

Capital Credits

Cooperatives differ from other forms of business in that our consumers are member-owners of the company. A business has shareholders who expect to make money from their investment in the company. Cooperatives are a not-for-profit business that exists solely to provide its members with electricity. As a member of an electric cooperative, you receive not only a needed service, but a benefit reserved for owners of a company--a return on your investment - called capital credits.

Capital credits come from margins, or the money left over, after all expenses are paid in a given year. If margins are available, that money is credited to your account according to the amount of electricity you purchased. Assigning capital credits to members, instead of paying dividends to distant stockholders, is just part of the accountability the Cooperative offers you. When the Cooperative's finances permit, that money is returned to members in the form of capital credit checks.

Being paid for patronizing your own company is just another benefit of buying your power from an electric cooperative. That's the cooperative difference!

FREQUENTLY ASKED QUESTIONS

Are senior citizens eligible to receive capital credits early?

Our members who have reached the age of 66 and over may request the refund of capital credit allocations by submitting a copy of their birth certificate and completing a short application. As much as \$300.00 may be refunded per year. In addition, the current year's allocation is refunded to those persons as soon as it is allocated.

Will the total capital credit amount be refunded after I terminate electric service?

Early retirement of capital credits is not allowed when electric service is terminated. When capital credits are retired (paid back), inactive accounts are included in the retirement calculation until their balances are fully retired. Refunds will be issued subject to the \$5 minimum check limitation. Of course, capital credit refunds cannot be delivered correctly if the co-op is not kept abreast of address changes, so PLEASE keep us informed of your current address!

My relatives are deceased. How can we handle an estate?

The heirs of an estate can choose to close out the capital credit account of a deceased member by opting for an estate retirement. With this option, the capital credit balance is retired to the heirs. If you are interested in finding out more about estate retirements, please contact the Customer Service Representatives at 575-835-0560, or toll free at 1-800-351-7575.

What happens when capital credit checks are not cashed?

The Cooperative keeps a record of all capital credit checks that are not cashed. After five (5) years, abandoned capital credit checks are escheated to the Socorro Electric Cooperative Education Foundation. Using these proceeds, the Education Foundation has been able to support higher education for our members and their families who live within the Cooperative's service area.

Can I donate my Capital Credits to the Socorro Electric Cooperative Scholarship program?

Yes, you can! The Scholarship Program is designed to "give back" to the communities we all live in. If you are interested in finding out more about donating capital credits, please contact the Customer Service Representatives at 575-835-0560, or toll free at 1-800-351-7575.