

*If You Have Any Questions Concerning  
Capital Credits, Contact  
Tri-County Electric Cooperative:*



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Capital Credits



# Capital Credits

*Ownership has its privileges.™*



**Tri-County Electric Cooperative, Inc.**

# *Tri-County Electric Cooperative returns cash to its members.*

## **What are Capital Credits?**

Capital Credits are the only form of equity a consumer-owned utility has. Each year, all revenue over and above expenses is assigned by the cooperative to each member's Capital Credits account. The amount of your Capital Credits is determined by your yearly payments for electricity.

The revenue that eventually becomes Capital Credits is accumulated and used for system maintenance. This helps to keep rates competitive by reducing the amount of funds that have to be borrowed by your cooperative.

## **What does this mean to me?**

The Capital Credits that are assigned to each member's account are returned periodically to the members. This means you are a member-owner of a not-for-profit business. Ownership has its privileges.

## **When are Capital Credits distributed?**

Whenever TCEC's finances permit, we return Capital Credits to our members. The decision is made by our Board of Trustees after a thorough examination of the co-op's financial position. The co-op has returned Capital Credits to our members annually since 1976.

Every year, you will receive a Capital Credits statement. The amount of Capital Credits on this statement is determined by the total revenue over expenses for the cooperative and your total billings for the year.

These Capital Credit refunds illustrate and emphasize one of the major differences between a member-owned cooperative and an investor-owned power company or municipality.

## **What if I move?**

If you move, be sure to leave your forwarding address with us so we can send your Capital Credits check to you. You do not normally have to report your Capital Credits payment on your income tax. However, if you have any questions concerning tax liability, consult your tax preparer.

## **Are there other advantages of being a member of Tri-County Electric Cooperative?**

As a member of TCEC, you are one of its member-owners. You elect the co-op's Board of Trustees, and this gives you an equal voice in the way your co-op is managed.

*Capital Credits  
are a privilege  
of membership.*

