

Capital Credits Represent Co-op Ownership



Refunds totaling \$5 million will be issued by end of November

By the end of November, GVEA will return \$5 million in capital credits to members who had service with the cooperative in 1995 (and earlier). These funds, known as capital credits, are returned to GVEA members, based on their electric service purchases.

One of the cooperative advantages is that GVEA provides its members with “at cost” service. Other utilities, such as investor-owned utilities, maximize their profits from their customers to pay dividends to their stockholders. At GVEA, there is no stock purchased or sold—our members are the owners of the business.

Because GVEA is a not-for-profit cooperative, any margins at the end of the year are allocated to members. These are called capital credits. While the credits are assigned to members each year, they are retained by the co-op for a typical period of 25 years. During this period, the capital credits are reinvested in the system for projects and maintenance, such as building substations or replacing power poles or lines.

Retirement of capital credits is not automatic. GVEA’s Board of Directors must specifically authorize each retirement after considering the financial impact to the co-op. When capital credits are retired, GVEA issues a refund to you.

Active members whose refunds are less than \$100 will have a credit posted to their membership account. Active members with capital credit refunds of \$100 or greater will be issued a check. However, active members with a past due or delinquent balance will have their entire capital credit refund applied to their membership account. Former members will receive checks if balances exceed \$25 (or was under \$25 and held for five years).

For more information about capital credits and a list of frequently asked questions, visit GVEA’s website at www.gvea.com/resources/capitalcredits. Questions can be directed to capitalcredits@gvea.com or by calling (907) 451-5625.

How it works



1 GVEA tracks how much electricity you use during the year.



2 Each year, after expenses are paid, GVEA calculates the leftover funds (margins).



3 The margins are used to pay down any debt, invest in facilities and projects and are allocated to members as CAPITAL CREDITS based on how much electricity they used.



4 Depending on financial conditions, GVEA retires (refunds) CAPITAL CREDITS to members at a future date.