

HomeWorks Tri-County Electric Cooperative

2009 Annual Report



Tri-County Electric Cooperative, Portland, Mich.



Tri-County Electric Cooperative

Representing your district

	Area Served:	Tri-Country Electric Cooperative Board:	Tri-Country Electric People Fund Board:
District 1:	Eaton, Ingham and Jackson counties	Philip Conklin	Richard Palermo
District 2:	Barry and Ionia counties	Wayne Swiler	Jerry Supina
District 3:	Clinton County except Bingham, Duplain and Greenbush townships	Carl Morton	Mary Ellen Heffron
District 4:	Montcalm County, except Bloomer, Crystal and Evergreen townships	Laverne Hansen	Lisa Johnson
District 5:	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
District 6:	Clare and Isabella counties	Ed Oplinger	Dick Donley
District 7:	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

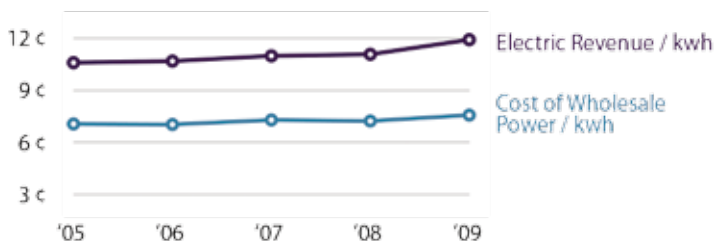
HomeWorks Tri-County Electric Cooperative

Year Ended December 31,

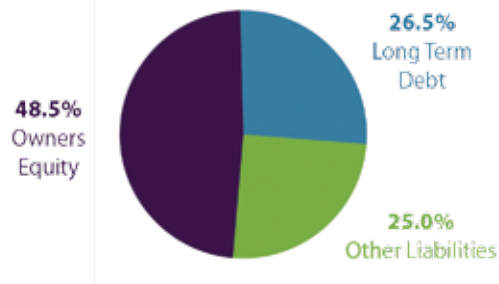
(in Thousands)

	2009	2008
ASSETS		
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
Total Assets	101,109	96,477
EQUITIES and LIABILITIES		
MARGINS and EQUITIES:		
Patronage Capital	39,700	36,808
Other Equities	9,353	8,923
Total Margins and Equities	49,053	45,731
LIABILITIES:		
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
Total Liabilities	52,056	50,746
Total Equities and Liabilities	101,109	96,477

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

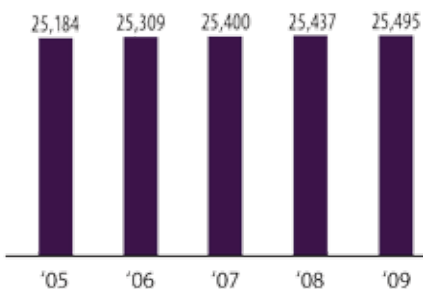
HomeWorks Tri-County Electric Cooperative

Year Ended December 31,

(in Thousands)

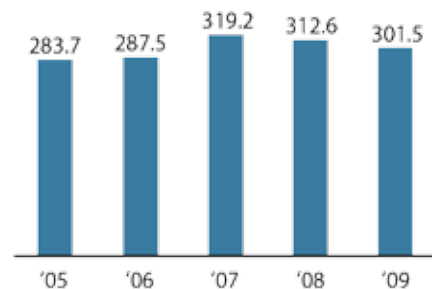
	2009	2008
OPERATING REVENUES	\$ 35,894	\$ 34,596
OPERATING EXPENSES		
Cost of Purchased Power	22,851	22,650
Operations and Maint. Expense	6,812	6,756
Depreciation	2,324	2,114
Interest	1,789	1,846
Taxes	872	809
Total Operating Expenses	34,648	34,175
Net Operating Income	1246	421
NON-OPERATING MARGINS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

Active Meters

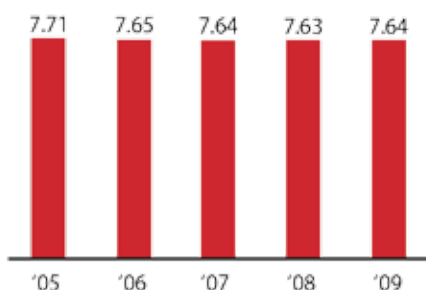


Member Sales (kwh)

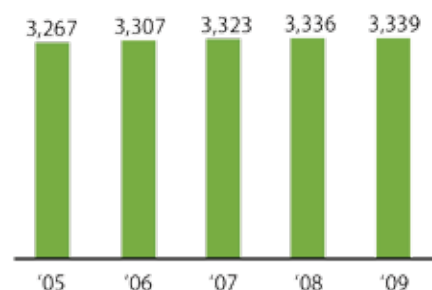
(in millions)



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,	
	2009	2008
OPERATING REVENUES	\$ 6,122	\$ 6,881
Cost of Sales	4,673	4,678
Sales, General & Administrative Expense	1,114	1,449
Income Tax Expense	122	284
NET INCOME	\$213	\$470

Balance Sheet: Tri-Co Services, Inc.

<i>(in Thousands)</i>	Year Ended December 31,	
	2009	2008
ASSETS		
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
Total Assets	10,177	10,986
EQUITIES and LIABILITIES		
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
Total Equities and Liabilities	\$10,177	\$10,986

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
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
800-562-8232



Tri-County Electric Cooperative, Portland, Mich.