

Questions & Answers

1. What year was Swisher Electric Cooperative formed? 1939 How many serve on Swisher Electric's board of directors? 8 Name at least two of them. Directors are: Jimi Reed, Dwaine Strange, Mace Middleton, Jimmy Burson, Brad Sharp, Zeke Frost, Rank Cogdell and General Manager Dwain Tipton.

2. How many counties does Swisher Electric serve? Name them please.

Swisher Electric serves all or part of 6 counties, including Armstrong, Briscoe, Castro, Hale, Swisher and Randall

3. How many meters does Swisher Electric Cooperative, Inc. serve. How many miles of line does it operate?

Swisher Electric serves approximately 8,100 meters & over 3,650 miles of distribution and transmission line.

4. Is Swisher Electric Cooperative, Inc. owned by the government?

No. It is owned by its 1650 member-owners.

5. What is a cooperative?

It is a business enterprise which is jointly owned and equally controlled by those who use it. It is a form of business more interested in service to people than making dollars, though it must, of course, take in enough money to pay its way.

6. How does a cooperative differ from other forms of business enterprises?

In a cooperative, membership and joint ownership are open to all who want to use its services, and generally there is a small membership fee. To insure democratic control, each member has one vote regardless of his investment or use of the facilities. A cooperative's nonprofit status is generally spelled out in its by-laws and sometimes by the state law under which it is incorporated.

7. Do cooperatives pay taxes?

Yes, indeed. In most states, rural electric cooperatives pay taxes on the same basis as other businesses. In a few states, taxes are levied on a basis which recognizes that most of their plant produces comparatively low revenue because lines extend into sparsely populated territory. In 2017 Cooperatives paid over \$1 billion in state and local taxes.

8. What is the 'Rural Electrification Program'?

It refers to a partnership effort of the Federal Government and electric systems serving the rural areas of America. The Federal Government provided loans on favorable terms through the Rural Electrification Administration (REA); farmers and other rural residents provided the initiative and leadership in organizing, constructing, and operating their own rural electric systems to provide service for themselves, their neighbors, and future consumers in their rural areas.

9. Are there other Rural Electric Cooperatives serving Texas and the nation?

Yes, there are 75 rural cooperatives in Texas. Nationwide there are about 900 electric cooperatives. Most are distribution systems, but some are power supply systems, known as G&T's (generation and transmission). In 2017, 63 G&T co-ops generated and transmitted power to their distribution system members serving over 42 million people in 47 states, according to America's Electric Cooperatives: 2017 Fact Sheet.

10. What is the major goal of Swisher Electric Cooperative, Inc. and other rural electric cooperatives?

To provide dependable electric service at the lowest possible price consistent with sound business practices.

11. Why is it difficult to set rates for electric service in rural areas?

Building an electric system is a very expensive undertaking; it ties up large amounts of capital. The typical electric cooperative serves only 7.4 consumers with \$16,000 annual gross revenue per mile of line. Most commercial utilities average five times as many consumers and up to six times as much revenue per mile of line. The cost of wholesale power is also a major factor in determining prudent rates to consumers.

12. These are Seven Cooperative Principles. Be able to explain two of them and tell why you think these are important.

1. Voluntary and Open Membership – Cooperatives are voluntary organizations, open to all persons able To use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.
2. Democratic Member Control – Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. The elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and cooperatives at other levels are organized in a democratic manner.
3. Member’s Economic Participation – Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefitting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.
4. Autonomy and Independence – Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.
5. Education, Information and Training - Cooperatives provide education and training for their members, elected representatives, managers and employees so that they can contribute effectively to the development of their cooperatives. They inform the general public, particularly young people and opinion leaders, about the nature and benefits of cooperation.
6. Cooperation Among Cooperatives – Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
7. Concern for Community – While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

13. Who inspired the creation of Youth Tour?

In 1957, then Texas U.S. Senator Lyndon B. Johnson inspired the Youth Tour when he challenged people to send their youth to the capital to, “actually see what the flag stands for and represents.”

14. Is Swisher Electric Cooperative a for-profit or nonprofit business, and what does that mean?

Swisher EC is nonprofit, meaning that any money left over after paying for all the business operating costs and expenses belongs to the members and not the cooperative.

15. What are Capital Credits? Do Swisher Electric members accrue capital credits?

Money left over after paying for all the business operating costs and expenses is called margins. These margins are allocated to each Swisher Electric member based on their patronage in the form of capital credits. When the board of directors deems the cooperative is in a financially sound condition, the capital credits are paid to the members.

16. How was REA (Now RUS) created?

President Franklin D. Roosevelt created the Rural Electrification Administration by Executive Order on May 11, 1935. The agency was given continuing status and its authority and responsibilities were clarified in the Rural Electrification Act, passed by Congress in 1936.

17. Does Swisher Electric Cooperative, Inc. belong to other business related organizations?

Yes, Swisher Electric is a member of the following:

NRECA – the National Rural Electric Cooperative Association in Arlington, Virginia

CFC – the National Rural Utilities Cooperative Finance Corporation in Dulles, Virginia

TEC – Texas Electric Cooperatives, Inc., the statewide association of electric cooperatives.

Touchstone Energy – a national alliance of electric cooperatives committed to service excellence.

18. Who is TEC? What does TEC do for the Co-ops and Youth Tour?

Texas Electric Cooperatives represents the interests of 75 electric cooperatives with more than 3 million members throughout the state. TEC serves its members by providing products and services such as a full line of utility supplies including utility poles manufactured and distributed from their facility in Georgetown. The association advocates for cooperatives in the Texas Legislature, the U.S. Congress and state and federal regulatory agencies. TEC provides professional education opportunities for cooperative employees and safety training for electric linemen throughout the state. TEC works with National Rural Electric Cooperative Association and coordinates the Youth Tour trip, makes all of the travel and tour arrangements, and secures chaperons for the week long trip to Washington, DC for all of the Texas participants.



19. What is Touchstone Energy?

A “touchstone” was used by miners to test the quality of gold. It is a test of measurement of *purity or genuineness*. Chosen as a result of research and feedback from co-op member-owners from across the country, Touchstone Energy became the *brand* name for the cooperatives who belong to this national network of electrical cooperatives. The Power of Human Connections is seen in the “three amigos” logo representing a co-op’s three most important groups of people: the members, the directors and the employees.



Touchstone Energy®
Cooperatives

The power of human connections®

20. Who is Willie Wiredhand?



Willie Wiredhand (©NRECA) is the longtime friendly face and spokesplug of rural electric cooperatives nationwide. Adopted and copyrighted in 1951 by the National Rural Electric Cooperative Association, Willie’s last name is one of the original nicknames for rural electric cooperatives: “wiredhand” (because electricity brought to rural America by co-ops in the 1930s and 40s was the never-tiring, always available hiredhand to help the nation’s farmers.) Willie — with his light-socket head, wire body and electrical plug for his bottom and legs — is now considered an icon among many of corporate advertising characters. Willie’s ‘birthday’ is October 30, 1951



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