

Memo To: the Board of Trustees of the Socorro Electric Cooperative

Date: May 21, 2014

From: Doug May

Subject: Our customers' capital credits

We have a great opportunity to serve our customers in a new way. Some have reached retirement age and some have moved out of the area. Retired customers live on a reduced, fixed income at a time when costs are increasing. This is a challenge for many.

Residential customers would benefit greatly if after age 65 they could each receive 10% of their capital credits each year. They would also receive the capital credit for that year. After ten years they would have received all of their capital credits and would continue to receive the yearly capital credit for as long as they have electric service.

Present customers over the age of 65 would also receive 10% of their capital credits each year, plus the capital credits for that year. Ten years after the program starts they too would have received all of their capital credits.

Residential and business customers closing or moving out of the area should receive their entire capital credits when they close their account. We are thankful for using their capital credits when they lived here, and we should not penalize them when they leave. Those reopening an account in less than two years would have to return their capital credits.

Payment of capital credits should be calculated in advance and capital credit estate retirements and for those leaving the area should be estimated for each year. That total amount should be included as a line item in the yearly budget. They are legitimate obligations.

Is this feasible?

I suggest that a feasibility study be made to determine the estimated capital credits payout for each of the next ten years for this program. We have a wonderful opportunity for starting the process of restoring good will and moving forward. Hopefully this proposal will be adopted.

Thank you for your service and your consideration.