

AEC News

Anza Electric Cooperative, Inc.
A Touchstone Energy Cooperative

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November 2015

What is this Capital Credit Amount?

2014 Capital Credit Allocation Amount listed on November bill

CAPITAL CREDIT ALLOCATION NOTICE

As a member of Anza Electric Cooperative, Inc. (AEC) and because we operate as a cooperative, you are a member-owner of AEC.

In addition to being member-owned, we operate as a not-for-profit business, and any revenues that exceed the cost of providing safe and reliable electric service are designated as "Patronage Capital" also known as Capital Credits.

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) by them for 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 March of this year, a separate statement of your capital credit account was mailed to you detailing your capital credit account balance and showing how much you had remaining for each year from 1995-2013. The numbers represented a balance for each year listed since a portion has already been retired (paid) through prior payouts. The 2014 information was not available last March since the 2014 audit had not yet been completed or approved by the board of directors.

In June 2015, the audit was approved and your 2014 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.

Total Current Bill Due for 2014	100.49
Operation Roundup	0.51
Total Amount Due	191.00
Bill Example	
The Capital Credit Allocation Assigned Year for 2014 = 64.77 and 94.18 (AEPCO Allocation Amount)	
This amount has been added to your capital credit account. Please see the enclosed bill insert for more information.	

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.

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 total 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 2015, AEC paid out 100% of any remaining balance of 1995 and approximately 4% of any remaining balance from 1996-2013. Since 1989, AEC has returned nearly \$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.

Since 1989 AEC has returned nearly \$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 1995 were returned along with approximately 4% of funds for 1996-2013.

Be sure and read the very important information about PAYING YOUR BILL on the other side of this bill insert.

Paying your bill will change

AEC will implement a new Pay-by-Phone system in the very near future.

As part of our dedication to provide safe, secure service, AEC is introducing a new toll-free phone number specifically for payments. Members can pay their bills over the phone with a debit/credit card, or check using the new Pay-by-Phone number, **844-311-7201**.

With this automated service you enter your payment using the buttons on your phone's keypad.

Why is AEC using the Pay-by-Phone System?

Our Cooperative is switching to this new system in order to comply with the Payment Card Industry (PCI) Data Security Standard.

PCI requirements represent a worldwide standard for processing payments that prevents credit card fraud and other data security breaches. AEC is committed to the protection of your personal information, and the Cooperative must switch to this new automated phone system in order to keep accepting credit/debit card payments.

If a breach is found and AEC does not have the proper safeguards in place, AEC could be fined or worse, PCI could refuse to allow AEC to accept any credit/debit card payments.

How will Pay-by-Phone benefit me?

The new Pay-by-Phone system increases security on your account, providing more protection for your information than ever before.

How do I get started?

Anytime you call the toll free number, the system will match up the phone number you're calling from with the phone number

listed on your account. If it fails to find your phone number, you will be prompted to enter your account number.

While over-the-phone payments can be entered through our new toll-free number (844-311-7201) they can still be processed by calling our existing phone number 951-763-4333 for a short time longer. **However, in the very near future, that option will no longer exist and callers will have to select a menu option to pay their bill. Callers will then be transferred to the automated Pay-by-Phone system.**

We anticipate that this new Pay-by-Phone payment feature will be implemented in the very near future and **as of January 1, 2016 we will no longer accept any payments over the phone.** All credit/debit card and e-check payments will have to be made online, through the Pay-by-Phone system or with Auto-pay.

The Auto-pay program drafts a recurring, automatic payment from your credit/debit card or bank account on a specific date of the month and we encourage everyone to sign up.

This process is the least expensive for AEC and ultimately reduces AEC expenses, resulting in **more capital credits for our members.**

After the transition, questions about your account or service can still be directed to our office at 951-763-4333 and selecting the appropriate menu option.

Information and online bill payment services are available at www.anzaelectric.org.

We thank you for your cooperation as AEC continues to work to provide you with safe, convenient payment options.

Convenient ways to pay your bill:

- Call 844-311-7201 toll free for our new automated payment system
- In the near future, call 951-763-4333 and follow menu options to be transferred to the automated Pay-by-Phone payment system
- Pay online at www.anzaelectric.org. Click "Pay Online" in the upper right hand corner and you'll be directed to our Bill Payment Portal. Use your account number as both your username and password to get into the system. You'll then be prompted to establish a new username and password.
- Mail to P O Box 391909, Anza, CA 92539
- Pay at our office's front desk or drop-off box outside
- Set up recurring, automatic credit/debit card or bank account draft payments (Note: This process is the least expensive for AEC. It ultimately reduces AEC's expenses and results in more capital credits for our members.)

FREE! BEGINNING COMPUTER CLASS

The first class will be held at the Cooperative office (58470 Highway 371, Anza, CA 92539).

November 18th from 5-8pm.

This is a beginning course which will cover the following:

- Learning the main parts of the computer and how to improve performance - various types of computers, programs etc.
- Common computer terminology - explain programs, data, networks, etc.
- Computer performance and features - software options, communication, social media, etc.
- Computer basics, tips, tricks and shortcuts
- Personalizing your computer: options available, managing files, etc.
- Maintenance and Security

Space is limited!

CALL OR EMAIL to reserve your spot!

Contact Debbie at 951-763-4333 or info@connectanza.org.

What information would you like to see in future computer classes?

Email your suggestions to info@connectanza.org and enter into a drawing to win a FREE tablet!