

## *Capital Credits*

What makes a rural electric cooperative different than an investor-owned utility?

It's owned by the members it serves.

Since your cooperative is a not-for-profit entity, it allocates money left over after costs are paid to the members in the form of capital credits.

The cooperative's margin, or net return, belongs to the member-owners. Each member's share is determined by the amount of electricity used. The more a member uses, the larger his share of the margin.

Periodically, each member receives an equity statement showing the individual assignment of capital credits for the year. These equity statements are the member's "capital credits" or ownership equity in the system.

Most rural electric cooperatives have a provision in their bylaws for repayment of capital credits on a rotating basis. After a number of years of successful operations, the board of directors may approve repayments of capital credits to the members.

So you see, there's a very good reason to be interested in the services your cooperative offers. After all, you own it!

*Capital Credits... another "Good Neighbor" benefit from Caddo Electric Cooperative.*

**PLEASE NOTE:** The monies accrued in the capital credit account cannot be used to pay your electric bill.