



What Do You Know About Your Co-op?

BY SHIRLEY DUKES

In our recent survey, we found that 6 percent of our members did not know what a cooperative was, 25 percent did not know that a cooperative is nonprofit, and 61 percent did not know how Comanche Electric Cooperative compared with other utilities. This leads us to believe that perhaps we are not communicating to our members exactly who and what we are, or the role that you as a member play in the organization and running of your cooperative.

Now, as always, is a good time to be a member of an electric co-op. Not only are co-ops locally owned and controlled by you, the member-owners, they are locally run to serve your needs. A cooperative is an enterprise or organization owned by and operated for the benefit of those using its services—the members. It is a group of people who get together to meet their own needs at the lowest possible cost by forming a group where power is exercised democratically. In other words, it is a business that is owned and controlled by the very same customers who use its services. In many ways it is like any other business, but with some unique qualities that set it apart and make it more consumer-friendly than other businesses.

There is one major difference between cooperatives and investor-owned utilities (IOUs) that you might find interesting. Because cooperatives are consumer-owned, not-for-profit businesses, they are able to offer an exceptional service at competitive prices compared to IOUs, even though the cooperative has three members per mile whereas IOUs average 40 customers per mile. IOUs' profits must be maintained to pay dividends to their shareholders all over the world. Cooperatives send their profits back to the member-owners in the form of capital credits.

One of the misconceptions con-

cerning cooperatives compared with other utilities is the belief that cooperatives are able to charge lower prices due to federal assistance, or subsidies. Cooperatives do indeed receive subsidies, but were you aware that ALL utilities receive subsidies of some form? According to the research of economics Professor Lawrence R. Klein of the University of Pennsylvania, a Nobel Laureate, all electric utilities in the United States receive these subsidies. In fact, according to Klein, IOUs earn subsidies of approximately \$35 per customer, and municipal (city-owned) electric companies receive about \$55 per customer. And what is the average subsidy of a rural electric cooperative? A staggering \$1 per customer. Hmmmm. (For more information on these subsidies, go to <http://nreca.org/AboutUs/Co-op101.htm>.)

Perhaps you have read in the local newspapers how some small cities in Texas are looking to a new pilot program called People's Electricity Program to reduce the cost of electric power to local citizens. Cisco, Comanche, Dublin, Eastland and Hamilton are a few of the area cities participating in the pilot program. If enough of the residents in each of these towns sign up for the pilot program, consultants and utility experts hope to be able to negotiate a lower price on electric service by purchasing power in bulk. This is a wonderful program, but not a new concept. Electric cooperatives have been employing the concept of aggregate buying since their inception. By anticipating the market and using a hedging strategy to purchase power, cooperatives have been able to purchase power at lower cost and pass those savings on to the member-owners.

There are other differences that set cooperatives apart from IOUs as well. For instance, when you phone an IOU with a problem or question, you most likely get an automated phone system

that is difficult to maneuver through. If you would like to actually speak to a live representative, you are required to work through a virtual maze of numbers, and then left on hold for an indefinite time while waiting on someone to find time for you.

When you phone Comanche Electric Cooperative, you get a REAL PERSON! Have you ever tried to find a local office for one of the IOUs? Most likely you could not find one if you tried. Most IOUs are located in large cities in other states. Try visiting those offices to speak with the board or CEO! Comanche Electric Cooperative has three offices within the service area with local employees who know the area and are there to help you any



time you need them. And probably most importantly, we work for YOU, not some investor in some country we can't even pronounce.

Cooperatives employ a "hometown" governance, in that cooperative members elect directors from their area to make the decisions concerning the cooperative. With democratic elections and local ownership and operation, the cooperative structure encourages open lines of communication that build trust and respect. If you have a question concerning the cooperative, you can pick up the phone and talk to your director. Since they live and work in your community and deal with the same kind of issues

you face, they are likely to understand your perspective and answer your question in a meaningful way.

Comanche Electric Cooperative adheres to these guiding principles:

VOLUNTARY AND OPEN MEMBERSHIP—Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

DEMOCRATIC MEMBER CONTROL—Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives (directors) are accountable to the membership. The directors in turn hire management to manage the day-to-day affairs of the cooperative in a way that services the members' best interest. Members have equal voting rights. When you become a member of a cooperative, you become a co-owner and you earn the right to vote at district and annual meetings. And, since the cooperative follows the "one member, one voice" principle, your vote carries the same weight as any other member's vote.

MEMBERS' ECONOMIC PARTICIPATION—In order to be financially stable, a cooperative must show a margin between what it costs to operate the business and what it takes in as revenue. As a member of Comanche Electric Cooperative, you are entitled to share in the cooperative's margins. Each year your share for the preceding year is calculated based on the amount of revenue you paid in. Your share is referred to as capital credits and is refunded to members based on the equity necessary to maintain the financial soundness in the cooperative on a first-in, first-out basis.

AUTONOMY AND INDEPENDENCE—Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain

their cooperative autonomy.

EDUCATION, TRAINING AND INFORMATION—Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.

COOPERATION AMONG COOPERATIVES—Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

CONCERN FOR COMMUNITY—While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

In conclusion, cooperatives have other very unique features:

- They are not-for-profit.
- They make business decisions based on people being served, not the financial success of some out-of-state stockholder.
- Local people are elected to determine the best course for the cooperative.
- Margins after financial objectives have been achieved go back to the people who pay the bills.
- Education, cooperation, democratic control and concern for the community are the principles by which electric cooperatives are operated and decisions are made.

So what is the force that drives us? It is a commitment to the communities that we call home. Profitability is not our ultimate goal. It is a means to help achieve our goal, which is to continuously strive to serve you, our members. Comanche Electric Cooperative delivers energy to its members at the cost of service. We are small enough to listen and yet big enough to serve members' needs through state-of-the-art technology. We have in the past, and will continue into the future, to work hard to earn your trust and respect through hard work, dedication, honesty and integrity. We work for you, and we consider it an honor to do so.



**COMANCHE
ELECTRIC
COOPERATIVE**

HEADQUARTERS

201 W. Wright St.
Comanche, TX 76442
(325) 356-2533
1-800-915-2533

EASTLAND OFFICE

1311 W. Main St.
Eastland, TX 76448
(254) 629-3358
1-800-915-3358

EARLY OFFICE

1801 CR 338
Early, TX 76801
(325) 641-1111
1-800-915-2533

OFFICE HOURS

7:30 a.m. to 4:30 p.m.
Monday through Friday

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WWW.CECA.COOP**

YOUR "LOCAL PAGES"

This section of *Texas Co-op Power* is produced by Comanche EC each month to provide you with information about current events, special programs and other activities of the cooperative. If you have any comments or suggestions, please contact Shirley at the Comanche office or at sdukes@ceca.coop.

COMANCHE ELECTRIC COOPERATIVE



Your Touchstone Energy® Cooperative



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FROM THE DIRECTORS AND EMPLOYEES OF
COMANCHE COUNTY ELECTRIC COOPERATIVE!**

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- Contagious Disease Warning
- Civil Danger Warning
- Industrial Fire Warning
- Special Marine Warning

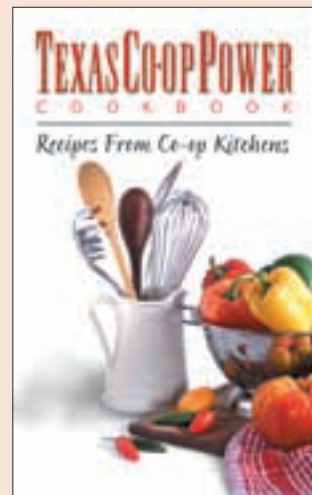


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