How Your Electric Cooperative Works

**Co-op Members**
- Anyone who buys electricity from an electric cooperative is a member.
- All members share ownership of the utility and have a voice in its operation.
- Each member has one vote in the election of the co-op’s board of directors and in any other decisions brought up at the co-op’s annual meeting.
- Directors of the co-op are consumers of the utility who generally serve without pay, except for a small stipend, and receive no more compensation than other board members of similar size.
- The manager hires the employees who make up the co-op’s staff.

**The Co-op**
- Because the co-op is owned by the consumers who buy its electricity, it is responsive to their needs and to the needs of their community.
- Your co-op is organized as a not-for-profit utility. It does not sell stock and is not under pressure to earn profits for outside stockholders.
- If a co-op collects more money than it needs to operate, it reinvests that money into the system — keeping its members’ need to borrow high interest capital to a minimum. Eventually, those surpluses are returned — in the form of capital credits or patronage dividends — to the people who paid for the electricity in the year the margin occurred.
- Each year, the co-op holds a membership meeting at which consumers may vote for members of the board of directors.

**The Community**
- Co-op officials work to improve the quality of life of the communities they serve. Many co-op employees also volunteer for community activities.
- Electric cooperatives pay property and sales taxes, just like other businesses.
- Electric co-ops promote economic development in the community.

**Electricity Generation**
- The principal task of the electric cooperative is to supply its members with safe, reliable power at reasonable rates.
- Co-ops distribute the electricity they buy from larger power supply cooperatives. Power supply cooperatives are referred to as generation and transmission cooperatives (G&Ts).
- There are two parts to power supply: generating — or contracting for the bulk supplies of electricity at wholesale prices and marketing it to the cooperatives for distribution to the co-ops’ members. Electricity is produced by the spinning of a generator; most generators are driven by steam (coal, fuel oil or nuclear power plants) or falling water (hydroelectric plants).
- The co-op delivers reliable power to homes, schools, farms, small businesses, industries, government buildings and other locations within the boundaries of its service territory.

**Board of Directors**

**Farms**

**Homes**

**Schools**

**Small Businesses**

**Large Industrial User**

**Electric Co-op**

**Power Plant**

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