



Why are capital credits necessary?

Capital credits are necessary in order to fulfill the third Cooperative Principle, Members' Economic Participation, in which each member contributes to the capital of the cooperative and allocates surpluses democratically. As a cooperative, BEC is operated partially on cash received from members' monthly payments and on the retention of capital credits. Operating on a portion of our net margins (distributed as capital credits), allows BEC to continue operations without the need to increase revenue, either by increasing our debt or increasing our rates. Both options would be more expensive for our member-owners than the present system. Effective management and balancing of these funds has made Bandera Electric a successful cooperative.

How do I start accumulating capital credits?

You don't have to do anything with BEC to begin accumulating capital credits; your membership with us automatically activates your capital credits account.

What happens to my capital credits if I leave BEC?

Your capital credits remain in your name and account number until they are retired. It is important that you ensure that BEC has your current mailing address on file, even after you leave, so we can mail you your check when your capital credits are retired.

Can I have my capital credits now?

Capital credits are simply a record of your ownership in the co-op. Since they are reinvested in the cooperative to support operations, the balance cannot be given to you until the board of directors' call for their retirement.

What happens to capital credits that are never claimed?

When capital credits are retired and remain unclaimed for three years, they are escheated to the state of Texas. The state can then decide to allocate some of these funds back to BEC. When this occurs, these funds are used to pay for energy-efficiency programs, invested in economic development programs and used to fund scholarships. All of these benefit our members and the communities that we serve.