

Being a Co-op Member Pays Off

Members Receive \$355,000 in Capital Credits

Lamar Electric Cooperative's board of directors has authorized payment of capital credits to many current and former members of the cooperative. Checks in amounts proportionate to each member's patronage were distributed in December to current and former members who have capital credit balances for 1965-69 and to those members whose capital credit allocation for any previous year before 1995 was less than \$5.

What are capital credits?

Margins are calculated each year by deducting the expenses of operating the cooperative from the income from the sale of electricity. These margins are allocated to each member's capital credit account based on electric use. When the financial condition of the cooperative is adequate to meet all normal and emergency needs, the board of directors may approve the return of a portion of these margins to the member-owners.

What if service has been disconnected?

As long as you maintain a current address with the cooperative, Lamar Electric will mail your capital credit checks to you as the board approves refunds.

Why did my neighbor get a check and I didn't?

The checks are allocated to those members who have capital credit balances for 1965-69 and to those members whose capital credit allocation for any previous year before 1995 was less than \$5. Those who owe the cooperative an outstanding past-due balance in excess of the capital credit will not receive a check. If the name and address information on record at the cooperative office is incorrect, the check may be returned by the post office. If this should happen, it can be

retrieved at the cooperative office with proper identification.

Why was my neighbor's check larger than mine?

The amount of the capital credit check for the period is based on the amount of electricity used. If one member's usage has been greater than another's, he or she would receive a larger check than a member who has used less electricity.

The board of directors of Lamar Electric Cooperative is glad that the cooperative is financially healthy enough to return capital credits to you

at this time. Board members also pledge to continue to do their best to direct your cooperative's business in such a way that capital credit payments can be made in the future.

If the person whose name is on the check is deceased, can the payee name be changed?

No. The capital credit is assigned to the name in which the account is, or was, carried at the time of allocation. The check can legally be cashed only by that person or his/her estate if legal power of attorney has been executed. Check with a lawyer for clarification.

NOTICE OF CAPITAL CREDIT ALLOCATIONS

Capital credits were recently allocated to the accounts of members of Lamar Electric Cooperative for the year 2005.

After the end of each fiscal year, cooperatives must determine what, if any, margins were made during the year and allocate these margins to members' accounts. Your cooperative's margin is any money left after all its operating costs have been paid. Since members are part-owners of the cooperative, part of that money will be allocated to their accounts.

These capital credits will be returned to members in the future when doing so will not weaken the financial condition of the cooperative. In the meantime, the funds remain invested in the cooperative plant, credited to each member's account, even though the member might move away from Lamar Electric's lines.

It is very important that

departing members keep the co-op informed of their mailing address so they can receive capital credit refunds when they are paid.

Capital credits for each member in 2005 were calculated by multiplying each member's bill by .04230414.

For example: If your total bill from the cooperative, (consisting of energy billing and power cost adjustment) was \$500, simply multiply that amount by .04230414. The product of this arithmetic is \$21.15.

In calculating your total bill, include any security light charge, but do not include any tax, service or miscellaneous charges.

If you have any questions concerning these calculations, please contact the co-op office.

(This article is intended to serve as official notice of allocation of capital credits for 2005.)

Copper Attracts Thieves to Electrical Substations

If there is an electric utility substation near where you are standing, and there are warning signs that read “DANGER—KEEP OUT,” what is your first inclination? Like many of us, you think “safety first” and walk in the opposite direction.

However, some people are gambling with their safety and lives by trespassing in substations in the pursuit of copper. Once an inexpensive metal, copper has doubled in value in recent years. Thieves are cutting through substation fencing to take copper reels, and copper products have also been stolen from utility trucks, transformers, work sites and storage facilities. The metal is then sold to scrap dealers.

Complaints of copper thefts have dramatically increased, causing concern for member safety. This is a growing problem across the country, as substation intruders in Texas, Virginia, Kentucky and Florida have been electrocuted while attempting to steal copper.

Lamar Electric Cooperative cares about the safety of our members. Here is some advice that will go a



Thieves are ignoring warning signs such as this and endangering themselves, co-op employees and our members.

long way in securing your safety and the safety of others:

- If you see any unusual activity in or around substations, towers, utility poles, storage sites or other electric utility property, report it to your local electric co-op immediately.
- No one should ever climb substation fences, utility poles or towers. People must also stay away from substations and transformers. Activity such as this is hazardous and can result in severe injury and, in some unfortunate cases, death.

Source: North Carolina Association of Electric Cooperatives and NRECA

PLUG INTO SAFETY

Many deaths and injuries could be prevented by taking steps to remove hazards associated with aging wiring, misuse of surge suppressors, and electrocutions from wiring systems. To help reduce those numbers, follow these safety tips:

- Make sure power strips and surge suppressors are designed to handle the loads for their intended use. Avoid overloading circuits by plugging fewer items into the same outlet.
- Make certain that all appliances and equipment are approved by an independent testing laboratory.
- Replace damaged electrical equipment or have it repaired.
- Be alert for hazards of old wiring. Flickering or dimming lights can be signs of electrical wiring problems.



**LAMAR
ELECTRIC
COOPERATIVE**

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For general information and outages after hours, call (903) 784-4303 local, or 1-800-782-9010 toll-free

Operating in Lamar, Red River, Delta and Fannin counties

Find us on the web at www.lamarelectric.coop

INTERIM MANAGER
Billy Kulwicki

BOARD OF DIRECTORS

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YOUR “LOCAL PAGES”

This section of *Texas Co-op Power* magazine is produced by LEC each month to provide you with information about current events, safety, special programs and other activities of the cooperative. If you have any comments or suggestions, please contact the local office.

MEMBER BENEFITS:

- Level billing
- Automated meter reading
- Free bank draft service
- Visa, Discover and MasterCard accepted
- Security lighting available
- Surge protection available

Lamar Electric Co-op Hosts Blood Drive

Lamar Electric Cooperative would like to thank everyone who donated blood during our “Be the Gift” Blood Drive November 21, 2006. Thirty-eight units of blood were collected during the communitywide event. That accounts for 114 lives that you helped save on that day.

Stewart Regional Blood Center brought two buses to the LEC parking lot to receive blood donations. Radio stations KOYN 93.9 and Mix 107.7 co-sponsored the blood drive with advertising and a live remote broadcast.

Lamar Electric Cooperative mailed out more than 9,000 bill inserts inviting its members to participate in the blood drive as well as announcing it in

the local section of *Texas Co-op Power* and in the Lamar County Chamber of Commerce newsletter.

Each donor received a T-shirt from Stewart Regional Blood Center as well as a T-shirt from Lamar Electric. They also were given a rain gauge, a cap and a pocket calendar. Each participant was entered into a drawing for other prizes that included a necklace and earring set, a watch and two *A Taste of Heaven* cookbooks donated by Marci Thompson and Liz Williams. The *Texas Co-op Power Cookbook: Recipes from Co-op Kitchens* or a leather portfolio furnished by Lamar Electric Cooperative were given to the rest of those registered.



Lamar Electric employee Ronnie Bridges was among the donors.



Lamar Electric employee Barry Murchison rolled up his sleeves for the blood drive.



Lamar Electric employee Betty Wood relaxes while she gives the gift of life.



Lamar Electric employee Marci Thompson found the giving easy.



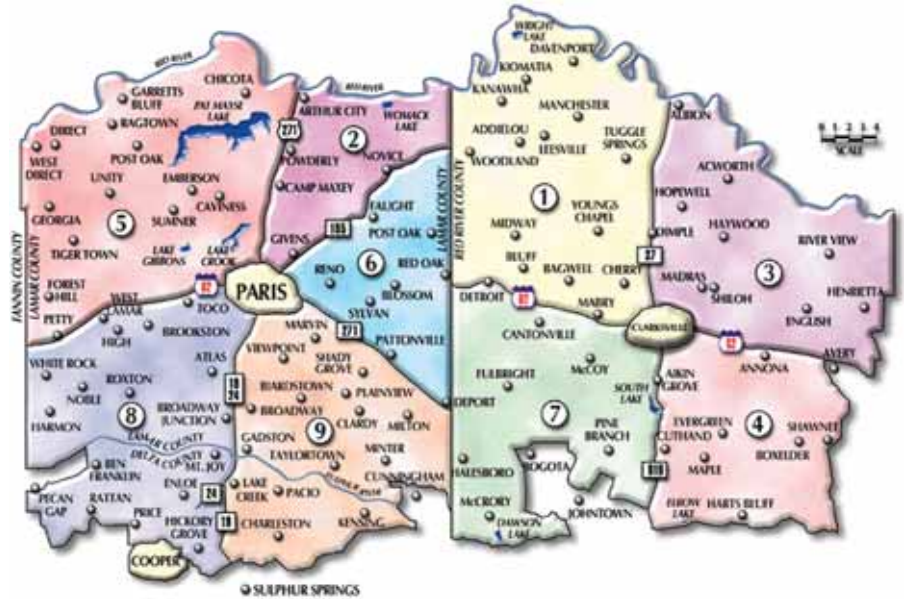
Lamar Electric member Ronnie McDowell took time out to help donate one of 38 units of blood collected in the drive.

Co-op's Annual Meeting Set for April 14

Lamar Electric Cooperative will hold its annual meeting on April 14 at Love Civic Center in Paris. There will be additional information in this magazine each month until then.

Upon meeting director qualifications, members can register for the director positions up for election this year. Potential candidates will be required to register no less than 60 days nor more than 90 days before the date of the annual meeting.

Those wishing to register for director seats must do so from January 15 through February 13. Districts 2, 3 and 4 will be open this year. If you are unsure which district you live in, please refer to the district map at right.



LAMAR COUNTY, WON'T YOU PLEASE GIVE?

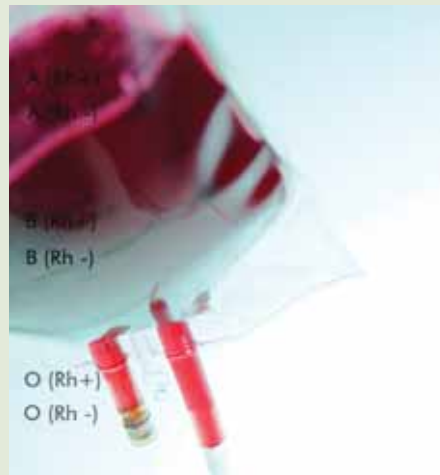
Since January 2006, Lamar County has contributed 721 units of life-saving blood to the East Texas community blood supply. Lamar County patients and hospitals (Paris Regional North and South campuses) have used 2,259 units of red blood cells and 223 units of platelets for patient care.

Lamar County has an estimated 48,000 people, of which 28,000 would be eligible blood donors. With 60 percent of all blood donations coming from repeat donors, this would account for an approximate percentage of 1.7 percent of Lamar County's eligible population, supporting the East Texas community blood supply. Lamar County residents support only 29 percent of their county's annual blood product usage.

Eligible donors are allowed to give blood every two months (or 56 days). More donors are needed to

meet the needs of our community. If you are eligible to donate, please visit Stewart Regional Blood Center or a blood drive in your area.

Each unit of blood donated can save up to three lives, making every blood donation important to our nation's blood supply and potentially one that will save a loved one's life.



DIRECTOR QUALIFICATIONS

Co-op Bylaws, Article IV, Section 3

No person shall be eligible to become or remain a board member of the cooperative who:

- a) Is not a member and bona fide resident of the board district which elected;
- b) Is any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the cooperative; or
- c) Is an employee of this cooperative or has been terminated from the cooperative less than five years ago; or
- d) Is a close relative of an employee ("close" being defined as wife, husband, grandparent, parent, brother or sister); or
- e) Has been convicted, pleaded guilty or pleaded "no contest" to a felony; or
- f) Is an incumbent of, or candidate for, an elective public office for which a salary is paid.