

POWERING + CONNECTING OUR COMMUNITIES

2021
ANNUAL
REPORT



Tri-County
EMC

After a year of social distancing, masking and limited contact with our members in thanks to COVID-19, Tri-County EMC welcomed 2021 with open arms. While many things slowed down with the pandemic, the electric industry continued to evolve at a rapid pace.

In March, we were able to announce the formation of Tri-CoGo, Tri-County EMC's broadband internet subsidiary. This followed a survey in 2020 showing that the majority of our membership confirmed a need for a high-speed internet solution within our service area. The project includes a capital investment of more than \$45 million by Tri-County EMC to build a fiber network that will provide enhanced reliability and operational services for its electric customers while providing excess fiber capacity that will be leased to the cooperative's broadband affiliate, Tri-CoGo, which will provide high-speed internet service to Tri-County EMC members. "For our members and our community, this fiber internet project marks the beginning of a digital revolution in our service area," said Ray Grinberg, chief executive officer of Tri-County EMC. "Regardless of location across our service territory, every member of Tri-County EMC will be able to receive world-class high-speed internet."

"I firmly believe that high speed internet will be a catalyst for economic development, just like rural electrification," commented Greg Mullis, chief operating officer of Tri-CoGo. "Access to 100 percent fiber, high-speed internet for every member of Tri-County EMC may have the largest impact on business development and quality of life since Tri-County brought electricity to rural middle-Georgia in 1939."

BROADBAND INTERNET FROM TRI-COGO

On March 5, Tri-County EMC announced the formation of Tri-CoGo, Tri-County EMC's new broadband internet subsidiary. Tri-CoGo has been working hard behind the scenes for the past several months and delivered service to the first zone of customers in August.

Tri-CoGo has been working hard behind the scenes for the past several months and was able to deliver service to the first zone of customers in August. Construction continues and the backbone of the system will be complete in the spring of 2023.

In addition to installing fiber to enhance the connectivity of our electric system, we are also working on reliability upgrades. "Our engineering department has been working on several switching schemes that will allow one electric circuit the ability to feed a portion of another electric circuit automatically in case of a power outage," said Lee Marsh, chief operating officer of Tri-County EMC. "In strategic areas of our system, we will be using automation to reduce the number of meters affected by an outage."

One of the most important and noticeable ways we have to help reduce outages is through consistent and effective right-of-way trimming. The cooperative will continue its program with our contractor, Georgia Right-of-Way. About 15% of the cooperative's controllable costs are spent on maintaining right-of-way.

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TRI-COUNTY EMC BOARD OF DIRECTORS

Thinking green is important to Tri-County EMC, and we want to provide opportunities for our members that want to go green in their own lives. We have several Electric Vehicle (EV) rebates available to members looking to purchase a new EV or to install an at-home charger. As another green option, we offer members the ability to purchase energy from our solar array in Putnam County through the ourSolar Program. “This program mimics rooftop solar. You get the energy produced by a block of panels without the headache and cost of installing panels on your property,” said Kim Broun, manager of energy services.

The cooperative is greening up its fuel mix, as well. Tri-County has made great strides in recent years to diversify the cooperative’s fuel mix to incorporate more clean power while also planning for stable future energy needs as our membership and energy demand grows. One way the utility is planning for this is by adding additional nuclear energy from Plant Vogtle to its fuel mix. In 2005, coal generation made up 54 percent of the cooperative’s energy mix. Today, natural gas generation along with carbon-free nuclear and solar provide the majority of the electricity to our members. Coal now provides less than 10 percent of our members’ electric needs. “We are continually trying to balance low costs with reliability. Utility scale solar generation is very inexpensive, but we still need reliable resources that we can count on 24 hours per day - even when the sun is not shining,” said Grinberg. “Plant Vogtle gives us that stability by providing nuclear energy for our membership for the next 80 years.”

The investment in Plant Vogtle, combined with rising operating costs of the cooperative, have made a rate increase necessary. “Like many industries across the U.S. today, Tri-County EMC is also experiencing the escalating cost of materials and supplies we use to build, operate and maintain our electric system,” said Grinberg. “A rate increase, scheduled to begin in October, has become a necessity for the cooperative in order to maintain the current level of reliability and service.” While increases in the minimum bill occurred between 2018 and 2020, there has not been an increase in the per-kWh charges since 2014. The impact of the rate increase will vary based on usage patterns. The average residential member, who uses about 1,000 kWh per month, will see a

monthly bill increase of about \$5. Members with higher usage will see a slightly higher increase.

“The ultimate goal of Tri-County EMC is to provide exceptional service to our members, said Brenda P. Green, chairman of the Tri-County EMC Board of Directors. The cooperative is fortunate to have skilled employees and innovative programs to help execute that goal. From Levelized Billing to help you manage your monthly budget to online energy audits, and now fiber internet from Tri-CoGo, Tri-County is working meet the needs of our membership. Over the past year, Tri-County’s customer satisfaction scores have averaged 8.82, which is consistent with scores from the past two years.

As a Tri-County EMC member, you are part owner of a not-for-profit electric membership cooperative and are entitled to capital credits. “Capital credits, similar to stock dividends in a for-profit company, represent your share of ownership in the electric cooperative, said Dawn Haskins, chief financial officer of Tri-County EMC. “If your bill is one percent of the cooperative’s total revenue, your portion of capital credits would be one percent of the co-op’s margins.” In December, Tri-County EMC retired \$1.7 million in capital credits to individuals that were members during 1998 and 1999 via bill credit or check.

There are always needs in our community, especially as we continue to feel the effects of the COVID-19 pandemic. We are proud to be able to provide community grants through members rounding their bill up to the next dollar in our Operation Roundup program. In the last 12 months, we were able to award \$60,000 in Operation Roundup Grants for community service projects to benefit organizations or individuals in our service area. We’ve also made a point to support education in our community by putting unclaimed capital credits towards grants for teachers and scholarships for students. We will award \$30,000 in Bright Ideas Grants to teachers for classroom projects and \$10,000 in scholarships to local students this year.

Though there will be many challenges in the year ahead, we look forward to continuing to serve our members with the same reliability and level of service that has become the standard since 1939.



DAN GREENE
*District 1,
Post 1*



BRENDA P. GREEN
*Chairman
District 2,
Post 1*



SAMMY HALL
*Vice Chairman
District 3,
Post 1*



CHAP NELSON
*District 1,
Post 2*



BUCK COMER
*District 2,
Post 2*



TOMMY NOLES
*Secretary/
Treasurer
District 3,
Post 2*



CECIL PATTERSON
*District 1,
Post 3*



MIKE RAINEY
*District 2,
Post 3*



MARION NELSON
*District 3,
Post 3*

FINANCIAL SUMMARY

STATEMENT OF OPERATIONS

(for the years ended April 30)

	<u>2021</u>	<u>2020</u>
Operating Revenue and Capital	\$ 47,637,574	\$ 46,662,376
Operating Expense		
Cost of Power Purchased	24,804,535	24,628,206
Operating the Electric System	9,993,915	9,993,135
Depreciation	4,193,393	4,132,434
Interest on Loans	2,492,767	2,948,889
Total Cost of Electric Service	41,484,610	41,702,664
Non-Operating Margins	(184,510)	580,302
Other Capital Credits	122,672	128,541
Total Patronage Capital or Margins	\$ 6,091,126	\$ 5,668,555

BALANCE SHEET

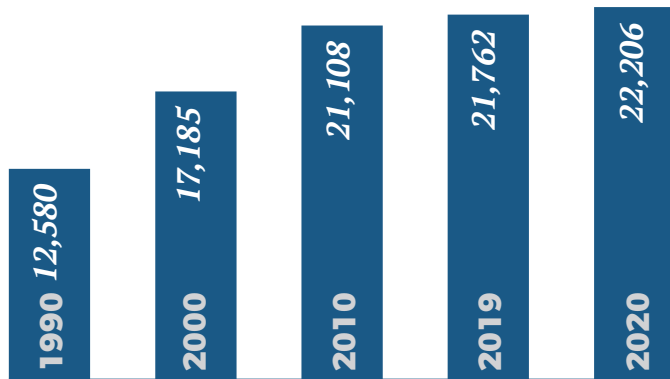
(as of April 30)

	<u>2021</u>	<u>2020</u>
Total Utility Plant	\$ 139,965,322	\$ 134,340,944
Less Depreciation	30,867,59	
28,934,055		
Net Utility Plant Book Value	109,097,730	105,406,889
Investments in Associated Organizations	2,334,956	
2,305,344		
Investment in Subsidiary	(328,03	
Restricted Funds	190,	
94,588		
Cash and Reserves	1,223,010	2,326,110
Owed to EMC on Account and Notes	3,118,073	2,594,153
Material in Inventory	311,560	224,833
Expenses Paid in Advance	71,224	84,637
Deferred Debits and Other Assets	179,612	286,483
Total Assets	\$ 116,198,410	\$ 113,305,037
Equities and Liabilities		
Consumer Deposits	\$ 980,860	\$ 922,630

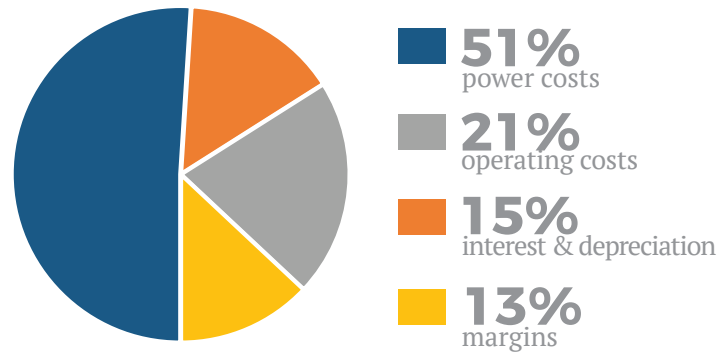
Tri-County EMC is audited by the independent accounting firm of McNair, McLemore, Middlebrooks & Co., LLC. A complete financial statement may be obtained by calling (478) 986-8108 or 1-866-254-8100, ext. 8108.

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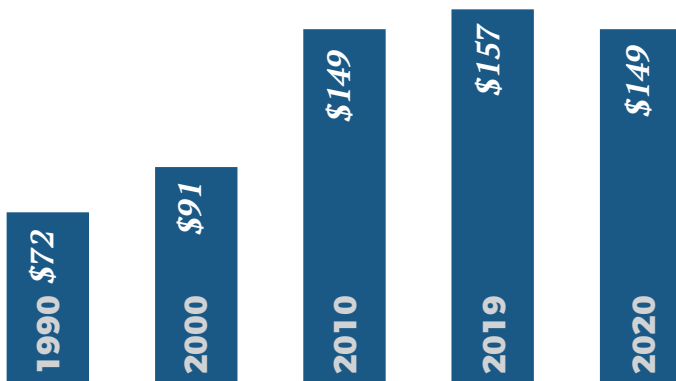
STATISTICAL SNAPSHOT



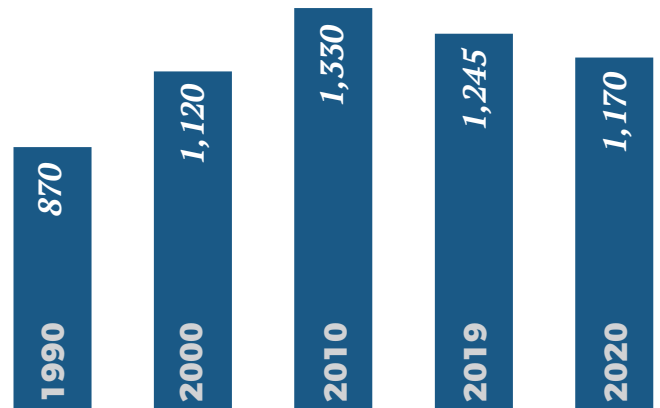
Total Number of Accounts



Where Your Energy Dollar Goes



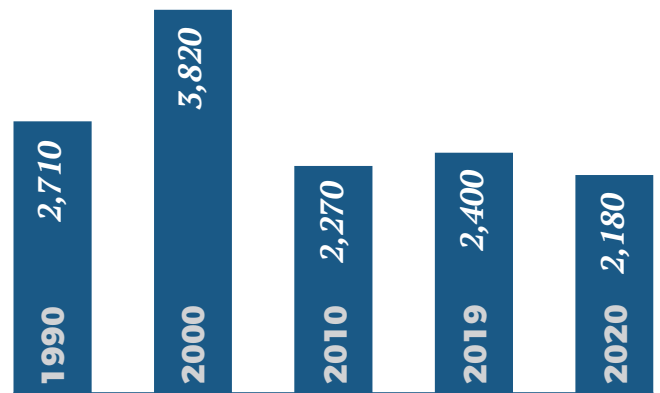
Avg. Monthly Residential Bill



Avg. Monthly Residential kWh Usage



Avg. Monthly Commercial Bill



Avg. Monthly Commercial kWh Usage



Owned By Those We Serve

TRI-COUNTY EMC SENIOR STAFF

Ray Grinberg | Chief Executive Officer
Lee Marsh | Chief Operating Officer
Greg Mullis | Chief Operating Officer, Tri-CoGo

Dawn Haskins | Chief Financial Officer
Sarah Curry | HR Administrator

Tri-County EMC • PO Box 487, Gray, GA 31032 • 478.986.8100 • www.tri-countyemc.com

Tri-County EMC is an equal opportunity provider and employer.