

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

DECEMBER 2023



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MCREA Mission

Morgan County REA, a member-owned cooperative, is dedicated to serving our members by providing safe, reliable energy with a strong tradition and vision for the future.

■ This institution is an equal opportunity provider and employer.

NEW CAPITAL CREDITS RECORD MORGAN COUNTY REA RETURNS \$4.5 MILLION TO MEMBERS

BY DAVE FRICK GENERAL MANAGER



DAVE FRICK

This really is the most wonderful time of year, with an abundance of holiday spirit and gatherings with family and friends. Morgan County REA members have even more to celebrate, as many will receive capital credits checks this month.

I am pleased to announce that this year, your MCREA Board of Directors has approved \$4.5 million in capital credits to be returned to MCREA members. This is the largest patronage capital retirement in MCREA history. Capital credits are one of the best parts of being a member of an electric cooperative. While investor-owned utilities send profits to shareholders, MCREA — a not-for-profit electric co-op — returns remaining funds to our members. Based on the financial condition of the cooperative, the MCREA board elects to retire all or part of the patronage capital from a given year. Anyone who was a member of the co-op during that year is sent a capital credits check based on how much power they purchased.

In October, the MCREA board approved a full retirement of 2017 MCREA patronage and partial retirement of 2018 MCREA patronage, as well as a partial retirement of 2004 Tri-State Generation and Transmission capital. Anyone who was an MCREA member in any of these years will receive a capital credits check, reflecting their contribution to the cooperative. Those funds helped MCREA manage rates, cover emergency expenses, and reduce the amount of money we needed to borrow from outside lenders to build, maintain, and expand a reliable distribution system.

This capital credits retirement comes at a great time for MCREA's membership, especially as we expect a rate increase early next year. As we've communicated the past couple of months, higher energy prices and supply pressures have caused Tri-State — our wholesale power supplier — to announce a rate increase for its members. MCREA will see an increase of about 6% in the rate we pay for power.

The costs for MCREA to distribute that power — including the price of materials and equipment — have also significantly increased. In light of these changes, MCREA is undergoing a cost of service study that will help guide a rate change in early 2024, with the goal of minimizing the impact of these industry changes to our members. While we do not yet know exactly how this rate change will look for each of our rate classes, MCREA is committed to delivering safe, reliable electricity to our members, at rates affordable as possible. This year's record-setting capital credits retirement will undoubtedly help members adjust more easily to an increase next year.

It's also important to note how quickly the co-op returns capital credits to members. MCREA has the ninth fastest return of capital credits among the 832 electric distribution co-ops in the United States. MCREA is the fastest of any electric co-op in Colorado and fastest of Tri-State's 42 member electric co-ops and public power districts. This is an exceptional testament to the way MCREA's board and employees run the cooperative for the well-being of our members.

MCREA is proud to deliver this record-setting amount of capital credits, and how fitting it is for this to come at such a joyful time of year. On behalf of Morgan County REA, I'd like to wish all of our members a very Merry Christmas and Happy New Year!

MCREA Member Pullout List:

You are invited to sign up

Morgan County REA crews work hard year-round to make sure safe, reliable electricity is delivered to MCREA members. Though we hope that bad storms are few and far between, there are instances where MCREA crews may need assistance from members, should inclement weather arise — primarily with pulling out equipment that might be stuck in heavy mud or snow. (Shannon Bucks, acct. #xxx4500)

For this reason, MCREA created a list of members who are willing to assist MCREA crews with stuck equipment. Any members who have the equipment necessary to aid in adverse weather conditions and who want to help are invited to sign up and be added to the list.

To sign up, visit mcrea.org/outage-center or scan the QR code to the right to provide your name, address, and phone number so MCREA can contact you if the need arises. MCREA will provide compensation when pullouts are performed, and we greatly appreciate members who are willing to help.



CAPITAL CREDITS: WHAT TO KNOW

Morgan County REA has announced that a record-setting \$4.5 million in capital credits are being returned to MCREA members this month, but what does that mean?

Here are a few commonly asked questions about capital credits:

What are capital credits (patronage capital)?

MCREA annually “allocates” capital credits to each member based on a member’s purchase of electricity and operating revenue remaining at the end of the year. Later, as financial condition permits, these allocated amounts — capital credits — are retired. Cooperatives were established by and exist to serve their members. Therefore, capital credits reflect each member’s ownership of the cooperative.

Where does the money come from?

Member-owned, not-for-profit electric 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.”

How are margins allocated?

Margins are allocated to members as capital credits based on their purchase from the cooperative — how much power the member used. These purchases may also be called patronage.

I didn't buy electricity from MCREA in 2004, 2017, or 2018. Will I get a check this month?

No. Capital credits checks will only be sent to members who purchased power in the years from which patronage is being retired: 2004, 2017, and 2018.



What if I moved or didn't receive a capital credits check?

If you move and no longer have electric service from MCREA, it is important for you to keep the cooperative informed of your current address so that retirements can be properly mailed to you.

If you purchased electricity during the years being retired, then you are entitled to a capital credit retirement, even if you move out of MCREA’s service area. Members can update their contact information by calling MCREA’s billing department at 970-867-5688 to make sure your capital credits check makes its way to you.

Stay Safe As You Go Over The River And Through The Woods This Holiday Season

The winter holiday season is a busy time of year for many of us. Along with putting out decorations and baking cookies, we often spend more time in our cars than usual, shopping for presents, traveling to family gatherings, or attending holiday events. All that time in the car can mean facing extreme weather conditions that can make safe driving difficult.

According to the U.S. Department of Transportation, winter weather conditions such as snow, sleet, and slush cause more than 550,000 traffic accidents each year, leading to approximately 138,000 injuries and 1,700 fatalities.

Along with the risk of injury, possible damage to your vehicle, and plain inconvenience, collisions may also involve downed power lines or other electrical hazards. Unfortunately, when this happens, it adds another very significant danger to the mix: severe shock, burns, or electrocution. Knowing what to do in this situation can save lives.

If you are in an accident involving a downed power line:

- Call 911 and tell the dispatcher a downed power line or other electrical equipment is involved in a collision. Power company personnel will be dispatched to the scene to de-energize the equipment and turn off power.
- If others are near, roll down your window and alert them to not approach the scene. They could be shocked or electrocuted if they walk or run over the energized area or touch anything that is energized.
- Never attempt to drive over a power line or through water, snow, or other debris that could be hiding one. There is no way to tell if a power line is energized, even if it is not sparking or buzzing.
- Do not exit the vehicle UNLESS it is on fire or you see smoke. The



- vehicle acts as an insulator that keeps you safe from stray electricity.
- If you must exit the vehicle, cross your arms across your chest, put your feet together, and make a clean jump from the vehicle. Then hop with feet together as far as you can — at least 50 feet away. Once a power line is in contact with a car or truck, the ground, or other objects, it energizes the area. The electrical current spreads to the vehicle and ground and ripples out from there. Each “ring” of the ripple represents a different voltage. Stepping from one voltage to the next can cause your body to become a path to ground for electricity and electrocute you.
- If a power line is inside the vehicle due to damage or an open window, stay in the vehicle. DO NOT touch or try to move the wire. DO NOT attempt to use other objects to move it.
- If your vehicle collides with a pad-mounted transformer that houses electrical equipment connected to underground power lines, the same safety precautions apply.

Keep your family safe while on the road this holiday season. For more information about safety around electricity, visit [SafeElectricity.org](https://www.SafeElectricity.org).

Energy Efficiency Tip of the Month



Get smart with a better way to heat and cool your home. Smart thermostats are Wi-Fi enabled and automatically adjust heating and cooling temperature settings in your home for optimal performance. Smart thermostats learn your temperature preferences and establish a schedule that adjusts to energy-saving settings when you're asleep or away.

For maximum energy savings, look for smart thermostat models with the Energy Star label.

Source: Dept. of Energy





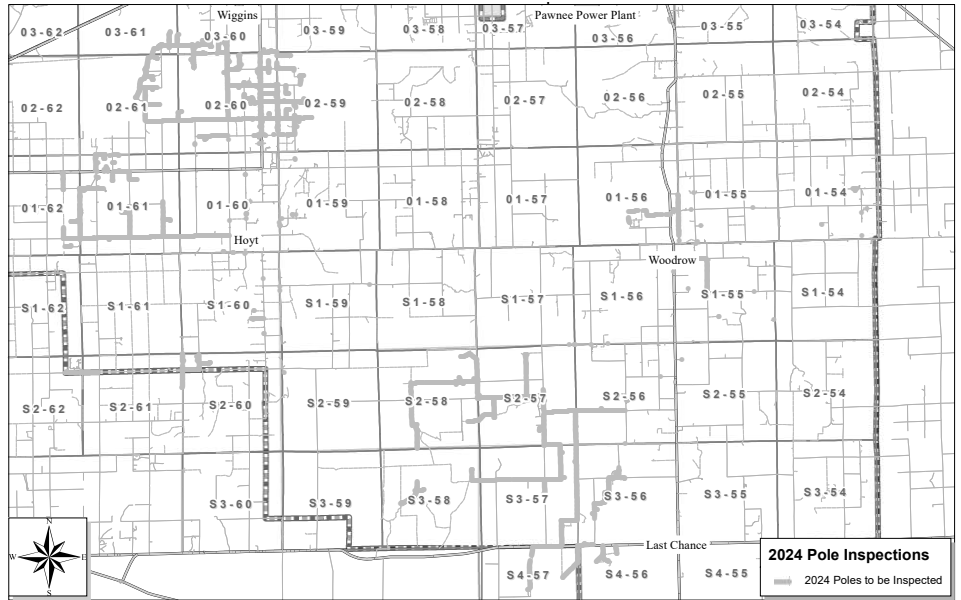
Youth Tour & Leadership Camp: Apply by December 15

Students: There is still time to apply for Morgan County REA's upcoming Youth Tour and Leadership Camp opportunities. Each year, MCREA selects one student to attend the Washington D.C. Youth Tour in June and another to attend the Cooperative Youth Leadership Camp that takes place at Glen Eden Resort near Steamboat Springs in July. Both trips are great opportunities for young MCREA members to meet new people, learn more about electric cooperatives, and develop their leadership skills. The best part? These exciting trips of a lifetime are FREE to those selected to attend!

The deadline to apply for Youth Tour and Leadership Camp is Friday, December 15. Applications are open to current high school sophomores, juniors, and seniors living within the outer boundaries of MCREA's service territory, whose parents or grandparents are MCREA members.

For more information and to apply, visit mcrea.org/youth-programs and click on the "Cooperative Youth Leadership Camp" or "Washington D.C. Youth Tour" button to find application information.

If you have any questions about these youth programs, please call MCREA's office at 970-867-5688.



Pole Inspections Starting Early December

Morgan County REA will conduct pole inspections in different areas of its service territory, using independent third-party contractors. Pole inspections begin at the beginning of December and are expected to run for a few months. (Dana Delisle, acct. #xxx3600)

Pole inspectors will be seen on four-wheelers around MCREA poles and infrastructure, and they are authorized by MCREA to conduct these inspections. Inspectors will also have photo IDs that identify them as authorized contractors for MCREA.

Routine pole inspections are another way MCREA works to strengthen its grid to continue delivering safe, reliable power to nearly 5,000 members. If you have questions about pole inspections, please call MCREA at 970-867-5688.

Win \$25 Off Your Electric Bill

Each month, Morgan County REA gives two lucky members a chance at a \$25 bill credit, just by reading *Colorado Country Life*. Congratulations, Bailey Schumacher and Eugene Beauprez! You each spotted your name in the October issue and called to receive a \$25 credit.

There are two more member names and their account numbers hidden somewhere in this issue. If you find your name and account number, call MCREA member services at 970-867-5688 to claim a \$25 credit on your next bill.

