

LCEC Equity General Distribution Information

Please click [here](#) for the basics and frequently asked questions about LCEC Equity. Following are additional questions customers may have regarding the general distribution of equity. LCEC is proud to be in a financial position to make a general distribution this year and has returned more than \$150 million in equity to active and inactive customers.

1) Why is LCEC making a general distribution?

- LCEC is a not-for-profit cooperative utility. When annual excess revenues, or margins, are generated, the Board of Trustees considers an equity distribution. In 2009, LCEC was able to maintain a sufficient financial position, thus the Board recently approved a \$7.6 million return of equity to active and inactive members.

2) Who is eligible for a distribution?

- All active and inactive customers who have an Equity account balance greater than \$40.00.

3) What is the percentage amount that will be paid out this year?

- The distribution will be 2.5 percent of the customer's Equity account balance.

4) How will the distribution affect the Equity account balance?

- The Equity account balance is decreased by the amount of the distribution.

5) Will all eligible customers receive a check?

- Both active and inactive customers will receive either a check or a credit towards their account. There are several factors that determine this. Accounts that receive a distribution amount of \$25.00 or greater will receive a check unless the electric account had a past due balance with LCEC at the time of the distribution. The distribution would then apply towards the past due balance.

6) When will customers receive a check?

- All checks will be mailed out by the first week in August. Please allow time for delivery.

7) What if a customer no longer has an active account with LCEC?

- Customers who do not have an active account with LCEC, but have an Equity balance will receive either a check or a credit towards their account. It is important that addresses are updated with LCEC to ensure proper delivery.

8) Why does LCEC distribute checks to some customers and credits to others?

- Checks were issued to customers whose distribution amount was greater than \$25.00 and have no outstanding debt with LCEC.

9) If customers receive a credit, how will they know?

- The credit will appear on their bill and be applied towards the balance owed.

10) What if a customer has a past due balance with LCEC?

- If an active or inactive customer owes a past due balance to LCEC, their distribution will apply towards their bill. If the remaining amount is greater than \$25, the customer will receive a check. If the remaining amount of the distribution is less than \$25, and the customer has an active account, the amount will apply towards the following month's bill. If the account is inactive, the customer will receive a check for the difference if the difference is greater than \$1.00.

11) What if a customer has multiple accounts with LCEC and receives a credit?

- Customers may receive a bill message on one account, and a credit on another.

12) What happens if the account holder is now deceased?

- Equity is considered an asset, and would be payable to the account holder's heir. In order to process this request, legal documents are required. Please refer to [Equity, FAQ](#) for more information.

13) Can an Equity check be used to pay an LCEC bill?

- Yes. A customer can send in their Equity check as payment towards their bill along with their LCEC bill remittance statement. The back of the check must be endorsed.

14) Can Equity checks be cashed at an LCEC payment center?

- Yes, as long as the account holder has an ID and there are enough funds in the cash drawer.

15) Can Equity checks be used at an authorized pay station to pay an LCEC bill?

- Yes. Please have your account number available; the number on the check is the membership number not the account number.

16) Will an authorized pay station cash an Equity check?

- No. Authorized pay stations will not cash the check.

17) Can the check be cashed at the bank from which it was printed?

- Yes. Customers can cash their check at SunTrust bank for a \$5.00 processing fee (if they are not a SunTrust customer). This fee is charged by SunTrust and LCEC does not receive any portion of the fee.

18) What if the check is not cashed within six (6) months?

- The check becomes null and void after six months (180 days). If the customer has an active account with LCEC, it will apply to their account in the next bill cycle. If the customer does not have an active account, a \$1.00 admin fee will begin to be deducted from the balance each month. After 3 years or \$36.00, the balance is returned back to LCEC and re-distributed amongst all members.

19) What if a customer does not receive their check?

- Contact LCEC to verify the address on record and confirm that a check was mailed. LCEC requires a minimum of 60 days for check delivery or return. Please contact LCEC after this period if the check has not been received.

20) What if the name on the check is wrong?

- In order to correct the name on the account, specific legal documents are required. Please refer to [Equity FAQ](#).

21) Should the Equity distribution be reported as income for tax purposes?

- The IRS now requires that 1099s be sent out on SOME accounts that have received a distribution of \$600.00 or more. Customers should contact their tax advisor if they have questions. Customers receiving a distribution of \$600 or more and qualifying for a 1099 will receive documents in accordance with tax timelines.