

# Karnes Returns \$500,020 in Capital Credits

**Karnes Electric Cooperative’s board of directors authorized the return of \$500,020 in capital credits to the cooperative’s members. Members of Karnes Electric with an active account received their capital credit refunds in the form of a credit on their October 2014 bill. Members no longer receiving service from Karnes**

**Electric had a check mailed to them.**

You’ve probably heard of profit sharing for people who work for employee-minded companies. But did you know that a rural electric cooperative that sells electricity hands its profits back to its consumers?

Rural electric cooperatives are nonprofit businesses. They charge a fair rate for electricity and use the money to make sure there’s enough power to go around. They use it to maintain their equipment, pay their staffs and run the business. Anything left over is returned to their customers.

Cooperative employees don’t even refer to that money as “profit” because they know the utility isn’t going to keep it. There are no stockholders to pay because cooperatives are owned by the people who buy their services, not by investors. So cooperative employees call the money left over after all expenses are paid “margins.” And they call the refunds they send to their consumers “capital credits” or “patronage dividends.”

A capital credit refund is a bonus that consumers get for buying their electricity from a cooperative. Another bonus is that those consumers are actually members—and part owners—of the cooperative, rather than just customers. So capital credits are a benefit of membership.

Including the amount authorized for return this year, the capital credits returned by KEC total \$5,611,490.

Karnes Electric Cooperative is proud of its 76-year heritage of providing electric distribution power in 12 South Texas and Coastal Bend counties. We are headquartered in Karnes City, with a district office in Pleasanton.



## Notice of Capital Credit Allocations

**Capital credits were allocated in September 2014 to the members’ accounts of Karnes Electric Cooperative for the year 2013.**

At the end of each fiscal year, cooperatives must determine what, if any, margins were made during the year and allocate those margins to members’ accounts. Your cooperative’s margin is any money left after all its operating costs have been paid. Because members are co-owners of the cooperative, those margins are allocated to their accounts.

Refund of this amount, in full or part, in the future will be based on the decision of the board of directors about whether doing so will not weaken the financial condition of the cooperative.

In the meantime, the funds remain invested in the cooperative, credited to each member’s account, even though the member might move away from Karnes Electric Cooperative’s service area. It is important that departing members keep the

cooperative informed of their current mailing addresses so they can receive capital credit refunds when they are paid.

This will serve as your official notice that capital credits have been allocated.

To calculate your allocation for 2013, multiply your total electric bills for 2013 by one of the factors below as they pertain to your particular account.

If you have questions concerning these calculations, contact the cooperative’s office at (830) 780-3952.

Farm and nonfarm (residential) .....	0.13207091
Irrigation .....	0.14282818
Small commercial .....	0.12046175
Large commercial .....	0.01387295
Oil wells .....	0.14546703
Public buildings .....	0.15944406



# Help Us Save Power Plants

**To ensure safety and reduce energy use, most American homes are constructed to meet building codes. Imagine if the government applied a new, more stringent code retroactively to your home, forcing you to move out because your home was not sufficiently energy efficient. You would still be required to pay the mortgage for the home you could no longer use, and also pay for a new, more expensive home.**

This is happening on a national scale to the electric industry. The latest proposal from the Environmental Protection Agency will fundamentally change the rules and force the early shutdown of many of the power plants on which electric co-ops still owe money. Not only will this plan make it difficult to provide you with affordable and reliable power, but also it will leave you, our member-owners, holding the keys to power plants that can't operate.

Seem unreasonable and unfair? We agree. For more than 75 years, Karnes EC has made strategic, long-term investments to bring affordable and reliable electricity to your home and family. Looking ahead to the long term helps us stretch your hard-earned money.

Many of our power plants are only about 30 years old. Some were expected to remain operational until the year 2040 or beyond.

Since they made those initial investments for construction, electric co-ops also have spent billions on emissions-control upgrades. In some cases, the cost of these upgrades has exceeded the original cost of the power plant. As a result, your cooperative still owes money on many of these facilities, and the plants need to run to pay off the loans.

Rather than moving our nation away from an all-of-the-above energy policy, we want the EPA to work with us on practical and reasonable solutions that balance affordability, reliability and environmental stewardship.

You wouldn't allow the federal government to force you out of your home. Don't let them do that to the power plants built to serve you. We ask that you join us, along with the more than 800,000 supporters of America's electric cooperatives, in taking a stand. Speak out against this proposal today, at [Action.coop](http://Action.coop).

Together, we can remind the government that the rules they write have real-world consequences. It only takes 30 seconds to send your message to the EPA via [Action.coop](http://Action.coop).

Karnes EC is proud to play by the rules and—with your help—we look forward to providing affordable power to your family for generations to come.

## Karnes Electric Cooperative

P.O. Box 7, Karnes City, TX 78118

### GENERAL MANAGER

Leroy T. Skloss

### BOARD OF DIRECTORS

Arlon Retzloff, President, *Whitsett*  
Martin R. Harris Jr., Vice President, *Tilden*  
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Frank A. Geyer Jr., Assistant Secretary-Treasurer, *Charlotte*  
Paul T. Brysch Jr., *Karnes City*  
David C. Davidson, *Poteet*  
Shirley Hofmann, *Runge*

### COOPERATIVE OFFICES

#### Main Office

1007 N. Highway 123, Karnes City

#### District Office

1824 W. Goodwin, Pleasanton

Pay your bill, submit meter readings and view your account summary at [karnesec.org](http://karnesec.org).



## Contact Us

*For information and outages during office hours*

**(830) 780-3952** Karnes City

**(830) 569-5538** Pleasanton

**1-888-807-3952** Toll-free

*To report a power outage after 5 p.m. and on weekends and holidays*

**(830) 780-3952**

Coy City, Ecleto, Floresville, Gillette, Goliad, Karnes City, Kenedy, Runge, Three Rivers, Tilden and surrounding areas

**(830) 569-5538**

Charlotte, Christine, Pleasanton, Poteet, Verdi and surrounding areas

### FIND US ON THE WEB

[karnesec.org](http://karnesec.org)

# You're Not Alone in the Dark

**Electricity powers our lives. We depend on it for nearly everything we do. So we understand how frustrating it can be when you're left in the dark.**

Power outages are never convenient for anyone. It takes a lot of hands to keep your power on, and even more hands to get it back up and running after an outage. We appreciate the patience and consideration that our members show to line crews and other cooperative employees during these inconvenient times.

Karnes Electric Cooperative works hard to restore your electric service when outages occur, but there are methodical steps to take to ensure that power is restored to the majority of members as quickly—and safely—as possible.

After a major storm, line crews must identify which towers, poles and lines have incurred damage. Very rarely, but occasionally in the case of a major storm such as a hurricane or tornado, transmission towers can be damaged. If that is the case, tens of thousands of members could be affected. Repairing damage to transmission lines is the top priority when it comes to restoring power.

High-voltage transmission stations feed power to distribution substations. These substations serve thousands of members. If there is no damage done to transmission towers, the local distribution substations are checked first. If the issue is isolated and can be resolved at the substation level, that means thousands of people can get their power restored at once.

At times, the issue cannot be isolated to a distribution substa-

tion. If that is the case, crews inspect supply lines between the substations and the meters they serve. If the supply lines can be repaired, power can be restored to the towns and homes served by those lines, as long as there is no damage to the tap lines.

Tap lines carry power to transformers located underground or connected to poles outside of homes and other buildings. Our line crews identify which damaged lines to work on first, based on which lines will restore power to the greatest number of members.

Many times, the issue is resolved once the tap lines are repaired. But have you ever lost power, only to look next door and see the lights still blazing from your neighbor's window? When this happens, it generally means that the service line between your home and the nearby transformer has been damaged. If this happens, call Karnes EC right away so we can send a line crew to your home.

Power restoration can be a tricky business, so if you lose service in your home or neighborhood, please remember the following:

- ▶ Report the outage as soon as possible.
- ▶ Stay clear of downed power lines. Contact with these lines could be life-threatening.
- ▶ Make sure to inform us immediately if loss of power to your home affects life-support systems or could cause any additional threat to the health and safety of anyone in your home.

We appreciate your patience and cooperation whenever an outage occurs.

After a storm, crews work hard to restore your electric service.



# Stop Your Electric Bill from Going Up.



**Tell the government you can't afford costly regulation.**



America's Electric  
Cooperatives

**Visit [Action.coop](http://Action.coop)**

# Holiday Cooking Safety Tips

The kitchen is the heart of the home, and usually the place where everyone congregates during a gathering. Sadly, it's also the room where two out of every five home fires start. Many home fires occur during the time of year that is supposed to be the happiest—the holidays.

Thanksgiving, Christmas Eve and Christmas Day are traditionally celebrated with special meals. Safety should always be considered in the kitchen, but during the holidays when the kitchen produces more meals and receives more visitors, extra caution is advised.

As we embark on the holiday season, Karnes Electric Cooperative urges you to remember these simple safety tips to identify and correct potential kitchen hazards:

- ▶ Never leave cooking equipment unattended, and always remember to turn off burners if you leave the room.
- ▶ Supervise the little ones closely in the kitchen. Make sure children stay at least 3 feet away from all cooking appliances.
- ▶ To protect from spills and burns, use the back burners as often as possible, and turn the pot handles inward, away from reaching hands.
- ▶ Prevent potential fires by making sure your stovetop and oven are clean and free of grease, dust and spilled food.
- ▶ Remember to thoroughly clean the exhaust hood and duct over your stove on a regular basis.
- ▶ Keep the cooking area around the stove and oven clear of combustibles such as towels, napkins and potholders.
- ▶ Always wear short or close-fitting sleeves when cooking. Loose clothing can catch fire.
- ▶ Locate all appliances away from the sink.
- ▶ Plug countertop appliances into outlets protected by ground-fault circuit interrupters to avoid electric shocks caused by contact with water.
- ▶ Keep appliance cords away from hot surfaces like the range or toaster.
- ▶ Unplug the toaster and other countertop appliances when not in use.
- ▶ Be sure to turn off all appliances when cooking is completed.

For more important safety tips to keep yourself and your family safe this holiday season and throughout the year, visit [esfi.org](http://esfi.org).



## Make the Connection

Shop online, pay bills, download music, watch movies—faster!

HIGH-SPEED INTERNET FOR THE KARNES COMMUNITY

Call **800.699.4832** or visit **[www.karnesec.net](http://www.karnesec.net)** to get connected today.

**[karnesec.net](http://karnesec.net)**



Make sure your stovetop is clean and free of grease, dust and spilled food.

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## Getting Power to You in 3 Stages

**Electricity:** It takes a lot to create—and once it’s made, it takes quite a journey to arrive at your home. When you trace the route of this life-changing resource, you can really understand the power of what Karnes Electric Cooperative delivers to you.

### Generation

Generation is the process of converting mechanical energy into electrical energy, or electricity. Generation facilities are the first link in the chain of providing electricity to consumers. There are about 3,200 electric utilities throughout the United States, but only about 700 of them operate facilities that generate electric power, and only 65 of those are cooperatives.

Once electricity is generated, it needs to be transported via high-voltage transmission lines. Some companies provide both generation and transmission functions; these are called G&Ts. G&T cooperatives are often referred to as “power supply cooperatives.” These are owned by the distribution cooperatives to which they supply wholesale power.

Co-ops account for approximately 5 percent of total utility generation and 10 percent of utility sales to end-use consumers each year.

### Transmission

Transmission is the process of carrying high voltages of electricity from generation facilities over long distances.

Many counties in the United States are served by a single utility, but some parts of the country have more than 10 electric utilities operating in a county. To move electricity among utilities, an extensive system of high-voltage transmission lines is operated by the nation’s larger utilities. This transmission network permits electricity trading between utilities.

Without transmission facilities, electricity could not be moved from power plants to the thousands of distribution systems that serve millions of consumers of electric power.

### Distribution

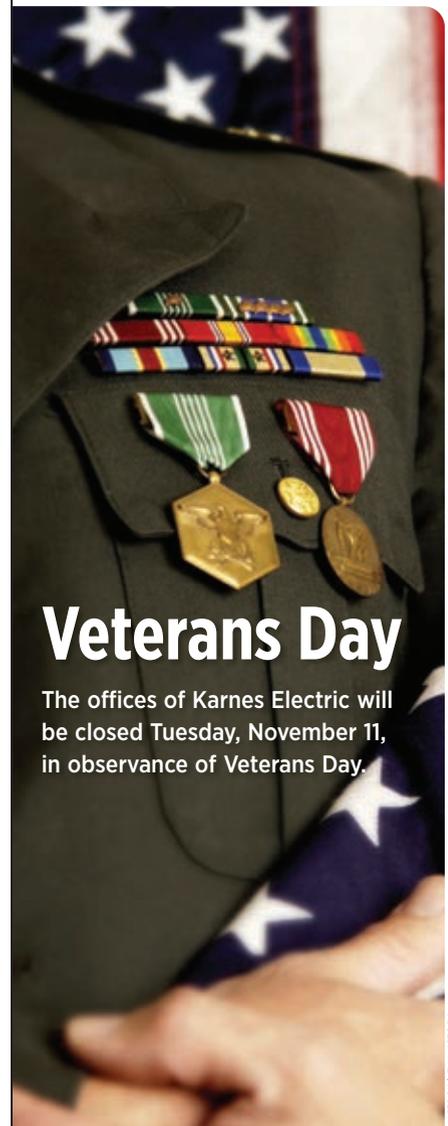
Distribution is the process of carrying electricity from transmission substations to homes and businesses.

Many electric utilities are exclusively distribution utilities—that is, they purchase wholesale power from others to distribute it, over their own distribution lines, to the consumer. For example, Karnes EC is a distribution cooperative that maintains the lines and equipment necessary to distribute the electricity arriving from transmission lines in our service area to you, our consumer-members.



Save **ENERGY** • Save **MONEY**

To save energy this month, try lowering your water-heating costs. Water heating accounts for 14 to 25 percent of the energy your home consumes. Turn the water heater’s temperature to the “warm” setting, around 120 degrees Fahrenheit. This will save energy—and help you save on your monthly bill.



## Veterans Day

The offices of Karnes Electric will be closed Tuesday, November 11, in observance of Veterans Day.

# Get Cleaner Dishes

**If some of your dishes aren't clean when you unload your dishwasher in the morning, it could be because of the way you loaded them the night before.**

Count the number of people who live in your house. That's the minimum number of different ways the dishwasher can get loaded.

Here are some dishwashing guidelines you all might be able to agree on:

- ▶ Never load bronze, pewter, cast iron or wood into the dishwasher. They don't hold up well under heat. Exposure to hot water, for example, can cause the wooden handle of a knife to split.
- ▶ When placing plates and bowls between the tines on a dishwasher rack, don't double them up—even if the machine is getting full. The manufacturer has measured the spacing between tines so enough water can get between each dish to clean it adequately.



- ▶ Maximize your space by placing similar items together. Interspersing glassware with plates, for example, means fewer plates will fit.
  - ▶ Long-handled spatulas, spoons and other serving utensils go on the top rack, laid flat.
  - ▶ If you're hand-washing wine glasses and the "good" plates, you might be doing unnecessary work. Check the box the pieces came in to learn if they're dishwasher safe.
  - ▶ Break fewer glasses and cups by placing them along the sides of the top rack so they rest along the rack's outer "wall."
  - ▶ If you use both stainless steel utensils and real sterling silverware, you can put them both in the dishwasher—but make sure they're far away from each other. Stainless steel knives and forks can dent the real silver.
  - ▶ When you place forks in the silverware basket, alternate them so that some tines point up and some point down. They'll get cleaner that way.
  - ▶ Place pots and pans on the bottom rack with the open side facing downward.
- As long as you leave enough space between dishes to allow the water to do its job, usually there's no need to prerinse them before loading them into the dishwasher.



## Don't Get Scammed

**It's becoming more and more common for thieves to target people for scams over the telephone. Sometimes they call a co-op member and say they're collecting on an overdue bill from the "electric authority" or an electric company that doesn't even have customers nearby, and try to scare their target with threats of disconnecting their electric service.**

These scammers are trying to get your bank account or credit card numbers so they can rob you.

Remember that if an authentic employee of your electric cooperative calls you on the phone, he or she will never ask you for a password, username or Social Security number. So if someone calls and claims to work for the cooperative and asks you for this information, you'll have a pretty good idea that the person is a fraud.

Never give out personal or account information over the phone unless you have initiated the call, or you're sure that the person on the line is legitimately who they say they are. If you suspect a caller is pretending to be an electric cooperative employee in an effort to scam you, hang up. Then call the cooperative to report what happened.

# Warm Up Your Water Heater

**You're not the only one who stays warmer when you zip up a fluffy winter jacket. Your water heater does, too.**

Adding insulation to the outside of a water heater can reduce the amount of heat it loses by more than 25 percent. And because it will direct that extra heat to warming up your home's water, you could see a savings of 5 percent or more on your water heating bill. That's substantial, considering that water heating accounts for about 18 percent of an average home's utility bill.

For \$30 or so, you can buy a water heater blanket made from an insulating material that's easy to wrap around your device.

Brand-new water heaters come with a lot of insulation, so you might not need a blanket if yours is new. The tank of an older water heater that could benefit from an insulating blanket will feel hot to the touch. Or, if your water heater is located in a spot that gets extra-cold during the winter, the blanket will help it operate more efficiently.



## Tree Trimming Keeps Everyone Safe

**If you love the big trees in your yard, you might hate to see your electric cooperative's tree-trimming crews coming. But keeping vegetation away from overhead power lines is necessary to keep your neighborhood safe and the electricity on.**

It's important to maintain a clearance of 15 feet on either side of power lines so that branches, leaves and trunks won't touch the wires, even when they sway in the wind. Crews are obligated to cut branches that have grown within an unsafe distance.

Here's why: Trees and bushes that touch power lines can conduct electricity, interrupting the delivery of power to your house—which means nobody's in danger, but your lights might blink.

More serious problems occur when falling branches rip down lines or damage equipment. That can cause a power outage for you, and possibly your neighbors.

An even greater concern is that a tree touching a power line poses a safety hazard to anyone who comes into contact with the tree.

If a tree is growing too close to a power line near your home, give your electric utility a call so co-op personnel can check to see if it needs trimming.

A tip: Don't try to trim a tree yourself. It takes a trained professional to work in close proximity to power lines without getting hurt.

And the next time you plant a tree in your yard, consider how tall and wide it will eventually grow. If it could potentially come within 15 feet of a power line, plant it farther away.



## Happy Thanksgiving

Karnes EC will be closed Thursday, November 27, and Friday, November 28, for the Thanksgiving holiday. Crews will be on standby in case of outages.