



CAPITAL CREDITS

2016 *allocation of capital credits*

As a member-owned cooperative, Holmes-Wayne Electric is committed to operating the cooperative to provide the best service at the lowest possible cost.

We sell and deliver electricity to our members at cost plus a small margin. It is necessary to maintain an operating margin in order to provide working capital, which is used to maintain the electric distribution system, to build and upgrade lines, and to provide service to new members. However, because we are a non-profit co-op, we return these margins, or patronage capital credits, to members.

Capital credits are returned to each member based on patronage. They are divided among the members according to the amount of power purchased by each.

Capital credits are assigned, or “allocated,” to each member-owner for the prior year. Your member-elected board of trustees oversees the financial well-being of the co-op. As the financial status of the cooperative permits, the board will decide to “retire” capital credits.

Capital credits are currently being retired on an indus-

try average of a 20-year cycle. When retired, they are returned via check to current members, and via check to former members no longer on our lines.

This is one reason why you always should keep your cooperative apprised of your address: If you move off of Holmes-Wayne Electric’s lines, you may have money coming to you that you have forgotten about!

You also receive an allocation of capital credits from our power generation utility, Buckeye Power, which is also a cooperative. HWEC is a member-owner of Buckeye Power. Buckeye Power allocates capital credits to HWEC based on the same principles. We, in turn, allocate these capital credits to you. You are notified annually of your allocation of the capital credits assigned to your account for the prior year.

Please note in your May 2017 bill the information regarding the 2016 allocation for both Holmes-Wayne Electric Cooperative and our generation company, Buckeye Power. You will only have a 2016 allocation if you were a member of the cooperative in 2016.