September 15, 2016

**What are Capital Credits and why are they important?**

Electric cooperatives like Eau Claire Energy Cooperative are owned by you, our members. **Capital credits** reflect your ownership in the cooperative. As you pay for your energy, we utilize the revenue to grow, operate and maintain a safe and reliable system. Any money that is earned over and above these costs of doing business is called **margins**. Your portion of allocated margins is then returned to you in the form of **capital credits**.

**How are Capital Credits returned to you, the member?**

Each year, the Board of Directors carefully considers the financial condition of the cooperative and retires a certain percentage of capital credits. **Returning** capital credits means that we are paying back or retiring the credits to you. Your capital credits are tracked and returned through a two-step process:

1. **Allocation:** Your share of the cooperative’s margins in a given year is called your allocation. The allocation is based on amount of energy you paid for during the year.

2. **Retirement:** When the Board of Directors approves a retirement of capital credits, they are approving the return of a percentage of your allocation and checks are issued to qualifying members.
ECEC returns over $810,000 in capital credits to Members.

*That’s the co-op difference!*

Your Board of Directors approved a capital credits retirement of 4% and Dairyland Power Cooperative (our electric provider) has approved a capital credits retirement of 2%.

Continuing to demonstrate the cooperative difference, Eau Claire Energy Cooperative mailed capital credit checks to over 15,000 qualifying members totaling over $810,000 on September 15, 2016. Since 1938, ECEC has returned almost $15 million in capital credits to our members!

Why didn’t I receive a capital credit check this year?

You did not receive a capital credit check since your account has not accumulated $10.00 or more retired capital credits. When your annual retirement accumulates $10.00 or more, a check will be mailed with the next general mailing of capital credit checks.

You can find more information about capital credits by visiting our web site at www.ecec.com. If you still have questions, please call us at 715-832-1603.

Sincerely,


Lynn E. Thompson, President/CEO
Eau Claire Energy Cooperative