

The Power of You



The goal of Tri-County EMC is simple—to serve the cooperative’s members as reliably and affordably as possible while acting as a responsible corporate citizen. It’s done through skilled employees, innovation, and the thoughtful application of technology. Why? Because of our members. Our owners. There is no other form of business on earth like a cooperative. In 1939, a handful of local citizens decided to collectively form an organization to bring electricity to their homes and businesses. There was no profit as a motive then and there is none now. Seventy-three years later, it’s still about flipping a switch and seeing the lights come on.

to 2000, Tri-County saw an average yearly growth in new accounts of 5.4%. Since 2007, that growth has ground to a halt. In fact, 2011 ended with 200 fewer meters than 2010. Likewise, kilowatt-hours purchased fell from 429,000,000 in 2010 to 398,000,000 in 2011.

“Obviously, foreclosed homes and closed businesses impact the cooperative,” says CEO C. Hill Bentley. “While less energy sold means less energy that we need to generate, a loss of accounts means fewer meters to spread the cooperative’s fixed costs over.” Fixed costs, which include operating costs, margins, and interest and depreciation, are about 36% of the cooperative’s expenses, and they occur regardless of energy usage. In 2011, Tri-County’s operating costs as a percentage of revenue were 15.24%, up slightly from the all-time low of 15.23% in 2010. “We work hard at controlling wholesale power costs, which were almost 64% of 2011 revenue. Our No Sweat load management program is a good example of those efforts,” said Bentley. “But when it comes to the day to day operating costs, things like staffing the cooperative, billing customers, and maintaining power lines, we’ve done an excellent job of keeping those fixed costs as low as possible.”

As part of the national debate on policies affecting electric generation, it is prudent for the cooperative’s board, staff and members to keep a constant eye on Washington. “In the past three years, an alarming number of new EPA regulations have been implemented, all done without congressional approval,” said Bentley. “While the courts have suspended several, including most recently the Cross States Air Pollution Rule, we face serious threats from new regulations under the current administration. Unfortunately, these new regulations threaten to limit or eliminate the use of coal, our most affordable generation fuel, while raising electric rates and costing jobs.” The cooperative’s staff will continue to work with Georgia’s Congressional delegation on these issues, and we will report new developments in an effort to keep the membership informed.



▲ Serving our members, as reliably and affordably as possible, is why we exist. There is no profit as a motive. After 73 years, it’s still about flipping a switch and seeing the lights come on.

The past year has been a challenging economic time for everyone. Much the same as our members, Tri-County EMC has endured by making dollars go further and hunkering down to help each other. Middle Georgia, and with it Tri-County EMC’s service area, has enjoyed strong growth for decades. From 1960



Tri-County
EMC

A Year In Review

Recent Accomplishments:

- No lost-time accidents since 2005
- Enrolled over 605 units in No Sweat Program
- New Geographical Information System (GIS) Mapping System completed
- Rebuilt Clinton substation in Jones County
- Enrolled 710 members in pay●your●way
- Recovered over \$107,000 in bad debt through pay●your●way since April 2010

Construction continues on the two new units at Plant Vogtle, one of Georgia's two nuclear power plants. Georgia EMCs, including Tri-County EMC, will own thirty percent of Units 3 and 4, the same equity ownership percentage in Units 1 and 2. The new units, the first to be constructed in the U.S. in twenty-five years, are expected to go online around 2017 and 2018 respectively.

One of the largest capital expenses of the past year was rebuilding the Clinton substation, located in and serving about 3,100 customers in Jones County. Why upgrade substations and lines in a bad economy? "As part of our planning process, we look at potential growth up to 10 years in the future on our Long Range Construction Work Plan," commented Vice President of Distribution Services Lee Marsh, "From this plan, we project which stations and lines could become overloaded. Rather than wait until there is a failure which could result in an extended outage, we do the system improvements now."

Helping the cooperative's members has been a common and continuous theme since Tri-County EMC employees demonstrated electric motors and refrigeration to members new to electric service in the 1940s. "Helping members get the most out of their electricity dollar is a big part of what we do," says Greg Mullis, vice president of energy services. "Our BPI certified energy auditors and a number of online tools are ready to help increase comfort and reduce bills." But some of Tri-County's payment and bill options take

controlling your energy bill a bit further. "Over seven hundred accounts are enrolled in our pay●your●way program. Members pay when they want and as much as they want. The average payment is currently about \$33, and there are no late fees or deposits," commented Mullis. "And with the program's debt recovery feature, over \$107,000 have been recovered since the inception of the program in 2010." Additionally, hundreds of members receive daily usage notices through MyUsage.com, a free service.

Doing business your way will continue to be a focus in the coming years. A recent survey of Tri-County EMC members found that communicating electronically with the cooperative continues to grow in popularity. "About 30 percent of our members prefer to notify us of a power outage through a mobile phone," said Mullis. "And we have nearly 10 percent of our members using our e-billing program." Tri-County's staff is also exploring electronic voting as an option for future annual meeting elections, allowing easier access to the cooperative's democratic process.

Tri-County EMC also continues to make a lasting mark on the communities we serve with leadership and development programs. Operation Roundup, which uses voluntary contributions from participating members to meet charitable needs, donated \$77,995 to meet the needs of 40 organizations or individuals in 2011. The cooperative also funded \$19,700 in Bright Ideas grants to 15 teachers, funded by unclaimed capital credits, to teachers in three counties.



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)

	2012	2011
Operating Revenue and Capital	\$ 42,130,399	\$ 43,016,962
Operating Expense		
Cost of Power Purchased	27,545,049	28,942,000
Operating the Electric System	7,012,657	7,121,318
Depreciation	3,225,297	3,128,919
Interest on Loans	3,242,112	3,142,776
Total Cost of Electric Service	41,025,115	42,335,013
Patronage Capital and Operating Margins	1,105,284	681,949
Non-Operating Margins	289,449	224,083
G&T Capital Credits	589,684	526,910
Other Capital Credits	101,772	155,647
Total Patronage Capital or Margins	\$ 2,086,189	\$ 1,588,589

Balance Sheet

(as of April 30)

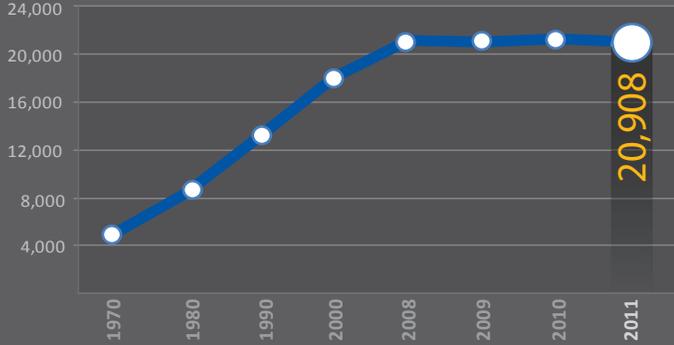
	2012	2011
<i>Assets</i>		
Total Utility Plant	\$ 102,691,479	\$ 99,991,225
Less Depreciation	19,514,114	17,589,745
Net Utility Plant Book Value	83,177,365	82,401,480
Investments in Associated Organizations	11,380,005	10,741,561
Cash and Reserves	1,331,524	183,067
Owed to EMC on Account and Notes	1,441,008	1,657,013
Material in Inventory	331,347	363,455
Expenses Paid in Advance	3,458,201	5,395,401
Deferred Debits and Other Assets	151,583	189,164
Total Assets	\$ 101,271,033	\$ 100,931,141
<i>Equities and Liabilities</i>		
Consumer Deposits	\$ 842,165	\$ 869,690
Membership, Patronage Capital, Other Equities	34,310,970	32,606,422
Long-term Debt	61,754,705	62,536,628
Notes and Accounts Payable	3,113,428	3,667,548
Other Current and Accrued Liabilities	1,249,765	1,250,853
Total Equities and Liabilities	\$ 101,271,033	\$ 100,931,141

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.

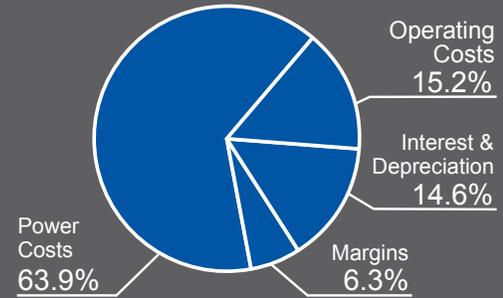


Statistical Snapshot

Total Number of Accounts



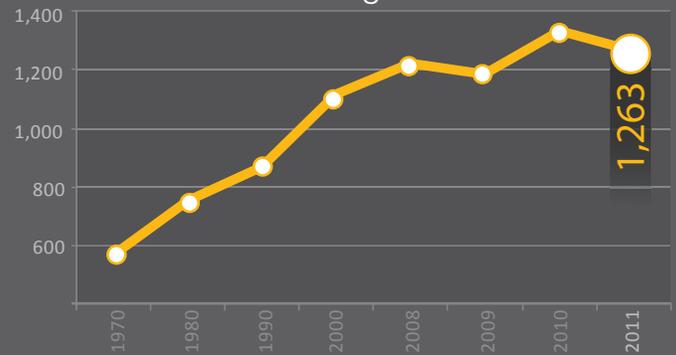
Where Your Energy Dollar Goes



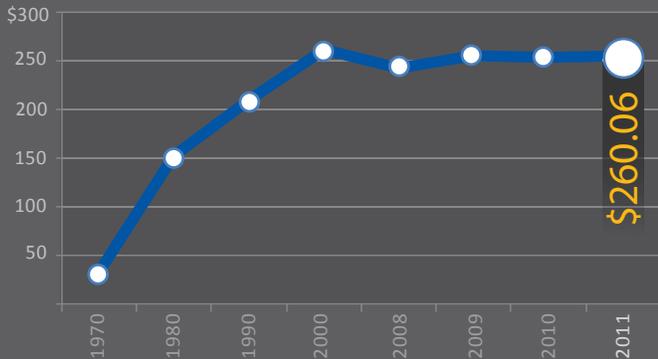
Average Monthly Residential Bill



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

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