

Socorro Electric Cooperative Board approves Patronage Capital Refund of \$377,655 to Members

*Unprecedented Retirement for Past 5 Years Totals Over **\$3,846,661** Back to Members*

One of the 7 Cooperative Principles that SEC operates by is “Member Economic Participation” called Patronage Capital Credits. This participation by the Members of an electric cooperative is unique among electric utilities unlike investor owned utilities or municipal utilities who do not pay “dividends” back to their customers.

The Capital Credits are the pro-rata allocation of margins (revenue less expenses) to the Members at the end of each year. SEC retains these allocated margins for a period of time, like an interest-free loan, which in turn reduces the amount of borrowing SEC must get from external sources and this helps to keep SEC’s operations moving along at a reduced cost.

Each year, the Board of Trustees determines if the retirement, or refund, of Capital Credits back to the Members is in order. They consider the overall financial condition of SEC when deciding if, when, and how much patronage can be returned to the Members. Capital Credits are returned on a “first-in, first-out” basis and this year the Board has decided to return patronage capital for the balance of the 1991 operating year (20% was retired last year) which amounts to about \$377,655.

If you received service from SEC during 1991 you should be receiving a check in December. Amounts under \$5 will not be issued a check and will be credited towards future years retirements.