Roni LeForge-Croxell



Dylan Craig



Lora Wolters

Employee news

Congratulations to Roni LeForge-Croxell, the new EECA Communications Coordinator. She received a B.S. in journalism from SIU and was previously a WSIL-TV3 news anchor and senior reporter before becoming the City of Carbondale's public relations officer in 2019. She has several broadcasting awards, as well as been the recipient of the Carbondale Chamber's Service Award and Young Professional of the Year Award. Roni currently serves on the Jackson CEO board, is a 2022 Delta Leadership graduate and co-founder of 61AID Productions that assists local not-for-profits. She joined EECA on July 5. Welcome, Roni!

Congratulations to Dylan Craig on his recent promotion to Staking Engineer and to Lora Wolters on her promotion to Operations Coordinator. Dylan began his career with EECA in March 2021 as our building maintenance-warehouseman. Lora was hired as a member service representative in February of 2020 and has been promoted to Operations Coordinator! Congratulations to Dylan and Lora on their moves, and we look forward to them continuing to serve our members with us! **Patricia Ward**

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MEMBER PRIZES

Every month we will have three member names hidden throughout our Egyptian Electric News section. If you find your name, call our office and identify yourself and the page that it is on and you will win a \$10 credit on your next electric bill.

What are capital credits?

Egyptian Electric Cooperative Association (EECA) is a not-for-profit electric cooperative — a 501(c) (12). When a person (sole membership), or people (joint membership), establish service with us, they become consumer-members. Each of our consumer-members have a share in the ownership, construction, maintenance and prosperity of the cooperative — through capital credits. Capital credits represent a consumer-member's share in the cooperative. Capital credits have two steps, or stages, that happen at different times:



STEP 1 Allocation

An allocation of capital credits is made annually, for each member, based on the amount of electricity purchased and our margins in the previous calendar year. The allocation is the member's share of the margins, in relationship to their energy purchased. Margins are also the dollars the cooperative uses for operating capital, improvements and maintenance. These dollars are utilized over a period of years into the future. The allocation process is done yearly, for the prior year, once yearly finances are finalized and the audit completed. Allocations are not payments, but the amount of capital due to you, that is recorded in your name, that is a part of our permanent records.



STEP 2 Retirement

Is the capital credit dollar amount, or refund, that a member receives back, from the allocation record, for a period of time. A retirement is a portion of the total allocation on the books. When the board of directors determines a refund of capital credits can be made, in good financial conscience, they will authorize a retirement — a refund for an amount in accordance with the cooperative bylaws and policies. This process is what we call a general retirement. The cooperative business model circulates its previous margins (used for cooperative costs to do business) back to the membership over time, opposed to other business models that retain their profits.



Because EECA capital credits are retired in the future, it is important to keep your information up to date in our system.

If you or someone in your family is the beneficiary of an estate of someone that you believe is eligible to receive a refund, please contact us at 618-684-2143 or 800-606-1505 or email us at capcredit@eeca.coop. See page 6 for our new beneficiary form for all consumer-members to complete.



 **Egyptian Electric Cooperative Association**

Your Touchstone Energy® Cooperative 

Youth to Washington 2023

Fifty-three young leaders representing 24 Illinois electric and telephone cooperatives boarded buses and departed for Washington, D.C. on June 16 for the annual National Rural Electric Cooperative Association (NRECA) Youth to Washington (Youth Tour). They joined more than 1,800 youth delegates from across the nation for this annual tradition that has spanned nearly 60 years.

Students from local high schools included Benjamin DeShazo of Trico, Isak Fagerland of Elverado and Sarah Restoff of Pinckneyville, who represented Egyptian Electric Cooperative during the all-expense-paid trip to D.C. June 16-23, 2023. In addition, Caroline Guthman of Murphysboro, who is the daughter of Egyptian Electric Cooperative Member Service Manager Brooke Guthman, attended Youth Tour by winning the Tootie Holmes Youth to Washington Scholarship, a memorial fund endowed by the Cooperative Choice Network Credit Union in Springfield.

During Youth Tour, these students had the opportunity to witness government in action, meet their elected officials, and see the best sights the capital city has to offer.

The students visited Capitol Hill and met with Congressman Mike Bost (R-12). They also visited historical and cultural sites including Gettysburg, Arlington National Cemetery, the Supreme Court, the White House, the National Mall, Mount Vernon, the Smithsonian Institution, the Holocaust Memorial Museum, Ford's Theatre, and many other memorials and historic sites. **Thomas Davis**

The Youth Tour program engages students to learn more about the cooperative business model and pushes them outside of their comfort zones to meet new friends and strengthen their leadership skills. In addition, students are encouraged to apply to become the Illinois Youth Leadership



(L-R) Isak Fagerland, Sarah Restoff, Caroline Guthman and Benjamin DeShazo

Council (YLC) representative. The YLC is a year-long appointment, and Paris Van Dyke of Wabash Communications Co-op was voted by her peers to represent Illinois' cooperatives at national and state meetings and other events in the year ahead.

High school students who live within the service area of Egyptian Electric Cooperative are eligible to apply to participate in the annual program each year. To learn more about Youth Tour, visit the Youth to Washington page on eeca.coop. You can also visit youthtour.coop or

[Facebook.com/ILYouthtoWashington](https://www.facebook.com/ILYouthtoWashington).

Since 1964, the nation's cooperative electric utilities have sponsored more than 60,000 high school students to visit Washington, D.C., talk one-on-one with their U.S. congressional delegations and learn from energy and grassroots government education sessions. NRECA is the national service organization representing the nation's more than 900 consumer-owned, not-for-profit electric cooperatives, which provide service to 42 million consumer-members in 47 states.