

## 2023 CAPITAL CREDIT RETIREMENT

### *Frequently Asked Questions*

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#### **WHAT IS THIS CHECK OR CREDIT ON MY BILL?**

As a cooperative, we are operated on a not-for-profit basis. After all of our expenses are paid for the year, any money left over is allocated back to you, our member-owners, as capital credits, in proportion to the amount of energy you used during a specific time period. Those allocations become member equity, your share of ownership in the Cooperative. The money is used to operate and build your Cooperative, and then returned to you through a refund at a later date, as our board of directors deems our financial strength will allow.

**In October of this year, our board of directors approved a general retirement of \$750,000 in capital credits to our membership for energy purchased in 1992 and 2022.** (This total includes a \$500,000 dividend paid to the Cooperative by our wholly-owned subsidiary, Tri-Co Services, Inc.) If you purchased electricity from us during 1992 and/or 2022, your portion of the \$750,000 capital credit retirement will show as a credit on your December electric bill.

#### **WHY DIDN'T YOU PAY OUT ALL THE OLDEST CAPITAL CREDITS FIRST?**

The board of directors chose to split this year's refund between members who purchased electricity in 1992 and 2022 to make sure our older memberships get some of their capital credits back, while also helping our newer members learn how a cooperative works and understand the benefits of being a member-owner.

#### **HOW MUCH MORE DO YOU OWE ME? WHEN WILL I GET IT?**

In the message center box of your December bill statement, you'll see the **total amount of *unretired* capital credits that have been allocated to you but not yet paid**. If you no longer have your bill statement handy, you can log in to SmartHub to download a pdf copy, or we will be happy to look up your account for you if you give us a call.

The bylaws of the Cooperative call for us to use capital credits as operating funds to help build and maintain a strong Cooperative and then return them to our membership as our board of directors deem our financial strength allows. Each year, the board reviews our finances and determines if a capital credit retirement is viable that year. During years when the board deems that the financial condition of the Co-op permits us to retire some of our capital credits, you will receive a credit or a check if you purchased electricity from us during the qualifying years of that retirement. In the meantime, that money doesn't go away; it remains allocated to you as part of your member equity in HomeWorks Tri-County Electric.

#### **WHAT IF I MOVE OR PASS AWAY? WHAT HAPPENS TO THE MONEY THEN?**

We ask that you **keep your address records up to date with us**, even if you no longer receive electric service with the Cooperative, so that future checks can be sent to you. If the member of record listed as the check's payee is deceased, the payment will still be issued, and the representatives of his or her estate will need to decide how to handle the payment.

### **THIS CHECK IS ADDRESSED TO MY FATHER, WHO IS DECEASED. WHAT DO I DO WITH IT?**

If the account is still in his name, we need to update our records, so that capital credits are allocated to you or another heir from today onward. The representatives of his estate will need to decide how to handle the payment.

### **CAN WE GET THE REST OF HIS MONEY NOW, SINCE WE'RE ABOUT TO CLOSE THE ESTATE?**

Capital credits are retired as finances permit. Each spring, our board of directors reviews the Co-op's finances and determines how much money can be authorized to be used for estate retirements that year. When estate retirement money is authorized, it is available on a first-come, first-served basis to those memberships who have applied for estate retirements. To apply for an estate retirement, we will need information from you, including a copy of the death certificate and other documents showing the designated representative to receive payment. Please call us at 1-800-562-8232 to discuss your situation with us directly.

### **I DIDN'T GET A CHECK OR CREDIT, AND MY NEIGHBOR DID. WHAT'S GOING ON?**

*Did you receive electric service from HomeWorks Tri-County Electric in 1992 and/or 2022?* The 2023 capital credit retirement is only for electric service during those years.

*If you did receive electricity from us in those years, did you have a past due or another unpaid bill with us?* If so, the money would first be applied to help bring your account up to date. If you look at your December bill, you should see a line that shows the credit being applied.

*Did you overlook the credit line on your bill?* To avoid the cost of processing and mailing thousands of small checks, we issued most of the capital credits to members as credits on their December energy bill. Take another look at your bill, and you should see the "Capital Credit Refund" line. (Checks were only issued for refunds of \$200 or more on active accounts, or \$50 or more on inactive accounts.)

*If a check was mailed, and you haven't received it within 2-3 weeks,* call us at 1-800-562-8232 and we can do some further checking. Your check may have been returned as undeliverable for some reason, or someone in your family may have cashed it without taking notice of it. If it's lost, we can re-issue the check.

### **WHY DON'T YOU JUST LOWER YOUR RATES INSTEAD OF CHARGING TOO MUCH?**

Like any business, we need to charge enough to not only cover the actual costs of providing you with electric service, but also to prepare for contingencies such as storms and other catastrophes. We have to be prepared for sudden increases in the costs of our supplies, and we also have to take in enough to maintain and build the electric system so that it continues to operate reliably for you and your neighbors. But the good thing is that when we do have margins, or profits, they are allocated right back to you and eventually returned to you as capital credits! That's just one of the great benefits of being a member-owner of an electric cooperative.

## WHO MAKES THESE DECISIONS, AND HOW DO I TALK TO THEM ABOUT MAKING CHANGES?

Your board of directors, elected by you and your neighbors, sets the policies that guide our operations.

Your director is:

District 1	John Lord	517-974-2518	email <a href="mailto:jlord@homeworks.org">jlord@homeworks.org</a>
District 2	Jim Stebbins	616-693-2449	email <a href="mailto:jstebbins@homeworks.org">jstebbins@homeworks.org</a>
District 3	Luke Pohl	989-292-0427	email <a href="mailto:lpohl@homeworks.org">lpohl@homeworks.org</a>
District 4	Jake Borton	989-506-3404	email <a href="mailto:jborton@homeworks.org">jborton@homeworks.org</a>
District 5	Theresa Sopocy	989-2920295	email <a href="mailto:tsopocy@homeworks.org">tsopocy@homeworks.org</a>
District 6	Ed Oplinger	989-644-3079	email <a href="mailto:eoplinger@homeworks.org">eoplinger@homeworks.org</a>
District 7	Shirley Sprague	989-382-7535	email <a href="mailto:ssprague@homeworks.org">ssprague@homeworks.org</a>

You can write to your director care of HomeWorks Tri-County Electric Cooperative, 7973 E Grand River Avenue, Portland MI 48875, or call or email them directly.