

STABILITY THROUGH CHANGE

2016

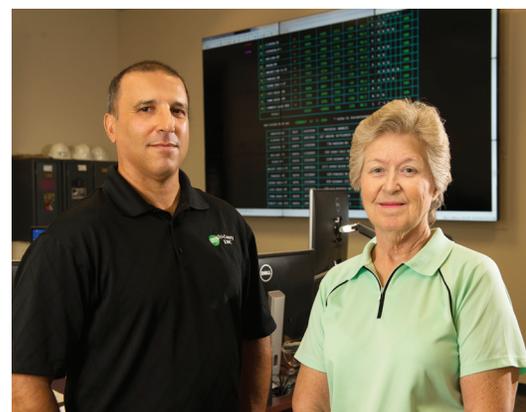
The past twelve months have been a year of change—new faces, new roles, growth and innovation—all in an effort to provide better service, lower costs and more choices for Tri-County’s members. The past year has brought new leadership to an already strong and stable member-owned business. And from small advancements in bill payment or power outage reporting options to major changes in renewable energy opportunities, Tri-County EMC members have greater access to their accounts and control over how some of their energy is generated.

In November 2015, Brenda P. Green became the cooperative’s first new board chair in over 25 years, succeeding the retiring chairman, Tom Thompson, Jr. Green was elected to the Tri-County EMC Board in 1993 and has served as vice-chair for over two decades. “The cooperative is on great financial and operational footing,” commented Green. “The course that we are on has resulted in competitive rates and a high level of service to our members. While we have had changes in two leadership positions, the principles that

guide us, the excellent staff and a dedicated board of directors has kept us focused on our membership.”

In May 2016, Ray Grinberg joined Tri-County as chief executive officer. Grinberg replaced C. Hill Bentley, who retired after seventeen years of service to the cooperative. Grinberg, who most recently served as general manager of Lakeview Light and Power in Lakewood, WA, brought 31 years of utility experience to Tri-County EMC. “Our goal at Tri-County is the same goal of EMCs across the country—to deliver reliable electric service to members at the lowest possible cost,” said Grinberg. “I’ve been impressed with the knowledge and dedication of Tri-County’s employees and certainly with the community. I’m also proud of the co-op’s competitive rates.”

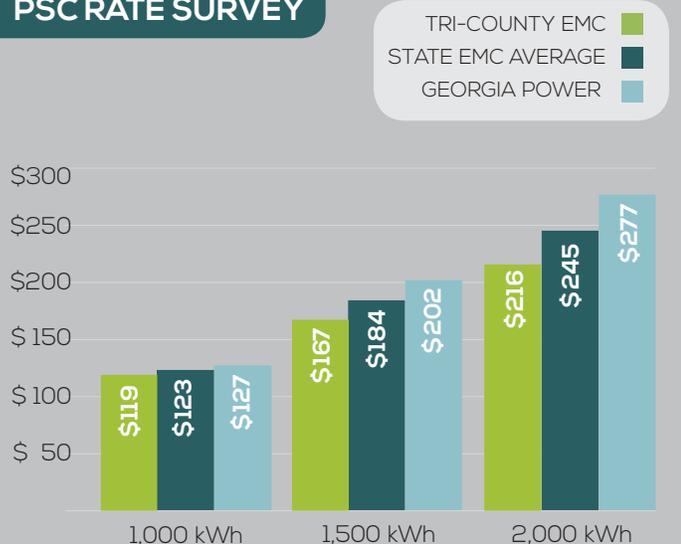
Working to meet the needs of the membership is a constant goal for Tri-County EMC’s leadership. Balancing a proper power supply mix, ensuring low wholesale power prices and trying to anticipate future environmental regulations is challenging. But in July, Tri-County EMC’s new



Ray Grinberg, CEO & Brenda P. Green, Chairman

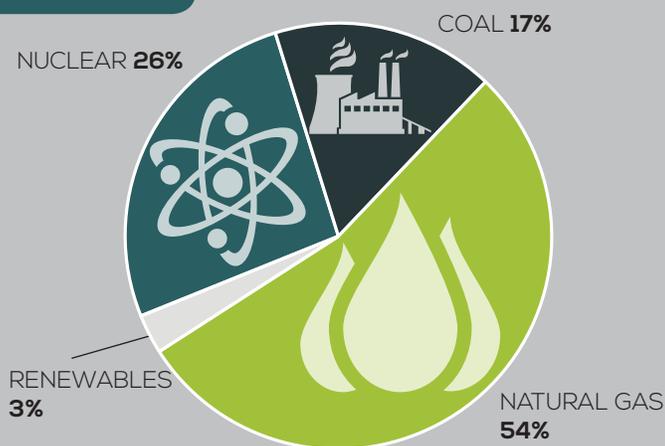
Eatonon Solar Facility began generating electricity. Providing carbon-free solar energy at costs lower than the average wholesale cost per kilowatt-hour, the energy from the project makes renewable energy available to cooperative members through the newly introduced ourSolar program. The 1 MW facility generates the power for 850 solar blocks of energy. Members can purchase up to 4 blocks of energy for \$25 per block and have the energy produced by the blocks applied to their bill.

PSC RATE SURVEY



According to the Summer 2016 Public Service Commission Rate Survey, Tri-County EMC has lower rates than the average Georgia EMC and Georgia Power. The average monthly residential kWh use was 1,176 kWh in 2015.

FUEL MIX



The amount of electricity generated by natural gas has increased sixfold since 2005. At the same time, electricity generated by coal has decreased 63 percent. This change is driven by the lower cost of natural gas and increasing environmental regulations on coal plants. Renewable energy will continue to grow but will still remain a small part of the total fuel mix.



“We’ve been very pleased with this project,” commented Greg Mullis, senior vice president of energy services and manager of the solar project. “The ourSolar program has been very popular with our members, many of which had found rooftop solar too expensive to purchase or maintain.” As of the end of August, about 50 percent of the blocks were already purchased.

A change in how Tri-County EMC members prefer to pay their bill is also becoming apparent. Just a decade ago, virtually all of the cooperative’s payments were made in person or by mail. In the past year, only 1 in 5 members paid by mail. “Letting our members pay their bill the way they want to is important to us,” said Dawn Haskins, senior executive vice president and chief financial officer. “Some members prefer to come into the office to make a payment, and we will make sure that option is available. But you can also use our mobile app or your bank’s online payment option to pay electronically from the comfort of your couch.”

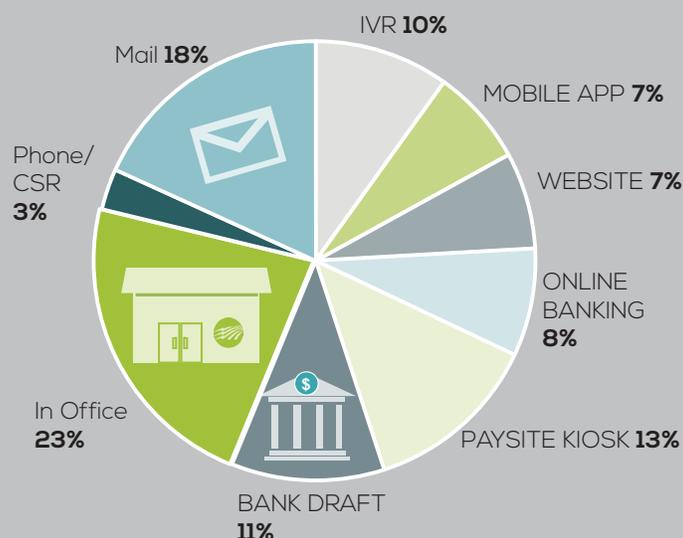
Ensuring that the cooperative’s distribution system operates efficiently and with minimal service interruption requires continual

maintenance and upgrades. In 2016, Tri-County will complete a multi-year project to upgrade substations and increase conductor size and voltages, which reduces line loss and adds system redundancy, allowing alternate feeds to serve powerlines even when damage has occurred. Right-of-way maintenance is also a constant battle. “We’ve had a couple of mild winters and some rainy summers,” said Donald Appling, vice president of construction services. “Because of that, we’ve seen a lot of vegetation growth which has led to outages.” Over the summer, Tri-County has increased right-of-way cutting to fix this issue.

Change is not always about equipment or programs. Sometimes change is external—the impact of the cooperative and the power of membership on the community. In the past year, the Tri-County EMC Foundation has awarded \$71,227 in Operation Roundup grants for community needs, most of them humanitarian. Those funds came directly from member contributions to Operation Roundup. Tri-County is also making a significant impact on area classrooms. Eight different scholarships were awarded to college students from Tri-County EMC in the past year. And \$30,000 in grants were awarded through Bright Ideas, a classroom innovation program, in 2016. Of the 96 applications submitted, 26 teachers were selected for project funding. These grants are funded from unclaimed capital credits.

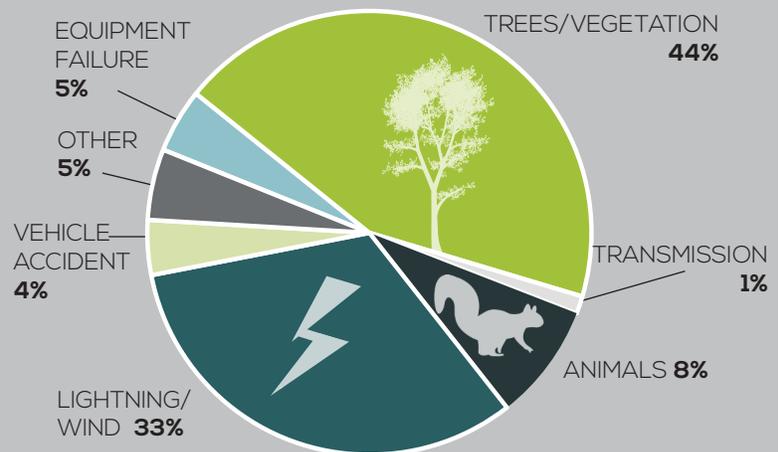
Electric cooperatives have been changing lives for over 75 years. In the late 1930s, when electricity finally began flowing to rural communities, it was the early members of the co-op who took action to form their own not-for-profit business. Since then, that same membership has proven to be a powerful force. Whether it be a change in programs or pocket change that changes lives, Tri-County EMC and the co-op membership are making a difference. Better service, better programs and a better place to call home. Change is what we do.

PAYMENT BY TYPE



In the past year, Tri-County EMC has collected 329,000 payments. While the majority of members continue to pay by mail or in the office, your cooperative offers many different payment options to meet your needs.

OUTAGES BY CAUSE



In the past fiscal year, the average Tri-County EMC member experienced 72 minutes of power outage. Overwhelmingly, trees and vegetation cause the majority of Tri-County’s power outages, reflecting the importance of the co-op’s continued right-of-way trimming efforts to clear lines of imposing trees and limbs.

FINANCIAL SUMMMARY

STATEMENT OF OPERATIONS (for the years ended April 30)

	2016	2015
Operating Revenue and Capital	\$ 38,401,774	\$ 44,801,303
Operating Expense		
Cost of Power Purchased	23,757,592	27,783,452
Operating the Electric System	7,979,322	7,771,704
Depreciation	3,557,757	3,532,495
Interest on Loans	3,333,085	3,331,978
Total Cost of Electric Service	38,627,756	42,419,629
Patronage Capital and Operating Margins	(225,982)	2,381,674
Non-Operating Margins	681,736	588,054
G&T Capital Credits	688,471	636,141
Other Capital Credits	142,194	146,500
Total Patronage Capital or Margins	\$ 1,286,419	\$ 3,752,369

BALANCE SHEET (as of April 30)

	2016	2015
Total Utility Plant	\$ 117,332,698	\$ 113,326,573
Less Depreciation	24,890,345	23,283,276
Net Utility Plant Book Value	92,442,353	90,043,297
Investments in Associated Organizations	14,005,794	13,336,905
Cash and Reserves	1,897,731	850,702
Owed to EMC on Account and Notes	1,175,492	1,513,603
Material in Inventory	188,796	226,536
Expenses Paid in Advance	24,469	58,301
Deferred Debits and Other Assets	1,641,006	1,657,233
Total Assets	\$ 111,375,641	\$ 107,686,577
Equities and Liabilities		
Consumer Deposits	\$ 811,090	\$ 813,400
Membership, Patronage Capital, Other Equities	41,593,940	40,834,100
Long-term Debt	62,699,596	60,040,102
Notes and Accounts Payable	4,818,754	4,669,950
Other Current and Accrued Liabilities	1,452,261	1,329,025
Total Equities and Liabilities	\$ 111,375,641	\$ 107,686,577

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

(listed left to right)

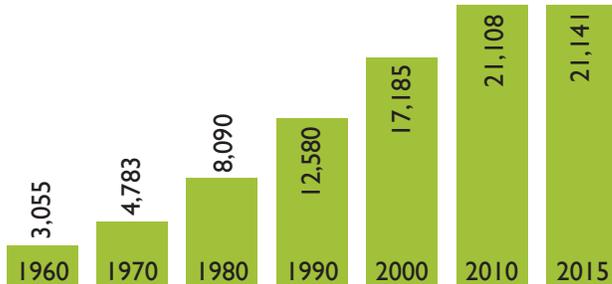
Back Row: Marion Nelson, Sammy Hall: Vice-Chairman, Chester Mercer, Cecil Patterson

Middle Row: George "Buck" Comer, Brenda P. Green: Chairman, Mike Rainey

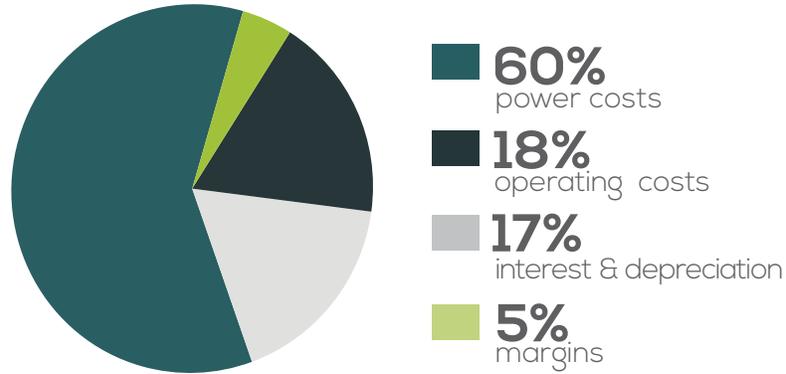
Front Row: Tommy Noles: Secretary/Treasurer, Dan Greene

STATISTICAL SNAPSHOT 1960 - today

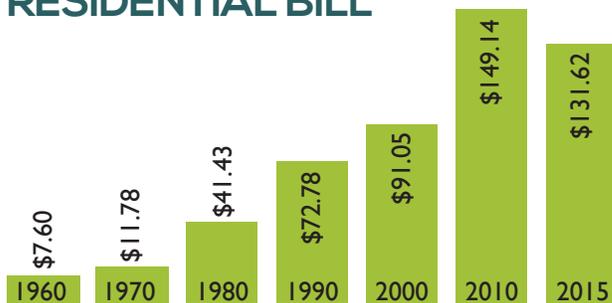
TOTAL NUMBER OF ACCOUNTS



WHERE YOUR ENERGY DOLLAR GOES



AVERAGE MONTHLY RESIDENTIAL BILL



AVERAGE MONTHLY RESIDENTIAL KWH USE



AVERAGE MONTHLY COMMERCIAL BILL



AVERAGE MONTHLY COMMERCIAL KWH USE



21,141 meters • **2,743** miles of line • **61** employees



TRI-COUNTY EMC SENIOR STAFF

Ray Grinberg | CEO

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