

You Will Earn Capital Credits For Being a Member



Capital Credits indicate your past patronage in your Cooperative.

CAPITAL CREDITS ARE NOT A BILL- NOR MAY THEY BE DEDUCTED FROM PAYMENTS MADE BY YOU TO THE COOPERATIVE.

Each year your Cooperative's board of directors approves a budget that includes all of the projected expenses for the year, including the cost to purchase power at wholesale, salaries, and operations and maintenance expenses. At year-end, the "margin" for the year, representing the excess of actual revenues over actual costs and expenses, is allocated back to the members in the form of patronage capital credits, in proportion to the members' patronage during that year. Your Cooperative uses this money as working capital until the financial condition of the business allows it to be distributed back to the members in cash. Capital Credits are the property of the members, and accumulate from year to year until they are distributed when that capital is no longer needed.

Capital Credits records are maintained according to the member number, NOT according to account number. We locate your service and keep records of your billing and payments to the Cooperative with the account number and record your Capital Credits with your member number.

The Cooperative's agreements with its lenders require that its "equity", (the excess of its assets over all of its debt obligations) be maintained at certain levels. When the Cooperative's financial position allows it to meet its lenders' requirements and it is in a financial position to do so, the board of directors will direct that Capital Credits be returned to the members. Typically, the Capital Credits distributed in the current year represent patronage from 20 years before.

If you are a current member, your Capital Credits distribution will be applied as a deduction to your electric bill. If you are no longer a member at the time of distribution, a check will be mailed to you.