

ROCK ENERGY NEWS

FOR ROCK ENERGY COOPERATIVE MEMBERS

www.rock.coop

May 2018

Capital Credits

If you take a close look at your May Rock Energy statement, you'll notice one of the many benefits of your co-op membership.

Unlike other electric utilities, your co-op exists to make sure your needs are always met, not to make a profit. As a member, you share in the profits in the form of capital credits.

Rock Energy works hard every day to keep your rates as low as possible. But it's sure nice to know that when there are profits, they go back to you.

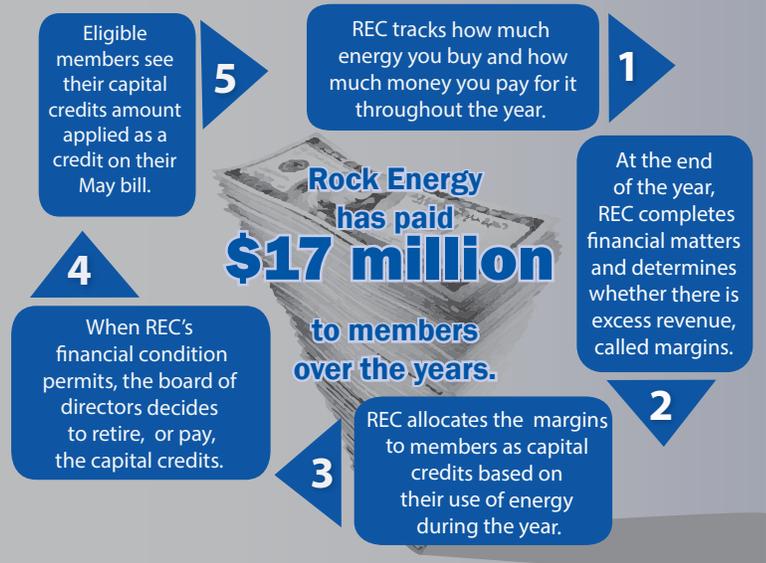
Capital credits are based on usage, so the more energy you purchase, the more capital credits are earned and eventually returned to you.

In 2018, Rock Energy is distributing about \$900,000 in capital credits to current members on their May statements and about \$200,000 to past members. Since the co-op was founded 82 years ago, about \$17 million has been paid back to past and current members.

Your May statement
(Continued on back)

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.



Rock Energy Night at the Ballpark

- **When:** 7 p.m. Saturday, June 16
- **Where:** Telfer Park, 2101 Cranston Road, Beloit

Rock Energy members will fill the stands when the Beloit Snappers play the Clinton LumberKings at 7 p.m.

Gates open at 6 p.m., and the first 30 kids will receive a special gift when accompanied by an adult member.

Come early to collect team autographs.

Then stay late for a spectacular fireworks show after the game.

Co-sponsored by Rock Energy Cooperative and Touchstone Energy Cooperatives.



\$2 tickets for members!

Tickets must be purchased in advance at either REC office. Good for any 2018 regular season game.

Incredible food prices!

Hot dog, chips, soda – \$2

Pizza, soda – \$2

Show your Co-op Connections Card at the ballpark on June 16 to buy food vouchers. If you don't have a card, stop at our office to get yours free!



It Pays to be a Rock Energy Member!

Capital Credits Distributed on May Statements

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 allocations and retirements?

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 per-

centage 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 who 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.

Capital Credits

(Continued from front)

shows your share of the co-op's 2017 margins as well as your percentage credit for the current and past years' allocations.

The statement also shows your capital credits balance, which represents your equity in the co-op. That money is used to maintain and upgrade the system and repay associated indebtedness.

"Allocating and retiring margins to members helps distinguish energy cooperatives from investor-owned utilities," said Shane Larson, chief executive officer for Rock Energy.

"We're proud to support our communities by putting money back into the local economy and into the pockets of those we serve."

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.

Energy Efficiency Tip of the Month

When streaming online content, use the smallest device that makes sense for the number of people watching. Avoid streaming on game consoles, which use 10 times more power than streaming through a tablet or laptop.

Source: energy.gov



Have a Safe, Happy Memorial Day!

Rock Energy Cooperative offices will be closed on Monday, May 28, in observance of Memorial Day. We will reopen at 7:30 a.m. Tuesday, May 29.



Members can make payments in the drop boxes at both offices throughout the holiday weekend.

Even though our offices are closed, stand-by crews are always available 24 hours a day. If you need to report a power outage, please call 866-752-4550.

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**Know what's below.
Call before you dig.**