



District Offices

4005 23rd Street
Baker City, OR 97814
523-3616

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Burns, OR 97720
573-2666

400 Patterson Bridge Road
P.O. Box 575
John Day, OR 97845
575-0161

107 Elm Street
P.O. Box 790
La Grande, OR 97850
963-3155

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**Report Outages at
1-866-430-4265**

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Officers/Directors:

President Grant Holman,
Union County
Vice President Charles Hofmann,
Baker County
Sec./Treas. Greg Howard,
Union County

David Baum, Union County
Robert Cargill, Harney County
George Galloway, Union County
Gary Miller, Grant County
Peggi Timm, Baker County
Ralph Ward, Baker County

Werner Buehler, General Manager

Henry Lorenzen, Attorney

OR-48

Manager's Message



Dear Member,

Electric cooperatives are not like other utilities. You, as a consumer and a member, own a portion of the business. One benefit of that membership is you periodically get money back.

The return of that money to members involves the allocation of excess revenue, called margins, in the form of capital credits.

Electric co-ops such as OTEC operate at cost—collecting enough revenue to run and expand the business, but with no need to raise rates to generate profits for distant shareholders.

When OTEC has money left over, it is allocated back to you and other members as capital credits. When the co-op's financial position permits, the co-op retires, or pays, the capital credits to members in cash or as a billing credit.

In OTEC's case, thanks to the board of director's labors, we have been able to return \$21.2 million in capital credits to our members since the co-op started retiring capital credits in 1995.

This December, we will return \$1.5 million to our members.

Allocating and retiring excess revenue to members helps distinguish cooperatives from for-profit electric utilities. We are proud to support our communities by putting money back into the local economy—and into the pockets of those we serve.

It makes our business model special. In other words, retiring capital credits is just one more way OTEC is looking out for you.

With regards,

Werner Buehler