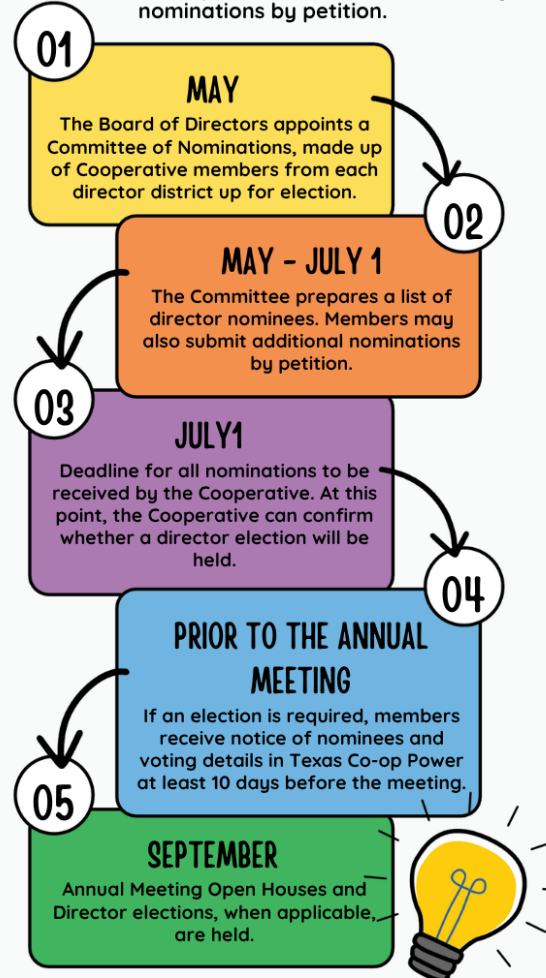


DIRECTOR ELECTION UPDATE

In accordance with Article VI, Section 6.06 of the BCEC Bylaws, the Committee on Nominations met on June 15, 2026, at the Roby District Office to consider nominations for the 2026 Board of Directors election.

The committee nominated the incumbent directors for the districts up for election:
 District 3 - Chris Estes
 District 4 - Todd Coker

Additional nominations may be made by petition signed by at least 25 members. Petitions must be received by the Cooperative on or before July 1 to be included on the ballot. As of the publication date of this issue, the Cooperative has not received any nominations by petition.



SEPTEMBER 29, 2026

Save The Date
 Member Appreciation Open Houses
 3:30-6:30 p.m.

SEPTEMBER 2026

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Virtual Annual Meeting online all day!
 Read your August and September Texas Co-op Power magazine for more details.

Capital Credits: Member Ownership in Action

Capital credits are one of the unique benefits of cooperative membership. As a member-owned cooperative, BCEC operates according to the principle of member economic participation, meaning margins remaining after expenses are allocated back to members as capital credits based on their electric usage.

How Capital Credits Work

Each year, any revenue earned beyond the cost of operating expenses, known as margins, is allocated to members based on how much electricity they used during that year and recorded to their capital credit account.

This year, BCEC allocated \$3.62 million in margins to members who received electric service in 2025. In addition, the BCEC Board of Directors approved retiring \$561,051 in capital credits, returning a portion of those funds directly to members.

Allocation vs. Retirement

An allocation is your share of the cooperative's margins for a given year. These amounts are recorded to your capital credit account and retained by the cooperative for a period of time to help fund system maintenance, infrastructure improvements, and daily operations. Using these member-provided funds helps reduce borrowing needs and supports the cooperative's long-term financial stability.

A retirement occurs when the Board of Directors determines the cooperative's financial condition allows a portion of previously allocated capital credits to be returned to members.

This year's retirement includes:
 80% (\$448,843.35) to members with capital credits from 1996, 1997, and 1998
 20% (\$112,210.55) to members who earned capital credits in 2025

BCEC uses a combination of first-in, first-out (FIFO) and last-in, first-out (LIFO) retirement methods. In simple terms, most of each year's retirement is directed toward older outstanding capital credits, while a smaller portion is returned to members who earned capital credits more recently.

This balanced approach helps BCEC fulfill its commitment to retiring older capital credits while also allowing current members to benefit from the cooperative's member economic participation principle.

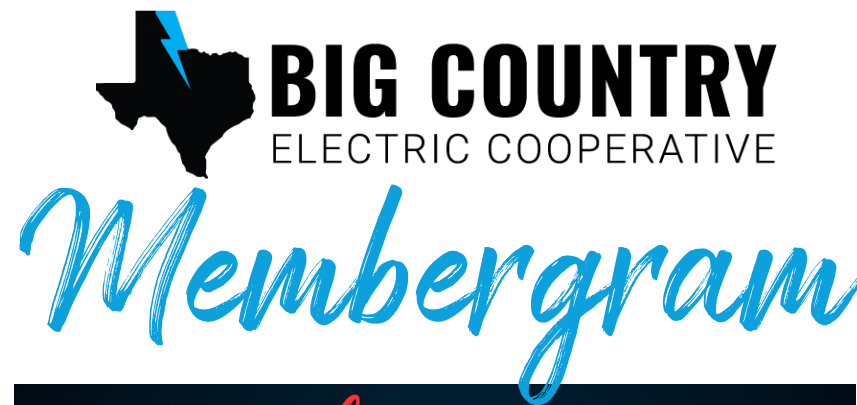
Receiving Your Capital Credit Retirement

Last year, BCEC implemented a new capital credit retirement process for residential accounts. To reduce costs and simplify the process, residential, farm, and seasonal accounts receive their capital credit retirements as bill credits rather than separate mailed checks.

If you have a single residential meter, your capital credit retirement will appear in the "Detail of Charges" section of your July bill. Members who receive a Group Invoice for multiple meters can find the credit listed under the "Other" line for the applicable accounts.

Non-residential accounts, including commercial, large power, and irrigation members, will receive their capital credit retirements by mailed check during July.

Allocation notices were mailed separately and provide additional details about each member's 2025 capital credit allocation. If you have questions about your allocation, retirement, or how your capital credit was applied, please contact our office. We're always happy to help explain the process and answer any questions you may have.



4th of July

Our offices will be closed July 2-3 in observance of the Independence Day weekend. Even though our offices will be closed, crews will remain on standby to respond to any outages or emergencies.

Please use our payment drop boxes, SmartHub, or call our automated phone system at 855-940-3872 to pay your bill.

A Week in Washington

Three local students recently returned from an unforgettable week in Washington, D.C., representing BCEC on the 2026 Government-in-Action Youth Tour.

Ellie Harris, Blake Williamson, and Madyson Castorena joined more than 150 Texas students and nearly 2,000 students from across the country for the annual leadership program sponsored by electric cooperatives.

During the week, delegates visited historic landmarks and memorials, toured Mount Vernon, explored museums and cultural sites throughout Washington, D.C., met with congressional representatives on Capitol Hill, and participated in educational activities highlighting our nation's history, government, and heritage.

The experience gave students a firsthand look at American history, government, and leadership while building friendships with peers from across the nation.

BCEC is proud of the way Ellie, Blake, and Madyson represented our cooperative, their schools, and their communities throughout the trip. We hope the memories, experiences, and connections they made during Youth Tour will stay with them for years to come.

Applications for the 2027 Youth Tour will be available later this year. High school sophomores, juniors and seniors in BCEC service territory are encouraged to apply.



www.bigcountry.coop

July 2026

OUR COMMITMENT TO RELIABILITY



Several system improvement projects continue across BCEC's service territory.

Sundance PPI has completed this year's pole inspection work, and the results are now being used to prioritize future maintenance and system improvement projects. Impact Engineering is currently staking pole replacement projects identified through the inspection process, with crews working in areas served by the Celotex Substation.

Primary Utility Services continues replacing aging poles and infrastructure throughout the system to help maintain reliable electric service for members.

Xylem has completed its current scheduled vegetation management work for the season, helping maintain safe clearances around power lines and improve system reliability.

By proactively inspecting, maintaining, and upgrading infrastructure, BCEC can better identify potential issues before they lead to outages or service disruptions.

BCEC Reaches One Million Hours Without a Lost-Time Injury

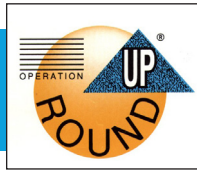
We recently reached an extraordinary safety milestone: **one million work hours without a lost-time injury**, representing approximately eight years of safe operations.

"We are very proud and blessed to have a great team of employees at BCEC," said Safety & Training Manager Robert Pippin. "It takes every team member to achieve a milestone like one million hours of no lost time. Safety starts with each individual and the decisions we make every day, and we could not ask for a better team!"

This achievement reflects the commitment of our employees to working safely each day and looking out for one another. Reaching one million hours without a lost-time injury is a testament to the safety culture we have built together and our dedication to serving our members and communities safely.

8 YEARS
 NO LOST TIME





Committed to Community

For complete information about our Operation Round Up program or to opt out of participation, visit bigcountry.coop/operation-round-up.

A Look at BCEC's Cost-of-Service Study

Delivering reliable power across a large rural service territory takes more than maintaining poles and power lines. It also requires planning to help ensure the cooperative can meet the needs of the members we serve. As part of that ongoing planning process, BCEC recently completed a professional cost-of-service study to evaluate the cooperative's current rates and system needs.

Cost-of-service studies are an important tool used by electric utilities across the country. They help determine whether existing rates support the actual cost of providing electric service to different member rate classes. At BCEC, this includes residential, irrigation, farm, seasonal, small commercial, and large commercial services. Because every member class uses electricity differently, the study helps ensure costs are distributed as fairly and equitably as possible across the cooperative.

BCEC worked with the Cooperative Finance Corporation (CFC) to complete the study, which reviewed the cooperative's financial position, operating costs, usage trends, and long-term system needs. These studies are conducted every five years as part of BCEC's ongoing financial and operational planning to help the cooperative prepare for future needs and challenges before they arise.

Providing reliable power across thousands of miles of rural electric line requires strategic investment. As costs, technology, and system needs evolve over time, studies like this help cooperatives plan ahead and evaluate whether current rates still reflect the cost of service.

COSS Results

The results of the study indicate that BCEC will likely need to move toward a rate update to continue supporting the cooperative's long-term reliability and financial stability. This confirms trends our leadership team has realized, indicating that current rates no longer fully align with the rising cost of operating and maintaining the system over time.

Like many industries, electric utilities are experiencing rising costs across nearly every area of operation. Utility poles, transformers, wire, meters, vehicles, fuel, construction materials, and other equipment required to operate the system cost significantly more today than they did several years ago. Ongoing maintenance, technology, vegetation management, and system reliability improvements also continue to increase in cost.

As a not-for-profit, member-owned cooperative, BCEC does not set rates to generate profits for outside shareholders. Rates are designed to cover our actual cost of providing electric service while allowing the

cooperative to operate safely and reliably. Because BCEC is governed by a local board composed of co-op members, those involved in these decisions understand firsthand the importance of balancing reliability, affordability, and responsible financial planning.

We know conversations about rates impact the people and communities we serve every day. Many families, farms, ranches, and businesses across our service territory are facing rising costs in their own day-to-day operations, and we understand that no one welcomes higher bills. That's why our board of directors and leadership team take these discussions seriously and work carefully to manage the costs we can control before asking members to fund additional costs.

BCEC is continuing to review the study results and develop implementation plans. Similar to the cooperative's previous rate update in 2019, the board and management are focusing on ways to help minimize the impact on members, including phased implementation over time.

Additional details, member information meetings, and formal communication regarding the rate update will be shared with members through upcoming Membergrams, which are distributed with monthly billing statements and online, as well as in Texas Co-op Power magazines. BCEC remains committed to keeping members informed throughout the process and providing clear, transparent communication as details are finalized.

Reliable electricity is something we all depend on every single day, often without thinking twice about it. It powers much of what we do in our homes, workplaces, and daily routines, and while the cost of maintaining and operating the electric system continues to rise, electricity itself still remains one of the best everyday values. Behind the scenes, providing reliable power across a large rural service territory requires careful planning. Even so, our mission remains the same: to keep service reliable and affordable while maintaining the financial strength needed to serve you, our members for the long term.

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:



www.bigcountry.coop

Office Hours

Monday - Thursday: 7:30-5:30

Contact Us

Toll Free: 1-855-940-3872

Roby: (325) 776-2244

Stamford: (325) 773-3684

Snyder: (325) 573-3161

Report Outages

Please **call** your local BCEC office to report power outages.

Power Cost Adjustment (PCA) Update

The BCEC Board of Directors approved a \$0.01 per kWh PCA credit for electricity used in May 2026, which appeared on members' June billing statements. For a member using 2,000 kWh during the month, this credit reduced the bill by approximately \$20.

The PCA (Power Cost Adjustment) is a component of your electric bill that reflects changes in BCEC's purchased power costs. BCEC budgets the cost of purchased power each year, and the PCA adjusts for the difference between that budgeted cost and the actual purchased power costs.

The PCA can result in either a credit or a charge depending on whether actual purchased power costs fall below or exceed the amount budgeted by the cooperative. This helps ensure those costs are reflected accurately on members' bills.

BCEC reviews purchased power costs regularly and remains committed to providing safe, reliable, and affordable electric service while maintaining transparency in how member bills are calculated.



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.comptroller.texas.gov/taxes/ag-timber. 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.

We're Mobile!



Access your BCEC account anytime with SmartHub! Download the app for your mobile device today by visiting www.bigcountry.coop or searching for SmartHub in the app store.

Ask about our partnerships with:



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.