

Capital Credit Allocation Statement

Operating as a not-for-profit electric cooperative, Cherryland Electric returns any excess revenue received, also known as capital credits, to its members. The first step in returning capital credits to our members is the assignment to each member who took service from the cooperative during the year. The assignment is a non-cash recording to each member account and is made in proportion to the billing rendered to each member. The capital credits reflected on this statement represent your share of the 2010 excess revenue.

The money represented by members' capital credit (also known as patronage capital) is used by your cooperative to repay its long-term debt, to improve our electrical system, to repair storm damage, and to meet other proper capital intensive needs.

The final step in returning capital credits to our members is a capital retirement. When a retirement occurs, our members will receive money in the form of a billing credit or check. The decision to retire members' capital rests solely with your Board of Directors and is dependent on the cooperative's financial condition, cooperative bylaw provisions and requirements of our banking partners.

Please notify us of any future address changes so that you will receive refunds for your assigned capital credits when refunds are made.

CAPITAL CREDITS SHOWN ON THIS STATEMENT CANNOT BE APPLIED TO YOUR ENERGY BILL.