



Roanoke Electric **FLASHES**

Understanding how Capital Credits are paid back to you, the members

By Curtis Wynn, *President and CEO*

In the very near future, your board of directors will be evaluating the financial health of the organization and determining the amount of equity that YOU have in the company to pay back to YOU. One of the advantages of being a member of an electric cooperative is sharing in its success. Roanoke Electric Cooperative is proud to provide safe, reliable, and affordable electricity to you. One measure of this success is clearly the fact that your cooperative works diligently to pay Capital Credits to its members—the business owners.

Although Capital Credits is a great value for cooperative members, it is often misunderstood 10572201. The following information helps clarify the concept.

What are Capital Credits?

Because Roanoke Electric is a cooperative, owned by its members, it does not technically earn profits. Instead, any revenues over and above the cost of doing business are considered “margins.” These margins represent an interest-free loan of operating capital by the membership to the cooperative. This capital allows Roanoke Electric to finance operations and—to a certain extent - construction, with the intent that this capital will be repaid to you in later years.

What's the difference between allocated and retired Capital Credits?

Allocated Capital Credits appear as an entry on the permanent financial records of the association and reflect your equity or ownership in Roanoke Electric. When Capital Credits are retired, a check or account credit is issued to you and your equity in the association is reduced. Capital Credits are generally issued 18-20 years after the year in which the margins were earned.

How often will I receive an allocation notice?

You should receive an allocation notice annually after the finances for the previous year have been audited.

What do I have to do to start accumulating Capital Credits?

Capital Credits are calculated by Roanoke Electric for everyone who purchased electricity during a year in which the utility earned margins. No special action is required to start a Capital Credits account. Your Roanoke Electric membership activates your Capital Credits account.

How are Capital Credits calculated?

The amount of Capital Credits you earn in a given year is based upon the amount of capital you contribute to the association through payment of your monthly bills. The more electric service you buy, the greater your Capital Credits account—although the percentage will remain the same. The sum of your monthly bills for a year is multiplied by a percentage to determine your Capital Credits.

What percent of my bill is returned as Capital Credits?

The percentage of your total payment that is allocated as Capital Credits varies from year to year, depending upon the cooperative's success. Capital Credits are only allocated for a year in which Roanoke Electric earns margins. Since Capital Credits are members' shares of the margins, no credits are allocated for a year with no



Curtis Wynn

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Find your account number in this newsletter, contact us and win \$25 Roanoke Bucks!

REC presents student with academic scholarship

When Keeshada L. Deloatch found out she won a scholarship, well, you should have seen the look on her face!

“Just plain priceless,” said Robin Phillips, coordinator of communications and public relations for Roanoke Electric Cooperative. Keeshada was selected as this year’s recipient of the \$1,000 Roanoke Electric Cooperative Scholarship. Phillips officially presented Keeshada with the news during the annual Awards Banquet at Northampton-East on June 2.

Roanoke EC established this scholarship in 1985 to help a young person who understands the cooperative way of doing business. Roanoke EC is very proud of its young people and encourages them to be strong cooperative leaders of the future.

Keeshada is a graduate of Northampton County

High School-East 545101. She is the daughter of Alton Mitchell of Conway. Keeshada will attend Chowan University in Murfreesboro, pursuing a degree in Psychology. Keeshada is active in church and school. The school’s counselor described Keeshada as outspoken in a positive way and a very independent person who makes sure her school assignments and activities are successful.



Keeshada L. Deloatch

The cooperative will recognize Keeshada as the Roanoke Electric Cooperative Scholarship winner with a certificate at the cooperative’s annual meeting of members this coming August.

Creative teachers can apply now for 2011-12 Bright Ideas education grants

North Carolina’s electric cooperatives, including Roanoke Electric Cooperative, have earmarked more than \$590,000 for classroom-based projects through the Bright Ideas education grant program for the 2011-2012 school year. Teachers can learn about the program and apply online at www.ncbrightideas.com.

The Bright Ideas program is the only one of its kind in our state exclusively for K-12 teachers. Grants of up to \$2,000 are available through Roanoke EC. The deadline for teachers to submit an application is Friday, September 23. Teachers who submit their application by the early-bird deadline of Monday, August 15, will be entered in a drawing for a \$500 Visa gift card.

“North Carolina’s Touchstone Energy cooperatives, including Roanoke Electric Cooperative, are proud of the difference this program is making to the quality of education in our state,” said Robin M. Phillips, Bright Ideas coordinator for Roanoke EC. Last year, the state’s electric cooperatives collectively distributed more than \$594,000 in Bright Ideas grants, and surpassed \$7.3 million in contributions since the program began 18 years ago.

Bright Ideas grants help finance innovative classroom projects that would otherwise not receive funding. The program has sponsored a wide variety of hands-on projects in all disciplines. Since its inception in 1994, the Bright Ideas grant program has sponsored more



Last year’s Bright Ideas grant winners smile at a ceremony in their honor. The Bright Ideas program awards grants to teachers across North Carolina in grades K-12 for innovative, classroom-based projects.

than 7,000 projects benefiting more than 1.3 million students. “We understand the importance of creativity in the classroom and we’re encouraging innovation through this program,” said Phillips.

The primary elements of the online application include an explanation of the project and its creative factors, as well as its potential benefits to students. A sample application and contact information for program coordinators are available on the Bright Ideas website. The program also has a Facebook page, which features notable projects and regularly updated information.

Annual meeting bylaws information

Mark your calendar for REC's Annual Meeting & Member Appreciation Day on August 27

Roanoke Electric will host its 72nd Annual Meeting and Member Appreciation Day on Saturday, August 27, at Hertford County High School in Ahoskie.

The three-year terms for districts 2, 6, and 8 board of directors seats will be up for election. Directors currently serving these districts are Delores Amason, Millard "Mickey" Lee, and Allen W. Speller, respectively. The cooperative's Bylaws require that a director must:

- Be a Member and receive the Cooperative's electric service at his or her primary residential abode for at least the twelve (12) months period immediately preceding the date of his or her nomination.
- Fulfill all Membership Obligations for any and all accounts of the Member and, for the 12 months preceding the date of his or her nomination.
- Not be employed by or financially interested in an enterprise in competition with the Cooperative or its subsidiaries; a business selling electric energy or supplies to the Cooperative or its subsidiaries; or a business substantially engaged in selling electrical appliances, fixtures or supplies primarily to Members of the Cooperative or its subsidiaries.

The Bylaws establish two methods for nominating board members:

- By Nominating Committee or
- By signature petition of 15 or more members at least 35 days before the Annual Meeting

Nominating Committee

The 2011 Nominating Committee members: Robert G. Clark (Dist. 1), Kathy W. Knight (Dist. 2), Kenneth A. Pernell (Dist. 3), Enos Holloman (Dist. 4), Reba Green-Holley (Dist. 5), Sonya Trotman (Dist. 6), James T. Heckstall (Dist. 7), Irving Coggins (Dist. 8), and Venus Michelle Spruill (Dist. 9).

The 2011 committee was appointed by the Board on May 23, 2011, pursuant to requirements of Article IV, Section 6 of the co-op bylaws. The Nominating Committee will meet before July 14, 2011.



Credentials & Elections Committee

This committee has the responsibility to pass upon all questions that may arise with respect to registration of members, to count ballots cast in the election of directors or any other ballot vote taken at the meeting and to rule upon effect of any ballot irregularly marked. The Committee's decision on all such matters is final.

The 2011 committee was appointed by the Board on May 23, 2011, pursuant to requirements of Article III, Section 5 of the co-op bylaws.

The 2011 Credentials & Elections Committee members are: Donnell Thomas (Dist. 1), Jacques Alexis (Dist. 2), Oscar R. Epps (Dist. 3), Robert Beard (Dist. 4), Robert Brian Savage (Dist. 5), Elmo Benton (Dist. 6), Marvin Watson (Dist. 7), James S. Pugh (Dist. 8), and Carolyn Drew (Dist. 9).

For further information, please contact Roanoke Electric Cooperative at (252) 209-2236.

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margins. For years in which Roanoke Electric earned margins, the allocation generally ranged from 4 to 7 percent of annual bills.

Do I have to be a member for an entire year to earn Capital Credits?

No. Capital Credits are calculated based upon a member's monthly bills. If you are billed for service for even one month you will accumulate Capital Credits, if Roanoke Electric earned margins in that year.

Can I use the Capital Credits I have allocated to pay my electric bill?

No. Allocated Capital Credits may not be used to pay current bills. Your electric bill is due for existing usage, and the Capital Credits for that usage will be paid years later.

What happens to the Capital Credits of a member who dies?

The Capital Credits of a deceased member may be paid without waiting for a general retirement. However, these estate payments are not automatic. A representative of the estate must request the credits by submitting an application and a copy of the death certificate. These will be considered by the Roanoke Electric Board of Directors. If retirement is approved by the Board, a check will be issued to the estate and the account will be closed.

Will I receive a Capital Credit payment every year?

Not necessarily. The Board of Directors must authorize a retirement before you receive a check.

When considering a retirement, the board analyzes the financial health of the company and will not authorize

a retirement if Roanoke Electric cannot afford it. This is typically done in August.

What if I've moved and the post office returns my check to Roanoke Electric? How do you handle unclaimed checks?

If a Capital Credit check is returned to us, your check will be considered UNCLAIMED. Roanoke Electric will then code the check as undeliverable and post your name on our next listing of individuals with UNCLAIMED monies. This will be sent via this newsletter, the Roanoke Electric Flashes. All unrequested claims after the listing has been posted will be turned over to the North Carolina Department of State Treasurer.

What happens to my Capital Credits when I leave Roanoke Electric Cooperative?

Your Capital Credits remain on the books in your name and member number until they are retired. Because payments are made approximately 18-20 years after credits are earned, you should ensure that Roanoke Electric Cooperative always has your current mailing address.



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Office closed for holiday

Roanoke Electric offices will be closed
Monday, July 4, for Independence Day.

