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ELECTRIC COOPERATIVE BOARD APPROVES CHANGE TO CAPITAL CREDITS RETIREMENT FOR DECEASED MEMBERS

April 5, 2011 [Port Orford, OR]: At last week's regular meeting, the Coos-Curry Electric Cooperative, Inc. (CCEC) board of directors adopted a change in the way capital credits may be retired upon the death of an individual member patron or former patron.

The new policy adds another option to the traditional payment rotation of capital credits. According to the new policy, upon the death of a patron, who is a natural person, the personal representative or heir may complete an application and elect to retire the associated capital credits on a normal rotational basis or to immediately retire the associated capital credits at a discounted rate.

If the applicant elects to retire capital credits upon the death of the patron, certain terms and conditions must be met. First, CCEC will retire capital credits to the estates of deceased natural members/patrons only at a discounted rate. The discount rate shall be based on CCEC's weighted cost of capital, which includes the cost of member equity as well as the cost of debt. For purposes of calculating the discounted amount, the assumed timing and amount of future capital credit payments shall be consistent with the board's refunding plan for general retirements.

The personal representative or heir will be required to complete an application form and submit other required documents consistent with the cooperative's policy and

to comply with state and federal law. Any discounted capital credits will be applied to any delinquent and/or bad debt balance owed to CCEC by the deceased patron or by any of the heirs entitled to payment on the same discounted value. In the case of a joint membership, where one member is deceased, the capital credits will not be paid; and will remain on the books in the name of the surviving member. Other terms and conditions may apply.

The amount paid out to retire capital credits for deceased members or patrons under this policy will be determined each year by the board of directors. “We budgeted \$300,000 for this year because this is a new policy and we expect to see a lot of requests,” chief financial officer Frank Corrales told the board. “If we get applications that go beyond what we have budgeted, we’ll have to come back to the board for a decision to either allocate additional funds or hold the applications for next year.”

Cooperatives are unique. Rather than sell stocks or bonds to secure operating funds, cooperatives obtain operating capital in two ways -- through borrowing and through member equity or capital credits. CCEC’s staff and board of directors use planning documents such as the annual budget, long-range construction plan and 10-year financial forecast to help guide decisions concerning the appropriate level of borrowing or debt and member equity needed to maintain the financial integrity of the organization. Those decisions also include appropriate timing of retiring capital credits or adding debt for major projects.

“With regard to this policy change, we expect to receive a lot of questions from members over the next few weeks,” Corrales said, “so we have arranged to have representatives at our after-hours call center take the calls for us.” A representative will gather some preliminary information and a CCEC employee responsible for capital credits will call the member back as quickly as possible. Members with questions about this policy should call 1-866-305-1278.

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About Coos-Curry Electric Cooperative, Inc.

Coos-Curry Electric Cooperative, Inc. (CCEC) was founded in 1939 by a group of Coos County, Oregon, residents who wanted electricity in their area. Today, the nonprofit cooperative has approximately 14,000 members, over 17,000 meters in Coos, Curry, and Douglas Counties, and 1,626 miles of line, including 52 miles of transmission line between Gold Beach and Brookings. CCEC serves the rural populations east and south of Coos Bay in Coos County, a portion of Douglas County and all of Curry County except for the town of Langlois. Headquartered in Port Orford, Oregon, CCEC has area business offices in Port Orford, Coquille, Gold Beach and Brookings.