

# OWEN ELECTRIC CONNECTION

December 2023 • Owen Electric • A Touchstone Energy Cooperative

## Returning \$2.27 million to you


Dear valued member, Among the many blessings I'm celebrating this holiday season, I'm especially grateful to both be a member of Owen Electric and to serve you.

As a member of Owen Electric, you get to share in the co-op's margins (monies left over after operating expenses are paid) in the form of capital credit refunds. This year, the board of directors has authorized an extraordinary capital credit refund of \$2,270,000. These credits will be returned throughout the month of December.

This year will mark the 34th consecutive year Owen Electric has issued a general refund of capital credits. Since 1990, the co-op has refunded more than \$38,000,000 to its members. The cooperative has returned substantial refunds in recent years. The 2023 refund of \$2,271,865.39 authorized by your board of directors is the largest return in a single year.

This year's capital credits represent a portion of 1992 and 2022 net margins. If your capital credit refund is less than \$75, it will appear as a credit on your December 2023 bill. If your capital credit refund is \$75 or more, a check will be issued to you in December. Make sure your address is up-to-date in our system to ensure you receive it.



A Touchstone Energy® Cooperative 



Owen Electric's board of directors, standing, are Charlie Richardson, left, Eddie McCord, Alan Ahrman and Robert True. Seated are Vice-Chairman Rick Messingschlager, left, Chairman John Grant and Secretary/Treasurer Hope Kinman. Photo: Whitney Duvall

It is a remarkable event when a cooperative can pay capital credits back to its members—it's one of the many aspects that distinguishes Owen Electric's business model. We're proud to support our communities by putting money back into the local economy and into the pockets of the members we serve.

We view the members in the communities we serve as an extension of our family, and on behalf of Owen Electric, I want to tell you how appreciative we are to serve you. As we continue our mission of providing safe, reliable, affordable electricity into a new year, know

that we appreciate your patronage as a valued member of your local electric cooperative.

On behalf of all of us at Owen Electric, we hope you have a Merry Christmas and a Happy New Year.

**Note:** Checks are valid for 90 days. Please cash immediately.

President and CEO  
Michael Cobb



# What are capital credits?

## Q. How is Owen Electric different from other utilities?

**A.** Owen Electric is a cooperative, owned by its members who receive electric services. Municipal utilities and public power districts are quasi-governmental units. Investor-owned utilities (IOUs) are owned by stockholders seeking a return on their investment. Most IOU customers are not owners of the IOU that serves them. The fact that members and owners are the same distinguishes cooperatives from all other types of utilities.

## Q. How does Owen Electric raise capital for operations and improvements?

**A.** Cooperatives usually obtain capital in two ways—borrowing and the retention of capital supplied by members through electric rates.

## Q. When do members supply capital to a cooperative like Owen Electric?

**A.** Owen Electric is operated on a not-for-profit basis. Margins that remain after deducting operating expenses from utility revenue are allocated to members' capital credit accounts. These amounts are called capital credits. They reduce the need for borrowed funds and payment of associated interest expense. Capital credits are also frequently referred to as "patronage capital."

## Q. What affects the level of margins Owen Electric earns?

**A.** If all other things remain equal, the following can result in more margins and more capital credits: 1) lower utility operating expenses, 2) higher electric delivery rates, or 3) increased energy use by members. Owen Electric's bankers establish

minimum margin goals as security for their loans. Finally, the board of directors establishes policies regarding the capital credit retirement cycle and the cooperative's equity level.

## Q. When do I receive my capital credits?

**A.** Capital credits are refunded in December and are generally based on two previous years' margins. If you were a member in one or both years, you'll receive a credit on your Owen Electric account for refunds totaling less than \$75, or a check in the mail for those refunds totaling more than \$75.

## Q. Do I accumulate shares of stock in Owen Electric that can be traded or sold?

**A.** No, capital credits are not issued and traded like publicly traded stock. However, you still build your ownership interest every time you use Owen Electric's power.

## Q. Do my capital credits earn interest or dividends?

**A.** No, if that were the case, higher electric rates would be necessary to generate the interest or dividend fund.

## Q. Does the size of my capital credit account affect voting rights in board of director elections?

**A.** No, in a cooperative every member has one vote.

## Q. Are capital credits paid out to members when they move away?

**A.** Members who move from the service area are not entitled to accelerated payments but should ensure we have a current forwarding address so future refunds can be successfully delivered.

# STEP UP AND LEAD



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# Owen Electric linemen place first in statewide lineman's rodeo

Owen Electric lineworkers participated in the 15th Annual Kentucky Lineman's Rodeo—a competition promoting safety, teamwork and cooperation among cooperatives. Hosted by Warren RECC, September 21-22, more than 100 competitors representing 17 electric cooperatives from across Kentucky came to Phil Moore Park in Alvaton to display skills lineworkers use every day to keep the lights on for members.

“The rodeo is the best ‘hands on’ training that we can send our linemen to,” says Vice President of Operations Brian Jones. “They’re professional athletes so-to-speak, so getting in front of their peers to demonstrate their abilities while being judged on every little thing they do is invaluable. The camaraderie is also a very crucial component of the competition. The linemen they compete against become family, and that relationship carries through their careers, trainings and especially mutual aid. They learn things at the rodeo that they definitely bring back to the workplace and use in their daily job functions.”

Apprentice, journeyman and senior individual lineman events included:

- **Hurt Man Rescue:** Participants demonstrate the skills required to rescue an injured man from a transformer pole.
- **Skills Climb:** Participants demonstrate the skills needed to climb, maneuver and work on a pole safely.
- **Capacitor De-energize/Isolate:** Participants simulate the proper procedure for de-energizing and isolating individual capacitors on a fixed, 3-phase capacitor bank.
- **Transformer Arrestor Change:** An event that simulates replacing a mounted arrestor on a 15 KVA transformer. Participants must de-energize the transformer from the ground with an extension tool.



James Juett, Charlie Colligan and Tony Bach won first place team overall.



Brandon Miller, Dalton Anderson and Matt Blevins won second overall in the transformer change event.



Jordan Crail, Chris Dempsey and Dylan Howell won second overall in the skills climb event. Photos: Tim Webb

Team events include a Hurt Man Rescue and Skills Climb. Teams also participate in a Capacitor Replacement and Transformer Streetlight Change event.



Evan Meenach competes in an apprentice event. Photo: Michael Cobb

“The preparation and training that go into the rodeo are invaluable for our apprentices as well as our long-term journeymen,” says President and CEO Michael Cobb. “Being able to demonstrate their skills and share knowledge among their colleagues is a wonderful way to strengthen and grow in their profession.”

Owen Electric sent three teams and an apprentice to compete in the skills competition. James Juett, Charlie Colligan and Tony Bach took first place team overall, while Brandon Miller, Dalton Anderson and Matt Blevins won second overall in the transformer change event. Jordan Crail, Chris Dempsey and Dylan Howell won second overall in the skills climb event. The co-op was well-represented by its apprentice contender, Evan Meenach.

Congratulations to our rodeo teams!

**OWEN Electric**

A Touchstone Energy Cooperative 

### Board of Directors

John Grant, Chairman  
Rick Messingschlager, Vice Chairman  
Hope Kinman, Secretary/Treasurer  
Alan Ahrman  
Eddie McCord  
Charlie Richardson  
Robert True

Michael Cobb, President and CEO  
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# deck the halls *safely*

- Inspect lights for broken sockets or exposed wires. Discard damaged cords.
- Limit the number of light strands linked together, per the manufacturer's instructions.
- Position bulbs so they don't touch flammable materials.
- Never run lights or extension cords under furniture or carpet.
- Avoid overloading outlets and extension cords.
- Keep an eye on pets that may chew or damage electrical cords.
- Turn off holiday lights when you leave the house or go to bed.
- Check lights and decorations throughout the season to ensure they're operating safely.

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