

## Capital Credits

Your electric cooperative belongs to you and the other members who receive electric service from us. Your ownership interest is based on member equity investments known as capital credits.

When you pay your electric bill each month, your cooperative uses that money to pay its expenses for providing electric service. Any remaining funds, called margins, provide capital credits that belong to the cooperative and to you. Your share of these capital credits is based on how much you have paid Blue Ridge Electric for service.

From time to time, a portion of your capital credits may be refunded to you. However, the cooperative usually holds most of these funds in reserve for two vital purposes:

- 1) To keep the cooperative financially sound, with enough reserve funds to cover emergencies such as replacing poles, power lines, or other equipment due to events such as storm damage;
- 2) To provide enough equity to cover new investments in your electric system.

By holding your capital credits in reserve, we build the value of your membership in the cooperative.

### **Allocation of Capital Credits:**

Your capital credits will be assigned to the person in whose name the account is listed. For example, if your family's account is listed in your name, you will receive the capital credits assigned to that account. If it is listed in your spouse's name, her or she will receive the account's capital credits.

