

Co-ops have an edge over other electric utilities

Electric cooperatives are the only electric utilities owned by the customers they serve, rather than by outside investors. But co-ops have an edge, for consumers, over their counterparts in the following ways, as well:

Co-ops receive less government assistance than other electric utilities.

All electric utilities receive federal subsidies in one form or another. The nation's investor-owned utilities (IOUs) have retained taxes, equivalent to an interest-free loan from the federal government, of \$71 billion, or \$53 per customer. Municipal utilities receive tax-exempt financing. They currently have \$75 billion in tax-exempt bonds outstanding, representing federal assistance of \$74 per customer. Nationwide, some 800 rural electric cooperatives borrow at reduced rates from the Rural Utilities Service. This federal assistance amounts to approximately \$23 per customer.

Electric cooperatives have a greater investment in their customers.

Florida's 16 electric co-ops, including West Florida Electric Cooperative, provide power to 65 percent of Florida's land area but serve only 10 percent of the state's population. Their customers are more spread out than customers of municipal or investor-owned utilities. For example, WFEC serves an average of five consumers per mile of distribution line, while its neighboring investor-owned utility averages 55, and neighboring municipal system averages 14.5. Fewer customers per mile of line results in less revenue and more expense for co-ops.

Sources: Florida Electric Cooperatives Association
and National Rural Electric Cooperative Association



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