

WORKING TOGETHER

tri-county emc annual report 2015

You place your trust in Tri-County EMC. You trust your cooperative to keep rates low, and you expect the power to be there when you flip a switch. Keeping that trust is important. Delivering on those expectations, while serving our communities, is what we do, every minute of every day. Day or night, rain or shine, our employees are here for you.

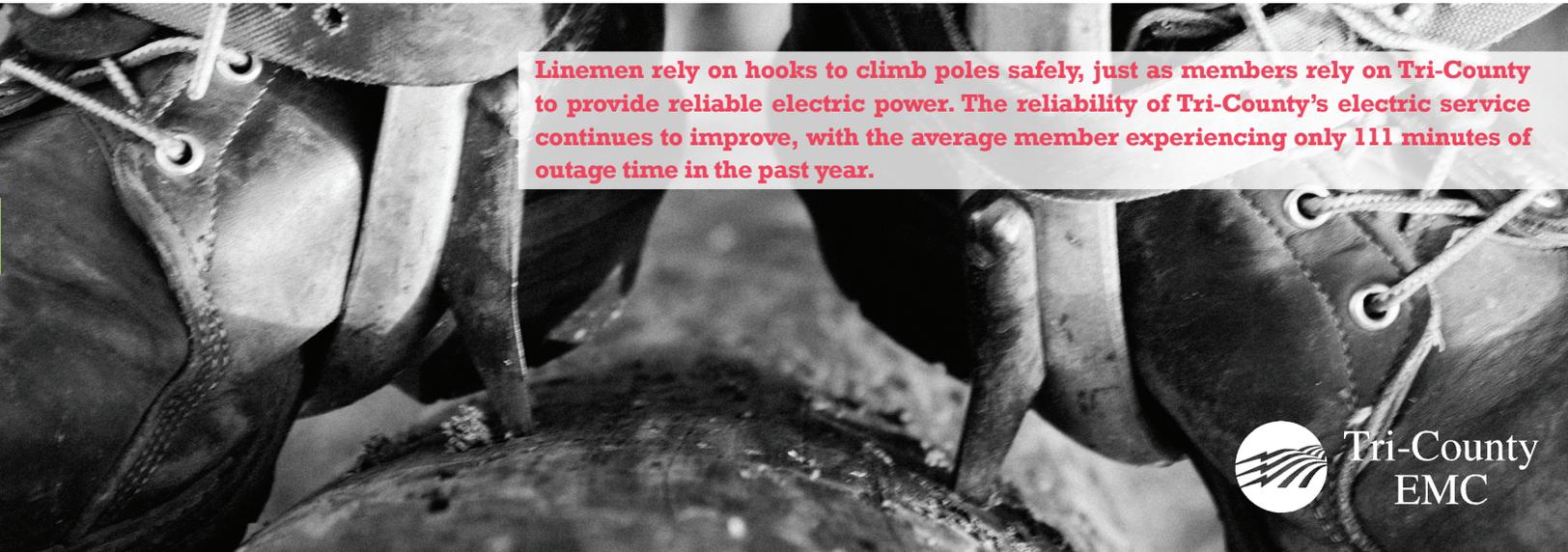
In July of 2015, the Georgia Public Service Commission's 2015 Summer Residential Rate Survey revealed Tri-County EMC to be the fourth most-affordable EMC in the state of Georgia for the energy use level of 2,000 kWh per month. Tri-County ranked sixth overall among all utilities, \$32.26 cheaper than the average Georgia EMC and \$94.02 lower than Georgia Power at the 2,000 kWh level. At 1,500 kWh, the cooperative ranked ninth lowest among all utilities, \$21.53 lower than the average Georgia EMC and \$60.46 less than Georgia Power. "We are very proud of what we've accomplished with holding our rates in check while providing great service," commented CEO C. Hill Bentley. "At the same time, we have offered more programs and services for members, blended in new renewable resources and increased reliability."

From a reliability standpoint, Tri-County has continued to make improvements. The cooperative's staff continues to make sound system upgrades, increasing reliability and speeding restoration during outages. "By engineering points where substations can be tied together, we are able to back-feed and restore outages even while broken poles and wire are being repaired, quickly getting power back on to many affected by storm or vehicle accident damage," said Lee Marsh, vice president of distribution services.

Despite a summer plagued by strong thunderstorms, the cooperative's reliability numbers improved over past years — particularly years with an ice-storm. In the past year, Tri-County members averaged just 111 minutes of service interruption. "One minute of outage is more than we want, but I'm proud that 99.99% of the time, our service is there when you need it," commented Marsh. "We will always be captive to Mother Nature's whims when it comes to outages, but our investments in technology and improvements are paying off."

In the past year, Tri-County EMC has introduced a new and dramatically improved website, offering easier ways to interact with your cooperative and your account. A new version of the cooperative's mobile app, myTCEMC, was released. With the touch of a button, members can check daily usage, make a payment or report an outage. The outage viewer, a popular website feature, is also now available on the app, allowing members to see where outages are occurring during major weather events.

Tri-County is also using technology to increase efficiency and reduce costs. A tablet-based mobile workforce system eliminates paper work orders and instantly gets jobs in the hands of field service representatives and linemen, saving fuel, paper and most importantly, time. The cooperative's automated vehicle location system helps dispatchers keep track of the location of crews and equipment. Combined with the cooperative's integrated voice response system (IVR), outage management system (OMS) and smart meters, collecting data and directing crews quickly to the source of outages have reduced outage times and eliminated back-tracking to single outages.



Linemen rely on hooks to climb poles safely, just as members rely on Tri-County to provide reliable electric power. The reliability of Tri-County's electric service continues to improve, with the average member experiencing only 111 minutes of outage time in the past year.



Tri-County
EMC



Day or night, rain or shine, our employees are equipped to keep the lights on safely and efficiently.

New generation resources, particularly carbon-free generation in light of the EPA's Clean Power Plan, continue to be at the forefront of planning for future needs. Construction is moving forward on Units 3 and 4 at Plant Vogtle, one of two nuclear power plants jointly owned by Georgia's utilities. The EMCs in Georgia will own 35% of the new nuclear units scheduled for completion in 2019 and 2020. But other resources are under construction, as well. Through Green Power EMC, Tri-County and several other electric cooperatives will receive renewable generation from the 20 MW Hazelhurst Solar Power project. Tri-County EMC is also evaluating purchasing additional solar facilities or energy and potentially offering "cooperative solar", a lower cost, EMC-owned and maintained alternative to residential rooftop solar for members interested in generating their own renewable energy.

Concern for community, one of the seven cooperative principles, continues to drive Tri-County EMC activities in the service area. Operation Roundup saw a total of \$48,191 in grants funded to 32 projects in the Tri-County service area in 2014. Additionally, \$30,000 in Bright Ideas Grants, funded by unclaimed capital credits, was awarded for classroom innovation projects in area schools. The cooperative also sponsored two participants on the Georgia EMC Washington Youth Tour, awarded four Operation Roundup scholarships and three Tri-County EMC scholarships.

On a bittersweet note, two figures very prominent in the cooperative's leadership and success have announced their retirement in the past year. At the 2014 Annual Meeting, Chairman Tom Thompson, Jr. announced that he would not seek reelection in 2015, ending his 30 years of service, 29 as the chairman. And earlier this year, C. Hill Bentley, chief executive officer since 1998, announced his retirement in 2016. While seeing long-term leaders with extensive knowledge and experience depart is never desirable, we celebrate their achievements and well-earned retirements. We also trust the cooperative business model. "In October, our members will elect a new director to Mr. Thompson's post for the first time in three decades," said Bentley. "Just as the members elect the board, this board will select a new CEO. Directed by the members, to serve the members. It's a model that has worked for 76 years."

The energy that flows when you flip a switch is more than just electrons. It is generations of employees committed to service. It is thousands of poles and meters and mile after mile of wire and right-of-way. It's a truck rolling through a rainy night when storms have interrupted service. It's a friendly voice on the phone when you need us. Greater than the sum of the parts, your cooperative is the powered by you, the member and the cooperative that exists to serve you. What can you do with the power behind that switch?



Your co-op gives you the tools you need to manage your account and your energy use. Visit www.tri-countyemc.com to see what tools we can put to work for you.

FINANCIAL SUMMMARY

for the years ended April 30

STATEMENT OF OPERATIONS

(for the years ended April 30)

| | 2015 | 2014 |
|---|---------------|---------------|
| Operating Revenue and Capital | \$ 44,801,303 | \$ 43,413,994 |
| Operating Expense | | |
| Cost of Power Purchased | 27,783,452 | 29,699,562 |
| Operating the Electric System | 7,771,704 | 7,268,143 |
| Depreciation | 3,532,495 | 3,439,517 |
| Interest on Loans | 3,331,978 | 3,290,048 |
| Total Cost of Electric Service | 42,419,629 | 43,697,270 |
| Patronage Capital and Operating Margins | 2,381,674 | (283,276) |
| Non-Operating Margins | 588,054 | 518,998 |
| G&T Capital Credits | 636,141 | 599,339 |
| Other Capital Credits | 146,500 | 141,435 |
| Total Patronage Capital or Margins | \$ 3,752,369 | \$ 976,496 |

BALANCE SHEET

(as of April 30)

| | 2015 | 2014 |
|---|----------------|----------------|
| Total Utility Plant | \$ 113,326,573 | \$ 110,749,820 |
| Less Depreciation | 23,283,276 | 22,277,956 |
| Net Utility Plant Book Value | 90,043,297 | 88,471,864 |
| Investments in Associated Organizations | 13,336,905 | 12,649,890 |
| Cash and Reserves | 850,702 | 455,313 |
| Owed to EMC on Account and Notes | 1,513,603 | 2,243,754 |
| Material in Inventory | 226,536 | 225,431 |
| Expenses Paid in Advance | 58,301 | 1,029,412 |
| Deferred Debits and Other Assets | 1,657,233 | 1,872,492 |
| Total Assets | \$ 107,686,577 | \$ 106,948,156 |
| Consumer Deposits | \$ 813,400 | \$ 792,725 |
| Membership, Patronage Capital, Other Equities | 40,834,100 | 37,452,555 |
| Long-term Debt | 60,040,102 | 62,754,639 |
| Notes and Accounts Payable | 4,669,950 | 4,654,667 |
| Other Current and Accrued Liabilities | 1,329,025 | 1,293,570 |
| Total Equities and Liabilities | \$ 107,686,577 | \$ 106,948,156 |

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.

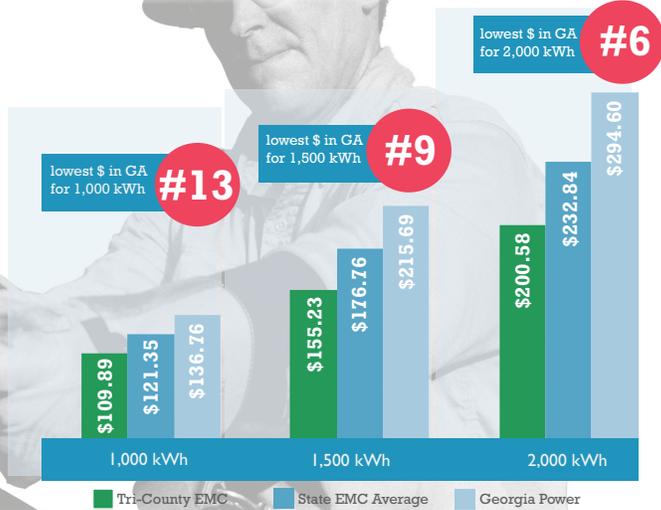
TRI-COUNTY EMC BOARD OF DIRECTORS

Cecil Patterson, Brenda P. Green, Vice-Chairman, Chester Mercer, Tommy Noles Secretary/Treasurer, Marion Nelson, Mike Rainey, Tom Thompson, Jr., Chairman, Dan Greene, Sammy Hall

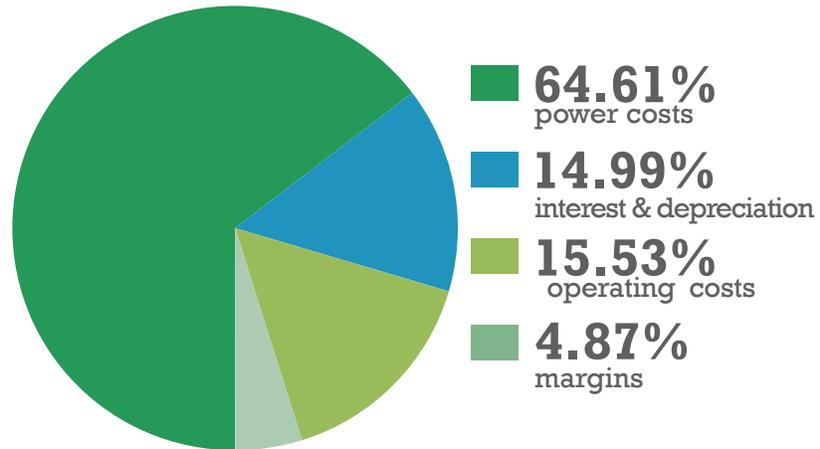


STATISTICAL SNAPSHOT 1960 - today

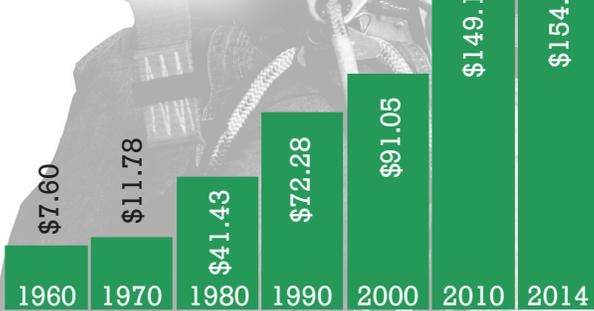
rates among lowest in state



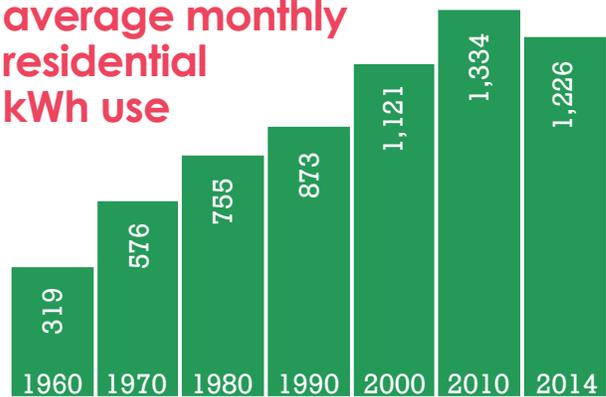
where your energy dollar goes



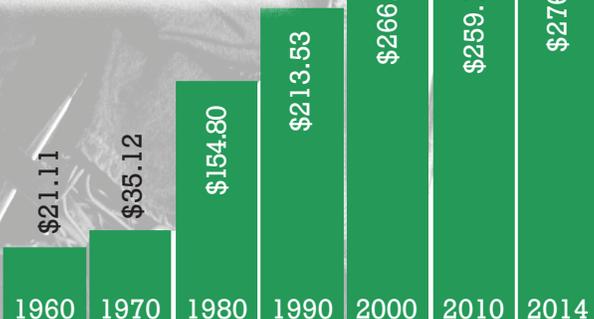
average monthly residential bill



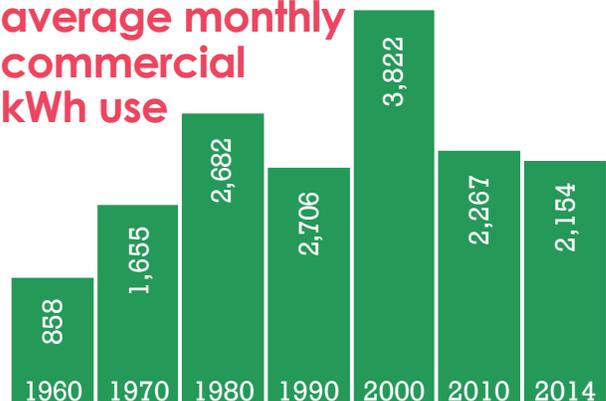
average monthly residential kWh use



average monthly commercial bill



average monthly commercial kWh use



20,989 meters • 2,734 miles of line • 61 employees

TRI-COUNTY EMC SENIOR STAFF

Donald Appling | VP of Construction Services
Keith Brooks | Manager of Safety & Training
Sarah Curry | Admin. Assistant/HR Coordinator

Dawn Haskins | Senior Executive VP/CFO
Lee Marsh | VP of Distribution Services
Greg Mullis | Senior VP of Energy Services

C. Hill Bentley | CEO



Owned By Those We Serve