



CASH BACK FROM YOUR CO-OP

WE'RE RETURNING \$5.5 MILLION TO MEMBERS

CAPITAL CREDITS ARE PROOF THAT YOUR COOPERATIVE MEMBERSHIP PAYS

Capital credits represent your ownership in United Power and are one of the most unique and rewarding benefits you enjoy as a member of an electric cooperative. Unlike investor-owned utilities that maximize profits to pay dividends to shareholders, not-for-profit electric co-ops provide our members with “at cost” electric service—we do not exist to earn a profit. Any margins remaining after covering our costs are returned to you as capital credits.

THIS REFUND REPRESENTS YOUR PORTION OF THE \$5.5 MILLION CAPITAL CREDIT RETIREMENT AUTHORIZED BY THE UNITED POWER BOARD OF DIRECTORS FOR 2021.



HOW MUCH IS MY REFUND?

Refund amounts are based on your length of membership with the co-op, and the amount of power used during the period retired. You will receive a portion of the \$5.5 million returned this year—the longer you are a member, the larger your refund becomes.

For members receiving a retirement refund of \$50 or less, we've put that amount directly on your electric bill as a credit. You'll see a Capital Credit Refund line item showing your refund amount on your May or June billing statement. Members with retirement amounts more than \$50 will receive a check in the mail in early June.



ACCOUNT CHANGES & ASSISTANCE

IF YOU MOVE outside of the United Power service territory, please be sure to leave your new address with us so we can continue to refund any capital credits you are eligible to receive in the future.

IN THE EVENT OF DEATH, the capital credit account is available for estate retirement. The representative of the estate should contact United Power's capital credit administrator to settle the capital credit account.

PROBLEMS WITH YOUR REFUND? To resolve a capital credit account issue, visit www.unitedpower.com/capital-credits, call our Member Services team at 303-637-1300, or e-mail CCAdmin@unitedpower.com.

For more information and frequently asked questions about capital credits visit www.unitedpower.com/capital-credits

www.unitedpower.com



YOU'RE A MEMBER WITH A VESTED INTEREST

When you started receiving electric service from United Power, you became a member-owner of an electric co-op. Cooperative members share in the ownership, construction, maintenance and prosperity of their electric utility, and your investment is referred to as capital credits.

Capital credits represent the portion of your electric bill that is put to work helping to build and maintain the system that delivers power to your home – it's one of the most unique ways that cooperatives differ from investor-owned utilities.

As a not-for-profit cooperative, we use capital credits to help offset some costs and reduce our need for loans, but we must eventually return those dollars to the members who helped to make those improvements.

TRACKING YOUR CO-OP INVESTMENT

ALLOCATION

Every year you are "allocated" your portion of the previous year's profit (margin) based on the amount of electricity you used and paid for from United Power. This money is used by the cooperative to fund capital needs for items such as power line construction, transformers, trucks, inventory and other equipment.

The allocation amount is a bookkeeping of your equity in the cooperative – an investment that will be returned to you in the future when the Board authorizes a retirement.

You can find the amount allocated to your account each year, based on the total amount of electricity you used and paid for in the prior year, in the special message section of your May billing statement.

RETIREMENT

Every year the Board of Directors assesses the cooperative's finances and determines if the co-op can make a retirement (refund). Retirements are calculated from earnings in prior years as far back as 1998. The total amount of money returned is divided among all the members, and you receive your capital credit refund.

In 2021 the Board authorized the retirement of \$5.5 million to our members, and refunds are being issued to members beginning in May.

If the amount you received this year is \$50 or less, you will see it as a credit in the Current Billing Detail section of your May or June bill. If your retirement is more than \$50, you will receive a check in the mail in early June.

The refund you are receiving is your share of the \$5.5 million retirement for 2021 and represents a percentage of your total capital credit balance.

HOW CAPITAL CREDITS WORK

Here is how your cooperative membership pays you back:



When you move into a home or establish a business in the United Power service territory, you become a member of the cooperative.



A capital credit account is established in your name and United Power uses this account to record your investment in the co-op.



Each year, any funds remaining after expenses have been paid (margins) are allocated to your capital credit account. Notice of this allocation appears on your May bill.



Capital credits are based on the amount of electricity you use, so your allocation amount may vary each year.



Each year, the Board of Directors carefully evaluates the financial condition of the co-op to determine if we can retire capital credits. Capital credits may not be retired every year.



When capital credits are not retired, they are used as operating capital. This reduces the need for interest-bearing loans, which helps to keep costs down for all members.



When the Board decides to retire capital credits, we calculate the amount we need to pay to each member. Anyone who was a member in the previous year will receive a capital credit refund.