



**DARRYL
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PRESIDENT/
CHIEF
EXECUTIVE
OFFICER

Power Costs Continue to Increase

AS PRESIDENT/CHIEF EXECUTIVE OFFICER, I do my best to take care of you, our member-owners, and our employees who work hard to take care of you. Currently, we are trudging through difficult times. The cost of natural gas, just like other resources and commodities, continues to rise leading to higher power costs.

Our member service team has fielded questions from you over the phone and through email. We are on your side and understand the predicament. While the rise is out of our control, we are doing everything we can to keep you informed.

PCRF CHANGES

Tri-County Electric Cooperative uses a mechanism called PCRF (Power Cost Recovery Factor) to recover the actual cost of wholesale power and transmission services billed to us from our wholesale power supplier, Brazos Electric Power Cooperative (Brazos). Beginning with your June billing statement, the PCRF increased from \$.04/kWh to \$.075/kWh (i.e. 4.0 cents per kWh to 7.5 cents per kWh).

REASON BEHIND THE INCREASE

Tri-County Electric Co-op passes the cost of wholesale power and transmission charges on to you at our cost, without a markup. Over the last several months wholesale power costs have increased substantially across the Electric Reliability Council of Texas (ERCOT) grid and therefore, we must increase the PCRF in order to recover the costs billed to us by Brazos. The main driver of the increased costs in Texas, and across the nation, is the drastic increase in the price of natural gas. As you may know, natural gas is the primary fuel used by generators operating in ERCOT. To put things into perspective, in June 2021, natural gas sold for just over \$3.00 per MMBtu and just one year later, June 2022, prices for a similar contract were over \$8.50 per MMBtu. 4203400002

UNDERSTANDING YOUR BILL

Most residential member bills have a single line item, or a “bundled” electric charge, that includes a kWh Charge, a Monthly Service Charge and a Power Cost Recovery Factor (PCRF) Charge. This can be found on your bill as the “Electric Charge” line item, and you can view your kWh use in the “Electric Use” chart under your service address information.

The kWh Charge includes \$.048971/kWh of base power costs. In order to calculate the complete cost of wholesale generation and transmission, you need to add the base power costs (\$.048971) plus the PCRF (\$.075) and multiply that number by your total kWh used during your billing period.

To sum it up, the base power cost rate plus the entire PCRF rate— approximately 75% of your bill—go directly to Brazos. The only money that stays with Tri-County Electric Co-op to operate and maintain the co-op comes from the Monthly Service Charge and the remainder of the kWh charge, approximately 25% of your overall bill. Learn more about your bill at tcctexas.com/my-bill.

Tri-County Electric Co-op is here for you. If you have questions related to your bill, please contact our member services team by phone or email. ■