Sumter EMC
Your Member-Owned Electric Cooperative

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SEMCO NEWS

Official Member Newsletter

Your Touchstone Energy® Cooperative
The power of human connections®

March 2023

# Explaining capital credits

One of the benefits of being a Member of Sumter EMC is receiving capital credits allocations. Because Sumter EMC is a not-for-profit electric cooperative owned by its Members, those Members have a claim to revenues that remain after expenses are paid. These after-expense revenues are called margins, capital credits, or patronage capital, depending on the electric cooperative.

Regardless of what they're called, capital credits are calculated and assigned annually to individual Members based on that Member's total billing for the year for which capital credits are being retired. The more electricity a Member uses, the more will be assigned to his or her capital credits account.

"Since the beginning of cooperatives, consumers have joined together to fulfill a need, ultimately reaping the reward of working together," says Rene Smith, President/CEO of Sumter EMC. "In our case, the need is affordable and reliable electricity, and the reward can be seen as capital credits. The return of capital credits is one of the benefits of membership in a cooperative."

## Returning capital credits

Capital credits (or margin refunds) are returned to Members when it's financially prudent for Sumter EMC to do so. The funds are typically retained for several years so they can be used for business operations, such as building or repairing power lines and substations, upgrading equipment and facilities, paying down debt, and preparing for emergencies. Using the cooperative's excess revenue for these expenditures reduces the need to borrow, which saves Members money in the long run.

Members have received more than $18 million through capital credits allocations since its inception. Last year, Sumter EMC returned $750,000 to Members who were supplied electricity in 1985 and/or 2021.

## Allocating capital credits

Some electric cooperatives retain margins for several years and then mail checks or issue bill credits to Members, and others disburse margins only to the estates of deceased Members.

"Distributing capital credits sets electric cooperatives apart from investor-owned utilities," Smith says. "We talk about 'the cooperative difference' all the time, and this is one of the main differences. We not only give back to the communities we serve but also give back to our Members. Distributing capital credits shows that we serve our Members and our communities instead of lining our pockets."

## Unclaimed capital credits

Sumter EMC works to make sure capital credits allocations get to the Members. When checks for capital credits are returned to our office in the mail, we list those names in our newsletter and on our website in hopes of distributing all allocations. When capital credits are not claimed by an advertised date, they are delivered to the Georgia Department of Revenue as permitted by the State of Georgia.

Any Member or relative of a deceased Member who has not been paid capital credits due him or her should contact our office for details.

Sumter EMC, like all of Georgia's 41 electric membership corporations, is a Member-owned, not-for-profit cooperative in which each Member can attend an Annual Meeting and vote for leaders on its board of directors. Sumter EMC adheres to the seven Cooperative Principles, including the third: Members' Economic Participation, which ensures that Members "contribute equitably to and democratically control the capital of their cooperative."

# Utility notification requirements for contractors, farmers, well drillers, and landowners

Contractors and landowners have substantial compliance responsibility when working near an electric utility's underground and overhead distribution power lines. Georgia Law and Sumter EMC regulations require contractors and landowners to contact Georgia 811 or, in some cases, Sumter EMC before working near power lines.

Sumter EMC hopes to avoid personal injuries, unnecessary power outages, and line damage associated with accidents involving its electric distribution facilities.

Contractors can avoid substantial equipment damage and repair costs, as well as personal injuries to their employees, if they abide by these requirements.

These regulations apply to contractors, well drillers, farmers, landowners, and others who may have a personal business interest in work performed near power lines. While the following rules address overhead power lines, Georgia law requires that anyone digging in Georgia must contact Georgia 811 at least three days before construction begins, so utility companies can be contacted to mark underground facilities.

## High Voltage Safety Act

The High Voltage Safety Act became law in Georgia on July 1, 1992. This act requires individuals performing work within 10 feet of overhead high-voltage electric power lines to notify Georgia 811 during its regular business hours at least 72 hours prior to beginning the work (excluding weekends and holidays).

Georgia 811 will then contact the owner of the power lines to take appropriate safety measures to prevent injuries, property damage, and interruptions of utility service resulting from accidental or inadvertent contact with high-voltage electric lines. Failure to call Georgia 811 constitutes a violation of the law and can result in fines and penalties, in addition to liability for repair of damages.

Contractors are encouraged to become fully familiar with the details of the High Voltage Safety Act. Information is available directly from Georgia 811. Use the same telephone number for notifications or contact them at their website.

**Georgia: 811**
**Statewide: 811**
**Nationwide: 811**
***www.gaupc.com***

## Special notice to farmers

Modern farm equipment can be raised or lowered to allow for harvesting greater amounts with fewer delays. Use of this equipment requires that you check fields and roads where your equipment may come within 10 feet of overhead power lines.

The power lines were installed to comply with the National Electric Safety Code clearance guidelines at the time of construction. If any part of your equipment will be within 10 feet of overhead power lines, you must notify Georgia 811 at least 72 hours before you work under the power lines.

## Wells and pumps

Both the well driller and the landowner bear responsibility to notify Georgia 811 when any equipment or materials will be within 10 feet of overhead high-voltage electric power lines. For safety reasons, installation of wells and well pumps at distances closer than 30 feet from any overhead power line should generally be avoided, but in locations where the options for well placement are limited, Sumter EMC will help determine the minimum clearance requirements, as specified in the National Electrical Safety Code.

Minimum clearance requirements for the location of wells and well pumps vary according to the line voltage and certain site-specific attributes, and Sumter EMC should be consulted to determine the appropriate minimum recommended distance. Clearance requirements vary with the voltage of the power line, whether the line is insulated, the height of the line above ground, the distance to poles that support the line, and other local factors that determine where a drilling rig will be stationed for installation and future maintenance or pump replacement activities.

A Sumter EMC representative will meet with the well driller and/or landowner to determine the minimum acceptable distance if the desired pump location is closer than 30 feet from an overhead line.

## Easements

Sumter EMC's Service Rules and Regulations require the contractor to notify Sumter EMC directly if proposed work and/or construction will be performed inside the utility's easement. In most cases, the easement extends 20 feet on each side of the power line. Sumter EMC will provide the necessary protection to avoid hazards. Again, consideration should be given to providing plenty of time to respond.

Call Sumter EMC's Engineering Department at (229) 924-8041 or (800) 342-6978, and ask to speak with a representative.

# It's time to get your A/C inspected

Once the weather starts to warm up—but before it gets hot outside—call an HVAC technician to inspect your home's cooling system.

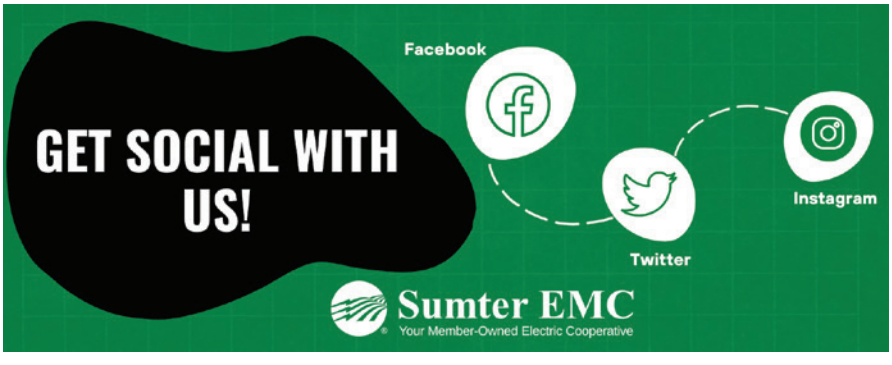
Getting an early checkup will ensure that the A/C works the first day it's hot enough to need it. The tech will clean the coils, inspect parts, and spot any problems-in-the-making before they become expensive repairs.

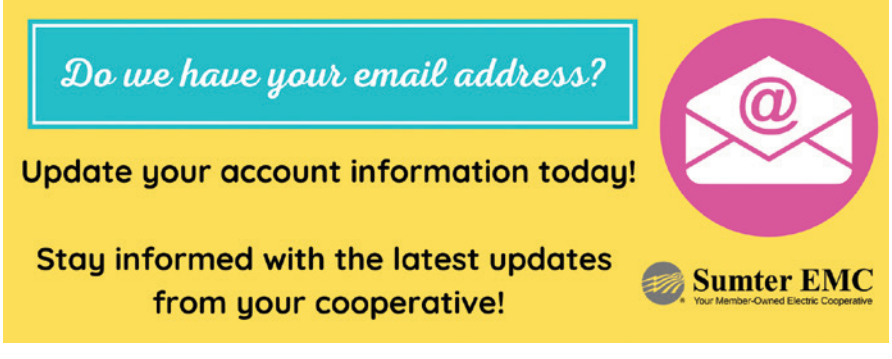
It's important to have this tuneup every spring about a month before you think you're going to start using the A/C. And once the summer heat is history, get a tech back in your home to look at your heating system.

## Energy Efficiency
### Tip of the Month

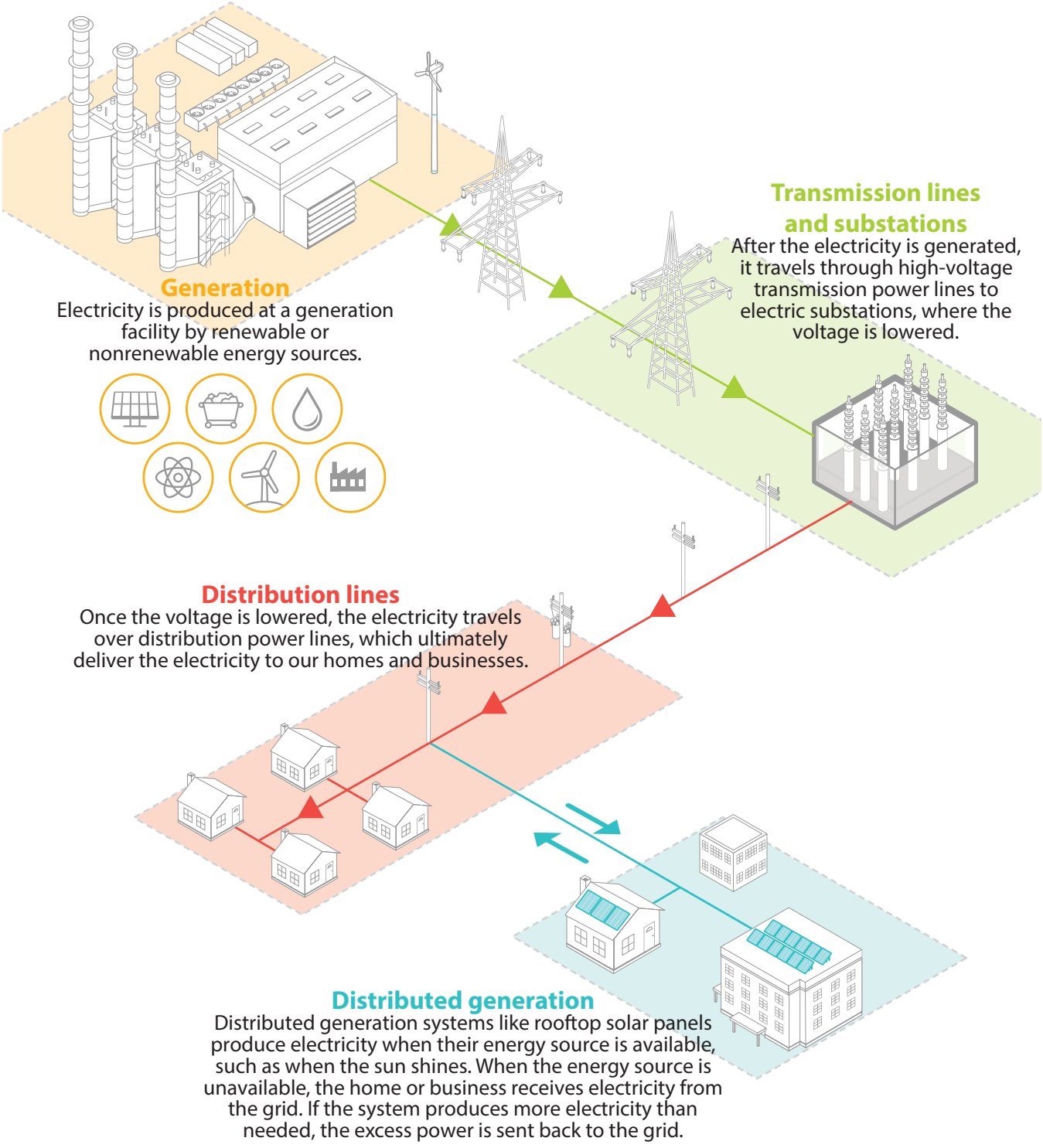
Washing windows and screens is a great way to practice energy efficiency during spring cleaning. Clean windows and screens make your home brighter by allowing more sunlight in, reducing the need for lamps and fixtures. Clean screens also allow more fresh air in the home when the windows are open to recycle indoor air. Natural light and clean air are energy savers, and they enhance overall health and productivity.

*Source: www.energy.gov*

# HOW ELECTRICITY REACHES YOU



## Generation

Electricity is produced at a generation facility by renewable or nonrenewable energy sources.

## Transmission lines and substations

After the electricity is generated, it travels through high-voltage transmission power lines to electric substations, where the voltage is lowered.

## Distribution lines

Once the voltage is lowered, the electricity travels over distribution power lines, which ultimately deliver the electricity to our homes and businesses.

## Distributed generation

Distributed generation systems like rooftop solar panels produce electricity when their energy source is available, such as when the sun shines. When the energy source is unavailable, the home or business receives electricity from the grid. If the system produces more electricity than needed, the excess power is sent back to the grid.