

You Get the Credit

IT'S TIME FOR YOU TO GET THE (CAPITAL) CREDIT for helping build, sustain and grow your local electric cooperative.

More than \$1 million will be paid to Central Texas Electric Cooperative members this month. This year's retirement, which was authorized by resolution of the cooperative's board of directors during the October board meeting, is one of the largest annual retirements in CTEC history.

Since 1965, the co-op has returned \$12.2 million to members through the retirement of capital credits, with more than \$4.4 million coming in the past five years.

As a member of CTEC, you are entitled to share in the co-op's margins. To be financially stable, a cooperative must earn a margin between what it costs to operate the business and what it takes in as income. Without a positive margin, a co-op cannot

obtain adequate financing for future expansion and growth.

The retirement process established by the co-op's bylaws returns patronage capital to all co-op members and emphasizes payout of the oldest unretired capital credits. The process also returns a larger share of capital to members who have paid larger bills and contributed more capital over the years.

Capital Credits Process

The capital credits retirement process involves two steps. First, half of the authorized retirement amount is applied against the oldest unretired capital credits on the co-op's books. Then each member's share of the remaining half of the retirement amount is calculated, based on the percentage of unretired capital credits of the co-op. After the dollar amount

Power Cost Pass-Thru	246 kWh	@	0.0530	13.04
Transmission Cost Pass-Thru	246 kWh	@	0.0090	2.21
Distribution Energy Charge	246 kWh	@	0.0250	6.15
Distribution Access Charge				22.50
Capital Credit Retirement				-3.42
Account Total				40.48

Active members will see their capital credits retirement applied as a credit to their December bills.

of each member’s refund is determined, it is applied to reduce the oldest unretired capital credits on record.

Members receiving service at any time between 1987 and 2014 will benefit from this year’s retirement. Active members (those still receiving service from CTEC) will have their 2015 capital credits amount applied as a credit to their December bills. Inactive members who are entitled to a refund of \$10 or more will be sent a check. To save postage and processing fees on inactive accounts, refunds of less than \$10 will be accumulated from year to year until the minimum \$10 amount is reached.

Will my total capital credits amount be returned after I terminate electric service?

Early retirement of capital credits is not allowed when electric service is terminated. When capital credits are retired, inactive accounts are included in the retirement calculation until their balances are fully retired. Refunds will be issued subject to the \$10 minimum check limitation. Capital credits refunds cannot be delivered correctly if the co-op is not aware of address changes, so please keep us informed of your current address.

My relatives are deceased. How can we handle capital credits for an estate?

Heirs of an estate can choose to close out the capital credits account of a deceased member by opting for an estate retirement. With this option, the capital credits balance is retired at a discount and a refund check is issued to the heirs. More information about estate retirements is available from the CTEC Capital Credits Department at (830) 997-2126 or toll-free at 1-800-900-CTEC (2832).

What happens when capital credits checks are not cashed?

CTEC keeps a record of all capital credits checks that are not cashed. Claims on these accounts can be made indefinitely, but after three years, unclaimed amounts must be transferred to the Texas Unclaimed Property fund. Some of these unclaimed funds are returned to the co-op to be used for scholarships and economic development.

Using the proceeds from unclaimed capital credits, the Central Texas Electric Scholarship Fund has been able to support higher education for co-op members and their families who live in the co-op’s service area. These funds also can be used to promote economic development and provide energy-efficiency assistance in the co-op’s service area.

Can I donate my capital credits to Operation Round-Up or the CTEC Scholarship program?

Yes, you can! Each of these programs is designed to give back to the communities in which we all live. Operation Round-Up is a program designed to provide grants to charitable causes and nonprofit civic organizations within the co-op’s service territory. It is administered by a volunteer board of directors, and all funds are kept separate from co-op funds.

The CTEC Scholarship program uses unclaimed capital credits funds to award scholarships to co-op members or their family members (whose primary residence is served by CTEC) for full-time study at an accredited secondary education school in Texas.



Central Texas Electric Cooperative

Fredericksburg (headquarters)

386 Friendship Lane
Fredericksburg, TX 78624

Llano

1410 E. State Hwy. 29, Llano

Kingsland

Nob Hill Subdivision
706 Cottonwood St., Kingsland

Mason

983 N. U.S. Hwy. 87, Mason

Office Hours

8 a.m. to 5 p.m., Monday-Friday

Website

ctec.coop

CHIEF EXECUTIVE OFFICER

Robert A. Loth III

BOARD OF DIRECTORS

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- James Low, Vice President, *San Saba County*
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Emergency Contact

To report electric service interruptions, please call the Central Texas Electric Cooperative office in your area at the numbers listed below:

FREDERICKSBURG AREA

(830) 997-2126

1-800-900-CTEC (2832)

including Gillespie, Kendall, Kerr, Blanco, Real and Kimble counties

LLANO AND SAN SABA AREAS

(325) 247-4191

THE LAKES AREA

(325) 388-4542

8 a.m. to 5 p.m.

(325) 247-4191

after business hours

MASON AREA

(325) 347-6314

including McCulloch, Menard and Kimble counties



Students: Apply Now To Win Trip to DC

YOU'RE A TEXAS HIGH SCHOOL STUDENT. You're smart; you have big dreams. Maybe you've never been out of the state, and maybe you've never flown on a plane, but you want to travel—experience a big city, visit historic landmarks and meet people, and not just fellow high schoolers but influential public figures, like U.S. representatives.

If that describes you, then you're a candidate to apply for a place on the 2016 Government-in-Action Youth Tour, an all-expense-paid trip to Washington, D.C., June 8–17. Three high school students from Central Texas Electric Cooperative will be selected.

Apply by January 29 for a chance to win a ticket for this adventure, which has been called the trip of a lifetime. Participation is open to high school students who will have completed their sophomore year by May 2016.

Youth Tour is an action-packed trip to the U.S. capital with about 125 of your peers and chaperones from across Texas. You'll visit the Washington National Cathedral, Arlington National Cemetery, Mount Vernon, the Smithsonian Institution, memorials and more.

Activities include learning about rural electrification, seeing a performance at the Kennedy Center, going on a boat cruise

with dinner and dancing, and meeting elected officials.

All expenses for the tour (except personal items such as souvenirs, etc.) are paid by the co-op for the three winners. CTEC winners join youths from throughout Texas for the trip. Chaperones are provided by sponsoring cooperatives, and CTEC provides transportation to and from Austin, from which the tour departs.

Contest Rules

Essays of 500 words or fewer must be submitted to the CTEC headquarters office in Fredericksburg by 5 p.m., Friday, January 29. This year's essay should answer the question: "How would you advise CTEC to communicate to members like you to be more involved in their cooperative and learn more about their cooperative?"

Winning essays are selected by independent judges and will be judged on originality (40 percent), knowledge of topic (30 percent), composition (10 percent), neatness (10 percent) and grammar (10 percent). Two alternates will also be named in the event that a winner is unable to attend the tour.

Additional details, information and entry forms are available from your local high school or online at ctec.coop.

Dear CTEC,

The Government-in-Action Youth Tour has been touching our nation's high school students for 50 years now, and I am beyond blessed to be able to say I was one of them. There were 1,737 kids (125 from Texas) chosen to join together in our nation's capital for fun, dancing (Texas was the best, by the way), sightseeing, and many more great experiences.

My adventure started in Austin, where I met the other 124 Texas kids that I would spend the next 10 days with. I didn't know it then, but some of these strangers would become lifelong friends that I would build deep, fun, Godly relationships with.

After meeting and greeting everyone on the first night, we woke up at 1 in the morning and headed to the airport! Now, this was my very first time to fly ... that in itself was an adventure for me! After switching flights in Dallas, we finally landed in one of the most beautiful places I've ever seen—Washington D.C.

Our D.C. tour began by visiting the National Mall ... which isn't actually a mall, I learned. I saw famous things from movies and TV shows; they came to life! I knew the history and the stories, but now I was right in the middle of them!

Over the next few days, I saw so many amazing monuments and memorials. One of my favorite memories was our visit to the Arlington Cemetery. I witnessed the changing of the guards and the wreath-laying ceremony at the Tomb of the Unknown Soldier. Seeing the soldiers salute during the playing of "Taps" was so humbling and touching. It was there I realized how much our military truly sacrifices for our freedom. I will never be able to say "Thank you" enough to the soldiers fighting to protect me. After the ceremonies, a few of my new friends and I went grave searching. All three of us found a family member; I discovered that one of my ancestors, Fondville Lee Tedder, served and died in the Korean War. Finding his grave was one of the most memorable experiences of my life.

Another amazing visit I will remember forever was our trip to Capitol Hill. Not only did I get to learn and see everything inside the Capitol building, I was able to watch our senators and legislators vote on an upcoming bill (hence the name "Government-in-Action"). The Library of Congress is also up on the top of the famous hill. It is truly breathtaking; the beautiful architecture was astonishing and immaculate.

There was also plenty of time for lots of socializing and dancing! On the last night in D.C., all 1,737 of us came together for a huge dance at the Hyatt Regency Ballroom. Being from the Lone Star state, we decided that we just had to make an entrance (because Texas is obviously the best!). Purposely arriving a little late, 125 Texans stormed down the escalators chanting, "TEXAS! TEXAS!" We lined up outside of the ballroom door, waiting to make our grand entry. After a couple of minutes of chanting, we RAN into the ballroom and created one huge, Texan circle. We waved a ginormous Lone Star flag high, right in the middle of our mob! After proudly singing a few verses of "Deep in the Heart of Texas," we invited some of the other states to join us in some good ole two-steppin'. This sounds crazy to us, but 99 percent of the other states had no



idea how to dance! We took it upon ourselves to teach them how to have some Texas fun. By the end of the night, the whole crowd was two-stepping, and the DJ was playing country classics instead of today's latest rap! Even in Washington, D.C., Texans stand out.

In the end, I made unforgettable memories, learned a few new dance moves, absorbed a ton of history, and created many incredible friendships. I would like to give a BIG thank you to Central Texas Electric Co-op for sponsoring me! This trip has left a mark on me, and I am so incredibly thankful for everyone who contributed to the experience.

Sincerely,

JUSTYN TEDDER

Statement of Nondiscrimination

CENTRAL TEXAS ELECTRIC COOPERATIVE is the recipient of federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975, as amended; and the rules and regulations of the U.S. Department of Agriculture, which provide that no person in the United States on the basis of race, color, national origin, sex, religion, age or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Robert A. Loth III, chief executive officer. Any individual or specific class of individuals who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above and/or file a written complaint. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Ave. SW, Washington, DC 20250-9410, or call 1-800-795-3272 (voice) or (202) 720-6382 (TDD). The USDA is an equal-opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.



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Renewal Required for Ag/Timber Sales Tax Exemption

IF YOU ARE CLAIMING A SALES TAX

exemption on electricity used in the production of agricultural or timber products, you must renew your exemption by December 31 through the Office of the Texas Comptroller of Public Accounts.

To remain exempt, you must provide Central Texas Electric Cooperative with a Texas Agricultural Sales and Use Tax Exemption Certificate by January 1, 2016, or your account will be coded as taxable.

If you have any questions, please call the CTEC Billing Department at 1-800-900-2832 or locally at (830) 997-2126.

How To Renew Exemption Certificates

There are several options for renewing your exemption certificate: online, by phone or by mail. Online renewal is the fastest, with the applicant receiving a confirmation number immediately. Those applying by phone will receive a confirmation letter by mail in five to seven days. Processing time for renewing by mail could take several weeks.

Those seeking a renewal can visit comptroller.texas.gov/taxinfo/agriculture/get_ready_texas.html for more information. The site also features a list of eligibility requirements.

Only one certificate is required for members with multiple qualifying meters.

For more information, contact the comptroller's office at comptroller.texas.gov/taxhelp or call 1-800-252-5555.

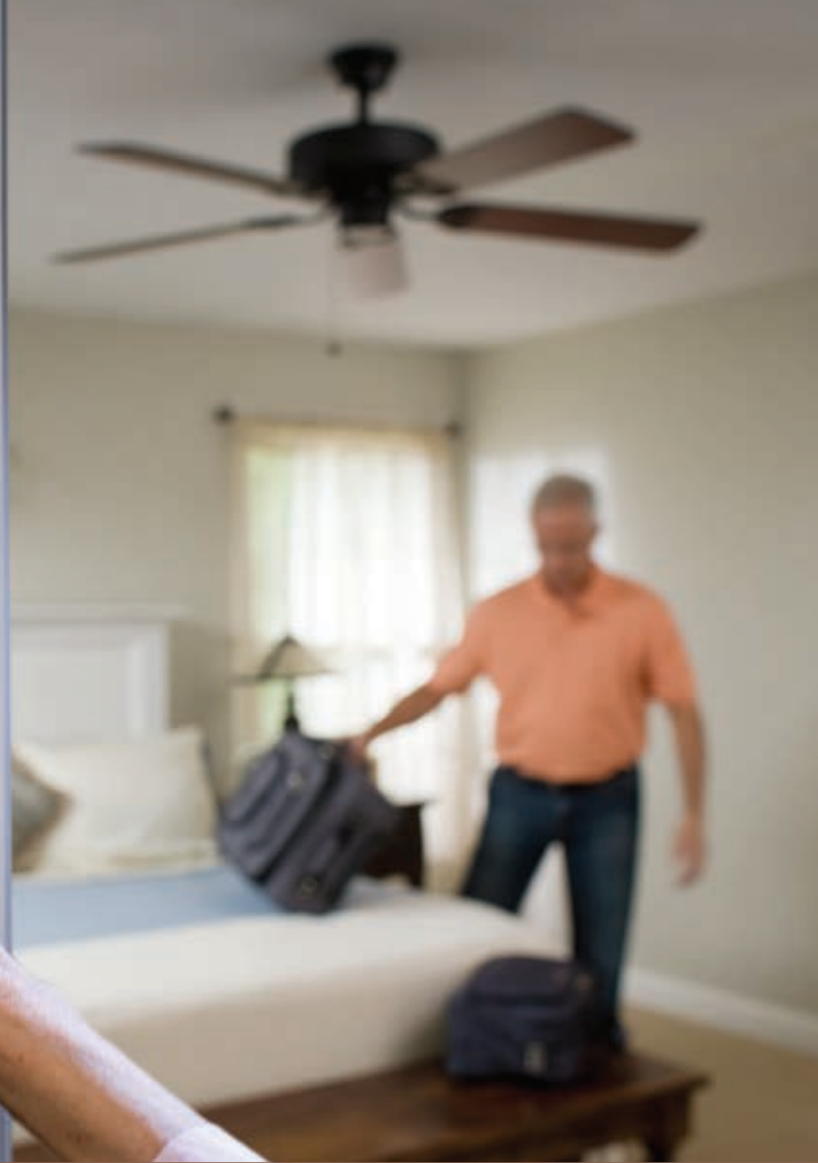


HAPPY HOLIDAYS

From Central Texas EC

Our offices will be closed Friday, December 25, and Friday, January 1, to allow our employees to celebrate the holidays with their families.

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I DON'T LEAVE THE TV ON FOR THE COFFEE TABLE. WHY HEAT AN EMPTY HOUSE?

It only makes sense. My house shouldn't have to work so hard when I'm taking it easy on vacation. So now I adjust my thermostat, turn off my water heater and unplug as much as I can before I pull away, and those simple acts save me some serious money. Money I can spend on things like vacations. What can you do? Find out how the little changes add up at TogetherWeSave.com.



TOGETHERWESAVE.COM