



330 South Highway 301
P.O. Box 301
Sumterville, Florida 33585-0301

SECOEnergy.com

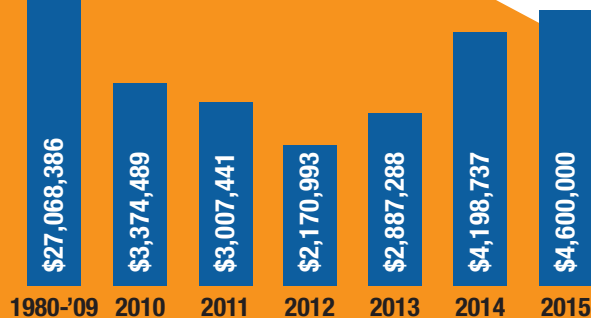


CAPITAL CREDITS

Through sound financial stewardship, SECO Energy has returned (retired)

Capital Credits to members consistently for many years. The most recent retirement of a record \$4.6 million was approved by the Board of Trustees in their October 2015 meeting. Since SECO's inception, the co-op has retired more than \$47.3 million to its current and former members.

Capital Credits Retired to Members: Over \$47.3 Million



When are Capital Credits returned to members?

Capital Credits may be returned by general retirements as approved by our Board of Trustees, based on the financial condition of the cooperative. General retirements are typically paid annually in November to current and former members. Current members receive a credit on their electric bill. Former members receive a check if the amount exceeds \$10.

Heirs, or estates of current or former members, must complete the proper forms that will allow us to transfer the Capital Credits accumulated by the deceased member to the legal heir for assignment or discounted lump sum payment. This will help ensure that the legally designated person receives the Capital Credits due.

How are business accounts handled?

Capital Credits are allocated to businesses in the same manner that they are to residential members. Capital Credits are returned to businesses when the Board of Trustees approves a general retirement.

Do my allocated Capital Credits earn interest?

Capital Credits are legally not subject to earned interest as that would increase the revenue requirements and raise rates unnecessarily.

COMMITMENT TO THE COOPERATIVE PURPOSE

What if I move away?

If you move from our service area, the Capital Credits accumulated on your account will remain in your name. It is important that you keep SECO Energy informed of your current address so that we can correspond with you when a general retirement is paid. By keeping SECO Energy informed of your current address, you will avoid a monthly maintenance charge assessed on accounts with unclaimed refunds.

Do I have to report them on my tax return as taxable income?

Capital Credits are a refund of prior years' electric payments and need not be reported as taxable income by holders of residential accounts. Holders of business accounts should discuss any such refunds with their tax preparer/advisor.

Learn more about Capital Credits at secoenergy.com.