

What Are Capital Credits?

After Barron Electric Cooperative's expenses are paid each year, the remaining revenue (referred to as margins), if any, are margins that belong to members on the lines and receiving service during the period the margins were earned. Those margins are credited to each member's account as capital paid in, thus the term capital credits for margins earned. Capital credits are usually paid back or retired after 18-20 years or when the financial condition of the cooperative permits. This year, a portion of capital credits totaling more than \$500,000 from 1989, 1990, and 1991 will be retired to over 10,400 current and former members. Since 1965, Barron Electric has retired over \$17 million in capital credits. The Board of Directors approved the following retirement schedule:

- **1989: 100% of the unretired balance**
- **1990: 12.6% of the unretired balance**
- **1991: 16.5% of the unretired balance**

How to reach us...

1434 State Highway 25 N.
P.O. Box 40 • Barron, WI 54812

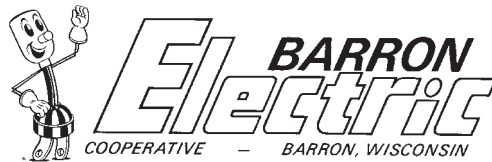
715-537-3171 • 800-322-1008
For Outages Only: 866-258-8722

Weekday Hours:
7:45 a.m. to 4:30 p.m.
www.barronelectric.com

Capital Credits- The Value of Being a Cooperative Member



Capital credits are one of the most unique and rewarding benefits you enjoy as a member of an electric cooperative.



Your Touchstone Energy® Cooperative 
Country Comfort, LLC Partner

10/09

Frequently Asked Questions

1. When will I be eligible for a capital credit check?

We are currently on an 18-20 year revolving cycle. Barron Electric pays out the oldest year on record first and may elect to pay a portion of another year or years at the same time. Amounts under \$6.50 are added to the next payment until the check amount is over \$6.50, unless it is the final pay-out.

2. Are capital credits paid on off-peak usage?

No.

3. If a member passes away, what happens to the capital credits?

There are two payment options:

a. Annual Pay-Out: Barron Electric will pay out capital credits on an annual basis until the account is settled.

b. Lump Sum Discounted at Present

Day Value: "Present day value" takes into consideration the fact that money presently received has the power to earn more money in the future. Therefore, the amount paid to an estate is discounted by the amount of interest it would have earned if held until it was due.

Note: Please keep Barron Electric informed of address changes so we can notify you when you become eligible to receive a capital credit check.

4. What is required when an application is made by the surviving spouse, heirs, or personal representative?

The original copy of the death certificate is required. If the person is not the spouse of the deceased, a domiciliary or testamentary letter is needed. This letter can not be more than 3 months old. Application may be made by affidavit, if the value of the estate is \$50,000 or less. Barron Electric can provide the proper forms.

5. What happens to unclaimed capital credits?

Barron Electric tries to locate people who have not claimed their capital credits by listing their names in advertisements in local newspapers and on the Barron Electric website. Unclaimed capital credits are placed in a trust regulated by the Federated Youth Foundation and used for such things as scholarships, library donations, cooperative education, and specific donations. Unclaimed patronage can not be used to reduce operating expenses.



Our Energy, Our Future™
A Dialogue With America

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