



Be Energy Smart.

## CAPITAL CREDITS Q&A

### **What are capital credits?**

Because Hendricks Power is a Cooperative, owned by its members, it does not technically earn profits. Capital credits are the retained “margins” leftover at the end of a year – basically the difference between operating costs or cost of doing business and the total amount of money collected. This capital allows Hendricks Power to finance operations and construction.

### **Is Hendricks Power Cooperative the REMC?**

Yes, Hendricks County Rural Electric Membership Cooperative, also known as Hendricks County R.E.M.C became Hendricks Power Cooperative in 1996. The Cooperative has been in business since 1936 and has a service territory in various portions of Hendricks, Morgan, Montgomery, and Putnam Counties.

### **How are margins allocated?**

Margins are allocated to members as capital credits and are calculated by Hendricks Power for everyone who purchased electricity during a year in which the utility earned margins. The amount of capital credits earned in a given year is based upon the amount of capital each member contributed to the Cooperative through payment of your monthly bills. The sum of the member’s monthly bills for that year is multiplied by a percentage to determine the member’s capital credit allocation. The percentage of allocated capital credits varies from year to year depending upon the Cooperative’s margin. Member purchases may also be called patronage.

### **When will I receive my refund?**

Members who had membership during 1955 – 1959 and were actively receiving electric service from the Cooperative during June and July 2010 received a bill credit on their primary account with their June and July billing statement. This credit was identified as “Capital Credit Refund 1955-59”.

Members who had membership during 1960 – 1963 and were actively receiving electric service from the Cooperative during June 2011 received a check. Checks were mailed June 30, 2011.

Members who had membership during 1964 – 1966 and were actively receiving electric service from the Cooperative during June 2012 received a check. Checks were mailed June 30, 2012.

Members who had membership during 1967 – 1969 and were actively receiving electric service from the Cooperative during June 2013 received a check. Checks were mailed June 28, 2013.

Members who had membership during 1970 – 1973 and were actively receiving electric service from the Cooperative during June 2014 will receive a check. Checks were mailed June 30, 2014.

Members who had membership during 1974 – 1976 and were actively receiving electric service from the Cooperative during June 2015 received a check. Checks were mailed June 30, 2015.

Members who had membership during 1977 – 1984 and were actively receiving electric service from the Cooperative during June 2016 received a check. Checks were mailed June 30, 2016.

Members who had membership during 1985 - 1986 and were actively receiving electric service from the Cooperative during June 2017 received a check. Checks were mailed on June 30, 2017.

Members who had membership during 1987 - 1992 and were actively receiving electric service from the Cooperative during June 2018 received a check. Checks were mailed June 30, 2018.

Members who had membership during 1993 - 1995 and were actively receiving electric service from the Cooperative during June 2019 received a check. Checks were mailed June 30, 2019.

Members who had membership during 1996 - 1998 and were actively receiving electric service from the Cooperative during April 2020 received a check. Checks were mailed April 30, 2020.

Members who had membership during 1999 - 2000 and were actively receiving electric service from the Cooperative during April 2021 received a check. Checks were mailed April 30, 2021.

Members who had membership during 2001 - 2002 and were actively receiving electric service from the Cooperative during April 2022 received a check. Checks were mailed April 30, 2022.

Members who had membership during 2002 - 2003 and were actively receiving electric service from the Cooperative during June 2023 received a bill credit on their primary account. This showed on their billing statement received in June 2023. This credit was identified as "Capital Credit Retirement" on the billing statement. Only a portion of the of the year 2003 was completed during this general retirement.

Members who had membership during 2003 and were actively receiving electric service from the Cooperative during July 2024 received a bill credit on their primary account for the remaining portion of the 2003 General Retirement. This credit was identified as "Capital Credit Retirement" on the billing statement received in July 2024.

Members who had membership during 2004 and were actively receiving electric service from the Cooperative during June 2025 received a bill credit on their primary account for the 2004 General Retirement. This credit was identified as "Capital Credit Retirement" on the billing statement received in June 2025.

Members who had membership during 2005 and are actively receiving electric service from the Cooperative during June 2026 will receive a bill credit on their primary account for the 2005 General Retirement. This credit will show on the billing statement received in June 2026. This credit is identified as "Capital Credit Retirement" on the statement.

If we do not have a confirmed address and/or required documentation, your refund will be in an "unclaimed" status until we hear from you. All unclaimed money will be held for a period of two years and two months, before being forfeited by the member to the Cooperative as donated capital per the Bylaws.

**What years are being refunded now?**

The current action by the Board is to retire/refund capital credits for all allocation types to members who purchased electricity from the Cooperative: the remainder of year 2003 starting July 2024, the year 2004 at 100% starting June 2025 and the year 2005 at 100% starting June 2026.

**If I did not receive electric service from Hendricks Power from 2003-2005, will I get any refund?**

No. Capital credits retirement/refunds will only be made to members for 2003-2005. However, it is still important to keep your address, telephone numbers and personal information updated with the Cooperative so we can locate you should your years be retired/refunded later.

### **Are capital credits refunded every year?**

Each year, the Hendricks Power Board of Directors decides on whether to retire/refund capital credits based on the financial health of the Cooperative. We cannot retire all capital credits at once because we still have preventive maintenance measures that need to be addressed to ensure members continue receiving reliable, affordable service and to operate the company. The Board will evaluate this on an annual basis and retire/refund capital credits when feasible. Retirement/refunds could be by year or by multiple years; in-full; partial based on a percentage; by type of allocation; or by any combination of these factors as the Cooperative's Board determines.

### **What happens to the years that are not retired/refunded? Do I lose my capital credits?**

The unretired capital credit amount will remain on permanent record with the Cooperative until designated by the Cooperative's Board and will be distributed to the members as governed by the Cooperative's by-laws. Each member has a designated capital credit/customer number for the Cooperative to use to keep track of them.

### **What do I need to do to receive the retirement/refund?**

*Current/Active Customer:* If you are a current/active customer receiving an electric bill from Hendricks Power you do not need to take any action.

*Previous/Inactive Customer:* If you no longer receive electrical service from Hendricks Power, you will need to contact the Cooperative to make sure we have your current information and mailing address. Contact us at [www.hendrickspower.com](http://www.hendrickspower.com) Attn: Capital Credit Dept or call 1-800-876-5473 ext. 4008 or (317) 745-5473 ext. 4008.

**What happens to the capital credits of a member who is deceased, and ownership is now within an estate?** The capital credits of a deceased member can be paid to the estate or representative of the estate. Please call the Cooperative at 1-800-876-5473 ext. 646 or (317) 745-5473 ext. 646 and speak to the Manager of Capital Credits. She will locate the member records, update the contact information, and discuss in detail the process with the estate representative so a claim can be filed.

Various documents will be required by the estate representative to be filed with the Cooperative:

1. Affidavit for Payment of Patronage (form provided by the Cooperative)
2. A Will or Notice of Unsupervised Administration (filed in Clerk of County office) Appointment of personal representative of the Estate.
3. Copy of a State issued death certificate for the deceased member.
4. A valid state issued ID/Driver's License of the representative or affiant.
5. Heirship documents based on the relationship to the member (Will, Estate papers, Trust papers, Birth Certificate of Affiant, Marriage License) are just a sample of documents accepted.
6. IRS W-9 form if retirement/refund exceeds \$600 (form provided by the Cooperative)

### **What if the member is not deceased, but needs personal appointment or a representative?**

The member contact information can be updated once the following documentation is received by the Cooperative's Capital Credit Dept.

1. Guardianship Papers (filed in Clerk of County office)
2. Certified Power of Attorney (POA) papers (issued by bank or court)
3. A valid state issued ID/Driver's License of the representative.

### **Why does my Cooperative refund capital credits?**

Doing so follows one of our seven Cooperative principles—Members' Economic Participation. This principle states: "Members allocate surpluses for any or all of the following purposes: developing the Cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the Cooperative; and supporting other activities approved by the membership."