



Brown County Rural Electrical Association

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Capital Credits FAQs

What are Capital Credits?

Capital Credits can also be referred to as “patronage capital”. Each year’s margins are allocated to Members based on the amount billed per Member for electric purchases and the associated margin during that year. This allocation is credited to a Capital Credit account for each Member until the credits are paid (retired).

What is the difference between an allocation and a retirement?

An allocation is made annually for each Member, based upon the amount of electricity purchased the previous year. These allocations are set aside into a separate account to be used as operating capital for safety and reliability improvements for the cooperative over a period of years. A retirement is the payment of Capital Credits that have been allocated previously.

Why do I have to wait to receive a payment for my Capital Credits?

After the margins have been allocated, the funds are then used as capital by BCREA to build and maintain the electric infrastructure used to deliver power to each Member. The funds are also used to improve the safety and reliability of your electric service. Upgrading poles, wire, transformers, and substations are included in the maintenance costs. BCREA’s Board of Directors are responsible for retiring the cooperative’s patronage capital to its Member’s.

What happens to my Capital Credits if I move and terminate my service with BCREA?

Your Capital Credit balance will remain with BCREA until the balance is paid (retired) in full. You are responsible for maintaining a correct mailing address with BCREA for any future payments.

What if I pass away before my Capital Credits are paid out?

If you pass away before your Capital Credits are paid your estate’s executor will need to contact our office to complete the necessary paperwork.