



Carroll Electric Cooperative, Inc.

Your Touchstone Energy® Cooperative 

CAPITAL CREDITS

Everything you need to know about the monetary benefits of being a cooperative member

As a member of Carroll Electric Cooperative, Inc., you are also an owner.

Carroll Electric is a not-for-profit organization. Owned by its member-consumers, the money to cover day-to-day operating costs of the cooperative comes directly from our members paying their monthly electric bills.

At the end of the year, Carroll Electric subtracts operating expenses from the amount of money collected, and the remaining balance is called the margin. The margins left over at the end of the year are allocated, or assigned, to your capital credits account based on individual patronage (the amount of money you pay for your electric bill each year).

Your capital credits account, similar to a bank account, is the accumulation of margins that have been allocated to you each year based on your patronage. At the end of each year, the cooperative deposits your allocated patronage into your capital credits account.

Each year, the board of trustees retires capital credits based upon the financial stability of the cooperative. The board of trustees was delegated this responsibility in the cooperative's code of regulations.

If the board chooses to retire capital credits, the cooperative will convert the credits into money and apply it to your December monthly bill or mail you a check if that particular account is inactive.

When do I get my capital credits?

Capital credits are allocated (set aside) after the close of every calendar year. The money is not available to members until the capital credits have been retired. Capital credits are currently retired 20 years after allocation. Therefore, add 20 to the year listed on your allocation statement and that is the year you will receive those capital credits. For example: Capital credits allocated in the year 2019 will be available to you in 2039. *The Carroll Electric Board of Trustees reserves the right to retire capital credits at any time, within the guidelines set forth by law and the Carroll Electric Code of Regulations.*

How do I receive my capital credits?

Current members will receive a bill credit on their December billing statement. Checks are mailed each December to members no longer living in Carroll Electric's service territory.

What happens to my capital credits if I move?

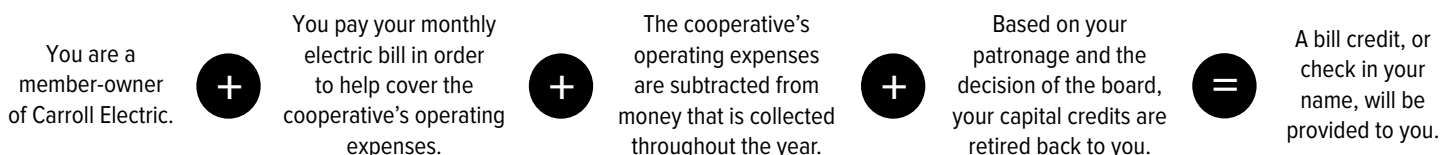
You are entitled to your capital credits allocation even if you move out of Carroll Electric's service territory. Carroll Electric will continue to mail you capital credits information, so it is extremely important that we have your current mailing address on file.

Definitions

- ▶ **MEMBER**
At the cooperative, you are more than a customer. You a member-owner.
- ▶ **OPERATING COSTS**
The cost to maintain, repair, and construct the electric system (poles, wires, substations, etc.).
- ▶ **MARGIN**
At the end of the year, Carroll Electric subtracts operating expenses from the amount of money collected, and the balance is called the margin.
- ▶ **ALLOCATE**
An approved method used to assign the margins to an individual's capital credits account.
- ▶ **PATRONAGE**
At the cooperative, your patronage is the amount of money you paid on your electric bill each year.
- ▶ **RETIRE**
A payout from your capital credits account. The cooperative will withdraw money from your capital credits account and provide a bill credit on your December bill (current members) or send you a check (former members) based on the board's approval.

Capital Credits are just one of many differences that set cooperatives apart from other business models.

Capital credits at a glance



For more information, contact **1-800-232-7697** or visit **www.cecpower.coop**.

CARROLL ELECTRIC COOPERATIVE
P. O. Box 67
Carrollton OH 44615-0067

RE: Capital Credit # 1500910

5685 1 AV 0.378
Member Name
Member Address
City, State ZIP

5 5685
C-10 P-10

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Capital Credit Allocation Information

This is not a bill

Thank you for helping build, sustain and grow your local electric cooperative.

When you signed up to receive electric service from Carroll Electric you became a member-owner of a not-for-profit electric utility. Carroll Electric operates on an at-cost basis, so any profit, called margins, are given back to the members based on the amount of electricity each member used during a specified year. Carroll Electric allocates (assigns to you) and periodically retires (gives back to you) capital credits based on how much electricity you purchased during a specified year.

The "total billing" column represents the amount you spent on electricity for the calendar year listed. The "capital credits" amount is the total margin (profit) that you are entitled to when Carroll Electric trustees retire capital credits. You'll receive the capital credits listed on this statement in 20 years.

If you have moved out of Carroll Electric's service territory, we will continue to mail you capital credits information, so it is extremely important that we have your current mailing address on file.

CAPITAL CREDIT STATEMENT			
Calendar Year 2014			
Acct. No	Total Billing	Capital Credit	Code
1500910	376.87	14.31	1
		12.73	2
Totals	\$376.87	\$27.04	

Allocation Codes

- 1 = Carroll Electric Cooperative
- 2 = Generation and Transmission (Buckeye Power, Inc.)

Keep this statement for your records

Capital Credits shown on this statement cannot be used to pay electric bills or any other debt that you may owe the Cooperative.

