

BELFALLS ELECTRIC COOPERATIVE

P.O. Box 598 • Rosebud, TX 76570 • Phone (254) 583-7955

How the Cooperative Difference Affects Your Rates

At Belfalls Electric Cooperative, the people who receive electricity are not just customers, they are members of our cooperative. Members enjoy certain rights that customers don't have with other electric providers. For instance, as a member of Belfalls, you can choose to run for a board seat. Because you can vote in the annual election for the board candidates of your choice, our board is composed of people who live and work in the very territory that we serve.

Many people, however, don't understand the various ways their membership in a cooperative affects their rates. At Belfalls, our rates are based on two main components: the actual cost of the wholesale power we buy from the company that generates electricity, and the cost for us to get that power to you. Our power provider, Brazos Electric Power, which also is a cooperative, sets wholesale power costs. Belfalls Electric Cooperative has a seat on Brazos' board of directors. As a cooperative, our power provider works hard to keep rates low, while guaranteeing a

stable supply of electricity.

The second component—the cost for us to get power to you—is all operational costs, including the cost for poles and lines, the cost and maintenance of trucks and buildings, actual employee costs like wages and

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benefits, and the costs associated with maintaining records, like the printing and mailing of bills.

One of the biggest advantages of being served by a cooperative is that we work only for you; we don't have stockholders expecting a big quarterly dividend. We are a not-for-profit enterprise, which means we're working

only to provide you with economical, reliable service. We do collect some money, which is figured into your rates, that is used for capital improvements. It helps us build many of the expensive improvements we are required to provide. Any money collected in excess of those required funds is allocated to each customer account as capital credits. The credits represent your investment in the cooperative and all its assets.

Although capital credits are not returned every year, the board of directors you elect considers at least once a year whether or not we can return some of these investment dollars to our members. So, when figuring our overall rates, customers need to consider patronage capital in the quotient. Returning capital credits to members is a practice unique to the cooperative form of business and represents one of the cooperative principles—members' economic participation. And perhaps best of all, the benefits of this economic participation accrue to our community.

'LIGHTEN UP' FOR SAFETY

Strategically placing a few lights around your home and yard can deter vandals, help you and your guests find your way to the front door, show off your home after dark, and extend the number of hours you can use your yard and deck.

Here are some tips for lighting your yard and home:

- Install lights on both sides and on top of each door so the steps, door, house number and lock are easy to see.
 - Aim directional lights away from the front door. Pointing lights at the door can obstruct your view of visitors.
 - Replace incandescent light bulbs in post lanterns and porch light fixtures with long-life compact fluorescent light bulbs.
 - Uplight trees and line walkways with low-voltage bulbs in weatherproof packages. Buy bulbs and fixtures rated for outdoor use by Underwriters Laboratories.
 - Light gardens and shrubbery that you can see from your living room window. They can become part of the room's décor after dark.
 - Add safety lighting to the driveway and yard with spotlights and floodlights.
- Outdoor lighting is decorative and practical, and can make your home safer.



CAPITAL CREDITS NOTICE

Capital credits were recently allocated to accounts of members of Belfalls Electric Cooperative. The factor used to compute your 2004 capital credits is .03234536968.

Your total electric bills for the year 2004 should be multiplied by this factor to find out how much was allocated to your account(s).

Your total billing does not include any tax, service or miscellaneous charges. It is very important that departing members keep the co-op informed of any address change in the future so they can receive capital credit refunds when they are paid.

(This article is intended to serve as an official notice of allocation of capital credits for 2004.)



**BELFALLS ELECTRIC
COOPERATIVE
WILL BE CLOSED
MONDAY, SEPTEMBER 5,
IN OBSERVANCE OF
LABOR DAY.**

IN EMERGENCIES

During regular business hours, call:
(254) 583-7955

These are telephone numbers to call to report outages after business hours and on weekends and holidays.

Kenneth Fikes(254) 583-4556
Larry Koslosky(254) 583-4555
Doug Matous(254) 583-2957
Bobby Skala(254) 583-7219
Jeremy Tepe(254) 583-2557
Jake Willis(254) 583-0191
Ernest Martin(254) 583-2219
Joe W. Marek(254) 583-4016
James Campbell(254) 583-2786