

2026 Capital Credits Distribution

Janelle Smith | Director, Finance

Policy

3.7. General Capital Credits Retirements

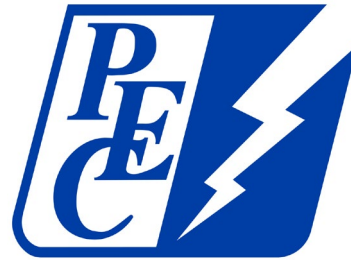
3.7.1. In general, Allocated Capital Credits are retired based upon the Retirement Schedule as permitted by the financial health of the Cooperative and in accordance with Cooperative policies, but other time frames may be appropriate as determined by the Board. Unless otherwise directed by the Board, Capital Credits are generally retired as follows:

- 3.7.1.1. A portion of the General Capital Credit Retirements will be from the oldest outstanding year(s) for which allocations have been made that have not yet been retired. To the extent the oldest outstanding year(s) being retired have been retained less than the Retirement Schedule, the amounts being retired will be made after application of the Discount Factor.
- 3.7.1.2. A portion of the General Capital Credit Retirements will be made from the most recent year(s) for which allocations have been made that have not yet been retired. To the extent the most recent year(s) being retired have been retained less than the Retirement Schedule, the amounts being retired will be made after application of the Discount Factor.

Recommended Distribution

2025 Distribution Proposal - \$10M							
CC_Year	Beg. Balance	Retire %	Retire	Discount Rate	Payout \$	Perm Equity	Balance
1995	130,957	100%	130,957	0%	130,957	-	-
1996-2023	338,226,200	4.3%	14,505,341	VARIES	6,053,252	8,452,089	323,720,859
2024	53,705,725	50.0%	26,852,863	85.79%	3,815,792	23,037,071	26,852,863
	391,931,925		41,358,203		10,000,000	31,489,160	350,573,721.91
BOD Proposed Amount					10,300,000		
Estate Retirements					300,000		

- Recommend retiring half of the newest year (2024) and a weighted average distribution for all other years not already retired (1996-2023), as presented in the 2025 budget. Additionally, pay remaining 1995 distributions due.
- If financial conditions allow, will recommend an additional special retirement for inactive accounts in 2026 per the 2026 budget.



PEDERNALES ELECTRIC COOPERATIVE