

What is this Capital Credit Amount?

2015 Capital Credit Allocation Amount listed on November bill

CAPITAL CREDIT ALLOCATION NOTICE

Because of the business structure of Anza Electric Cooperative, members also are the owners, and the cooperative operates as a not-for-profit business. Any revenues that exceed the cost of providing safe and reliable electric service are designated as patronage capital, also known as capital credits.

Capital credits are one of the most significant benefits of being member-owners. As a member of Anza Electric Cooperative, Inc. (AEC) and because AEC operates as a cooperative, you are a member-owner of AEC.

Each year, at the direction of the board of directors, and when the financial condition of AEC allows, the Board considers retiring (paying out) a portion of AEC's patronage capital to our members, with a goal to maintain an approximate 20 year retirement cycle.

This retirement, or payout, to members is one of the most significant benefits of being a member-owner of Anza Electric Cooperative, Inc.

The amount of each member's allocation and payment amounts are based upon the amount of electricity purchased (i.e. total electric bills) each year and the margins (money made) for each year. Those with higher bills will earn more than those with lower bills and ultimately receive a higher retirement (payout) than those with lower bills.

In June 2016, the audit was approved and your 2015 capital credit allocation amount is listed on your November bill. In most cases, there are two numbers listed. The first number represents your share of capital credits earned as a member of AEC. The second number (AEPCO Allocations) represents your share as a member of AEC which is a member of AEPCO - AEC's power supplier.

WHAT ARE CAPITAL CREDITS?

Capital credits are the difference between your cooperative's operating costs and revenues. Because you are part owner of Anza Electric Cooperative, any revenues left over after expenses are paid are returned to you, the member.

10/09/15	11/04/15	30	01192	02115	0072	1	921	
Previous Amount Due								208.00
Thank You For Your Payment								-208.00
TIERS		ENERGY CHARGE						
1	0 - 400 KWH	EXAMPLE						54.80
2	401 - 700 KWH							42.60
3	701 - 1000 KWH							32.49
SERVICE AVAILABILITY CH								24.00
CA ENERGY TAX 0.00029 P								0.27
Total Current Bill Due 11/16/								154.16
Operation Roundup								0.84
Total Amount Due								155.00

The Capital Credit Allocation Assigned Year for 2015 = 64.77 and 94.18 for AEPCO Allocation Amount.

This amount has been added to your capital credit account. Please see the enclosed bill insert for more information.

HOW ARE CAPITAL CREDITS PAID?

Before capital credit payments are made, your board of directors conducts an annual review of Anza Electric's financial standing.

The individual years to be paid and at what percentage are then decided by the Board.

At some point in the future, you will receive all of your capital credits. The 2015 capital credits amount listed DOES NOT reflect the amount of capital credits that will be returned to you at one time. This is simply the amount that has been added to your capital credit account - an account completely separate from your electric energy account.

Generally, a percentage of everyone's balance is paid out. For example, in 2016, AEC paid out 100% of any remaining balance of 1996 and approximately 4% of any remaining balance from 1997-2014. Since 1989, AEC has returned over \$10 million to our present and former members.

Bill credits are issued to our active members and checks are issued to former members if their payment amount meets our check minimum amount of \$25.00. Issuing bill credits instead of checks to our active members saves AEC thousands of dollars a year in printing and postage costs, potential fraud and ultimately increases our margins.

Capital Credit Facts:

The cooperative business model is unique in many ways.

Since cooperatives operate as a not-for-profit business, any money made is given back to its members.

Nationwide, cooperatives returned capital credits of \$1 billion in 2015 alone and since 1988 have returned \$13.8 billion.

Since 1989 AEC has returned over \$10 million in capital credits to its current and former members.

Step 1: Allocation

A capital credit allocation determines your share of the cooperative's margin in a particular year. Margins are "allocated" or assigned to members who belong to the cooperative during the year in which a margin is generated. The allocation is based on the member's proportion of electrical usage for that year. Each member's portion is referred to as a "capital credit allocation."

Step 2: Retirement

Once capital credits are allocated they are retained by AEC for approximately 20 years, which is the current rotation period. They are retained because capital credits are the most significant source of equity for the cooperative. Equity is used to help meet the expenses of the co-op, such as paying for new equipment to serve members and repaying debt. Capital credits help keep rates at an affordable level by reducing the amount of funds that must be borrowed to grow and maintain AEC's existing electric system.

On an annual basis, your elected board of directors will review the cooperative's financial health and can declare a retirement (your payment), whereby a portion of your capital credits are returned to you.

This past September, 100% of any funds remaining for 1996 were returned along with approximately 4% of funds for 1997-2014.

Anza Electronic Waste Collection Event

STARTS NOVEMBER 5TH!

RECYCLE, ANZA. IT'S YOUR FUTURE!

Bring your old electronics (working or not) to the Cooperative office on any of the following dates:

Weekends:

Saturday November 5th, 10 a.m. - 2 p.m.

Saturday, December 3rd, 10 a.m. - 2 p.m.

Week Days:

Monday, November 7th - Friday, December 9th
8 a.m. - 4 p.m.



We CANNOT accept any light bulbs; any type of liquid, medications, pesticides, etc.

Examples of Acceptable Items:

Cell Phones	Computer Towers
Cords/Wires/Cables	DVD Players
Gaming Equipment	Keyboards
Laptops	Monitors
Printers	Radios
TVs	Satellite Dishes & Receivers
Stereos	

Anza Electronic Waste Collection Event held
in conjunction with Temecula Recycling.



**Interested in
purchasing a low
cost computer?**



We have low cost, basic ASUS notebooks available for only **\$50!**

These refurbished computers are perfect for students (it's what they use at school) and anyone who needs a simple, easy to use computer for email, documents and surfing the web.

*It has everything you
need to get started!*

To purchase, email
debbiew@anzaelectric.org
or call the office at
951-763-4333 ext. 207.

Supplies are limited
so don't delay!