

Global Warming

Straight talk about your cooperative

With climate change legislation coming, you need to know some facts about your electric co-op.

First and foremost, **profit is not a co-op motive**. Your electric cooperative doesn't profit from an energy crisis, past, present or future. Co-ops are different from utilities owned by investors. Your co-op is owned by you, its members.

Next let's talk about co-op expenses. **Cooperatives work strictly on a cost-of-doing-business basis**. The big expense is wholesale power bought from government sources, generation cooperatives and on the open market, often at a premium. Other costs include poles, wire, real estate, taxes, payroll, payments, interest and other costs, as in any business.

Most revenue comes from the rates you pay for electricity distributed by the cooperative to your home, farm, ranch or business. When revenue exceeds expenses, it's called a margin. Margins that exceed costs, minus any funds held back in savings for a rainy day or necessary investments and expenses, are returned to you in the form of capital credits. No part of co-op income is paid out as dividends to anybody. Nobody profits. **The money is simply returned to members, most often to those who paid in first**. When rising costs point to a revenue shortfall, rates have to increase to keep your lights on.

If you attend your co-op's annual meeting this year, you will hear a financial report on the specifics of the co-op's economic health. You will get a copy of that report. You can ask questions about it.

And you have a trustee assigned to the district where you get power. That trustee can answer questions you have.

Your trustee would like to give you the straight talk about the rising cost of power. It's their responsibility as a trustee. All you have to do is ask.

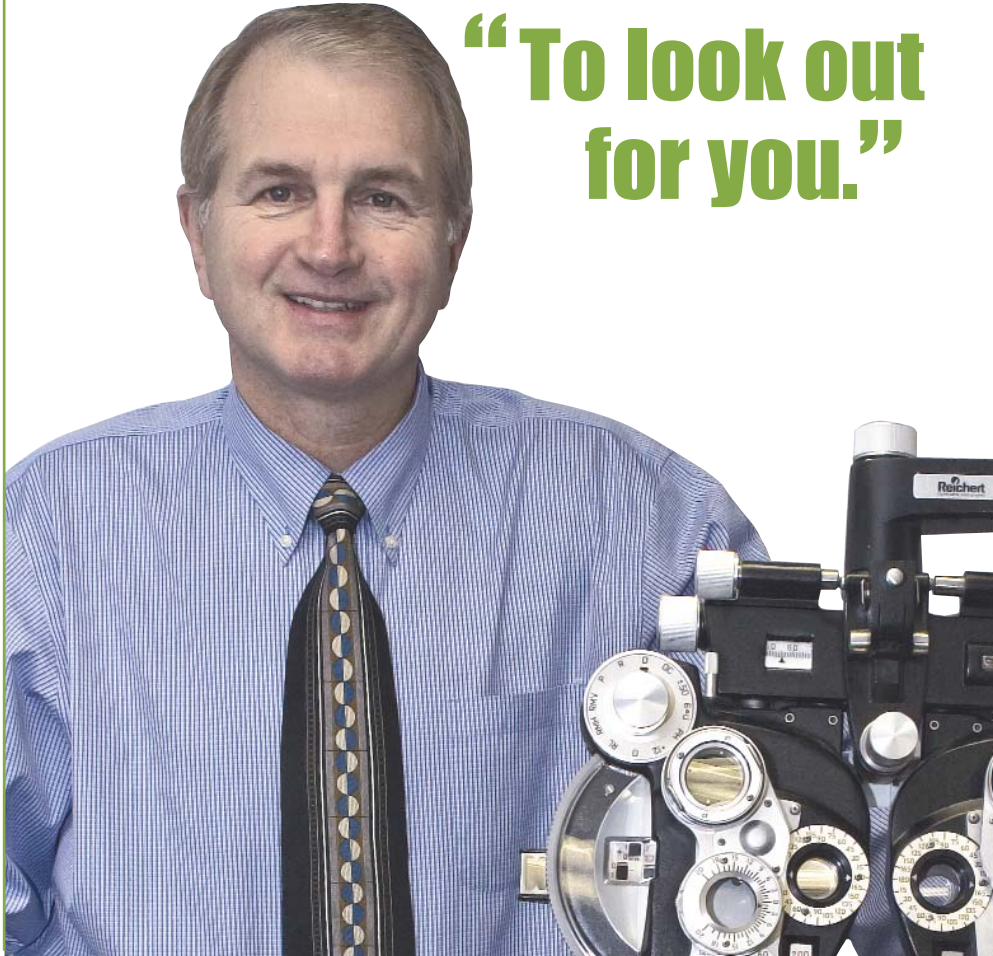
Climate Change . . .
Let's get right!



This climate change message is brought to you by your local electric cooperative in conjunction with the Montana Electric Cooperatives' Association as an educational service to members.

Our vision on climate change?

“To look out for you.”



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Your electric co-op's mission on climate change legislation now before Congress is to look out for your interests — all of your interests. You elect trustees to keep the lights on at a reasonable price. And to strike a balance between energy needs and the environment. You can trust that your co-op will be asking the right questions in Helena and Washington, D.C., on your behalf. Trust. It's the biggest part of *trustee*.

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— Dr. Rock Svenningsen, Shelby and Chester optometrist and trustee at Marias River Electric Cooperative

**Climate Change . . .
Let's get it right!**