

HomeWorks Tri-County Electric Cooperative

# 2009 Annual Report



Tri-County Electric Cooperative, Portland, Mich.



Tri-County Electric  
Cooperative

# Representing your district

	<b>Area Served:</b>	<b>Tri-Country Electric Cooperative Board:</b>	<b>Tri-Country Electric People Fund Board:</b>
<b>District 1:</b>	Eaton, Ingham and Jackson counties	Philip Conklin	Richard Palermo
<b>District 2:</b>	Barry and Ionia counties	Wayne Swiler	Jerry Supina
<b>District 3:</b>	Clinton County except Bingham, Duplain and Greenbush townships	Carl Morton	Mary Ellen Heffron
<b>District 4:</b>	Montcalm County, except Bloomer, Crystal and Evergreen townships	Laverne Hansen	Lisa Johnson
<b>District 5:</b>	Gratiot and Saginaw counties, except Bingham, Duplain and Greenbush townships in Clinton County, and except Bloomer, Crystal and Evergreen townships in Montcalm County	Cara Evans	Peggy Pirhonen
<b>District 6:</b>	Clare and Isabella counties	Ed Oplinger	Dick Donley
<b>District 7:</b>	Mecosta and Osceola counties	Dean Floria	Patti Ferris

“Throughout our history, you’ve shown that you trust us to get the job done, and we don’t take that trust lightly.”

## **On the cover: History and trust.**

Your cooperative was founded to serve rural folks (inset left) who did not have access to reliable electric service at a competitive price. Built in 1941, our Portland office (inset right) is being renovated to continue serving our members well into the future. It is the continued trust of our membership that allows us to invest in the technologies of tomorrow, such as renewable energy solutions (large photo).

## **At Right, Your Tri-Country Electric Cooperative Board of Directors:**

**Seated, from left:** Laverne Hansen, Carl Morton, Wayne Swiler  
**Standing:** Ed Oplinger, Dean Floria, Mark Kappler (General Manager), Cara Evans, Phil Conklin

# Reliable electric service at a competitive price

Providing that has been our mission since the late 1930s, as we've been reminding ourselves, and you, this year at the district membership meetings. With our 75th anniversary coming up in March 2012, the history of HomeWorks Tri-County Electric Cooperative has been on our minds.

President Franklin Roosevelt got us started by signing the Rural Electrification Act in 1935, hoping to ensure every family in America had the quality of life made possible by access to affordable electricity. When the big power companies passed on the opportunity to move into rural areas, farmers got together to build their own power companies.

We found power supply from hydros, small towns, and even other farmers who owned

generators with excess capacity, before building our own generators, and finally joining with other electric cooperatives to form our own generation and transmission cooperative.

It's interesting, studying our history, because we can see how issues, whether technical or political, keep repeating themselves over the years.

But we can't focus on our past to the point that we neglect our future. Technology, on your side of the meter and ours, is changing our jobs at a fast pace. And the political winds in Lansing and Washington, D.C., could power a wind farm - if we could just harness the shifting winds.


We not only have to keep up, we must stay ahead of the trends and issues if we're going to provide the service you need.

Throughout our history, you've shown that you trust us to get the job done, and we don't take that trust lightly. You elect a board of directors and rely on them to set the policies that guide our staff in operating the cooperative.

You turn out in ever-increasing numbers for the district meetings, and the conversations we hold at those meetings also help us set Tri-County's priorities.

Which always begin and end with: Providing reliable electric power at competitive prices.

  
Carl Morton,  
Board Chairman

  
Mark Kappler,  
General Manager & CEO



# Balance Sheet

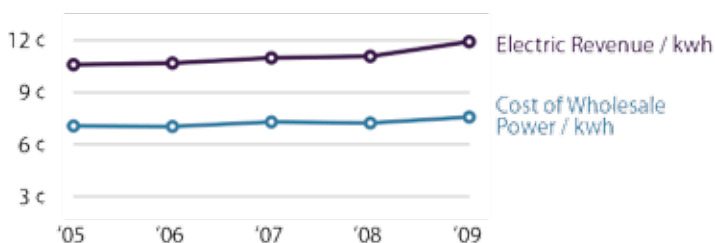
## HomeWorks Tri-County Electric Cooperative

Year Ended December 31,

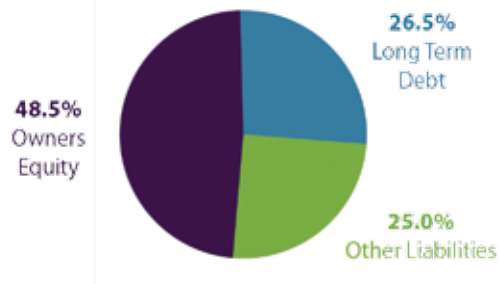
(in Thousands)

	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Total Utility Plant	\$ 82,856	\$ 78,913
Accumulated Depreciation	(22,312)	(21,400)
Net Utility Plant	60,544	57,513
Investments in Associated Organization	32,660	30,887
Cash and Cash Equivalents	958	862
Accounts Receivable	5,722	5,703
Materials and Supplies	830	1,247
Other Assets	395	265
<b>Total Assets</b>	<b>101,109</b>	<b>96,477</b>
<b>EQUITIES and LIABILITIES</b>		
<b>MARGINS and EQUITIES:</b>		
Patronage Capital	39,700	36,808
Other Equities	9,353	8,923
<b>Total Margins and Equities</b>	<b>49,053</b>	<b>45,731</b>
<b>LIABILITIES:</b>		
Long Term Debt	26,834	27,944
Notes Payable	16,633	13,599
Accounts Payable	4,338	4,245
Other Current & Accrued Liabilities	4,251	4,958
<b>Total Liabilities</b>	<b>52,056</b>	<b>50,746</b>
<b>Total Equities and Liabilities</b>	<b>101,109</b>	<b>96,477</b>

**Revenue & Cost of Power**



**2009 % of Assets**



Complete, audited financial statements are maintained at the Portland office of HomeWorks Tri-County Electric Cooperative, Inc. The independent audit of 2009 financial statements was unqualified, and completed by the certified public accountant (CPA) firm of Eide Bailly, Fargo, ND.

# Statement of Operations

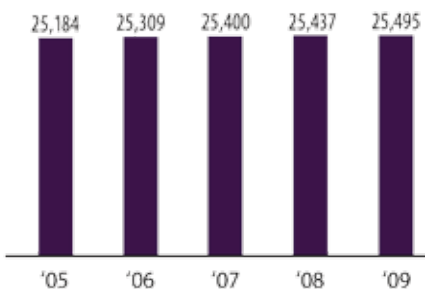
## HomeWorks Tri-County Electric Cooperative

Year Ended December 31,

(in Thousands)

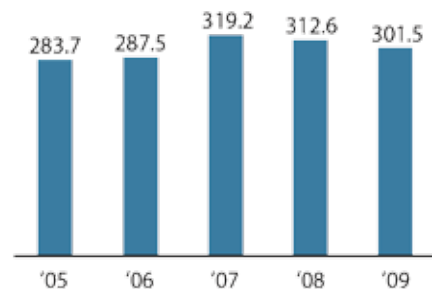
	<b>2009</b>	<b>2008</b>
<b>OPERATING REVENUES</b>	\$ 35,894	\$ 34,596
<b>OPERATING EXPENSES</b>		
Cost of Purchased Power	22,851	22,650
Operations and Maint. Expense	6,812	6,756
Depreciation	2,324	2,114
Interest	1,789	1,846
Taxes	872	809
<b>Total Operating Expenses</b>	<b>34,648</b>	<b>34,175</b>
<b>Net Operating Income</b>	<b>1246</b>	<b>421</b>
<b>NON-OPERATING MARGINS</b>		
Capital Credits - G&T and Other	2,007	2,623
Income (Loss) from Subsidiary	213	470
Non-Operating Margin - Other	163	65
<b>Total Non-Operating Margins</b>	<b>2,383</b>	<b>3,158</b>
<b>NET MARGINS</b>	<b>3,629</b>	<b>3,579</b>

**Active Meters**

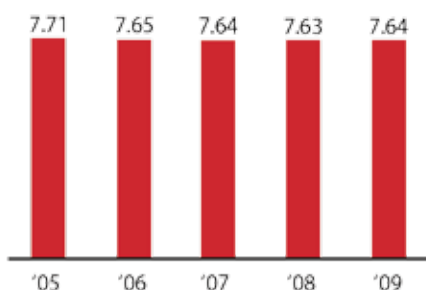


**Member Sales (kwh)**

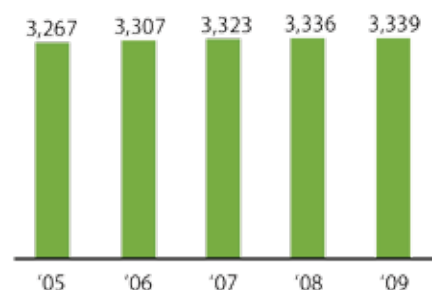
(in millions)



**Meters Per Mile of Line**



**Miles of Electric Line**



# Financial Summary

## HomeWorks Affiliates

### Statement of Operations: Tri-Co Services, Inc.

<i>(in Thousands)</i>	Year Ended December 31,	
	<b>2009</b>	<b>2008</b>
<b>OPERATING REVENUES</b>	\$ 6,122	\$ 6,881
Cost of Sales	4,673	4,678
Sales, General & Administrative Expense	1,114	1,449
Income Tax Expense	122	284
<b>NET INCOME</b>	<b>\$213</b>	<b>\$470</b>

### Balance Sheet: Tri-Co Services, Inc.

<i>(in Thousands)</i>	Year Ended December 31,	
	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>		
Current Assets	\$ 3,051	\$ 2,657
Investments in Associated Organizations	1,646	1,349
Property and Equipment, less depreciation	3,448	3,667
Notes Receivable	2,032	3,313
<b>Total Assets</b>	<b>10,177</b>	<b>10,986</b>
<b>EQUITIES and LIABILITIES</b>		
Current Liabilities	1,501	1,792
Deferred Taxes	1,075	1,455
Common stock - \$1 par, 50,000 shares	50	50
Additional paid in capital	937	1,287
Retained Earnings	6,614	6,402
<b>Total Equities and Liabilities</b>	<b>\$10,177</b>	<b>\$10,986</b>

### 2009 Affiliate Statistics

**3,658**

Propane Customers  
(3,868 in 2008)



**4,453**

DIRECTV Customers  
(5,031 in 2008)

**74.7%**

Equity  
(70.4% in 2008)



**434**

WildBlue Customers  
(529 in 2008)



## Working to Provide Reliable Service



**Planning the work**  
A line crew from Blanchard reviews a project.



**Reaching high**  
HomeWorks crews are working across the system to maintain and upgrade power lines to assure you reliable service.



**Assembling a pole**  
A Portland line crew prepares a new pole before it's installed as a replacement.



**Right-of-way clearing**  
Cutting trees out of the power line rights-of-way is helping reduce outages.

## Final Phase of Facilities Upgrade

This is the final phase of an eight-year facilities upgrade that began with a garage at Portland to keep the equipment under cover, protecting that big investment. We continued at Blanchard with a garage for the equipment used from that office, and a renovation of the Blanchard office to make better use of the space we had. This final phase is bringing the Portland office, built in 1941, up to code and making it more energy efficient, as well as connecting the office building to the Operations Center to work more efficiently.



## Energy Optimization Programs

Energy optimization means using energy wisely. HomeWorks offers many energy efficiency programs designed to reduce the energy use of participating members by encouraging investment in energy efficiency measures. These programs are funded through an Energy Optimization Surcharge on member's monthly electric bills (as required by Michigan Public Act 295 of 2008).

**\$50**

CASH BACK  
WATER HEATER  
PROGRAM

**\$300**

CASH BACK  
HVAC BLOWER  
PROGRAM

**\$20**

CASH BACK  
THERMOSTAT  
PROGRAM

**\$30**

CASH BACK  
OLD APPLIANCE  
PROGRAM

**\$50**

CASH BACK  
CLOTHES WASHER  
PROGRAM

**FREE**

ONLINE  
HOME ENERGY  
AUDIT

For more rebates and information, visit us at:  
[www.homeworks.org/SaveEnergy](http://www.homeworks.org/SaveEnergy)  
or call:  
1-877-296-4319.





**Tri-County Electric  
Cooperative**

## Mission:

Our mission is to provide our members and customers with energy, comfort, and communications solutions that will enhance their quality of life.

[www.homeworks.org](http://www.homeworks.org)  
800-562-8232

