

### **What are capital credits?**

It pays to be a Nobles Cooperative Electric (NCE) member. As a member of a non-profit electric cooperative, you are a part owner. One great advantage of being an owner is we allocate or assign our margins back to our members in the form of capital credits.

### **How does NCE use allocated capital credits?**

Between the time capital credits are allocated and the time they are refunded to you, the money is used to maintain, improve and ensure dependable service. If NCE could not use the members' equity or capital credits, we would need to borrow the funds resulting in additional interest expense and increased rates. In short, members get a lot of value in exchange for allowing the cooperative to use their share of the margins.

### **When does NCE pay allocated capital credits back to a member?**

General retirements, or payouts of capital credits, are made in later years as determined by the financial condition of the cooperative. At that time our board of directors determines which years will be retired. Those who were on our service during those years would receive a check or have the amount applied to their current bill. In the last 15 years, NCE has retired and paid out over \$10.67 million to members.

### **What happens to my capital credits when I leave the NCE service area?**

When a member moves out of NCE's service area it is important to keep us updated with any address changes, as former members will continue to receive capital credit payouts in the form of general retirements. Any checks that are returned as undeliverable are held as unclaimed for a period of time and are eventually paid out through our Operation Round Up Scholarship Fund.

### **What happens to capital credits of a member (or former member) who dies?**

The exception to paying out capital credits through general retirements is made when a member or former member of NCE passes away. Capital credits of a deceased member may be paid out to the heirs in a discounted lump sum upon the completion of the appropriate paperwork.

### **I moved from your service area. Can I collect my capital credits?**

This is a common misconception about capital credits. Unfortunately, you have no vested interest in your capital credits until a refund is authorized by the board of directors. In other words, as a member, you agreed that your capital credit allocation is a permanent investment in NCE unless the board of directors authorizes a refund at some point in time. Your best bet is to make sure NCE has your current address on file to ensure that you will receive any future membership refunds.

### **I no longer own property in the NCE service territory, does this check belong to me?**

Yes! Capital credits are paid to members or former members who were purchasing electricity in the years that are being retired. Even if you are not currently a member, these capital credits still belong to you.