

Subject: CAPITAL CREDITS		Policy No: 21
Original issue: 02/19/2010	Last Revised: 02/14/2020	Last Reviewed: 09/13/2024

I. OBJECTIVE

- A. To establish a policy of the board of directors (Board) of Empire Electric Association, Inc. (EEA) to govern the allocation and retirement of capital credits.

II. POLICY**A. CAPITAL CREDITS:**

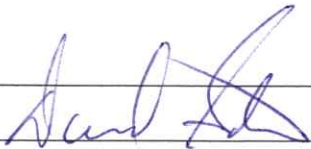
1. It is the policy of the Board to make general allocations and retirements of capital credits in accordance with the bylaws.
2. Allocation of capital credits:
 - a. All allocations for members and non-members will be accounted for as determined by the Board in accordance with the bylaws.
 - b. Wholesale electric power supplier (G&T - generation and transmission) capital credits and other capital credits may be allocated separately at the discretion of the Board in accordance with the bylaws.
 - c. Notification of patronage capital credits will be conducted in accordance with the bylaws in a manner determined by the Board.
3. Retirement of capital credits: The Board may authorize retirement (payment) of capital credits at its discretion in accordance with the bylaws.
4. Capital credit retirements to estates of deceased patrons may be made in a manner as determined by the Board.
5. Capital credit retirements to offset indebtedness:
 - a. Retirements to offset indebtedness may be made in accordance with the bylaws if normal collection practices have failed to collect the indebtedness.
 - b. The offset shall be made on a present value (discounted) basis in a manner as determined by the Board.
 - c. Capital credits allocated above and beyond the amount necessary to satisfy the indebtedness will remain on the account to be retired in a manner as determined by the Board.
 - d. Indebtedness remaining beyond the amounts available from the retirement of capital credits will be sent to a collection agency.
6. Unclaimed capital credits:
 - a. Capital credits are determined to be unclaimed after proper notification procedures are followed in accordance with the bylaws and applicable law. In accordance therewith, such capital credits may be declared forfeited by the Board under such terms and conditions as they may elect.
 - b. The Board hereby declares all unclaimed capital credits forfeited on the last day of the year three years following issuance.
 - c. The Board hereby elects to use unclaimed capital credits predominately for donations in accordance with Policy 17 – Donations and Sponsorships but reserves

the right to use them for other uses on a case-by-case basis as allowed by applicable law.

- d. Even though declared forfeited, a member or non-member may request the payment of capital credits declared forfeited by the Board. The request must be submitted to the Board within one year of the date that the credits were deemed to have been forfeited in accordance with this Section. Upon receipt of the request, and for good cause shown, the Board may direct that the request be paid out of the unclaimed capital credit account up to the balance of the account at the time of the claim.
- 7. The Board, on an annual basis, shall review the allocation and retirement procedure of capital credits as allowed under this policy and take action as to how EEA shall address capital credits for that year.

III. RESPONSIBILITY

- A. The Board shall be responsible for any change or revision of this policy.
- B. The general manager is responsible for administration of this policy and for making recommendations for changes.

	President's Signature	Date: 09/13/2024
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