

Guided by The Cooperative Way



Knowing where you have come from is important. Knowing where you are going is more important. Knowing how to get there is key. Tri-County EMC is, like all 42 electric cooperatives in Georgia, deeply-rooted in the communities we serve. The cooperative principles have been a guiding force in the map to the present. And they will guide where we go as a cooperative in the future.

Electric cooperatives and the wave of rural electrification in the 1940s fundamentally changed America. The availability of affordable electric power on farms and in rural homes brought a revolution of productivity, job creation, and prosperity. As important as the energy cooperatives provide, so too is the basis for

seventy-two years, providing electrical service to our members, efficiently, reliably, and affordably, you tend to grow deep roots.”

Rural electrification began with adding the efficiency of electric pumps and motors on the farm, the convenience and safety of electric lights, and the health and savings of refrigerating fresh food. Today, electricity is a product that is needed and required for the majority of the things we do, both at home and at work—heating and cooling, water heating, lighting, computing, cooking, security, and manufacturing. “We understand that electricity prices are a big part of the home and business budget,” says Bentley. “We know that holding electric rates as low as possible helps budgets and helps our economy.”

Tri-County EMC’s leadership believes the path to economic well-being and the mission of the cooperative are tied together. But one of the greatest uncertainties facing the cooperative in the near future is new environmental regulations. In the void left by Congress’ failure to pass a comprehensive energy policy, the current administration is working to dictate policy through the Environmental Protection Agency, meaning an appointed department head will determine what energy targets power producers will have to comply with—with indifference to the additional costs placed on ratepayers.

Georgia cooperatives own a significant amount of generation. Vital to long term planning and stable electric rates is maintaining the existing level of base-load generation, coal and nuclear, and adding new base-load generation for the future. In addition to thirty percent ownership of both Plant Vogtle and Plant Hatch, both nuclear, Georgia cooperatives also own sixty percent of Plant Scherer, located in Juliette, Georgia. The cost to Georgia cooperatives to meet the proposed environmental requirements on units we own is projected to be over \$800 million



▲ The cost to Georgia cooperatives to meet the proposed environmental requirements on units we own, including Plant Scherer, is projected to be over \$800 million by 2020.

how and why we exist. “The principles that guide us give us direction in how we deal with members, other cooperatives, and the community,” says CEO Hill Bentley. “When focusing on a single mission for



Tri-County
EMC

A Year In Review

Recent Accomplishments:

- No lost-time accidents since 2005
- Enrolled over 735 units in No Sweat Program
- Mapping of GPS coordinates for over 19,900 distribution system devices
- Rebuild Walnut Creek substation in Jones County
- Enrolled 566 members in pay•your•way
- Recovered over \$72,000 in bad debt through pay•your•way since April 2010

by 2020. Tri-County members can expect at least a 5% increase by 2016 to cover these costs. The bottom line is that the cost to produce a kilowatt of electricity is going up. The more regulations, the higher the cost to meet the standards.

Construction continues on the two new nuclear units at Plant Vogtle. Through Oglethorpe Power, Georgia cooperatives, including Tri-County EMC, will own thirty percent of Units 3 and 4, the same equity ownership percentage in Units 1 and 2. Permitting and construction of both units are proceeding on schedule, with the new units, the first constructed in the U.S. in twenty-five years, expected to go online in 2017 and 2018 respectively.

Knowing where you are going can be taken a bit more literally, as well. Tri-County EMC is eight months into an eighteen to twenty-four month project to electronically map the cooperative's distribution system. "Having GPS coordinates for every device in the field is a significant upgrade for mapping," comments Lee Marsh, vice president of distribution services. "By having an electronic inventory of every pole and device in the field, we can both manage the system and respond faster to outages by having the correct materials for the job." Building on the TWACS "smart metering" system, GPS mapping is part of a multi-phase project of better utilizing data to manage the utility. Once the mapping program is completed, the cooperative

will begin work on a new outage management system. Since the start of the program, GPS coordinates for over 19,900 cooperative devices have been mapped.

Cooperatives exist to serve the needs of members. Whether coming together to meet a common need or working to build leadership within a community, Tri-County EMC's roots are in helping those we serve. Since 2001, Tri-County EMC members have voluntarily contributed over \$900,000 to Operation Roundup, aiding local needs and projects in our community. In the past year, Tri-County EMC provided nine scholarships for local students, funded thirty classroom innovation projects for teachers through the Bright Ideas program, and sent two future leaders on the Washington Youth Tour.

Gaining efficiency is a common theme for cooperative employees. Likewise, helping our members do more with their energy purchases is an important goal. In 2010, the energy services staff of Tri-County increased their value to cooperative members when the cooperative's energy auditors attained the Building Professional Institute's "Building Analyst Professional" and "Envelope Professional" certifications. "Continually raising the bar for our employees is important," says Vice President of Energy Services Greg Mullis. "Coupled with new technology such as thermal imaging cameras and blower doors, intensive training helps us do more to help our members."

Tri-County EMC's Board of Directors (L-R):
Sammy Hall, Rev. Charlie Richardson, Mike Rainey, Vice Chairman Brenda P. Green, Chairman Tom Thompson, Jr., Dan Greene, Chester Mercer, Secretary/Treasurer Tommy Noles, and Marion Nelson



Financial Summary



Statement of Operations

(for the years ended April 30)

	2011	2010
Operating Revenue and Capital	\$ 43,016,962	\$ 42,750,266
Operating Expense		
Cost of Power Purchased	28,942,000	27,329,297
Operating the Electric System	7,121,318	6,912,397
Depreciation	3,128,919	3,011,342
Interest on Loans	3,142,776	2,875,587
Total Cost of Electric Service	42,335,013	40,128,623
Patronage Capital and Operating Margins	681,949	2,621,643
Non-Operating Margins	224,083	31,184
G&T Capital Credits	526,910	455,450
Other Capital Credits	155,647	209,405
Total Patronage Capital or Margins	\$ 1,588,589	\$ 3,317,682

Balance Sheet

(as of April 30)

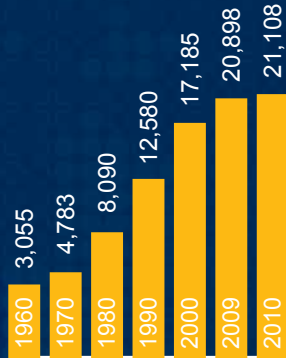
	2011	2010
<i>Assets</i>		
Total Utility Plant	\$ 99,991,225	\$ 95,666,517
Less Depreciation	17,589,745	15,668,741
Net Utility Plant Book Value	82,401,480	79,997,776
Investments in Associated Organizations	10,741,561	10,153,502
Cash and Reserves	183,067	57,824
Owed to EMC on Account and Notes	1,657,013	1,940,598
Material in Inventory	363,455	372,996
Expenses Paid in Advance	5,395,401	23,649
Deferred Debits and Other Assets	189,164	280,120
Total Assets	\$100,931,141	\$ 92,826,465
<i>Equities and Liabilities</i>		
Consumer Deposits	\$ 869,690	\$952,310
Membership, Patronage Capital, Other Equities	32,606,422	31,743,159
Long-term Debt	62,536,628	52,310,771
Notes and Accounts Payable	3,667,548	6,874,710
Other Current and Accrued Liabilities	1,250,853	892,323
Non-current Liabilities		53,192
Total Equities and Liabilities	\$ 100,931,141	\$ 92,826,465

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 Tri-County EMC at (478) 986-8108 or 1-866-254-8100, ext. 8108.

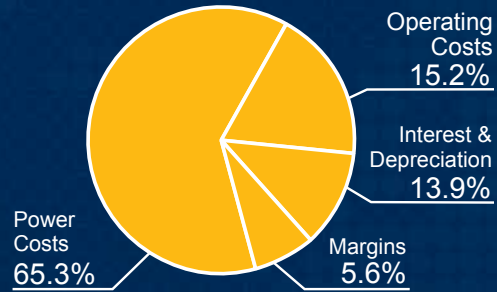


Statistical Snapshot

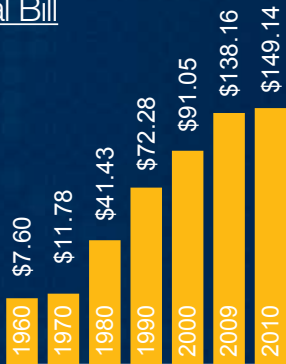
Total Number of Accounts



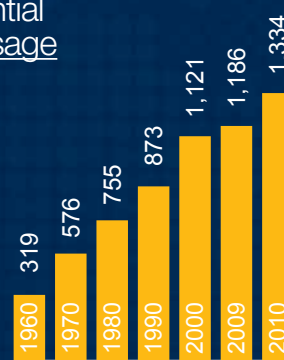
Where Your Energy Dollar Goes



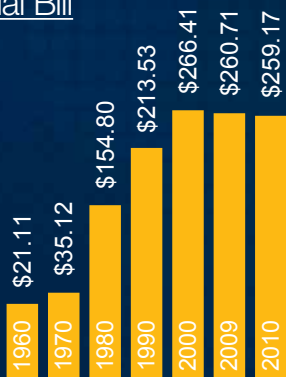
Average Monthly Residential Bill



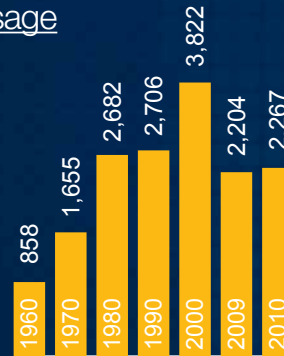
Average Monthly Residential kWh Usage



Average Monthly Commercial Bill



Average Monthly Commercial kWh Usage



Tri-County EMC Senior Staff:

C. Hill Bentley - CEO
 Donald Appling - VP of Construction Services
 Sarah Curry - Human Resources Coordinator

Dawn Haskins - VP/CFO
 Lee Marsh - VP of Distribution Services
 Greg Mullis - VP of Energy Services