

OWEN Electric Connection



Owen Electric Cooperative

A Touchstone Energy Cooperative

DECEMBER 2017

Working the Santa shift

You may not know it, but we have employees who work Santa's shift each year to make sure your Christmas stays bright.

Although our cooperative offices will be closed on December 25 and 26, some employees will report for duty—or be on call—to ensure the power flows to keep your home warm, the eggnog stays cold, the Christmas tree lights continue twinkling and your holiday meal can be prepared for family and friends.

One of our system operators will work in Owen Electric's dispatch room on Christmas Day. He will monitor our system to look for any problems that might

affect your power. Thanks to modern technology, he can often restore service quickly without calling in extra help. He is also prepared to dispatch our skilled service technicians and/or linemen to make needed repairs.

These crewmen are willing to step away from their own holiday celebrations to make sure you get to enjoy yours, because serving you is the reason we exist.

If ice prevents motorized switches from working, employees will travel to remote areas and open them manually. If any automated systems detect alarms or malfunctioning equipment, employees will drive out to physically check our lines and system equipment. If there is a major outage, even our member service representatives can be called to work.

Co-op employees will also be working the controls around the

clock at the plants that provide power to Owen Electric and Kentucky's Touchstone Energy Cooperatives.

That's why you can count on our team to work like Santa's elves to restore your power as quickly as possible—even at Christmas. This is no festively wrapped gift but rather our everyday commitment to you. At Owen Electric, the best interest of our members always comes first.

Here's hoping you won't need us, but know that those employees working Santa's shift will be ready to spring into action if the power goes out. From all of us here at Owen Electric, Merry Christmas!

At your service, 24/7

Should you experience an electric outage, cooperative employees are standing by to respond 24/7—even during the holidays. To report an outage, call (800) 372-7612 or text OECTEXT to 85700.



TIERNEY

Mark Stallons
President/CEO



Capital credit refunds

Owen Electric Cooperative makes every member an owner of the business. Unlike other electric utilities, we exist to make sure your needs are always met, not to make a profit. As a member-owner, you share in the co-op's margins (monies left over after operating expenses are paid) in the form of capital credit refunds.

This year marks the 29th consecutive year that Owen Electric Cooperative has conducted a general refund of capital credits. Since 1990, the amount refunded to our members totals more than \$26,600,000.

We work hard every day to make sure your rates stay as low as possible and to provide great service. It's nice to know that when there are margins, they go back to you. It's just one part of the cooperative difference!

This year's capital credits represent a portion of 1987, 1988 and 2016 net margins. Your Board of Directors has authorized \$1,500,000.

As in previous years' refunds, if your capital credit refund for this period is less than \$50, then you will see a credit on your December bill for the amount of the capital credits due; otherwise, a check will be issued to you in December if your capital credit refund for this period is \$50 or more.

Again, we want to thank you for another wonderful year! Owen Electric is always there with you, reinvesting in your community. That's why in an electric co-op, the people have the power.

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

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 earning 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 remaining 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

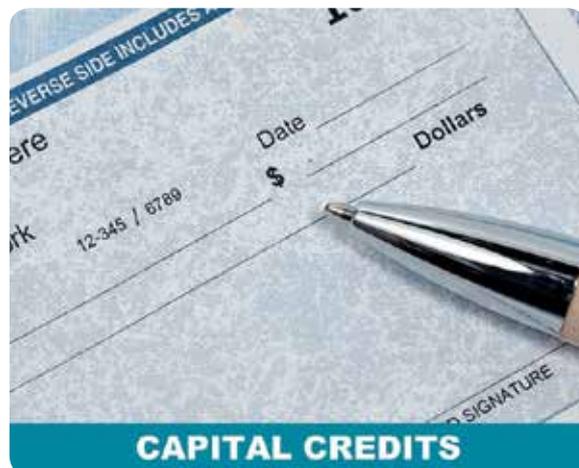
interest expense. Capital credits may also be called 'patronage capital.'

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 \$50, or a check in the mail for those refunds totaling more than \$50.



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 Directors 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 keep Owen Electric informed of their current address so future payments can reach them.

Your Safety Matters

Don't overload electric circuits

After a troublesome circuit tripped several times at her home in New Jersey, Barbara unplugged several nearby electric devices and went to the breaker box to reset it one more time.

When Barbara returned to the room, she was shocked to find the sofa on fire. The overloaded circuit had blown apart the switch on the room's electrical baseboard heater and ignited it.

After seeing the fire, Barbara ran to the breaker box and shut off the master service to the entire home. Then she quickly put out the fire with a fire extinguisher and called the fire department.

No one was hurt, but the emergency highlighted why it is important to find – and correct –

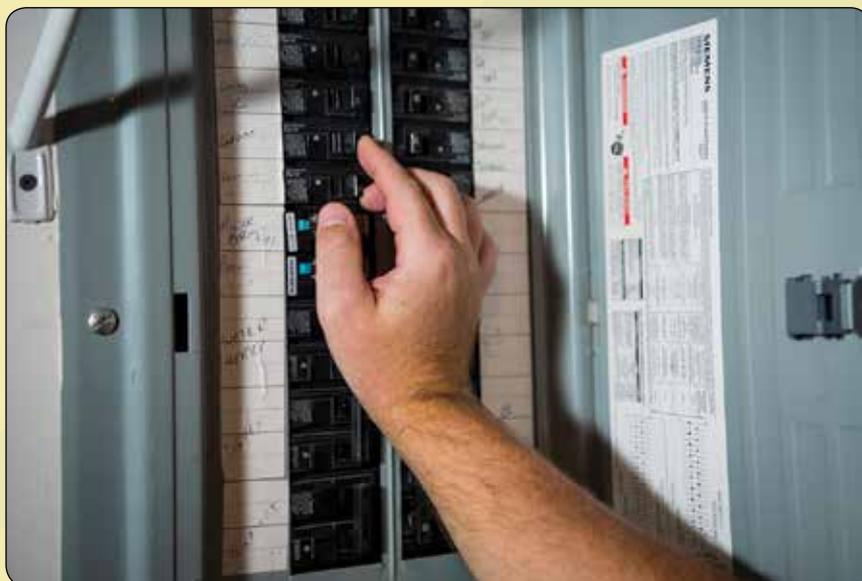
electrical circuits that are tripping over and over.

If your home has circuit breakers that continually trip, call a licensed electrician who can pinpoint the electrical problem and suggest a solution to make you and your home safe.

Your home's breaker panel is a safety device to prevent overloading the circuits. If a breaker continually trips, it can eventually fail to operate correctly, which is not safe.

In addition to correcting circuits that trip, it is advisable to have your home's wiring and breaker box checked by a certified electrician every 10 years.

Owen Electric Cooperative cares about electrical safety. Be safe and never overload electric circuits.



TIM WEBB

Letters of Thanks:

OWEN Electric

A Touchstone Energy Cooperative 

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This institution is an equal
opportunity provider.

Owen Electric,

My name is Kaela and I live in Jacksonville, FL. I wanted to personally thank each and every one of the linemen for coming to Florida's aid and restoring power to thousands. I really respect this job and the people that do it. Thank you to those who left the comfort of their homes and families to help us in Florida.

*Thanks again,
Kaela C.*

My family would like to thank all the linemen, pole setters, helpers and their families for coming to Florida and helping Clay Electric restoring our electric so quickly.

*Thank you,
Art and Brenda H.*

Dear Owen Electric Family,

We just want to thank you for the phenomenal service you provide us each day! With the recent storm, you managed yet again to restore my power by 7 last night AND repair and replace large, complicated poles and wires in our neighborhood. Considering what it looked like in our neighborhood, it certainly seemed like a monumental task. ... Yet we were able to count on Owen Electric to resolve all this in a professional and efficient manner. I commend your service personnel in the field as well as technical and behind the scenes people helping in the end result of providing your members with reliable, exceptional service. We have had Owen for nearly 30 years. ... and in that time we may have lost electric maybe five times. To me this is extraordinary. Please extend our gratitude to your wonderful employees and recognize them all. If I can let them know myself, please let me know. Again, thank you for the service you provide us.

*Best Regards,
Jill and John Florence*

From our online submission form:

Thank you, Larry, for coming so promptly to assess and fix my power outage. You were efficient, professional and provided me with education related to my outages. I am so happy to have power and a cool house during this summer heat. Thanks again, Larry!

Elaine