

Co-ops work for members not for profits

Every penny you pay into the Cooperative is invested in the Cooperative. Every penny that's not used comes back to you.

Types of utilities



COOPERATIVE
Owned by the people they serve
Not-for-profit



INVESTOR-OWNED
Private companies owned by shareholders/investors
Operate for a profit



MUNICIPAL SYSTEMS
Owned by cities, counties, or states
Not-for-profit

When customers establish service with SMECO, they become members of the cooperative.



STANDARD OFFER SERVICE
The cost of the electricity each member uses. This is a pass-through cost with no mark-up.

X Not included in capital credit allocation.

Your monthly bill



REGULATORY, STATE, AND LOCAL TAXES
Fees required by state and local government to cover taxes and other government-imposed charges.

X Not included in capital credit allocation.



DISTRIBUTION SERVICE
The costs associated with keeping the cooperative running from day to day to provide reliable power to its members.

✓ Included in capital credit allocation.



$$= \text{Revenue} - \text{Expenses} =$$

Revenue minus Expenses



At the end of each fiscal year, any margins not used for expenses are allocated to each members' account. Allocated margins are used as capital to fund new construction, system improvements, and maintenance.

When the amount of capital exceeds the threshold set for the financial well-being of the cooperative, SMECO's Board of Directors can retire the capital credits. When capital credits are retired, members are issued a capital credit refund.

Capital Credits

AMOUNT OF CAPITAL CREDIT REFUND?
⚡ USE = PERCENTAGE OF MARGIN \$



Each member's share of the co-op's margins is based on how much electricity the member used and the rate at which the account was billed.

WHO QUALIFIES?

✓ Credit on bill

Members who have an active account

Member received electricity before the end of the previous fiscal year

✓ Checks issued

Inactive, eligible former members who received electricity before the end of the previous fiscal year

Minimum check amount must be met

✓ Special refunds

Estates of deceased members

Unpaid final bills