

G LADES
Electric Cooperative, Inc.

"Neighbors Working for Neighbors"

Your Touchstone Energy® Cooperative 

Members Name: _____

Member ID # _____

In order to process the capital credits that have accrued, we need the following information:

1. Death Certificate
2. Notarized Application Form
3. If applicant is not the spouse, copy of:

Administrative, Legal Representative or a Will naming the Personal Representative of the estate.

As soon as these items are received, your application will be processed.

If you have further questions, please contact the Member Service Department in your local office or call, 863-946-6200.

Sincerely,

Member Service Department

Capital Credits

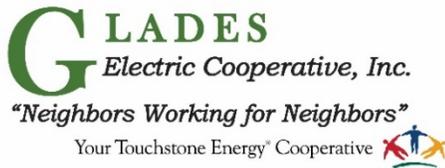
Glades Electric Cooperative is owned by you, our members. That's right; you are actually part owner of an electric cooperative - just like stockholders who own Duke Energy or Florida Power & Light. However, GEC doesn't issue stock shares like an investor owned utility. We have Capital Credits. Stock shares are used to determine what portion of a corporation each shareholder owns. Capital Credits are used for the same purpose in a cooperative. However, federal law states that unlike stock shares, Capital Credits may not be sold or cashed.

Your Capital Credits are used to sustain the business of the cooperative. They are used to build new lines, to pay wholesale power bills and to generally keep a positive cash flow at the co-op. This program prevents the co-op from having to borrow money to do business and thus increase the debt load. The members' Capital Credits actually enhance the co-op's ability to hold down electric rates.

A member may ask, "If the co-op is doing all that with my Capital Credits what good are they to me?" That seems to be the hardest question to answer for the consumer owners, but, at the end each year, after all operating expenses have been paid, a prorated percentage of its margins is allocated to the member-owners based on the amount each paid for electricity during the year. This allocation of margins is known as Capital Credits.

Another question may be, "When are Capital Credits refunded?" Every year your Board of Trustees determines how much of those annual margins will be needed to run the business in the coming year. The amount not needed to pay down the required debt or to pay for required new construction of system restoration projects will be returned to each member in the form of "Retired Capital Credits". All monies retained in the business build your equity in the company.

"Well then, how can a member find out the amount of his/her Capital Credits?" Once a year, usually in April or early May, each member will receive a written notice of the amount of Capital Credits allocated for the previous year. If your account is active, the notice will be printed on your bill, which should be retained in your permanent records. If your membership is no longer active, you will not receive a notice. You should, however, make sure your current address is on file with the Capital Credits representative at the Cooperative. The annual allocation cannot be used as a credit against your current electric bill. The information is provided only for your records. If you have any questions concerning your ownership in this cooperative, do not hesitate to call your local office. While Capital Credits are a long-term investment, they are a real investment. The biggest difference between stock shares and Capital Credits is that stock shares are an investment to make profit for an individual. Capital Credits are an investment in the future of our communities. A future without a guaranteed supply of electricity would be very bleak. We thank you for your investment and support.



Application to Transfer Service and Apply for Capital Credits Deceased Members

Deceased Member's Name: _____ **Account Number:** _____

Surviving Spouse: _____

b. If a personal representative has not been appointed, and the applicant is the surviving spouse, please complete the following information:

Name: _____

Address: _____

Social Security # _____ Driver's License # _____

Phone Number _____

PERSONAL REPRESENTATIVE:

a. If a personal representative had been appointed, please complete the following information and submit copies showing authorization in the form of administrative, legal representative or a will.

Name: _____

Address: _____

Social Security # _____ Driver's License # _____

Phone Number _____

The undersigned person executing this application for capital credits hereby certifies the information contained therein is correct and by executing this application agrees that if Glades Electric Cooperative, Inc. pays the said capital credits based on the information contained herein the undersigned will indemnify and hold Glades Electric Cooperative, Inc. harmless against any future claims to the capital credits of the said deceased member.

The undersigned surviving spouse, administrative, or representative of the estate executing this application hereby authorized Glades Electric Cooperative, Inc. to transfer the deceased membership to the party mentioned above.

NOTICE: This application cannot be processed unless all requested information is furnished and a death certificate is provided. Processing time after all information received is approximately two months.

Signature of Applicant: _____

The above named person signed this application before me and is _____ personally known to me or produced ID# _____.

State of _____ County of _____

Sworn to and subscribed before me on _____ day of _____, _____

Notary Public

(SEAL)

Print Name

Commission Expires: _____