

## How Patronage Dividends Work

Cooperative members share in the ownership, construction, maintenance and prosperity of High West Energy. When financial conditions allow, members receive patronage dividends. Here is how your cooperative membership pays you back:



When you move into a home or establish a business in the High West Energy service territory, and after you complete a membership application, you become a member of the cooperative.



Each fall, the board of directors evaluates the financial condition of the cooperative to determine if we can pay patronage dividends. Dividends may not be paid every year.



A patronage dividend account is set up in your name and High West Energy carefully tracks your investment in the co-op in this account.



When patronage is not paid,\* it is used as operating capital for system improvements and maintenance. This operating capital reduces the need for loans, which helps keep costs down.



At the end of our fiscal year, any funds remaining after expenses have been paid are allocated\* to your patronage account based on the amount of electricity you used the previous year. Notice of this allocation is sent the following spring.



When the board decides to pay a patronage dividend, we calculate the amount we need to pay each member. Anyone who was a member in the previous year will receive a dividend.



Patronage dividends are based on the amount of electricity you use, so the amount you are allocated\* varies from year to year. Businesses that use a lot of electricity build up a larger patronage dividend account than a homeowner, for example.



If your refund is more than \$50, you can choose to receive your dividend as a check, a bill credit, or you can donate it to Operation Round Up. Refunds of \$50 or less will be paid as a bill credit. These refunds are proof of the value of cooperative memberships.

## \* Allocation vs. Retirement

An allocation is made annually for each member, based on the amount of electricity purchased by the member the previous year. An allocation is the member's share of the amount of net margins High West Energy sets aside into a separate account to be used as operating capital for reliability improvements and maintenances over a period of years.

A retirement is the amount a member receives back as a patronage dividend. It is a portion of the total patronage balance. The amount paid is decided annually by the board of directors based on the financial needs of the cooperative.

## Important Reminders

- ✓ If you move please be sure to leave your new address with us so we can continue to refund patronage dividends you are eligible to receive in the future.
- ✓ When a member passes away, the patronage account is available for estate retirement. A representative of the estate should contact High West Energy to settle the patronage account.