

...Continued from previous page.

In April 2019, we announced revisions to our Facilities Charges to be implemented over three years; 2021 marks the third and final phase of that adjustment. Rate Classes affected by this are Residential, Farm, Seasonal, and Small Commercial 0-30 HP. Below you can see the revisions since November 2019, including those that will be implemented next month.

BCEC Monthly Facility Charges			
	Former - through Oct. 2019	Nov. 2019	Nov. 2020
Residential – shown on bill as RES, RESAE Facilities Charge	\$21.50	\$26.00	\$30.00
Farm & Seasonal Farm – shown on bill as FARM Facilities Charge	\$25.00	\$26.50	\$27.50
Seasonal – shown on bill as SEAPB Facilities Charge	\$25.00	\$28.00	\$31.00
Small General Service Facilities Charge 0-30 HP			
Single Phase – shown on bill as 1PH50	\$30.00	\$34.00	\$37.00
Three Phase – shown on bill as 3PH50	\$50.00	\$54.00	\$57.00

We implemented this change over three years to minimize the impact to you, passing along the necessary increase gradually in small amounts. Facilities Charges are in place to cover fixed costs associated with maintaining electric service to a location regardless of whether it consumes electricity or not. These fixed costs tend to be higher in rural areas such as ours, primarily because our population density is lower and there are fewer meters per mile. For example, BCEC averages 2.4 meters per mile; in more populated areas such as the Metroplex, some utilities may average 3-4 dozen meters per mile and can spread fixed costs out among more consumers.

BCEC and GSEC work together closely to make sure that you have reliable power. Your BCEC board of directors and management staff study and work hard to manage costs, rates, and trends such as electric usage, economics, and weather that influence consumption of electricity. Although we know increased cost is not pleasant news that anyone wants to hear, we strive to be straightforward in our communications to you and always mindful of the impact on your wallet.

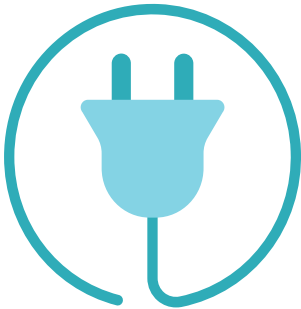
We thank you for your continued trust and membership in BCEC.

What Does My Facility Charge Cover?

Ever wondered what your monthly facility charge supports? It takes a solid infrastructure and great people to keep safe, reliable, and affordable power flowing to your home. Here's how BCEC's facility charge breaks down:



**Big Country Electric
Cooperative, Inc.**



MEMBERGRAM

October 2021

Due to increased Covid concerns and out of consideration for the health and well-being of our members and employees, your BCEC Board of Directors and Leadership Team elected to convert this year's Annual Meeting of the Membership to a virtual event only, canceling the in-person component. We hope for better circumstances in 2022 and look forward to hosting you once again.

Our Member Appreciation Day Open House, which was scheduled for October 21 at each BCEC office, is also canceled.

- Please stop by your local BCEC office to receive your Annual Meeting member gift and Open House energy efficiency kit (*limited kits available*).
- Visit bigcountry.coop and click on Annual Meeting 2021 to view our Annual Report and video. Director election results and door prize winners are posted there as well.
- Annual Meeting door prize winners will also be contacted by phone.
- Due to printing deadlines, director election results will be printed in November editions of your *Membergram* newsletter and *Texas Co-op Power* magazine local pages.

BCEC offices remain OPEN.
You are always welcome to visit or contact us with any questions.

**Thank you for being a member of
Big Country Electric Cooperative!**

Cooperative Principle #6: Cooperation Among Cooperatives



When our Plainview Substation transformer began showing signs of distress this summer, we knew we had to act quickly to prevent a major service interruption for our members east of Snyder. Our neighbors at Taylor Electric Cooperative gladly loaned us their mobile substation, which has allowed us to temporarily bypass our Plainview Substation transformer and maintain normal operation while repairs were made, without disrupting service to members.

In Action!

This is the Cooperative Difference. Thank You to our neighbors at Taylor Electric Cooperative!





Monday - Thursday 7:30 a.m. - 5:30 p.m., closed Noon - 1:00 p.m.

Friday 7:30 a.m. - 11:30 a.m., closed to visitors

Call Toll Free: 1-888-662-2232

Roby: (325) 776-2244 Stamford: (325) 773-3684

Snyder (325) 573-3161

Please call your local BCEC office to report power outages!

www.bigcountry.coop



We're mobile!

Access your BCEC account anytime, from anywhere! bigcountry.coop - click on the Smart Hub icon. Download the free SmartHub app from

the App Store or Google play and have access to pay your bill, view usage, request service and more!



Ask about our partnerships with:



Second Nature



Rural Development Assistance Available Through BCEC
BCEC is an Equal Opportunity Lender



Big Country Electric Cooperative, Inc. has a limited amount of funds available for low-interest loans to qualified applicants to stimulate rural development. Applicant does not have to be a member of Big Country Electric Cooperative. Please contact Sarah McLen at smclen@bigcountry.coop for details.



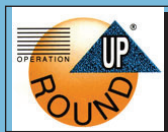
Call 811 at least 2 working days before you dig.

Visit www.texas811.org for more information.

Know what's below.
Call before you dig.

Agricultural Tax Exemptions - In order to claim an exemption from Texas sales and use taxes on electricity and other items used in agricultural and timber operations, you are required to provide us with a registration number on Texas Agriculture Sales and Use Tax Exemption Certification Form 01-924. All water wells should be exempt if used for irrigation or watering livestock. The Texas Comptroller's Office issues the registration number and those wanting to claim the exemption must fill out an application. Registration numbers must be renewed every four years. Applicants can request a paper application to mail in by calling 1-800-252-5555 or download a copy from the comptroller's website, www.getreadytexas.org. The generic exemption certificate, Form 01-339, cannot be used to claim the agricultural exemption. Accounts that do not have the new required form on file will be subject to taxation.

Commercial Tax Exemption Records - A completed and signed exemption form is required for each commercial tax exempt account. Accounts that do not have current exemptions on file will be changed to taxable accounts. Any refunds for taxes must be claimed from the State of Texas. Thank you for your help.



For complete information about our Operation Round Up program or to opt out of participation, visit bigcountry.coop and click on the Operation Round Up icon.

Update on Additional Costs for BCEC and Members Related to Winter Storm Uri; Phase Three of 2019 Rate Adjustment

As we shared with you in July, the financial impact of the February winter storm to Big Country Electric Cooperative (BCEC) was approximately \$14 million, which mostly represents the increased cost of fuel necessary for generation of electricity during that time. Winter Storm Uri caused natural gas spot market prices to spike to a level never seen before, driving up the cost of power generation. Additionally, natural gas wells froze up and rolling blackouts might have shut down compressor stations that were pushing gas to GSEC generating facilities. That action caused two of our generating facilities, Mustang Station in Denver City and Antelope-Elk Energy Center in Abernathy, to stop producing electric energy, making the entire GSEC territory (including BCEC) susceptible to both the ERCOT (Electric Reliability Council of Texas) and SPP (Southwest Power Pool) market price spikes for several days during and after the storm moved out. As referenced above, natural gas remained at extreme price levels throughout this scenario as efforts were being made to generate power for our members – you. Despite periods of time that our members were without power due to the rolling blackouts, when power was on usage was exceptionally high.

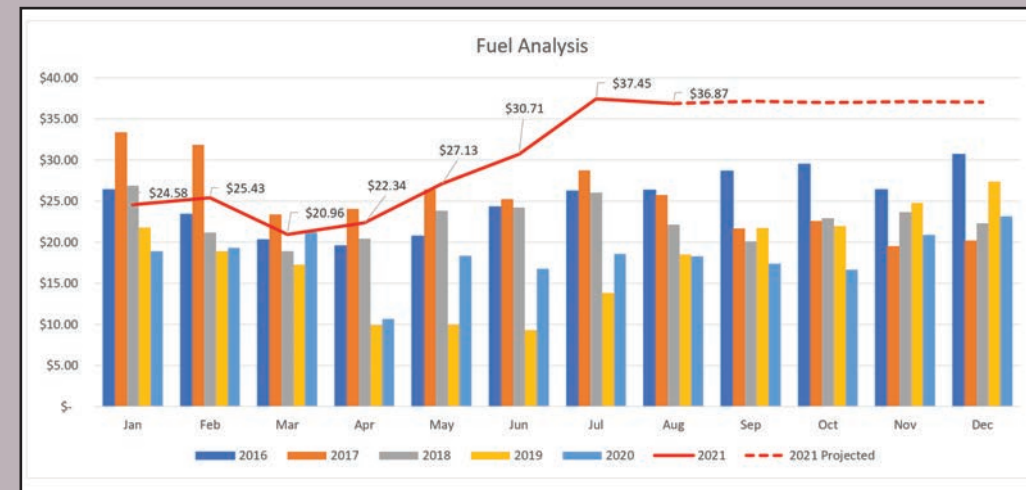
We also shared in July that BCEC will have to collect at least some of this cost from the membership, but we will be doing so as minimally as possible to keep the impact to you as low as we can. You will see this reflected in the PCA (Power Cost Adjustment) on your bill. As of August 31, 2021, our remaining balance due to Golden Spread Electric Cooperative (GSEC, our power supplier) is \$7.8 million; approximately \$6.4 million has already been repaid, of which \$3.5 million in non-member margins payable to BCEC from GSEC that were applied to offset a portion of the winter storm debt. This is good news for you as a BCEC member, because it will ultimately reduce one element of expense that has contributed to the additional costs we've recently had to pass along to our members through the PCA on your bill.

The PCA is the rate component on electric bills that is based on our average expected/budgeted purchased power cost of \$0.06 per kWh for 2021. The exact cost of purchased power varies somewhat from month to month, which is why we base our rate on the budgeted average just mentioned. BCEC's residential, farm and seasonal rate is \$0.099665 per kWh; the difference between

that and the budgeted cost of purchased power is about \$0.039665 per kWh, which is what we operate on. The Wholesale Power Cost from GSEC is passed on to the distribution cooperative (BCEC) then to its member-consumers, you. When the Wholesale Power Cost is greater than the amount recovered through the base rate, a Power Cost Adjustment (PCA) is added to each member's bill. Undoubtedly, you've noticed an increase in this portion of your bill. This is not profit for BCEC; rather, this additional amount is inclusive of the increased Wholesale Power Cost due to the sustained higher than expected cost of natural gas for power generation as well as the deferred Winter Storm Costs we are repaying to GSEC as explained above.

In the graph to your upper right, fuel costs are shown per megawatt hour (MWH) of electricity, which is the unit of measure we purchase electricity in. One MWH equals 1,000 kWh, which is the unit of measurement we use for the electricity you consume. You can see the variation, which is directly tied to the increased cost of natural gas and understand how the cost for generation of electricity has been driven up. Unfortunately, we expect to see the cost of natural gas remain high throughout the rest of 2021; therefore, the PCA will remain at its current rate of \$0.01/kWh for the remainder of the year due to this higher than expected/budgeted expense as shown on the Fuel Analysis Graph to the upper right.

How long will the PCA remain an additional amount on my bill? This is difficult to predict, given the recent volatility of natural gas prices. For many years, the PCA was a credit to your bill, reducing it, primarily because the cost of natural gas was so low. The cost of natural gas coupled with the winter storm costs are the two factors that have combined forces to turn the PCA from a credit to an additional amount. If the price of natural gas declines it would certainly help to reduce the additional amount of the PCA but would not eliminate it as an extra charge, because we must continue to recover revenue to repay our winter storm costs. Unfortunately, you can expect the PCA to remain as an additional charge for the foreseeable future; we expect to be able to share more details about the future of this charge in Spring 2022 following the conclusion of our annual financial audit as well as discovery of load and fuel cost forecasts for 2022.

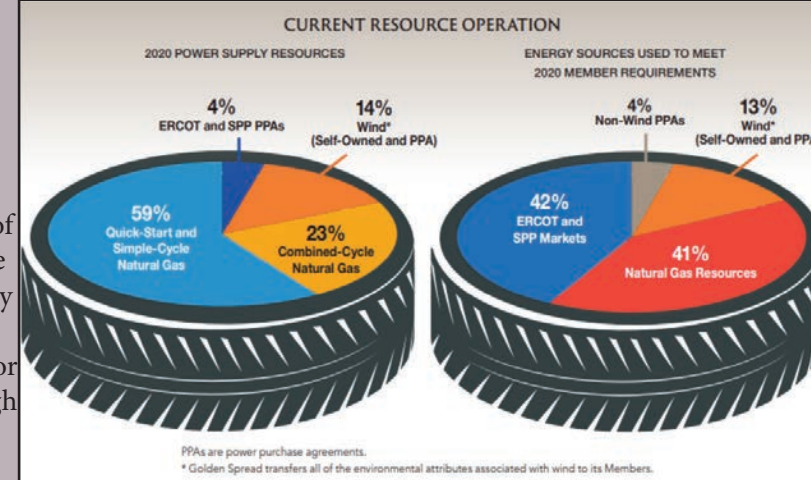
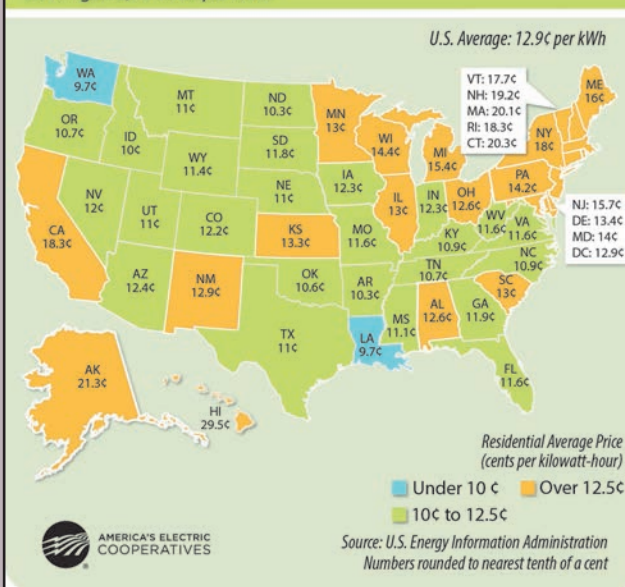


Despite the additional cost added to your electric bill through the PCA, BCEC remains able to offer competitively priced energy not only compared to average costs for other Texas consumers, but on the national level as well.

If natural gas has become more expensive, why continue using it? While renewable energy use is increasing, we will still primarily depend on traditional forms of generation, such as natural gas, to keep power flowing reliably to your home. After all, solar and wind energy are referred to as "intermittent" power since the sun does not always shine and the wind does not always blow. This fact coupled with the growing

Average Prices for Residential Electricity

2017 figures, in cents per kWh



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