

REMC – Rural Electric Membership Corporation

REC – Rural Electric Cooperative

Distribution cooperative – As a generation and transmission cooperative, Hoosier Energy is owned by 18 rural electric distribution cooperatives. In Indiana, these are known as REMCs (Rural Electric Membership Corporations) or RECs (Rural Electric Cooperatives), and in Illinois as simply Electric Cooperatives. Each of these distribution cooperatives is a private, individual consumer-owned business organized to bring electric service to members. Electric cooperatives came about following passage of the Rural Electrification Act in 1936. Cooperatives are owned by the consumers they serve and operate as not-for-profit corporations. The seven cooperative principles include:

- Voluntary and open membership
- Democratic member control
- Member economic participation
- Autonomy and independence
- Education, training and information
- Cooperation among cooperatives
- Concern for community

One in every four Americans is served by some sort of cooperative. According to the National Cooperative Business Association, there are 47,000 cooperatives in the United States that account for more than \$100 billion in annual economic activity.

Hoosier Energy and its distribution cooperative owners are among more than 900 cooperative members of the National Rural Electric Cooperative Association. NRECA members serve 40 million people in 47 states. Electric cooperatives provide reliable and technologically advanced service while maintaining a unique consumer-focused approach to business.