



CURRENT CONVERSATIONS

December 2024



Scaling Down The Debt Mountain

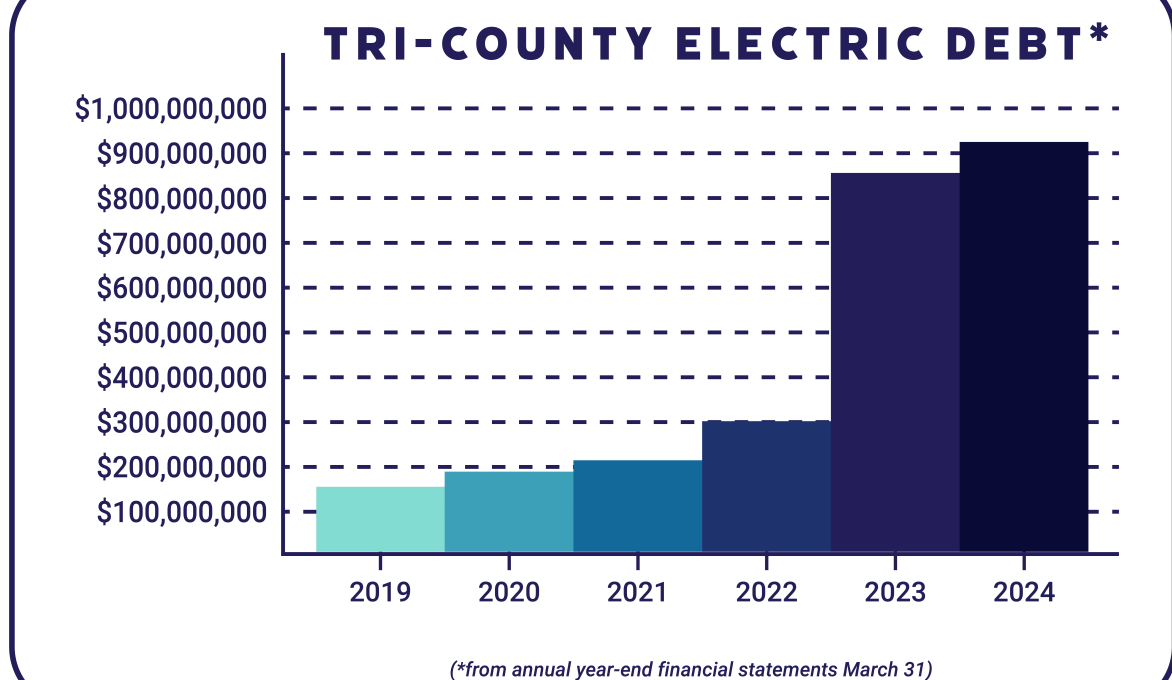
Tri-County Electric Cooperative's (TCEC) long-term financial health remains a top priority. In November's *Current Conversations*, I went into detail on the debt from Winter Storm Uri. This month, I'd like to explain how TCEC plans to avoid the impact of volatile electric wholesale market and how that plan aligns with our financial health going forward.

First, on electric expense. Electricity is the largest expense for every electric distribution utility with about 70 to 80 percent of every dollar going toward covering that cost. Extreme weather events, like Winter Storm Uri, can cause those prices to skyrocket. Even during normal weather conditions, the costs per kilowatt hour in the wholesale power market can fluctuate wildly, similar to what you might see with gas prices at the pump.

To reduce this volatility, TCEC developed a sustainable power supply plan to take us from 2025 to 2029. This five-year power purchase agreement locks in fixed wholesale kilowatt-hour rates, eliminating price fluctuations and safeguarding TCEC against the extreme, unpredictable wholesale market spikes seen in the Electric Reliability Council of Texas (ERCOT) power market in Texas.

Providing protection against another Uri-like event and minimizing TCEC's exposure to even small market price swings, the plan helped TCEC secure refinancing approval for some of its Brazos debt by reducing market uncertainty. It also allows TCEC to better plan for its financial future by removing an unpredictable factor from the equation.

Second, in regard to the budget outlook, TCEC has spent more than it took in for the past six years. While the cooperative has recently taken numerous steps to reduce that debt, more needs to be done in 2025 and for many years to come to cut this debt mountain down to a manageable level.



TCEC is committed to reducing this debt while continuing to provide safe and reliable power at the lowest possible cost.

This plan includes:

1. Budget reductions, which should always come first. Members deserve to know TCEC is cutting expenses before they are asked to contribute more. In May, TCEC drastically reduced the 2024 budget, and TCEC cut the 2025 budget even further this fall.
2. Additional debt that will be required in 2025 to pay the bills. Previous TCEC budgets also required debt to pay the monthly bills. To reduce the debt mountain, TCEC is working to halt this trend and reverse it in future years.
3. Rate adjustments that may be required once decisions on the budget and debt are finalized. Any adjustments could be used to reduce future interest expense and lead to lower costs in the long term.

While budget cuts are important, they alone won't resolve the substantial debt, nor would simply increasing borrowing or raising rates. Given the significant financial challenges TCEC is facing, all three actions would be necessary as part of a balanced approach. By combining strict budget management, strategic borrowing, and thoughtful rate adjustments, TCEC will help reduce the debt mountain and work toward a sustainable future that enables the cooperative to deliver safe and reliable power at the lowest possible cost.



Welcome to the Board of Directors

DAVID MANNING

District 3

TIMMY YEARY

District 6

What MyTriCountyTX Can Do For You

Did you know that you may be able to get your TCEC account question answered without picking up the phone?

Check out MyTriCountyTX.

Whether on a computer or mobile device, 24 hours a day, members can:

- Make Payments
- Check Balances
- Make Payment Arrangements
- Sign Up for Auto Pay

"I've been on Auto Pay for a year," said T. Ledford of Aledo. "I see my statement that tells me who I paid and how much it was for. It's just so convenient."

Visit mytricountytx.com to register or login. MyTriCountyTX is also available in the Apple App Store and Google Play.

COMING SOON... MEMBER CONNECTIONS

More information to come in the January issue
of *Current Conversations*.



Avoid Late Fees With Prepaid Billing

Take one more thing off your To Do List with TCEC's Prepaid Billing.

This flexible spending option allows members to prepay for electricity by depositing funds into their account.

No security deposit is required, and you can use your existing deposit toward your balance. TCEC will send an alert when the balance needs to be topped off and there are no due dates or late fees.

"It helps knowing that I have a credit and I'm just taking off a little each day of that credit and can build it up whenever I need to. I know where I'm standing when it comes to my bill," said TCEC member K. Newsom from Keller.

Learn more about Prepaid Billing by calling Member Service at 817.444.3201.

Tri-County CARES Food Drive

TCEC CARES (Community Assistance Response by Employees who Serve) supports community members and cooperative employees through difficult situations with the help of programs that are solely funded by cooperative employees.

This holiday season, TCEC CARES invites members of the community to participate in this year's food drive. Each of TCEC's five main offices is accepting non-perishable canned goods through **Tuesday, December 17**, to these designated local charities selected by each office:

Aledo: Parker County Center of Hope
Azle: Community Caring Center
Granbury: God's Food Pantry
Keller: Community Storehouse
Seymour: Seymour Volunteer Fire Department

TCEC offices will accept donations during normal business hours.

For more information, contact memberservice@tcectexas.com.



Tri-County Electric Cooperative
HOLIDAY OFFICE CLOSURES

Tuesday, December 24

Wednesday, December 25

Wednesday, January 1



YOUTH TOUR

Your best summer yet starts here

Applications due by January 10

CLICK TO LEARN MORE!

(*Available to high school sophomores and juniors)



TCEC will be sponsoring 4 high school students on Youth Tour as part of the cooperative's commitment to supporting the growth and development of young people in our communities.

Tri-County Electric Cooperative's 2025

SCHOLARSHIP PROGRAM

*Available to high school seniors

FIFTY \$5,000 SCHOLARSHIPS

Application closes February 7



APPLY TODAY!

The TCEC Scholarship Program is not funded by members' electric bills. It is paid for using unclaimed funds, such as capital credit checks, that have not been cashed in three years. Texas law permits electric cooperatives to use a portion of these funds for limited purposes such as scholarships. These dollars would go to the state's general funds if TCEC did not repurpose them and reinvest the funds back into the local community.

Helpful Links

[Member Information Center](#)

[Cooperative Giving](#)

[Outage Center](#)

[Prepaid Billing](#)

[PCRF Tracker](#)

[Current Conversations](#)

Have Feedback?

Email CurrentConversations@tcectexas.com