

## HOW DO CAPITAL CREDITS WORK?

Capital credits represent the ownership members have in the business. Electric rates are based on the cost to provide service, plus a margin large enough to be consistent with sound business practices and to ensure we meet our mortgage requirements.

At the end of each year, the “profits” or “net margins” of the cooperative are allocated back to the member-owners based on their patronage.

These funds (capital credits) are retained by the cooperative for use as equity for a number of years and then refunded.

The goal set by your Board of Directors is to rotate (pay out) capital credits on a 20 year cycle. We are on track with this goal.

When dealing with a business or a service, how many times do you get part of the profit? At MLEC, you do because you're an owner.

**In December, MLEC will distribute capital credit refunds totaling \$430,000.** The refunds are based on electric accounts that were active with the Cooperative in 1991 and 1992.

If your account is still active, you will see the refund on your December electric bill. If not, you will receive a check.

The 2011 payment brings the total dollars refunded by your Cooperative through the years to over \$11 million. Just another example of the Cooperative difference.



36559 US Hwy 169 Aitkin 429-0432 or 888-433-4279  
[www.mlecmn.net](http://www.mlecmn.net)

Candidate filing for MLEC director positions  
from Districts 5, 6 & 7  
is now



District **5**

electric account numbers start with 40, 41, 45 or 46.  
The present director is Don Hyytinen of Aitkin.

District **6**

electric account numbers start with  
7, 8, 11, 12, 13, 14, 18, 19, 20, 21, 22, 24, 25, 26 or 27.  
The present director is Dennis Lamke of Palisade.

District **7**

electric account numbers start with 39, 47, 48 or 53.  
The present director is Vern Watters of Aitkin.

If you are a MLEC member receiving electricity in any of the districts listed above and are interested in filing for a director position, call Linda Weimer, Member Service Manager at 927-8242 or 888-724-9640 or email [lweimer@mlecmn.com](mailto:lweimer@mlecmn.com) for director election filing forms and complete information packet.

All filings must be received at the Cooperative by February 15, 2012.