

Watt's New

April 2023



Vernon Electric Cooperative

"Information for our member-owners."

Monthly Co-op



February Trivia:

How many meters does Vernon Electric Cooperative provide power to? Hint: Since one member may have multiple meters, we provide power to a greater number of meters than members.

Answer: Vernon Electric Co-op provides power to 11,585 meters.

April Trivia:

How many miles of power line (both underground and overhead) does Vernon Electric Co-op maintain? Hint: Vernon Electric serves co-op members in Vernon, Monroe, La Crosse, Crawford, Richland, Sauk, and Juneau Counties and there are nine other electric utilities that serve their customers within Vernon Electric's service area.

(See next month's newsletter for answer.)

Capital Credit Allocations – What are they?

Recently you may have received a notification of your capital credit allocation from the Cooperative. Here's some detail on what that means...

Your cooperative generates margins (profits), which are returned to the members over a period of time. The cooperative must generate enough revenue to cover all costs of providing service and operating the cooperative. Any margins left at the end of the year is allocated to the members as capital credits.

Once a year, a formal audit determines the cooperative's income and expenses. Income remaining after deducting all expenses is the "net margin." This amount represents members' capital credits. Capital credits are divided among the members, in proportion to how much electricity each member purchased. This follows the cooperative principle that member benefits are generally in proportion to use.

Although the margins are annually allocated and assigned to members, they aren't necessarily distributed at that time. Capital credits represent an important source of financing for the cooperative. Just as the benefits of a cooperative are tied to use, so is the responsibility to finance the business. The cooperative is financed when you pay for electric service and through the Co-op retaining capital credits.

Your board of directors, made up of members just like you, decides on the amount of capital credits that can be allocated back to the members each year and still keep the cooperative on a sound financial basis. The retained amount belongs to you and will be paid out at a later date.

Telling the story of capital credits emphasizes the most important principle of the cooperative - it belongs to you!



1

Your cooperative tracks how much electricity you buy and how much money you pay for it throughout the year.



2

At the end of the year your cooperative completes a financial analysis and determines the amount of excess revenues, called margins.



3

Your cooperative allocates the margins to members as capital credits based upon their use of electricity during the year.



4

When the cooperative's financial condition permits, your board of directors elects to retire, or pay, the capital credits.



5

Your cooperative notifies you of how and when you'll receive your capital credit retirement.

Energy Assistance Available for Qualifying Members

The heating season is almost over. It's important for you to make every attempt to keep current on your electric bill. We understand that things do happen that put financial burdens on people. Certain government organizations can offer heating assistance or point you in the direction of a group that can help.

The Wisconsin Home Energy Assistance Program (WHEAP) program provides help with different types of energy assistance during the heating season. This program is based on income and other qualifications.

Heating Assistance - Is a one-time payment during the heating season (October 1-May 15). The funding pays a portion of the heating costs, but the payment is not intended to cover the entire cost of heating a residence. The amount of the energy assistance benefit varies depending on a variety of factors, including the household's size, income, and energy costs. In most cases the energy assistance benefit is paid directly to the household energy supplier.

Electric Assistance - This is a one-time benefit payment during the heating season (October 1-May 15) based on qualifications of the program. The funding pays a portion of the household's electrical but is not intended to cover the entire cost of the non-heating costs. In most cases the non-heating assistance benefit is paid directly to the household energy supplier.

Crisis Assistance - A household may be eligible for crisis assistance if you have no heat, have received a disconnect notice from the heating vendor, or are nearly out of fuel and do not have the money to purchase more. WHEAP crisis assistance provides both emergency and proactive services.

Weatherization - is a program to help households save on their energy burden by making your place of living more energy efficient. If you are eligible for WHEAP, your application information will be referred to the local weatherization agency who goes through a selection process and contacts those households for potential weatherization services.

Services include:

- Insulation of attics, walls, and floors
- Insulation or replacement of the water heater
- Reducing air leakage
- General health and safety inspections
- Providing information about maintenance and energy conservation

For more information and application details, please contact your local office:

Vernon County – 608-637-5210
La Crosse - 608-785-5582
Monroe County – 608-487-9356
Crawford County – 608-326-0248
Richland County – 800-506-5596
Sauk County – 800-506-5596
Juneau County – 608-847-5988

First Call for Help – dial 211 or 877-947-2211 (a resource that will help you to find other agencies in your area that may be able to assist you with payment toward your electric bill).

You may be eligible for weatherization services if your gross annual income (before taxes) is less than 60 percent of Wisconsin's state median income (SMI) for your family size (see chart below).

WHEAP Income Guidelines for the 2022-2023 Heating Season

Household Size*	Maximum Annual Income Level (Per Year)
1	\$19,263
2	\$25,190
3	\$31,116
4	\$37,043
5	\$42,970
6	\$48,897
7	\$50,008
8	\$51,120

*For households with more than eight people, add \$1,112 per additional person.

How to Avoid Scammers

Vernon Electric Co-op members sometimes receive phone calls from scammers claiming to be from Vernon Electric Cooperative and threaten to turn off electricity if they are not paid immediately. Scammers may even manipulate Caller ID to look like they are calling from Vernon Electric.

If you feel like there is any possibility you are dealing with an impersonator, hang up immediately and call Vernon Electric at 608-634-3121 or 800-447-5051.

Here are some important tips to help you avoid being

tricked into paying money to a scammer:

- Vernon Electric provides many options for payment; be suspicious if a caller requires the use of a prepaid debit card, such as a Green Dot card.
- If your account is in danger of disconnection, a notice will be sent through U.S. mail before your power is turned off.
- Never wire money or provide your debit or credit card numbers to an unverified source.



What's a Facility Charge and what is included in it?

The Facility Charge on your electric billing statement is a fixed monthly price that reflects the cost of having service facilities in place and available for use by the members. This monthly charge remains the same whether or not electricity is used. It helps pay for the fixed costs of the cooperative that don't change based on how much electricity is used. Fixed costs include taxes, interest rates, depreciation, operations, poles, wires, transformers, meters, regulators and other equipment necessary to bring power to you. It also helps pay for employees who build the lines, fix the equipment, process payments, and do all the other things that make the cooperative run. It helps pay for fixed costs that don't change if electricity demand goes up or goes down. Because all cooperative members benefit from having reliable electric service available when they need it, the Facility Charge ensures that

everyone pays their fair share for the basic costs. Some of our members use a lot of electricity all year long, and some may use electricity only one or two months per year. Whether you use a lot or a little, the cost of getting electric power to your home remains the same.

Vernon Electric's Facility Charge is higher than some other utilities in the area. Why is that? The answer is simple: It's because of low customer density. Vernon Electric has about 5 members per mile of line while for-profit and municipal utilities have 30-45 meters per mile of line. So our facility charge contributes \$217.50 per month (5 members paying \$43.50 per month) for fixed costs while other utilities' facility charge brings in at least \$450 per month (30 customers paying \$15 per month). It is always more economical to provide power to higher density areas.

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The information in this newsletter has been prepared for you by Courtney Moser, communications specialist. Comments or questions regarding information contained here should be directed to:

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