

SWRE

Capital Credits Guide

2023 Capital Credit Retirement Checks

\$445,006.91 TOTAL “CASH BACK” DELIVERED BY THE BOARD OF DIRECTORS TO MEMBERS WHO HAD ACTIVE ELECTRIC SERVICE THROUGH 1988.

What are capital credits?

Southwest Rural Electric is a not-for-profit cooperative. Each of its members have a share in the ownership, construction, maintenance and prosperity of the co-op — through capital credits.

A benefit of cooperative membership is the share in margins the cooperative earns. Unlike investor-owned utility companies that strive to generate profits for shareholders, electric cooperatives like SWRE operate on an at-cost basis. Any operating margins made by SWRE are returned to the co-op’s member-owners. Capital credits represent a member’s return on investment.

ALLOCATIONS

SWRE tracks the amount of electricity used and what members pay for it throughout the year. At the end of the year, the cooperative’s financial statements show whether or not revenue exceeded costs resulting in a net margin. A portion of these margins are allocated to members as capital credits based on their electricity usage. The allocated amount is held in a capital fund account by SWRE and is used to help finance a variety of long-term capital needs including trucks, inventory, equipment, transformers, power line construction, etc. until the board of directors retires it.

RETIREMENTS

Capital credit retirements are a portion of the total allocation. The amount paid is decided annually by the board of directors based on the financial conditions of the cooperative, and is subject to Rural Utility Services (RUS) and other lending institutions. Once capital credits are retired, they are issued as “cash back” checks to you, the member.

CHECKS EXPIRE IN 90 DAYS — CASH IMMEDIATELY

Will I receive a check every year?

The board of directors pays capital credits to members whenever the financial condition of the utility is not impaired by such payments. Capital credits will only be given to members who have received service during the years of retirement that are determined by the board of directors. These payments are based on previous usage from a long time ago.

The person on the check no longer lives here or the name is incorrect. What do I do?

ADDRESS CHANGE

Active and inactive members should always inform SWRE of a change of address. It is the member’s responsibility to make sure this is updated.

Call Member Services at 1-800-256-7973 to update your contact information.

DECEASED PERSONS

If the person on the check is deceased and you are the heir, you must complete an entitlement form. Call 1-800-256-7973 to request a copy of this form. The entitlement form must be notarized and returned to SWRE before a check can be issued to you.

ACCOUNT NAME CHANGE

If the name of the account needs to be changed due to marriage or divorce, contact Member Services at 1-800-256-7973.

NOT ADDRESSED TO ME OR A FAMILY MEMBER

If you have received a capital credit check from SWRE in error, please mail the check back to the cooperative and we will update our records.

SWRE, P.O. Box 310,
Tipton, OK 73570