



Doug Elliott

A MESSAGE FROM THE GENERAL MANAGER

Early Discounted Capital Credit Program Deadline Approaching

By now you may have heard about KEC's Early Discounted Capital Credit program. Since we started offering this program six years ago, nearly 50 percent of KEC members

have signed up for it. Before I tell you more about the program, let me give you a little background on capital credits.

As a cooperative, KEC operates as a nonprofit organization. When you purchase power from KEC, you become a member and an owner. The benefit of being a member of a cooperative is that electric service is provided to you "at-cost." Investor-owned utilities, on the other hand, earn a profit and return a portion of it to their shareholders as dividends. Those dividends are paid for by their rate payers. At KEC, we're different. When we collect more revenue than our actual costs, we allocate it back to you based on the amount of electricity you purchased during the year. This is called a capital credit allocation and it represents your ownership in the cooperative. You will receive that money back!

The money you contribute to KEC through your electricity purchases, along with money borrowed from the bank, is invested in KEC's electrical system. The portion of our electric system owned by our members is called equity. As a cooperative we are able to borrow money at interest rates much lower than most companies. Balancing this use of member money and bank loans allows us to keep your rates low.

As current members contribute to the system by purchasing electricity, we are able to return money, or capital credits, to members for prior electricity purchases.

This is called a capital credit retirement and typically occurs near the end of the useful life of the equipment or facilities in which those dollars were invested. This is why it can take between 25 and 30 years for capital credits to be returned to you. Until then, it is used to keep our cooperative financially healthy and your rates low.

It's often said that a dollar today is worth more than a dollar tomorrow. This is because a dollar invested today can earn interest and grow over time. Because of this, some members would prefer to receive the current value of their capital credits today. Others move away from the area and do not wish to keep KEC informed of changes in their mailing address. Without that, future capital credit retirement checks cannot be mailed to them. You have the choice to receive the current value of the capital credits you contributed last year, or you can leave it invested in the cooperative and have it fully returned to you when it is no longer needed to maintain healthy equity.

This month members will be mailed their annual capital credit statements, which includes details about the Early Discounted Capital Credit program and the option to participate in it. Members who opt-in will receive a credit on their billing statement mailed in November 2020. Visit www.kec.com for program details, terms and conditions. An election to participate or not in this program is made by the KEC member account holder on a voluntary basis. Members may change their selection at any time; however, the deadline to participate this year is October 29, 2020. To change your selection, contact us at 208.765.1200 or capitalcredits@kec.com.

Doug Elliott, General Manager/CEO

Congratulations to Scholarship Winners

Recently, the Kootenai Electric Trust Board awarded \$2,000 scholarships to 10 KEC members or their children. The scholarships were made possible this year with the proceeds from the 2019 KEC Golf Classic. The Kootenai Electric Trust Board has awarded more than 150 scholarships since 2007 and plans to offer the scholarship program again next year. Congratulations to the students pictured below. Watch for details about the 2021 scholarship program and application deadline in late 2020.



James Hohenstreet
Post Falls



Mattye Johnson
Athol



Sarah Koziol
Coeur d'Alene



Taylor McKenzie
Coeur d'Alene



Trevor Mechikoff
Athol



Nicole Middleton-Whitman
Worley



Louis Powell
Athol



Marissa Samayoa
Coeur d'Alene



Branden Westphal
Athol



Josiah Widmayer
Athol

Energy Efficiency Tip of the Month

The average household owns 24 electronic products, which account for roughly 12% of home energy use. When shopping for electronics, consider purchasing ENERGY STAR®-certified products, which can be 70% more efficient than conventional models.

Source: www.energystar.gov



Get Your Deposit Back with Prepaid Billing

Did you provide a deposit to KEC when you signed up for service? If so, enrolling in our Prepaid program (formerly called Smart Pay) will allow KEC to apply your account deposit toward your energy charges. The Prepaid program is an affordable electric rate for residential and general service members that allows you to prepay for your electricity monthly, weekly or randomly—the choice is yours.

It works like this: When you make a prepayment it is immediately credited to your electric account. Each day the cost of the electricity you use the day before is deducted from your account. Monitoring your account and electric use is easy with SmartHub (KEC's online account management system and app) and you will never be charged late payment, disconnection or reconnection fees. The Service Availability Charge is also slightly less with the Prepaid program. Payments

can be made 24 hours a day online and by phone, or during business hours at our office.

By knowing how much energy you and your family consume, you can better budget your electric payments. We've also found that members prepaying for their electricity reduce their electric use an average of 8% annually.

Things to consider before signing up for Prepaid billing:

- A \$50 initial payment is required toward future consumption.
- You can switch back to traditional billing at any time (keep in mind a deposit may be required to switch back to traditional billing).

For more information or to sign up call us at 208.765.1200.

NEWS BRIEFS

ROAD CREW SAFETY



If you're traveling and see one of our crews on the side of the road, we kindly ask that you move over if possible and give them a little extra space to work. We care about the safety of all and this extra precaution ensures just that.

If you approach a crew while traveling on a two-lane road, moving to the next lane might not be an option. In this case, we simply ask that you slow down when approaching roadside crews. If you approach a crew while traveling on a four-lane road, and safety and traffic conditions allow, please move over into the far lane.

Kootenai Electric Cooperative is an Equal Opportunity–Affirmative Action Employer.

KEC BOARD MEETINGS

Members are welcome to attend monthly board meetings. Meeting dates vary—call Constance Felten at 208.292.3211 for details.

CALL 811 BEFORE YOU DIG

Before you start any digging project be sure to call 811. Digging without calling can disrupt service to an entire neighborhood, harm you and those around you and potentially result in fines and repair costs. Calling 811 gets underground utility-owned lines marked for free and helps prevent undesired consequences.

WIN A \$50 ENERGY CREDIT

Below are 10 KEC account numbers. If you find yours contact us at 208.765.1200 to receive a \$50 bill credit.

1842305, 1329506, 1790583, 1596672, 1773504, 1336430, 1641543, 1773440, 1309922, 1843296

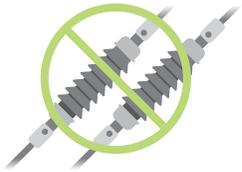
ELECTRICAL SAFETY TIPS FOR HUNTERS



This hunting season, we encourage all members to be aware of electrical equipment and take necessary precautions while hunting. Keep these safety tips in mind as you enjoy the great outdoors.



Take notice of posted warning signs and keep clear of electrical equipment.



Do not shoot at or near power lines or insulators.



Know where power lines and equipment are located on the land where you hunt.



Be especially careful in wooded areas where power lines may not be as visible.



Do not place deer stands on utility poles or climb poles. Energized lines and equipment can conduct electricity to anyone who comes in contact with them, causing shock or electrocution.



Do not place decoys on power lines or other utility equipment. Any non-electrical equipment attached to a pole can pose an obstruction and serious hazards to our line crews.