

# CURRENTS

## JNEC's May 2026 Newsletter



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### Jasper-Newton Electric Cooperative's Patronage Capital Allocation

As a member-owner, you have a share in the margins of your not-for-profit electric cooperative. Your Cooperative's rates are set to bring in enough money to pay operating costs, make payments on any loans and provide an emergency reserve. Revenues in excess of the cost of doing business are eventually returned to JNEC's members as "patronage capital."

At the end of each calendar year, independent auditors perform an audit of our financial statements in accordance with Government Auditing Standards that confirms our financial position. Our "margin" is calculated by subtracting operating expenses from the total amount of money collected during the year.

Here's how they work:

1

ASSESS THE MARGINS OF THE COOPERATIVE AND DETERMINES ALLOCATION OF THE CAPITAL CREDITS.

The margin is allocated to each member based on the amount each member paid for electricity. Service charges, membership fees, and other payments are not included in the allocation. The factor for the 2025 margin (patronage capital) allocation is 0.0163751461. To calculate patronage capital allocation, take the amount paid for electricity for the 12 months of 2025 times the year's factor. The distribution of patronage capital is a separate process from this allocation.

Unlike investor -owned utilities, Jasper-Newton Electric Cooperative is a not-for-profit organization that returns its profits, or "margins," back to its members-consumers! As a member, you are a part-owner of the co-op and are eligible to receive money back through capital credit requirements.

2

JNEC CAREFULLY TRACKS THE AMOUNT OF CAPITAL CREDITS FOR ACCURACY.

### Introducing the myJNEC Mobile App



We're excited to announce the launch of myJNEC, a new mobile app designed to keep you connected anytime, anywhere. With myJNEC, members can easily manage their accounts, view usage, and report power outages right from their phones. Download today and experience a simpler, smarter way to stay connected.

3

THE BOARD OF DIRECTORS ANNUALLY EVALUATES THE FINANCIAL CONDITION OF THE COOPERATIVE.



4

MEMBERS RECEIVE A CREDIT ON THEIR SEPTEMBER BILL.



## IMPORTANT NOTICE

### Electricity Load Shedding and What It Could Mean to JNEC Members

Jasper-Newton Electric Cooperative's ("JNEC") service territory is located within two different Regional Transmission Operators ("RTO"), Midcontinent Independent System Operator ("MISO"), and the Electric Reliability Council of Texas ("ERCOT"). MISO and ERCOT are responsible for ensuring that the supply of electricity is sufficient to meet customer demand for electricity in JNEC's service territory or distribution system.

When an event occurs that prevents the sufficient supply from all generation resources, both RTOs will implement Emergency Operating Procedures. During a power emergency, when the electric supply cannot meet customer demand for electricity, and all other operational options have been exhausted, the demand for electricity must be reduced to avoid uncontrolled blackouts. As a last resort, the RTOs will instruct electric utilities to implement controlled customer outages to reduce the customer demand for electricity on the electric grid. This is known as load-shedding and will continue until the RTOs resolve the power emergency. Typically, before calling for controlled customer outages, an RTO takes steps to reduce the demand on the electric grid by requesting customers to reduce electric usage voluntarily. Electric utilities, including JNEC, are obligated to implement load-shed procedures immediately when instructed by an RTO.

During member load shed events:

- All members should assume their power could go out without advanced warning. Efforts will be made, as much as possible, to provide advance notice of pending outages, but circumstances do not always allow it. · Members designated as priority/critical load are not guaranteed an uninterrupted supply of electricity, including residential members dependent on electric-powered medical equipment. All critical/priority members are responsible for arranging alternative power sources should a localized outage or load-shedding event occur. Anyone dependent on electricity for life-sustaining equipment should have a backup plan in the event they experience a power outage.
- Residential members interested in applying to be considered priority accounts should contact a Member Service Representative at 409-423-2241 or 800-231-9340. You may also access a priority account form at [www.jnec.com/content/forms](http://www.jnec.com/content/forms).
- JNEC will prioritize continuity of service for certain members whose service is critical to the community during an emergency or those whose service provides crucial support to the integrity of the electric system during an emergency. Critical load business members who provide crucial services can contact the Engineering Department of JNEC at (409) 423-2241 or 800-231-9340.
- A load shed event is an emergency order issued by an RTO caused by the lack of electricity being generated or distributed to electric utilities. Because multiple factors may cause load-shedding orders, JNEC may not have the information to notify individual members if they may lose power, when they may lose power, or how long the load-shedding event may last.
- In extreme power emergencies, a retail transmission operator may require electric utilities to shed large amounts of load over long periods of time. In these instances, electric utilities like JNEC may not have the ability to rotate outages without risking the stability of the entire electric grid. When this happens, some members may be without power for an extended period of time. These outages are critical for ensuring the integrity of the electric grid and preventing a system-wide blackout, which could be long-lasting and have a significant impact on all aspects of life.
- Electric utilities are required to continue to comply with an RTO's controlled customer outage instructions until the RTO determines that outages are no longer required.
- In the event of load shedding, members are encouraged to conserve energy usage to alleviate stress on the electric grid. The Public Utility Commission of Texas provides the public with information on how to reduce electricity use during times when voluntary and/or involuntary load-shedding events may be implemented.

[www.puc.texas.gov/consumer/facts/save.aspx](http://www.puc.texas.gov/consumer/facts/save.aspx) Regardless of the nature of the load-shedding event, JNEC is committed to ensuring the safe and reliable delivery of electricity to our members. While JNEC may not control the issues or conditions that have required the order to shed load, we will attempt to minimize the impact on our members' safety and responsibility. JNEC is committed to providing safe and reliable power to its membership. Although the conditions leading to a load-shed event may be beyond JNEC's control, we will work around the clock and do everything in our power to restore electricity as quickly as possible. Jasper-Newton Electric Cooperative, Inc., is a distribution electric cooperative that serves more than 24,180 meters across five counties.