

Understanding capital credits

Why and how you get them

If you recently received a “capital credit” check or a postcard labeled “notice of patronage capital,” you might wonder why WFEC has sent them. Well, here’s the story —

Once a year, WFEC repays capital credits, which are each member’s ownership equity in the Co-op’s system. Last month, the Co-op issued 6,389 capital credit checks, totaling \$200,866.51, to people who were WFEC members, or electric customers, in 1976 and 1977. Usually, WFEC repays capital credits for one year at a time on a 23-year cycle. However, the Co-op combined the credits for 1976 and 1977 because the amounts for 1977 were relatively small.

Like most cooperatives, WFEC returns net margins to its members in the form of a cash patronage refund, after reserves are set aside. Since electric cooperatives started out with no initial capital from members, cash from net margins has to be used to repay government loans. Over a period of years, these funds take the place of federal investment.

Through WFEC’s bylaws, you, the member, have agreed to use margins this way. WFEC maintains credit account showing your share of the net margins for each year, and you receive a “notice of patronage capital” postcard that tells the amount of your share. The card also explains that the monetary amount shown can’t be applied to your current electric bill.

If you move away from WFEC’s service area, you should continue to update your forwarding address. It might be a while before you’re supposed to get a capital credit check, but when the time comes, WFEC needs to know where to find you. Many former members have missed out on getting their capital credit checks because nobody knew where to send them. Also, any member who assumes responsibility for a meter that has been in someone else’s name should contact the Co-op about changing the name on that account. Only the member whose name is on the account is eligible to receive the capital credits for that account, regardless who pays for the meter.



**November
2000 CLF**



**Firm
foundations**

WFEC will
celebrate friends,
families, faith

**Map to
WFEC’s
annual meeting**

Trustee talk
Meet A. C. Miles
of District 5

**Reader’s
Recipe**
Hot diggity dog
dessert

Consumer Ads

Main Menu

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