November 2025 www.kemelectric.com

CURRENT NEWS

What's Happening

Youth Tour applications are now open! Visit KEMElectric.com for more information and to apply. The application deadline is Jan. 16.

NOV. 11

Office closed for Veterans Day. Thank you Veterans for your service!

NOV. 15

Deadline to nominate a Kidder County Public School student for Touchstone Energy Student of the Month

NOV. 27 & 28

Office closed for Thanksgiving

In case you missed it...

Understanding capital credits

Capital credits, patronage dividends, patronage refunds. These are all familiar terms with similar meanings. They all refer to the allocation of operating margins as equity and, when appropriate, retiring them to the members of the co-op in the form of money or a credit on the bill. Read more about capital credits on C3 of our local pages.

Report outages online

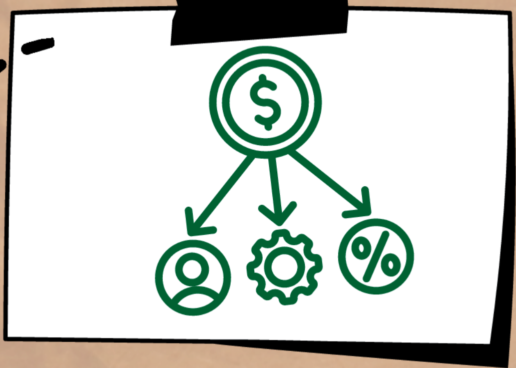
When a power outage occurs, our top priority is to restore service as quickly and safely as possible. To help us respond faster, it's important outages are reported promptly. While you can always call to report an outage, we're also making it easier for members to report online either through SmartHub or by text message. Read more on C4 of our local pages.

Read these articles and more in this month's issue of *North Dakota Living* or by scanning the QR code.

KEM ELECTRIC COOPERATIVE

A Touchstone Energy® Cooperative

LEARN ABOUT CAPITAL CREDITS



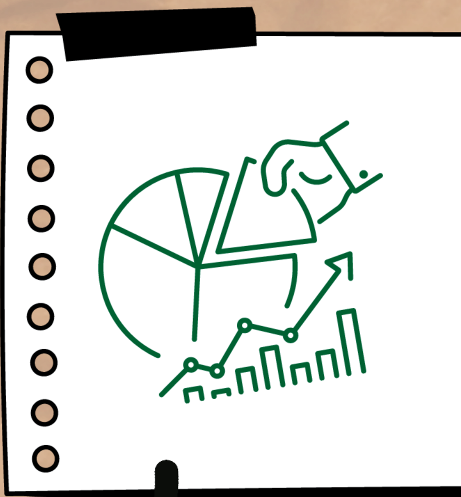
WHAT ARE CAPITAL CREDITS?

When KEM Electric pays for power generation, maintenance, and operations, any money left over is called a margin. These margins create equity for the cooperative and are allocated to you, our members, through capital credits. These credits represent each member's ownership and contribution to the cooperative. They are a reflection of the cooperative's non-profit nature.

HOW ARE CAPITAL CREDITS ALLOCATED?

Each member's share of the total margins is calculated based on their energy usage. The more electricity you use, the larger your portion of the credits.

Example: If the cooperative earns $1 million in margins and you account for 1% of the total energy use, you would be allocated $10,000 in capital credits.



HOW ARE CAPITAL CREDITS DISTRIBUTED?

Allocation are where credits are calculated and recorded in your account annually but not immediately paid out. Then cooperative's board decides when to retire and distribute the credits, balancing financial stability and member benefits which is called a distribution.

Distribution Cycle: Distributions typically happen 20 years after allocation. The cooperative retires the oldest credits first, returning them to members as cash or bill credits.