

Pipelines deliver natural gas safely

Learn how to prevent damage, recognize potential problems

Rock Energy Cooperative operates 173 miles of natural gas main in northern Illinois with nearly 9,000 natural gas services.

Pipelines are the safest and most economical method of transporting natural gas, according to the National Transportation Safety Board. Federal pipeline safety code mandates that Rock Energy and other distribution systems comply with tough requirements for design, construction, testing, inspection, operation, and maintenance from the point of connection to the meter on your house.

Natural gas is completely safe when used properly. The following information will help you and your families stay safe around natural gas.

How can I recognize a natural gas leak?

- **By smell:** Natural gas is colorless and odorless, but gas providers add a chemical that makes it smell like rotten eggs so any leaks can be easily detected. It is extremely important that you call us as soon as you smell the gas and not wait several hours or days before calling.
- **By sound:** A hissing or roaring sound coming from a natural gas line might be a sign of a leak.
- **By sight:** If you see unexplained dead grass, natural gas might be leaking. Dirt or debris blowing in the air and water bubbling in a puddle, pond, or creek are other signs.

What should I do if I suspect a leak?

If you smell a faint gas odor:

- Make sure all gas appliances and burners on your stove are turned off completely.
- Open one or more windows and wait a few minutes for the gas odor to dissipate before investigating further.
- Check the pilot lights on your gas furnace, water heater, stove, and oven.
- Don't try to relight a gas appliance while you can still smell gas.
- If you need assistance relighting the pilot light, call a heating or

plumbing contractor.

If you smell a strong odor:

- Leave the area immediately.
- Do not use the telephone or cell phone until you reach a safe location away from the suspected leak. Then call Rock Energy at 866-752-4550 to report the location.
- Do not light a match or turn on or off any switches, flashlights, garage door openers, or other appliances because an electric arc might ignite the gas.

How can I prevent pipeline damage?


- Call 811 before you dig or excavate to avoid hitting a natural gas pipeline or other buried utility line. State law requires people to call at least two days before any digging project. Utilities then will send a representative to the site so all underground lines can be marked. The call and service are free.
- Remember that Rock Energy maintains buried gas pipes up to your meter. All pipes beyond that are the member's responsibility and should be periodically inspected for corrosion and leaks.

How can I get additional information?

- If you have any questions about natural gas safety, we would be happy to provide you with further information. Just call us at 866-752-4550. You also can visit www.rock.coop, www.call811.com or www.illinois1call.com.



Rock Energy Cooperative

Your Touchstone Energy® Cooperative 



More Power to You CO-OP MEMBERS BENEFIT BY GETTING THEIR PIECE OF THE PIE



Shane L. Larson,
Chief Executive Officer

Capital credits. Margins. Allocation. Retirement. These concepts are unique to cooperatives, a business model that many people simply don't understand.

Before your eyes start to glaze over, I'll try to explain the process with an analogy that's familiar to everyone. Let's say that capital credits are like a huge pie—apple, pumpkin, banana cream, or lemon meringue—pick your favorite.

Each eligible co-op member gets a slice of pie based on how much energy they used during the previous year and how much they paid for it. A residential member whose monthly bill is relatively modest will get a small slice of the pie. But larger industrial members who pay thousands of dollars each month will receive a much bigger piece.

Obviously, that's an oversimplification. I encourage you to read the Frequently Asked Questions on page 18D to get a more thorough understanding of capital credits and how they are distributed.

Members' economic participation is one of the seven co-op principles and distinguishes energy cooperatives from investor-owned and municipal utilities.

As a co-op member, you have equity in Rock Energy. The amount of your equity is shown on your statement each May. (See sample bill.) That money is used as working capital to operate, maintain, and upgrade the

cooperative's energy distribution system.

As a cooperative, we don't talk about profits because we're a not-for-profit business. By definition, a cooperative is "an enterprise that is collectively owned and operated for the mutual benefit of all members." These benefits include the generation, accumulation, and return of capital.

This year Rock Energy is distributing more than \$800,000 to current members on their May statements and over \$200,000 to past members. Since it was founded 81 years ago, more than \$16 million has been paid back to past and current members.

Here are some interesting facts and figures about this year's capital credits:

- The average allocation of 2016 margins was \$132.
- The average amount retired and applied to a member's statement was \$49.

Account Number	Cycle	Service Location	Location	Billing Date	District						
000000000	01	12345 Any Street	1234567	04/12/2017	8						
Serv Type	Rate	Meter #	Reading Dates Prev	Reading Dates Pres	Meter Readings Prev	Meter Readings Pres	Multiplier	BTU Factor	Usage	Code	Units
Electric	100	000000000	02/28/17	03/30/17	34,653	35,518	1		865	A	KWH
CURRENT ELECTRIC CHARGES			AMOUNT								
Facilities Charge					\$	17.00					
Energy Charge		865 kwh @	.10890			94.20					
Power Cost Adj.		865 kwh @	.00539			4.66					
Capital Credit Retirement						23.46CR					
Non-Taxable Public Benefits						1.33					
Total Current Electric Charges					\$	93.73					

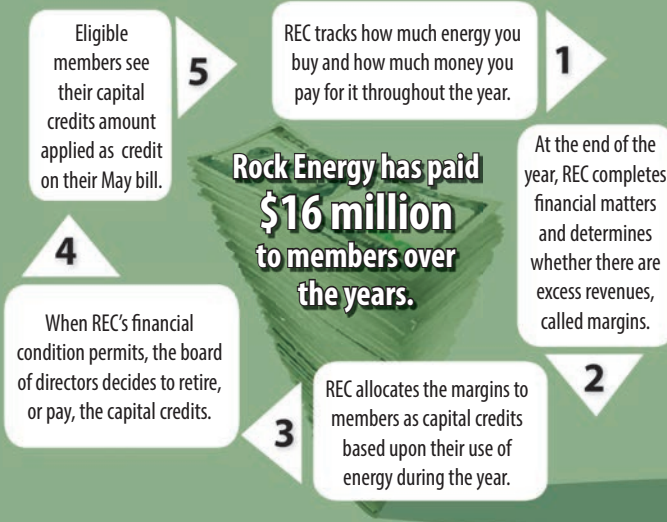
In this sample bill, the member's share of 2016 earnings is \$64.33. The member's 2017 retirement amount of \$23.46 is applied to the current bill as a credit. The ending capital credits balance is the amount of equity the member has in the co-op and is used to help meet the co-op's ongoing operational needs.

Capital Credits Allocation and Retirement/Credit Activity is as follows:
 Beginning Capital Credits Balance: \$717.74
 2016 Allocation: \$64.33 - Your Proportional Share of 2016 Earnings
 2017 Retirement Amount: \$23.46 - Portion of Your Capital Credits Applied to This Bill
 Ending Capital Credits Balance: \$758.61 - Your Equity in Rock Energy

MY CO-OP

How Do Capital Credits Work?

Because Rock Energy Cooperative operates at cost, any excess revenues, called margins, are returned to members in the form of capital credits.

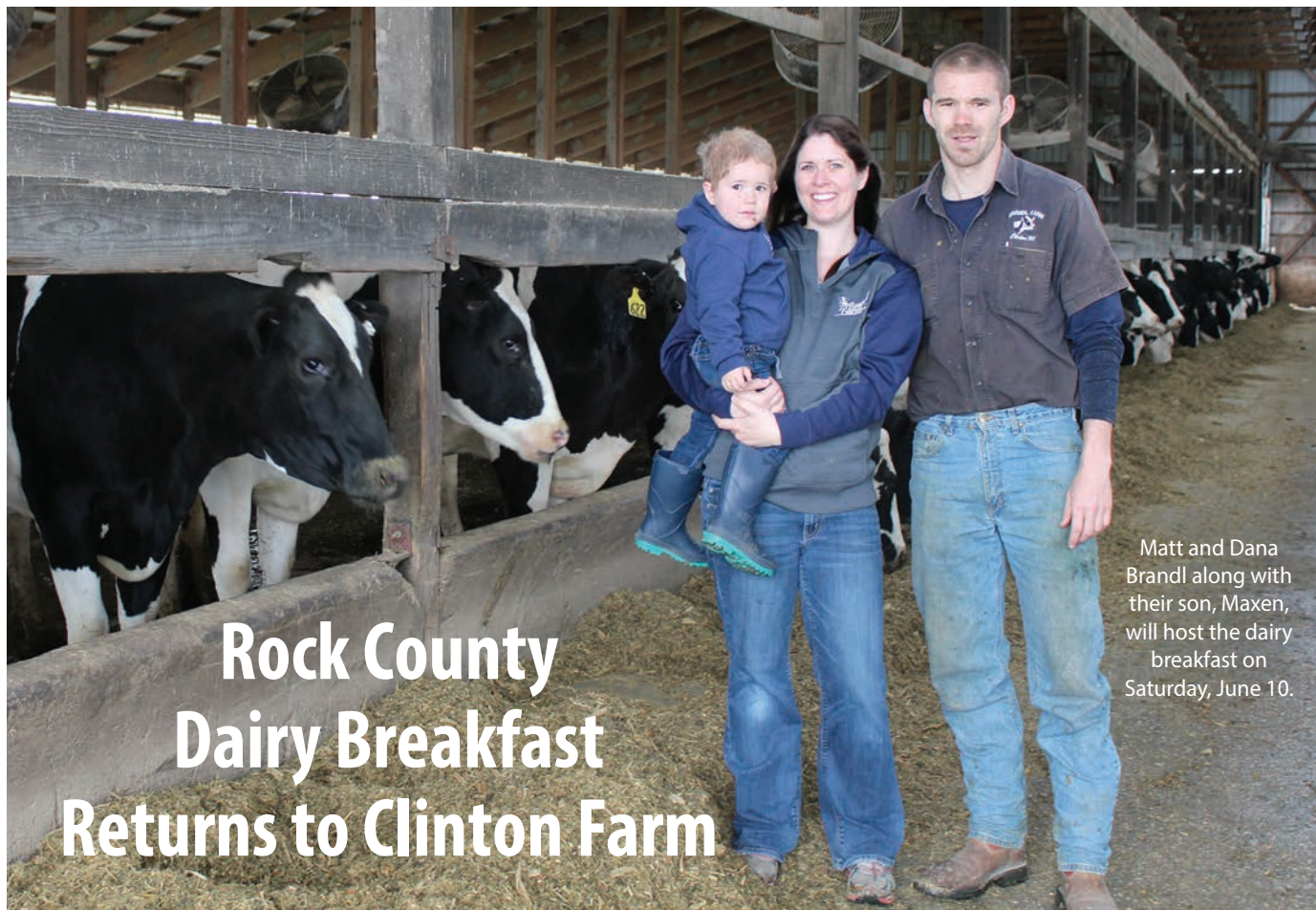


Many longtime members are quite familiar with the concept of getting money back from the co-op. In fact, until eight years ago members would receive their capital credits checks at our Member Appreciation Day in the fall. The checks were a visible reminder of the cooperative difference. Now, we return capital credits to members on their May statement to avoid the cost of issuing checks.

Donald Russell, a co-op member since 1959, didn't have to pay his Rock Energy bill in May because his \$67 credit covered the cost of electricity he used. There's even some left that will be applied to next month's bill. Russell said he likes the idea of getting a free month of electricity. Who wouldn't? Through the years he also has built up more than \$2,000 in equity, just by using energy.

Helen Carroll, whose family has been a co-op member almost from the beginning, said capital credits play a big role in what it means to be part of the cooperative. The credit on her statement amounted to \$108, and she has about \$3,500 in equity.

(Continued on page 18D)



Matt and Dana Brandl along with their son, Maxen, will host the dairy breakfast on Saturday, June 10.

Rock County Dairy Breakfast Returns to Clinton Farm

Matt and Dana Brandl are hoping for a nice, sunny day on Saturday, June 10, when they host the Rock County Dairy Breakfast at their farm near Clinton.

The farm, which is on Rock Energy Cooperative lines, has been in the Brandl family since 1985 when Dave and Anne, Matt’s parents, started with 40 cows. Now, the crew milks 250 cows three times a day and farms 315 acres, growing hay and corn for the herd.

The farm is a real family affair. Matt pointed out that there are five full-time and five part-time employees and all are family members. Dave is still involved in the business but is taking some time off after having triple bypass surgery in April. He plans to be at the farm for the dairy breakfast, just like he was 10 years ago when Dave and Anne hosted the event. As a coincidence, Dana’s parents, Dan and Nancy Karlen, hosted the Green County Dairy Breakfast that same year.

Matt started working on the farm when he was 12 and says it was an awesome place to grow up. Early on,

he learned the importance of practicing safety around the farm animals and equipment.

He also has seen many improvements over the years. A redesign of the milking parlor decreased the amount of time spent milking. Instead of milking four cows at a time, the new parlor can handle 16 at once. But it still takes a lot of time.

The cows are milked three times a day—4:30 a.m., 12:30 p.m., and 8:30 p.m.—and each one requires three people and takes four hours. Matt said he usually doesn’t work all three, but has been pulling some triple duty with his dad out of commission. That adds up to 18 hours of work for him some days.

Electricity is needed for most everything on the farm—from the milking machines to the coolers—and Matt said Rock Energy’s service has been great. The farm has a backup generator, but it isn’t used very often, he said.

Julie Funk, president of the Rock County Dairy Promotion Council, said between 4,000 and 5,000 guests are ex-

pected to attend the dairy breakfast. She is happy that the event is returning to the Brandl farm.

“They’ve been a joy to work with,” she said about Matt and Dana. “It’s nice that a young couple is hosting and interested in getting involved.”

Rock County Dairy Breakfast

When: 6:30 to 11 a.m. Saturday, June 10

Where: Brandl Farm, 10817 E. Lake Shore Road, Clinton

Cost: \$6 for adults, \$2 for children

Details: All-you-can-eat pancake breakfast with ham patties, yogurt, cheese sticks, applesauce, ice cream, milk, coffee

Activities: Farm tour, small animal display, kids’ fun area, crafty cow contest, tractor wagon rides, music, crafters

Join us Saturday, June 10,
for Rock Energy

FAMILY NIGHT at the BALLPARK

Beloit Snappers vs. Quad Cities River Bandits 7 p.m. Pohlman Field at Telfer Park in Beloit

Gates open at 6 p.m. The first 30 kids win a special gift. (Must be accompanied by adult member.) Come early to collect team autographs. Then stay late for a spectacular fireworks show!

Stop at either our Janesville or South Beloit offices to buy game tickets. Tickets are \$2 each (\$8 value) and good for any 2017 regular season Snappers home game.

Show your Co-op Connections Card at the ballpark on June 10 to buy reduced-price food vouchers. Get a hot dog, chips, and soda or pizza and soda for just \$2. If you don't have a card, stop by our office to get yours free!





Energy Efficiency Tip of the Month



Periodically inspect your dryer vent to ensure it is not blocked. This will save energy and may prevent a fire. Manufacturers recommend using rigid venting material—not plastic vents that may collapse and cause blockages.

Source: U.S. Department of Energy

HAVE A SAFE AND HAPPY INDEPENDENCE DAY!



Rock Energy Cooperative offices will be closed on Tuesday, July 4, in observance of Independence Day. We will reopen at 7:30 a.m. Wednesday, July 5. Members can make payments in the drop boxes at both offices during the holiday. Even though our offices are closed, standby crews are always available 24 hours a day. If you need to report a power outage, please call 866-752-4550.

MORE POWER TO YOU

(Continued from page 18A)

Both Russell and Carroll pointed out that the benefit of co-op membership goes beyond capital credits. Russell said he is very satisfied with the quick

response time to outages and the co-op's friendly staff. Carroll said she appreciates that the co-op sponsors youth programs, which are fun, educational, and might even encourage young people to become involved in the future.

After reading this column, I hope you have a better understanding of co-op

finances and capital credits. If you have any questions, please give us a call. As always, I want to thank you for allowing us to be your energy provider. If we can do anything to improve our service, please let us know.

Enjoy your piece of the pie!

Frequently Asked Questions

What are capital credits?

Capital credits are one of the many benefits of co-op membership. As a cost-of-service energy provider, Rock Energy doesn't earn profits. Instead, co-ops use the term margins, which is any revenue remaining at the end of the year after all bills are paid. Capital credits reflect each member's equity in, and contribution of capital to, the cooperative. This differs from dividends that investor-owned utilities pay shareholders, who may or may not receive service from the utility.

Where does the money come from?

Co-ops set rates to generate enough money to pay operating costs, make payments on any 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.

What's the difference between allocation and retirement?

An allocation is your share of the margins. We set this money aside to use as operating capital for improvements and maintenance. A retirement is the amount you receive as a credit on your statement. It is a percentage of your allocations accumulated over the years. Typically, after utilizing capital for 20 to 30 years, it is retired.

Why does the cooperative need to accumulate equity?

Your equity in the co-op reduces the need for us to raise rates or borrow money to meet expenses.

Are capital credits retired every year?

Each year, your board of directors decides whether to retire capital credits based on the co-op's financial health. Rock Energy's ability to retire capital credits reflects the cooperative's strength and financial stability.

What happens to my capital credits if I move?

Your capital credits remain on our books until they are retired. That's why it's important to let us know of any address changes. This year we issued checks totaling more than \$200,000 to past members.

What happens to the capital credits of a member that dies?

A deceased member's capital credits may be paid at a discount without waiting for a general retirement. A representative of the estate must contact us.

What happens to unclaimed capital credits?

We do everything we can to ensure that former members get their retired capital credits. Each fall we publish a list of unclaimed capital credits. Any money that isn't claimed is placed in the Wisconsin Electric Cooperatives' Federated Youth Foundation and used for educational purposes, including scholarships and youth programs in both Wisconsin and Illinois.

Shane Larson, CEO

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Barbara Uebelacker, Editor



**ROCK ENERGY
COOPERATIVE**
Empowering Members Since 1936