

Current Conversations

September 2026



In a Position to Respond

Since our arrival in April 2024, I have said our two Cooperative goals are really one strategy: improve financial health and enhance member service.

We inherited years of compounding financial and operational problems. This team did not create those problems. This team is finding, confronting and fixing them.

We made difficult decisions early to strengthen the Cooperative financially because stronger financial statements were never the destination. Financial strength gives us the ability to invest in reliability, correct long-neglected system deficiencies, protect rates and respond when the unexpected happens. August showed why that matters.

Late in the month, the Ross Fire burned through portions of our western service area, damaging more than 100 poles. Employees and contract crews rebuilt the damaged system while families and communities began recovering from what the fire took.

That same week, windstorm damage to transmission and substation facilities outside the TCEC distribution system caused an extended outage in northeast Tarrant County. Our teams rerouted power through other portions of our system while the transmission provider brought in a mobile substation to restore the remaining area.

Two very different emergencies on opposite sides of our service area tested the Cooperative at the same time. We were in a position to respond because of the hard decisions and disciplined work of the past two and a half years.

We have reduced total debt by more than \$100 million, eliminated our short-term line-of-credit balance and substantially increased member equity. That financial strength allows us to absorb unexpected costs like those in August without a rate increase while continuing to invest aggressively in reliability and member service. That is what I mean when I say our two goals are one strategy.

There is still a tremendous amount of work ahead. We continue to uncover system deficiencies that should have been identified and corrected years ago. We will not make excuses for them, and we will not leave them for someone else.

This team is cleaning them up.

At the 87th Annual Meeting on September 22, I'll share more about the progress made over the past two and a half years, where the Cooperative stands today and the work ahead. I hope you'll join me virtually at 6 p.m.

In a special edition of *Current Conversations* coming after the meeting, we'll take you deeper into that work and the results. We will share more of the financial and operational measures we use to judge our progress, including video from my recent presentation to the Board explaining how Tri-County now compares with electric cooperatives across the country.

Thank you for your continued partnership.



Scott Spence
President & CEO

INSIDE

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IMPORTANT DATE

September 22

Virtual Annual Meeting - 6 p.m.

IMPROVING FINANCIAL HEALTH

Two and a Half Years of Paying Down Debt

Two and a half years ago, Tri-County Electric Cooperative set a clear goal: improve the financial health of the Cooperative so we could better serve members. That work is producing measurable results.

\$114.6 Million Less Debt

In April 2024, Tri-County carried \$894.9 million in total debt. By July 31, 2026, that had fallen to \$780.3 million. That's a \$114.6 million, or 12.8%, reduction.

That reduction was accomplished while continuing to invest in a rapidly growing electric distribution system and without increasing rates.

\$192.5 Million in Short-Term Borrowing → \$0

At the same time, the Cooperative had \$192.5 million in short-term borrowing. Today, that balance is zero.

Eliminating that borrowing required deliberate decisions about spending, assets and priorities.

The result is a Cooperative that is less dependent on borrowing and better positioned for the future.

\$9.5 Million Less Annual Interest Expense

Less debt also means less money going to interest.

Annual interest expense is projected to decline from \$54.3 million in 2025 to \$44.8 million in 2027. That's approximately \$9.5 million less each year.

That is money that can stay at work strengthening your Cooperative instead of paying interest.

What Does Better Financial Health Mean for Members?

It means greater financial capacity to address the electric distribution system without automatically turning to members for more money.

- Annual tree trimming and right-of-way spending has increased from approximately \$8 million to \$15 million.
- We are accelerating inspections, system improvements, reconductoring, voltage conversions and the correction of known deficiencies.
- Approximately \$4 million in unbudgeted storm-restoration costs were also absorbed without increasing rates.
- When wildfires and a major transmission failure challenged the system in August, the Cooperative had the financial strength to respond.



Paying down debt was never the finish line. Building a financially stronger Cooperative that can invest in reliability and better serve our members is the goal.

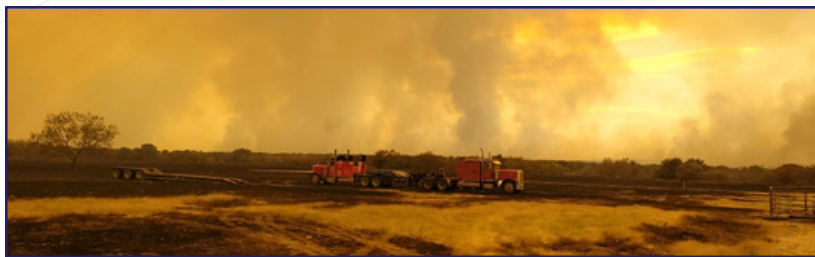
ENHANCING MEMBER SERVICE

Two Emergencies. One Week.

Ross Fire | Western Service Area

The Ross Fire burned through the western service area late in August, impacting parts of Palo Pinto and Jack counties. The fire damaged more than 100 poles.

Cooperative employees and contract crews rebuilt the damaged system and turned the lights back on while families and communities started to recover from what the fire took.



Transmission Outage | Northeast Tarrant County

Members in northeast Tarrant County lost power that same week after windstorm damage to transmission and substation facilities outside the Tri-County distribution system.

The provider could not finish substation repairs until the damaged lines feeding it were fixed. Crews rerouted power to about half the affected members through other parts of the system, and the provider set a mobile substation to cover the rest.

Repairs are finished, and all affected members are back on the repaired substation.



August was a difficult month for many members.
Thank you for your patience as repairs were completed and power restored.

ENHANCING MEMBER SERVICE

Ten Feet of Clearance: Protecting More Than One Property

When trees are trimmed around Tri-County power lines, the amount removed can sometimes look like more than is necessary. Crews generally work to establish at least 10 feet of clearance around the power line in every direction. There is a reason for that clearance.

Trees are a leading cause of outages on the TCEC system. A branch that looks safely away from a power line on a calm day may not stay that way. Trees continue to grow. In high winds, branches move and trees can fall. In triple-digit Texas heat, electric lines can sag closer to vegetation. During winter storms, the weight of ice can bend or break branches and bring them into power lines.

Vegetation contacting an energized line can also create a fire risk. Texas law requires electric cooperatives with facilities in wildfire-risk areas to develop wildfire mitigation plans that include vegetation management and other measures to reduce the likelihood that electric facilities ignite a wildfire.

Trees may be on one property, but the power line can serve homes, businesses and critical services throughout the area. Keeping adequate clearance protects more than one property. It helps protect the community served by that line.

Clearance is not measured by where a branch sits today. It has to account for what that tree and power line may experience before crews return.



What That Clearance Protects

Adequate clearance helps:

- Keep the power on by reducing tree-related outages.
- Reduce wildfire risk by keeping vegetation away from energized lines.
- Prepare for winter weather when ice can weigh down limbs and bring them into power lines.
- Account for extreme heat when electric lines can sag closer to vegetation.
- Allow for growth and movement between trimming cycles.

The result may sometimes be more trimming than a property owner would prefer. The goal is not simply how the tree looks on the day it is trimmed.

The goal is maintaining enough clearance to help protect reliable service for everyone served by the line through Texas heat, high winds, winter ice and the time between trimming cycles.

Never Trim Near Power Lines

Tree trimming around energized lines requires specialized training and equipment. **If a tree or branch is near or touching a power line, stay away and please call TCEC at 817.444.3201.**

2026 VIRTUAL ANNUAL MEETING

September 22, 2026 | 6 PM

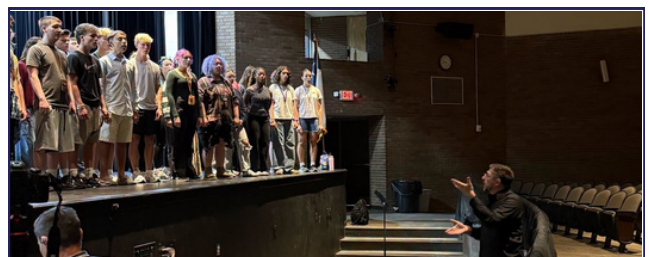
tcectexas.com/annual-meeting

Members will hear a report on the Cooperative's finances, reliability work underway across the service area, and a look at the year ahead.



scan to watch

Featuring Fifty-Five Voices from Azle High School



Fifty-five students from the [Azle High School Varsity Mixed Choir](#) recorded the National Anthem for this year's annual meeting. Their performance helps set the tone for the entire evening. TCEC is grateful to the Hornets for making room in their busy schedule and for lending their talent.

ENHANCING MEMBER SERVICE

September is National Preparedness Month

Five steps. The first one takes only two minutes.

1. Make Sure We Can Reach You

Tri-County Electric Cooperative provides electricity to approximately 146,000 homes and businesses across 16 counties. When information directly affects your electric service, the Cooperative works to notify you directly. That may be an update about an outage affecting your home or business, notice of an upcoming planned outage, or information about maintenance or tree trimming work in your area.

These messages are targeted to the members affected, which means you may receive important information from TCEC that your neighbor across town does not and vice versa.

Current contact information helps make sure those messages reach you when they matter. Take a few minutes to check the phone number and email address on your account in the [MyTriCountyTX](#) app or at tcectexas.com or call 817.444.3201 and we will update it for you.

2. Know Where the Information Comes From

Alerts reach you only if you sign up. Check your city and county emergency management sites for alert programs. Find your local forecast office at weather.gov. Learn what your city sounds its outdoor sirens for. Most are built to warn people who are outside. Do not count on hearing one indoors, asleep, or over a window unit.

3. Make a Plan

Answer four questions and write the answers down. Where do we meet if we cannot get home? Who does what, including who gets the pets? What route do we take if we have to leave? How do we reach each other if phones are spotty?

4. Build Your Emergency Kit

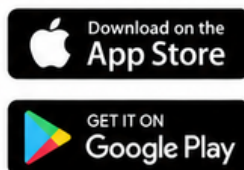
Build for several days without power. Flashlights and extra batteries. A battery-powered radio. Charged power banks. Food that needs no cooking. Water. First aid supplies. A week of any medication. Pets need their own supply, plus records, a leash and a tagged collar. More lists are at ready.gov.

5. Know Your Neighbors

Responders may not always be close by. Exchange phone numbers with a few nearby neighbors and know who may need extra help during an emergency.

A little preparation now can make a big difference when something unexpected happens.

Before the next storm, download the [FEMA App](#) (text ANDROID or APPLE to 43362), Red Cross First Aid, Red Cross Pet First Aid and Red Cross Blood Donor.



ENHANCING MEMBER SERVICE

\$74,000 Back to Members in 30 Days

TCEC members received more than \$74,000 in bill credits through energy-efficiency rebates in just 30 days.

Even better, these rebates are not funded through member rates. The program is funded with unclaimed funds and designed to put those dollars back to work for members. Funds are limited and available on a first-come, first-served basis.



These rebates are paid from unclaimed funds, not by members. Funds are limited and first come, first served.

Get Paid to Make Your Home More Efficient

A heat pump tune-up can qualify for up to \$125 in bill credits, covering a large portion, and in some cases all, of the cost. A tune-up can also help your system use less energy, operate more efficiently and last longer.

Qualifying new heat pumps and mini-splits can earn up to \$200 in bill credits. See available rebates and eligibility requirements at tcectexas.com/energy-efficiency-rebates.

A Few Cents Can Help a Neighbor in Need

Round Up turns the change on your electric bill into help for TCEC members who need it.

Members who participate allow their monthly electric bill to be rounded up to the next whole dollar. The difference, never more than 99 cents a month, goes to Cooperative Giving to help eligible members with their energy costs during difficult times.

One member's change may seem small. Combined with the change from thousands of other members, it can make a meaningful difference for neighbors across the TCEC service area.

More participation means more members can be helped.

Sign up for Round Up in the [MyTriCountyTX](https://MyTriCountyTX.com) app, at tcectexas.com, or by calling 817.444.3201.

HELPFUL LINKS



Outage Center



Cooperative Giving



Power Cost
Recovery Tracker



Ways to Pay



Office Hours
& Locations



Member
Information Center