



**Wright-Hennepin**

Cooperative Electric Association

A Touchstone Energy® Cooperative 

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## News Release

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### **WRIGHT-HENNEPIN BOARD RETURNS \$1.2 MILLION IN CAPITAL CREDITS TO MEMBERS**

**Rockford, Minn. (November 21, 2013)** — Thanks to Wright-Hennepin Cooperative Electric Association's (WH) continuing strong operational and financial performance, almost all members will receive a capital credit refund on their energy bills this holiday season.

WH's board of directors recently declared a capital credit return of \$1.2 million to members who purchased electricity from the cooperative during 1988, 2011 or 2012.

Capital credit refunds in the cooperative business model are similar to dividends in investor business models. Each member's share of the capital credit refund is based on their energy use during the years being retired. However, before returning these margins back to members, WH uses this capital to offset the cost of debt for the construction and maintenance of the electric distribution system. This working capital represents the member's ownership equity in WH.

WH retires portions of annual margins faster than many electric co-ops in the nation because of a board-recommended bylaw amendment passed by the members in 1998. This amendment has resulted in more members being eligible for a refund each year. Per cooperative bylaws, WH's member-elected board determines the amount of margins retired each year based on the cooperative's financial condition and other considerations.

"Capital credits are the cornerstone of the cooperative way of doing business," said WH Board Chair Chris Lantto. "The board of directors is again pleased to return margins to members despite so many challenges in the economy at this time."

Since refunds were first made in 1957, \$32 million has been returned to members via capital credit refunds. This is the 33rd consecutive year that the board has made

capital credit refunds to WH's members. In the 56 years that WH has been eligible to return capital credits, the cooperative has provided refunds to members in 55 of those years.

WH's board of directors include Chair Chris Lantto, District 5, French Lake; Vice Chair Thomas Mach, District 6, Maple Grove; Secretary-Treasurer Dale Jans, District 4, Buffalo; Timothy Young, District 1, Annandale; Duane "Butch" Lindenfelser, District 2, Monticello; Burton Horsch, District 3, Howard Lake; Kenneth Hiebel, District 7, Plymouth; Donald Lucas, District 8, Maple Grove; and Erick Heinz, District 9, Corcoran.

WH is a member-owned non-profit electric utility that provides electric power to Wright County and the western part of Hennepin County. The cooperative has been a corporate citizen in this area since 1937 and currently serves more than 46,000 electric accounts. The utility started its security division in 1989 that provides local home security solutions as well as monitors alarm systems for almost 60,000 customers in 32 states and three Canadian provinces.

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