

# **Southwest Rural Electric Association**

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## **SWRE to Pay Patronage Capital**

The SWRE Board of Trustees has approved \$250,000 in patronage capital payments to members of the cooperative.

The payments are based on energy purchased during preceding years and will be paid according to the amount of kilowatt-hours of electricity used during the specific years that are being retired.

The checks will be mailed in December.

Capital credit payments this year will be based on usage in 1976 and part of 2015.

This combination method of retiring capital credits will mean that most SWRE members will receive a check in December; however, no check will be issued for any amount less than \$5.

Patronage capital is one of the unique benefits of cooperative membership. Municipal power systems and private investment utilities do not pay bonuses to customers.

## **What is Patronage Capital?**

SWRE is a cooperative, so each member-owner has a share in money that is left over after all operating costs are paid. This money is called margin.

A member's share of the margin is called capital credit or patronage capital, and is determined by how much electricity was purchased. The more purchased, the bigger the share.

Members are allocated their share of margins each year. That share is later refunded when SWRE is financially able.

Between the time a member is notified and the time that he or she is paid, that money is used to maintain the electric system – to make sure that service is the best and rates are as low as possible.

Any questions about patronage capital can be directed to Aaron Paxton, SWRE Manager of Administrative Services, at 1-800-256-7973.