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Co-op Returns \$1.72 Million in Capital Credits to Its Members

GRANTS, N.M. – Continental Divide Electric Cooperative is pleased to announce its governing board has approved the retirement of \$1,727,225 in capital credits. As a result, nearly 26,000 checks will be mailed the week of November 18th to current and former co-op members who purchased electricity in 1991 and/or in 2022, the two years of margins retired by Continental Divide. Please note that only member disbursements in excess of \$5.00 will be mailed. Disbursements below the \$5.00 threshold will be rolled into future year disbursements.

Capital credits are to cooperative members what dividends are to stockholders of for-profit, investor-owned utilities. Since a co-op does not earn profits, any margins or revenues remaining after all expenses have been paid, are returned to the members in proportion to their electricity usage.

Capital credits are one of the most significant sources of equity, thus reducing a co-op's cost to borrow money. Equity is used to help meet expenses, such as paying for new equipment and repaying debt. "We put our members' money to work to build a viable system, and then return it to them over time, in the form of capital-credit checks," Continental Divide's Chief Executive Officer Robert E. Castillo said.

Each year, Continental Divide's governing board determines whether capital credits can be returned, based on the co-op's financial condition. Since its inception in 1945, the co-op has returned \$25.8 million in patronage capital to its members.

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“By returning capital credits, we promote the cooperative philosophy of providing service at cost and giving back to our members,” Castillo said.

Capital-credit checks are mailed to a member’s last known address. Because the checks are based on prior years of electric service, often, the member has moved and has not updated their mailing address with the co-op, and the money goes unclaimed. In the spring of 2025, Continental Divide will attempt to locate recipients whose checks are returned by mail or remain outstanding by publishing their names in the *enchantment* magazine, service-area newspapers and online.

Those who seek unclaimed capital-credit checks will be required to complete a form with information the co-op will need to research and verify. If the information matches co-op records, the capital-credit check will be reissued and mailed to the member at their new address. Those inquiring about a check for someone who is deceased must provide legal documentation to ensure the money is released to the correct beneficiary.

When a check remains unclaimed for longer than two years, New Mexico state law allows the capital-credit money to roll over to the Continental Divide Electric Education Foundation. Established by the co-op’s governing board in 1989, the Foundation awards scholarships to active members in good standing or their immediate family. To date, about \$5 million has been awarded to traditional and non-traditional college students who’ve attended school in New Mexico.

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In addition to unclaimed capital credits, the co-op's Education Foundation also receives scholarship money from current and former Continental Divide members who voluntarily donate their patronage capital to the Foundation. Since 2012 when the co-op started tracking this activity, about \$6,300 has been donated by more than 300 current and former co-op members. Those who wish to donate their 1991 and/or 2022 capital credits to the Foundation can do so by signing an Assignment of Capital Credits Agreement. This form and the Unclaimed Capital Credits Inquiry form will be made available electronically and at Continental Divide's Grants and Gallup offices.

The co-op has set up a hotline and email address to request detailed information about your capital credit disbursement or to donate it to the Education Foundation. The telephone number is (505) 876-2007. The email is capitalcredits@cdec.coop

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