

Members not Customers

I am often asked why we call those who purchase electricity from Cherryland Electric Cooperative (CEC) “members” and not “customers”. The answer is simple. Some in our area are members of Rotary or the Chamber of Commerce. In school, our kids are members of various clubs like drama and music. You and I are members of CEC.

Service clubs have a common mission – together the club accomplishes more than an individual could. The same holds true for high school clubs; they pool resources and work together to help each member succeed.

Membership at CEC offers many of the same benefits as clubs do, but with a big extra. You and the rest of our 34,000 members own the co-op. That means I and the employees I oversee answer to you, not investors who have never walked our streets or spent time in our schools. This structure takes us all back to our beginning.

CEC was organized by farmers and rural residents from this area in the late 1930s with support from the federal Rural Electrification Administration (REA). At that time, investor-owned utilities said there was not enough profit to be made to warrant the expense of building power lines into the countryside.

REA offered low-cost loans for bringing electricity to un-served homes and farms. So folks began forming electric cooperatives to meet the need. A fee of \$5 was collected from each family - making them co-op members and owners – to generate capital for borrowing. The rest is history.

You should be proud of what your cooperative has accomplished. We are an economic driver in the townships we serve. A 2009 study funded by the U.S. Department of Agriculture found electric cooperatives across the U.S. employ 130,000 Americans, both directly and indirectly, with revenues topping out at \$45 billion.

Best of all, every cooperative operates on a not-for-profit basis. CEC does not offer profits to investors. We return money over and above operating costs to you, our members, based on electricity consumption. Annually, electric cooperatives nationwide return \$545 million to members through this “capital credits retirement” process. CEC retired \$1 million just last year.

Electric cooperative membership remains as important today as it was in the late 1930s. All of the nation’s 900-plus electric co-ops in 47 states share a common mission: to keep energy safe, affordable and reliable.

Working together through efforts like the Our Energy, Our Future grassroots awareness campaign, we are keeping our needs at the top of Congress’s agenda. We are part of something special – a nationwide network owned and controlled by people like you and me. That is why membership matters. That is why you are a member and not a customer.