



2024 Capital Credits Allocation

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Policy

3.3. Net Operating Margin Allocations

3.3.1. Each Member purchasing electricity or being billed for electric services or energy from the Cooperative will receive an allocation of the Net Operating Margins.

3.3.1.1. Non-utility, Non-Operating Margins will not be included in the allocation of Net Operating Margins.

3.3.2. If the Board approves, the Cooperative may allocate Capital Credits or retire Allocated Capital Credits to the various Member Classes under different manners, methods, timing, and amounts, as long as the Cooperative, is not acting unreasonably preferential, prejudicial, or discriminatory. Furthermore, the Cooperative may discount Allocated Capital Credits when retiring credits prior to the Retirement Schedule.

3.3.3. In most cases, the dollar amount of electricity or energy purchased by the Member during a year over the total amount of electricity or energy purchased by the Members within a Member Class is calculated to determine that Member's Patronage Capital and resulting contribution to Net Operating Margins.

3.3.4. Other methods of allocating Net Operating Margins may be utilized to the extent that those methods are deemed to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory.

Allocation by Revenue Class

| Revenue Class | Allocation Factor |
|----------------------------|-------------------|
| Residential | 0.0650921606 |
| Small Power | 0.0570671028 |
| Large Power | 0.0411498481 |
| Industrial | 0.0036701545 |
| Transmission Level Service | 0.0052547265 |

- 2024 total capital credits allocation of \$54,751,295