



DARRYL SCHRIVER

PRESIDENT/
CHIEF
EXECUTIVE
OFFICER

Power of the Co-op Model

ONE OF THE BEST COMPONENTS of Tri-County Electric Cooperative is that we are your local electric provider. I say this because as a consumer, you are a member *and* an owner of the co-op. Tri-County Electric Co-op is *your* utility.

As a member, you have some say in your cooperative, including the ability to vote on who serves you in the board room. We aren't governed by a far-away group of people in it to make a buck. We are regulated and governed locally by people who live in your communities.

The cooperative business model also gives members economic control. Instead of issuing stock or paying dividends to outside shareholders, co-ops allocate any margins – “profits” – to their members in the form of capital credits at the end of the year when they're able. 664001

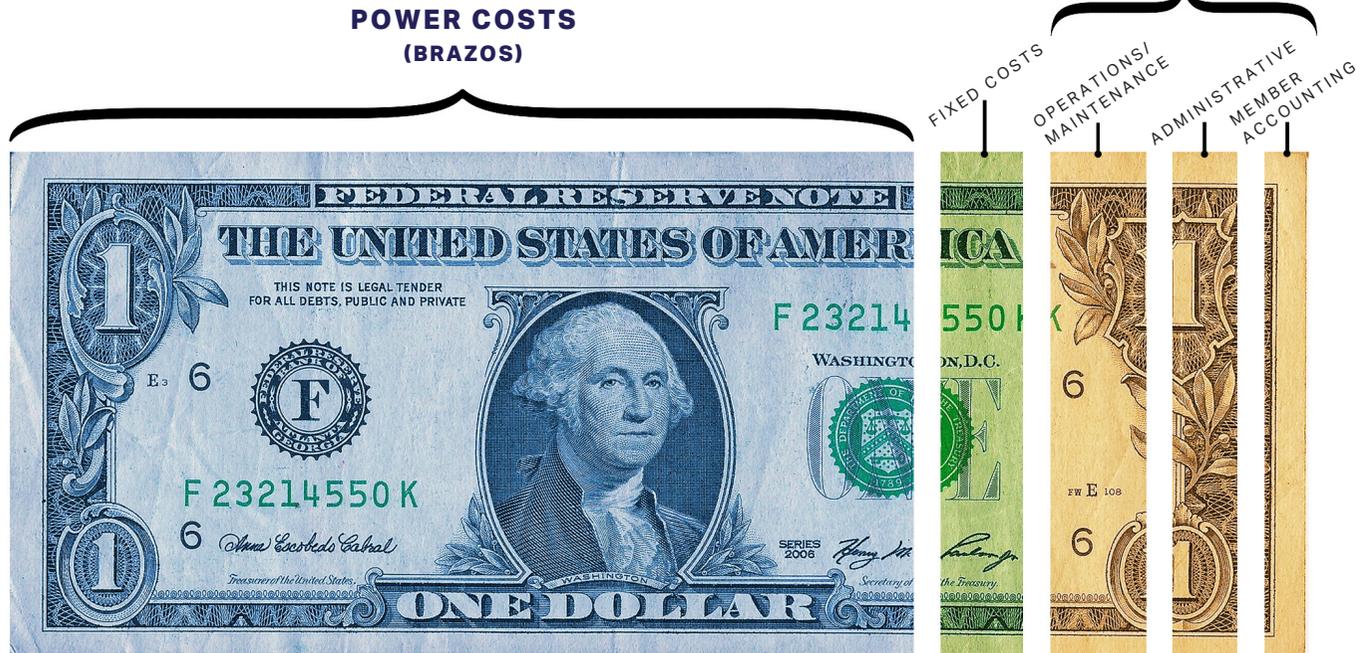
Because cooperatives are owned and controlled by the people who use their services, decisions are made with the best interests of co-op members in mind—not to financially benefit corporate stockholders. Our distribution rates have been steady, and you have not seen an increase since July 2002. For the past 20 years, we have provided our members with electric service without increasing distribution rates.

In 2002, power costs claimed \$0.69 cents of every dollar we collected. As costs increased throughout the years, the percentage we have available to operate the co-op decreased. Now \$0.76 goes directly to Brazos Electric Power Cooperative for power costs. Fixed costs—including interest and depreciation—amount to around \$0.09. This leaves \$0.15 for the co-op to provide you safe, reliable electricity. These 15 cents cover a lot, including property taxes, maintenance on existing infrastructure, vegetation maintenance, facility maintenance, tools and equipment, member resources and so much more. Below is a visual representation of where your dollar goes.

For two decades, we have provided our members with electric service without increasing distribution rates. We believe keeping our rates the same for the past 20 years is a true testament to the co-op's focus on providing reasonably priced, cost-based electricity to your home or business. We have absorbed the increases while continuing to provide you competitive and reliable electric and customer service. To ensure the ongoing, long-term success of the co-op, the board of directors recently voted to adjust rates.

Times are changing, and we are doing everything we can to continue to meet your needs, while watching out for the bottom line. ■

OPERATING COSTS (TRI-COUNTY ELECTRIC CO-OP)





**MAX
WADDELL**
CHAIRMAN
DISTRICT 9

A Seat at the Board Table

TRI-COUNTY ELECTRIC COOPERATIVE operates with our member-owners’ best interests at the forefront. As a not-for-profit electric cooperative, the only way we recover costs is through rates. We don’t seek to make a profit like other utilities. In fact, any money that is left over after all expenses are paid—margins or profits—is returned to members on a pro rata basis.

For the past 83 years, we have been fiscally responsible with your money, operating the co-op on a small percentage of every dollar collected. As costs continue to rise, we need additional revenue to operate the business. Our current rates leave us little to no operating margins to provide your service, which is not healthy in our present economic environment.

Tri-County Electric Co-op closely monitors costs to protect the bottom line. We work with an independent consultant to help us understand our long-term rate structures and ensure we can continue to provide excellent and reliable service. As a board, we recently passed a resolution to change electric rates. The change will be a 5.78% overall adjustment to the distribution charge. 8004123101

Starting July 1, members in the residential, public buildings, small general service, large general service, oil fields, irrigation, cotton gins, and contract rates classes will see the following changes:

- ▶ **Elimination of the seasonal component.** Our co-op’s retail rate classes currently have a seasonal kilowatt-hour (kWh) charge component. Eliminating the seasonal component will not only generate the additional revenue needed for the cooperative to operate, but it creates a consistent, year-round rate to allow members to budget more efficiently.
- ▶ **Increase the customer charge.** The cost of doing business has increased significantly in the past 20 years, and the current customer charge is not covering all our expenses. The customer charge for each rate class will increase as follows:

Residential, Public Buildings, Small General Service: \$3.00
 Large General Service, Oil Fields, Irrigation, Contract Rates: \$5.00
 Cotton Gins: \$25.00

- ▶ **Increase the energy charge for all months.** This increase will generate the revenue needed to provide the level of service you depend on while maintaining healthy margins. The energy charge for each rate class will increase as follows:

Residential: \$0.0058	Oil Fields: \$0.0036
Public Buildings: \$0.0039	Irrigation: \$0.0095
Small General Service: \$0.0050	Cotton Gins: \$0.0135
Large General Service: \$0.0037	Contract Rates: \$0.0052

The average residential member uses approximately 1,500 kWh per month and will see their bill increase by less than \$13 per month on average. Visit tcectexas.com/my-bill to learn more about reading your billing statement. 19583001

Implementing a rate change is not something your co-op likes to announce, but it is necessary at times. This change will generate the annual revenue needed for Tri-County Electric Co-op to maintain service reliability and operations. ■

NOTICE OF RATE CHANGE

Notice is hereby given that Tri-County Electric Cooperative, Inc. (the "Cooperative") intends to change its rates for electric service. Pursuant to Texas Utilities Code section 41.061 the Cooperative has adopted a resolution approving rate changes effective July 1, 2022.

These rate changes will be for bills mailed on or after July 1, 2022, with the corresponding usage period. It is anticipated that the proposed rate changes will increase adjusted test year 2020 annual revenues by \$20,359,806 or 5.78%.

The rate change affects members in the residential, public buildings, small general service, large general service, oil fields, irrigation, cotton gins, and contract rates classes.

You may obtain further information concerning the proposed rate changes and/or a copy of the proposed rate changes by calling the Cooperative at 817-444-3201.

Meetings to discuss the proposed changes will be held at 6:30 p.m. on Monday, June 6, at the Heritage Church of Christ (4201 Heritage Trace Parkway, Fort Worth, Texas 76244); Tuesday, June 7, at Tri-County Electric Cooperative (200 Bailey Ranch Road, Aledo, Texas 76008); and Thursday, June 9, at Seymour ISD Auditorium (500 Stadium Drive, Seymour, Texas 76380).