



**DARRYL
SCHRIVER**

PRESIDENT/
CHIEF
EXECUTIVE
OFFICER

Brazos Bankruptcy Update

IT'S HARD TO IMAGINE that over a year and a half later, we are still dealing with the aftermath of 2021's Winter Storm Uri and the havoc it wreaked on the Texas electric grid and Texas consumers. For those of you who have been reading this column for some time, you know that on March 1, 2021, Tri-County Electric Cooperative's wholesale power supplier, Brazos Electric Power Cooperative, Inc. ("Brazos") filed for bankruptcy as a result of the financial impacts of the storm. Since that time, I have provided periodic updates, but for the most part, because of certain legal restrictions, we have been unable to disclose many details. Additionally, progress has been slow because this Chapter 11 has been extremely complicated.

Last month, Brazos filed the highly anticipated proposed exit plan, which calls for paying ERCOT \$1.44 billion of the approximate \$1.9 billion ERCOT alleged Brazos owed. The plan also proposes to pay unsecured creditors a negotiated minimum of 89.5 cents on the dollar, and contemplates the payments to ERCOT and other creditors would be funded through a debt, remaining bankruptcy financing, cash on hand, and the sale of Brazos's natural gas-fired generation fleet.

As you may recall, Tri-County Electric Co-op has an All-Requirements Contract (ARC) with Brazos that requires the cooperative to purchase all its wholesale generation and transmission services from Brazos. If the proposed exit plan is approved, Tri-County Electric Co-op would be relieved of its obligations under the ARC to purchase wholesale power from Brazos effective March 1, 2023. This means the cooperative would be free to procure power from the competitive market without Brazos. We hope the transition translates into savings, which will help offset some of the anticipated costs that will be borne by the member-cooperatives of Brazos. 800875296

There are also other non-economic provisions included in the proposed exit plan that were a result of the negotiated settlement. ERCOT and the Public Utility Commission of Texas (PUCT) are requiring a few post-Effective Date changes to Brazos's management team and general counsel, which require the General Manager, the VP of Power Supply, the VP of Generation, and the General Counsel to cease employment at specific times and includes certain prohibitions of their future employment.

It is important to understand that as of the date of this writing, the exit plan Brazos filed with the court is a proposed plan, and for it to be confirmed Brazos still needs the supporting votes from its creditors and the approval of the bankruptcy court. While the current proposed plan is supported by many key stakeholders, including ERCOT and the general unsecured creditors committee, several parties have not yet indicated their support for the plan. Accordingly, there may be further revisions to gain their support.

Questions remain regarding the payment of certain other debts and associated transactions that are to-be-determined for Tri-County Electric Co-op to understand the full financial and operational impact Brazos's exit from bankruptcy will have on the cooperative and ultimately you, the member-owners. As has been the case throughout this debacle, Tri-County Electric Co-op's board and staff remain actively involved in the bankruptcy process and will continue to represent you and other Texas consumers affected by this bankruptcy to the best of our ability. From the beginning, I have stated that we will leave no stone unturned, and we will fight for the best interests of the members of Tri-County Electric Co-op. The battle is still ongoing, but there now appears to be an end in sight. 42942001

Once we have all the pieces of the Brazos Chapter 11 bankruptcy puzzle fully defined and the exit plan is confirmed, we will communicate the impacts of Brazos's exit. This has been an extraordinary period with the Brazos bankruptcy with enormous challenges that have been felt by cooperatives across the U.S. It has taken a vast number of resources to fight in this process for the cooperative member. I appreciate the Tri-County Electric Co-op Board of Directors' support for our members. We have faced a lot of challenges alone with your best interest at the forefront, because we still believe that we are in this together with you, our members. ■

You Asked, We Listened

Members now see line-itemed bills and rate stabilization starting in October

BY ANNIE WATSON, DIRECTOR OF COMMUNICATIONS

HERE AT TRI-COUNTY ELECTRIC COOPERATIVE, we understand the financial strain of today's economy and sympathize with you, our member-owners. Just like you, we are all dealing with the stresses coming from multiple fronts, and we are here to help.

Over the past few months, we have communicated rising power costs and how that impacts your bills. We are doing our best to keep you informed on the current situation from month to month. Additionally, our member service team fielded thousands of phone calls and online communications from members, and many expressed how the increases are adding financial stress.

As a member-owned electric cooperative we listened to our members and value your feedback. The team here at Tri-County Electric Co-op worked diligently to address two asks of the membership: line-itemed billing statements and rate stabilization.

Starting in October, members will see each bill component – the customer charge, kWh charge, Power Costs Recovery Factor (PCRF), outdoor lights, fees, and taxes – as separate line items. These components are not new, but have been displayed on the bill as one item labeled “Electric Charge” on previous bills. This transition allows members to better understand their bill and better plan for future billing.

Members have seen swings in the PCRF due to the volatility of power costs. This is especially true this summer as members have felt the impact of the increased cost of natural gas, the predominant source for electric power generation in Texas.

When the rate was established 20 years ago, power costs were less expensive and as market conditions increased throughout the years members would see the difference in PCRF. The cost of wholesale power is passed through to members without any mark up. Tri-County Electric Co-op passes the money collected for wholesale power directly to Brazos.

To help our members the kWh rate will reflect current market conditions rather than relying on PCRF to capture the difference. Beginning in October, the residential rate will be 14.425 cents per kWh, which accurately reflects current power costs. While PCRF will still be a line item on the bill it should no longer drastically impact members. As power costs increase and decrease PCRF will be adjusted accordingly. 8001812901

The employees here work for you, the member-owners. We do everything in our power to ensure you are taken care of and that includes listening. We care and we are in this together. ■



ELECTRIC SERVICE

For: SAMPLE
 Service Address: 1234 Coop Dr
 Aledo TX 76008
 Map Location: 01234567
 Telephone Number: (817) 444-3201

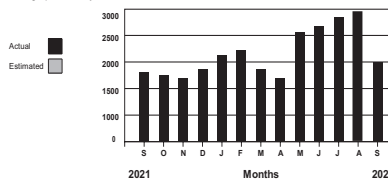
ELECTRIC USE

Meter Reading Information

KWH	Service	Reading				Rate	KWH	Read
Meter No	From	To	Prev	Pres	Mult			Type
11111111	09-07	10-07	3000	5000	1	RES	2000	kWh

Comparisons	Days Service	Total KWH	Avg KWH/Day
Current Billing Period	30	2000	67
Previous Billing Period	31	3000	97
Same Period Last Year	30	1800	60

Average Monthly KWH: 2652
 This graph shows your kWh billed over the last 13 months



Website Address: www.tccoes.com
 Office hours: 8:00 AM - 5:00 PM Monday - Friday
 Please register questions and concerns about your bill prior to the due date.

Your Bill Account Number	10000001
Use when calling or writing	
Statement ID:	1234567
Board District:	District
Bill Date:	10/03/22

Total From Last Bill	\$464.56
09/16/2022 Payment - Thank You	\$464.56 CR

Current Charges	
Customer Charge	\$18.00
2000 KWH @ 0.14425	\$288.50
1 - 150 W EQ LED @ 10.45	\$10.45
PCRF 2022 KWH @ .000000	\$0.00
Franchise Fee @ 3.00%	\$9.19

Account Balance Due	Oct 17, 2022	\$326.14
Termination Date for Current Amount is	Nov 11, 2022	

To avoid a 5% late fee, please pay your bill prior to the due date. You can make payments and view account information 24/7 by accessing our web site at www.TCECTEXAS.com or our automated pay-by-phone service by calling 817-444-3201. Power outages can also be reported to this number.

Keller District Office: 4900 Keller Hicks Rd, Fort Worth, TX 76244 (817) 431-1541 (817) 379-4703
 Seymour District Office: 419 N. Main, Seymour, TX 76380 (940) 888-3441
 Granbury District Office: 1523 Weatherford Hwy, Granbury, TX 76048 (817) 279-7010

Please detach stub and return with payment. Make check payable to TRI-COUNTY Electric Cooperative, Inc.

TX06800F



ADDRESS SERVICE REQUESTED

Account Number	10000001
Current Amount Due	10/17/22 \$326.14

Please indicate change of address or phone number here
 Name _____ Phone Number _____
 Address _____
 City _____ State _____ Zipcode _____

Name
 1234 Coop Dr
 Aledo TX 76008-1234

TRI-COUNTY ELECTRIC COOPERATIVE, INC.
 PO BOX 961032
 FORT WORTH TX 76161-0032

Why is my bill different this month?

October billing statements now show each billing component as a different line item rather than one electric charge. This itemization is to show transparency in what is included in your energy charge.

Why is Tri-County Electric Co-op doing this now?

As power costs rose steadily this summer, members were asking for billing cost explanations and rate stabilization. Members asked for bill components to be broken out to better understand the bill. Additionally, the drastic swing in PCRF led to members asking for stabilized bills to better budget and manage costs.

What items will I see included in my bill?

Members may see the following items listed on their bill: customer charge, kWh charge, PCRF, outdoor lights, and applicable fees and taxes. 800791406

Does Tri-County Electric Co-op provide bill assistance?

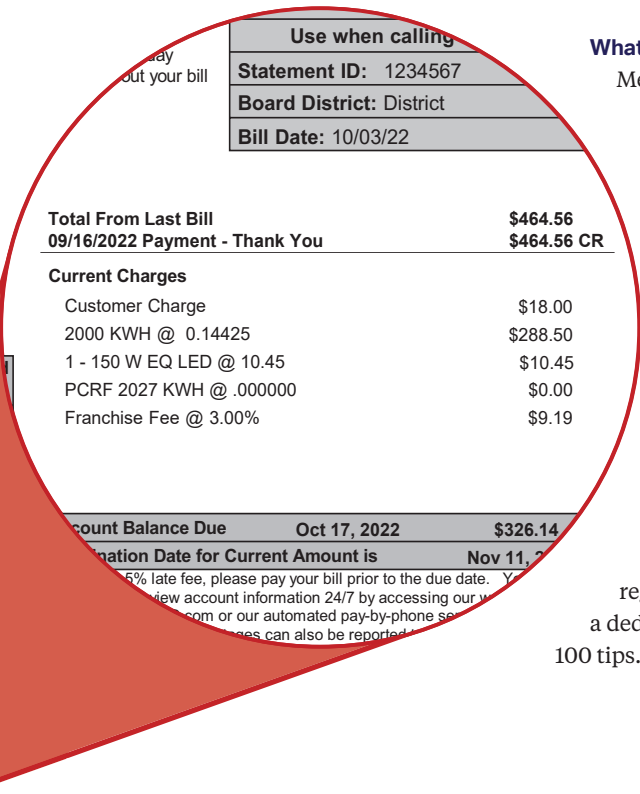
Our member service team is here to help. All we ask is that you contact your co-op. You can reach our team at tcectexas.com/contact-us. We are here to help.

Where can I learn more about the billing changes?

Members can learn more about understanding their new bill at tcectexas.com/my-bill.

How can I better manage my electric cost and use?

Tri-County Electric Co-op is dedicated to educating members on energy management and empowering smart energy use. We regularly provide energy-saving tips on our Facebook page and have a dedicated webpage (tcectexas.com/energy-efficiency) with more than 100 tips.



Learn more about your new bill

We are here to help you understand your new bill and know the new layout may bring questions. Visit our website for the answers to all your questions.

tcectexas.com/my-bill

