



A Touchstone Energy® Cooperative 

Capital Credit Estates

a guide to claiming a deceased loved one's Capital Credits

Definitions:

- 1 **Member** | At the cooperative, you are more than a customer, you are a member-owner.
- 2 **Operating Costs** | The cost to maintain, repair and construct the electric system (poles, wires, substations, etc.).
- 3 **Margin** | At the end of the year, North Western Electric Cooperative subtracts operating expenses from the amount of money collected and the balance is called the margin.
- 4 **Allocate** | An approved method used to assign the margins to an individual's capital credit account.
- 5 **Patronage** | At the cooperative, your patronage is the amount of money you paid on your electric bill each year.
- 6 **Retire** | A payout from your capital credit account. The cooperative withdraws all the money from your capital credit account and sends your estate a check once the request has been approved by the board.

The Cooperative Difference

North Western Electric Cooperative is a not-for-profit, member-owned electric company. Abiding by one of the seven Cooperative Principles: Member Economic Participation, the cooperative's board of trustees determines the allocation of capital credits back to members, based on patronage. Capital Credits are just one of many differences that set cooperatives apart from other business models.

Serving you locally.

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NORTH WESTERN ELECTRIC



We are so sorry for your loss.

On behalf of North Western Electric Cooperative, we are so sorry for your loss of a loved one. It is possible that your loved one may have capital credits from the cooperative. We hope that this brochure and checklist will help you understand Capital Credits. If you should have any additional questions, please feel free to contact our office.



1 North Western Electric Cooperative is a not-for-profit organization. Owned by its member-consumers, the money to cover day-to-day operating costs of the cooperative comes directly from the members paying their monthly electric bills.

2 At the end of the year, North Western Electric Cooperative subtracts operating expenses from the amount of money collected and the remaining balance is called the margin.

3 The margins left over at the end of the year are allocated, or assigned, to a capital credit account based on individual patronage (the number of kWhs you purchased from North Western each year).

4 The capital credit account, similar to a bank account, is the accumulation of margins that have been allocated each year based on patronage. At the end of each year, the cooperative deposits the allocated patronage into the member's capital credit account.

5 Each year, the board of trustees retires 20% of the previous year's capital credits. They may also retire any additional amounts based upon the financial stability of the cooperative. The board of trustees has delegated this responsibility in the cooperative's code of regulations.

6 If your loved one who has passed has money in their capital credit account, the cooperative will pay out the account in full, resulting in a check written to "The Estate of (late member)." The checks can only be written this way, so please make arrangements to properly deposit it (see checklist).

Checklist for receiving member's Capital Credit estate:

The estate was probated:

1. Was the deceased a current member of North Western Electric Cooperative? (Was electric in his/her name with the cooperative at the time of death?)
 - Yes, go to #2
 - No, go to #3
2. The service must be transferred out of the deceased's name. The final bill must be paid before Capital Credits will be paid out. (Proceed to #3 and #4)
3. Please provide North Western Electric Cooperative with a copy of the Death Certificate.
4. A Certified Letter of Authority OR an Entry Relieving Estate from Administration.
 - AND**
5. A completed and signed Assignment of Patronage Capital form provided by North Western Electric.

The estate was not probated:

1. Copy of Death Certificate
2. Is an attorney handling the estate?
 - Yes. Affidavit stating the estate will not be probated and who the responsible party is.
 - No. North Western Electric can supply an appropriate Affidavit that can be signed by the heir(s) and notarized.

