



CENTRAL VIRGINIA ELECTRIC COOPERATIVE

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For Immediate Release

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Local Cooperative Giving Cash Back to its Member-Owners

(Arrington, VA) - The Board of Directors of Central Virginia Electric Cooperative (CVEC) recently authorized \$1.1 million in capital credit refunds to Cooperative member-owners. Those funds were distributed by mailed check, if the refund exceeded \$100, while bill credits are now being applied for refunds below \$100. Vice President and CFO Tina Mallia explained that, “One of the benefits of belonging to a Cooperative is that it is a not-for-profit organization that provides a service at cost and returns any remaining funds”.

This is the seventh consecutive year that CVEC has issued capital credit refunds reaching a total of \$14.2 million returned to the members over the years.

As a utility, CVEC operates under a three-year construction work plan which requires funding through loans or through member investment, with each project in the work plan designed to last for about 30 years. The member investment for construction and maintenance is derived from the annual “margins” or those funds that remain after all the expenses are paid for the year.

A portion of the margins is allocated to each member, based upon their energy usage, in the form of patronage capital, and then invested in the distribution system. At a later date, the Cooperative Directors review the annual financial report and authorize capital credit refunds as appropriate. “The total member investment represents the member equity in the distribution plant, or about 30% of the total plant value,” added Mallia. “Capital credits are allocated to current members and invested each year in the physical plant, and capital credit refunds from previous years have been occurring on an annual basis, preserving a stable equity level.”

Members may learn more about this feature of the cooperative business model at <http://www.mycvec.com/capital-credits.html>, where one may also review a list of unclaimed capital credit refunds, the result of previously mailed checks that were not cashed or were returned to the Cooperative due to an outdated mailing address.

Headquartered in Lovingston, Central Virginia Electric Cooperative is a member-owned electric-distribution utility serving nearly 35,000 meters in 14 counties across central Virginia. For more information, visit www.mycvec.com.

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