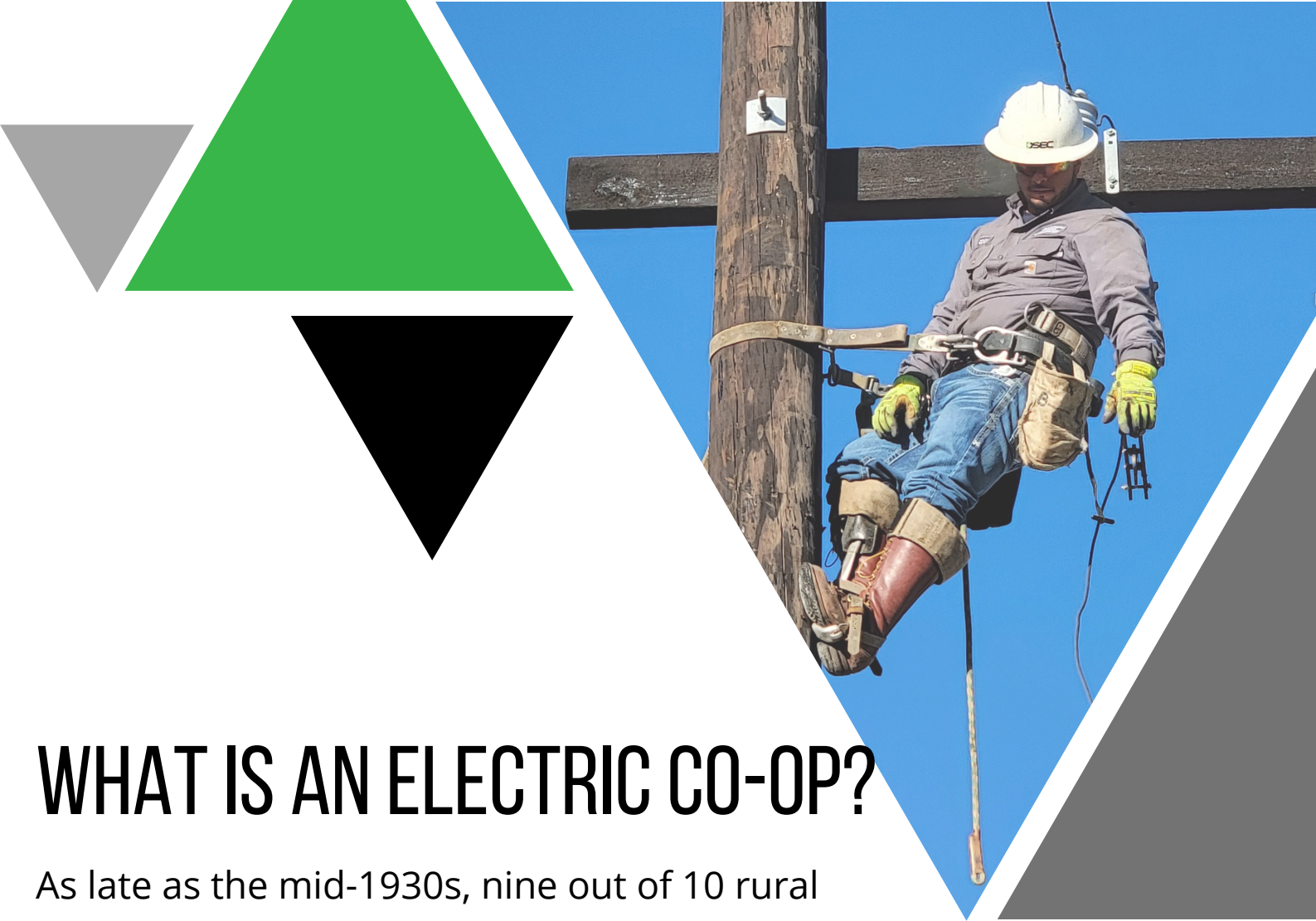


MEMBER GUIDEBOOK

WWW.DEAFSMITH.COOP





WHAT IS AN ELECTRIC CO-OP?

As late as the mid-1930s, nine out of 10 rural homes were without electric service. Investor owned utilities didn't find it feasible to build power lines for them.

In 1935, Franklin D. Roosevelt signed the Rural Electrification Act, which granted farmers and ranchers the opportunity to acquire loans to build power lines. Deaf Smith Electric Co-op was started in 1937.

Electric Cooperatives Are: • Private, independent, non-profit electric utilities • Owned by the members they serve • Incorporated under the laws of the states in which they operate • Established to provide at-cost electric service • Governed by a board of directors elected from the membership, which sets policies and procedures that are implemented by the co-op's management.

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WELCOME TO DSEC

Overview


Our membership resides in the heart of the cattle feeding industry in Texas. The service area is also the home of the most productive cropland in the state. Our employees are well versed in meeting the needs of our irrigation and cattle feeding customers, as well as providing for the needs of the many industries and value-added activities spawned by this vibrant agricultural community.

Mission

To provide reliable electric energy and supporting services to our member/owners and to enhance safety and quality of life for members and employees.

Vision

Values and Beliefs of Deaf Smith Electric Cooperative, Inc.

1. We believe that excellent customer service at competitive rates is essential.
 2. We are committed to a high standard of ethics, integrity, courtesy and being involved leaders in our community.
 3. We strive for a healthy team spirit (loyal, interest of the cooperative, work together with respect, good attitude) with well-qualified employees who are adequately compensated.
 4. To be financially sound while maintaining a high quality system.
- 

7 COOPERATIVE PRINCIPLES

Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions.

Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative.

Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperatives.

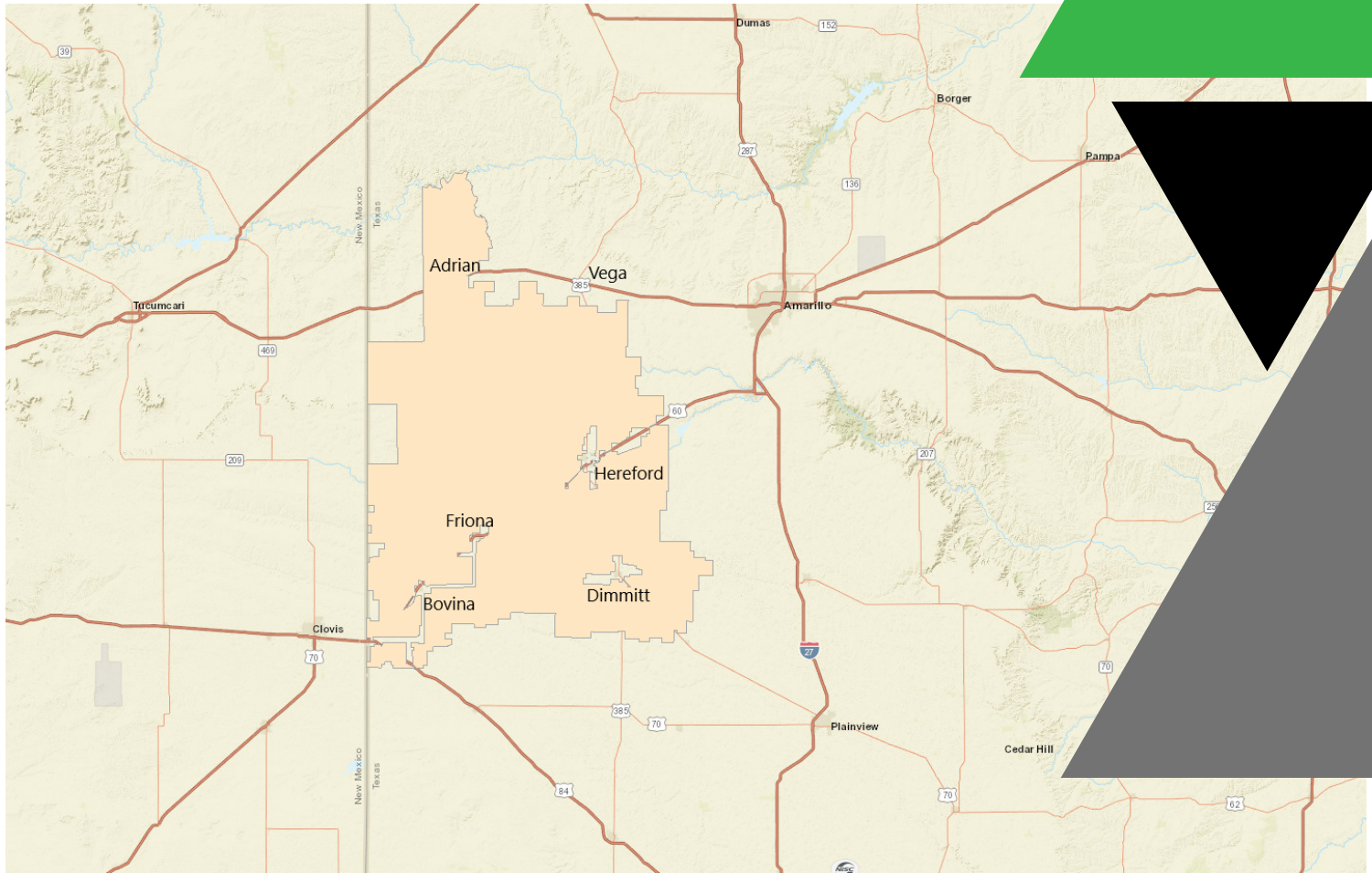
Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for Community

While focusing on member needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

SERVICE TERRITORY MAP



Deaf Smith Electric Cooperative is a distribution cooperative with headquarters in Hereford, serving portions of Castro, Deaf Smith, Oldham and Parmer counties on the high plains.

Our service area lies in the western Panhandle and includes about 3,000 square miles at elevations of 3,600 to 4,500 feet. The Ogallala Aquifer lies underneath most of the area, except for the extreme northwest sections. Water is most abundant on the southern sections. The territory is flat plains, almost all the land is tillable, apart from some playa lakes and draws in the northwest "Caprock" area.

A small portion of the service area is used as ranch land for both stocker and cow-calf operations. The cattle graze on improved pastures, stubble fields and wheat pastures. The growing season is approximately 180 days. Principal crops are cotton, corn, grain sorghum, vegetables, and wheat. The economy of the region is highly dependent on the agriculture production, which changes, affecting the population, load growth and electricity sales. Recently the load growth has been from the development and construction of dairies and wind farms in the area. The maximum demand for electricity occurs during the summer, primarily from irrigation and air conditioning loads during the hot and dry periods.

EMPLOYEES AND DEPARTMENTS

Member Services

Member service representatives are the hub for all member activity at the co-op. You speak to them when you call to discuss your bill, apply for service, have a disconnection notice, or have an outage. They greet you when you come into the co-op's lobbies, and send you information on how to lower your electric bill. They are the front line of service. Communications and community engagement is also in this department.

Engineering

After you speak with member care, if you have construction you will often meet with an engineering employee. The engineering department is responsible for the design of our system, and for the effective transmission of power from substations to your home or business. This department maps the power lines and is responsible for the general flow of power throughout DSEC's 4,600+ mile power line system.

Line Crews

Line crews make engineering's design possible, and keep the power flowing to your home or business. They are the team who constructs, repairs, and services all 4,600 miles of power line. Line crews can quickly respond to outages and service needs at all hours of the day or night.

IT

The rapid advancement of technology has greatly impacted the electric co-op itself and how we operate. IT keeps our networks going, protects our data, and supports all employees with phone networks, cell phones, field radios, and general day to day IT computer support.

Metering

Metering ensures our meters are communicating accurate data back to the system and troubleshoot field issues that impair any meter access such as tampering and theft.

Physical Plant

This department maintains all DSEC facilities as well as the fleet.

Accounting

Accounting handles all of the balance sheet accounts including: general plant and line assets, materials inventory, capital credits, accounts payable, accounts receivable, and income statements including revenue, expenses and finances.

Executive Office

This area of the co-op serves as overall support for all departments. The Executive Office consists of the CEO, executive admin, and the seven elected Board of Directors.

PAYMENT OPTIONS

Pay Online

www.deafsmith.coop Access your account 24 hours a day from any computer to view usage, make payments or manage your account. Login to the SmartHub portal at the top of the homepage.

Pay With Your Smart Device

Download the SmartHub app to your iPhone or Android device.

Bank Draft

Sign up to have your bank account drafted for your monthly bill. You can sign up via your SmartHub online account or by filling out a form and turning it into the office.

Budget Billing Plan

Budget Billing charges a more balanced monthly amount, avoiding seasonal highs and lows. Bills are averaged to determine the monthly payment. Call our office to see if this option is best for you.

Prepaid Metering

Daily readings are imported and validated by Meter Data Mgmt. Then they are billed and low balance notifications are sent via email, texts or "push" notifications on your phone. Once the balance is zero you will be disconnected until you make a payment.

Pay by Phone

1-806-364-1166

Pay in Person

Pay your bill at the office, 1501 E. 1st Street, Hereford. Drive-up tube and after-hours dropbox available.

Pay by Mail

P.O. Box 753, Hereford, TX 79045-0753

MoneyGram

Cash only payments anywhere MoneyGram is accepted. List of retailers at www.moneygram.com

CAPITAL CREDITS

How it Works

1. You are a member/owner of Deaf Smith Electric Cooperative.
2. You pay your monthly electric bill in order to help cover the cooperative's operating expenses.
3. The cooperative's operating expenses are subtracted from money that is collected throughout the year.
4. Based on your revenue, you are allocated back a certain amount each year.
5. Checks are issued in the spring and members can pick them up at our annual meeting, usually held in March. Checks not picked up are mailed.

As a non-profit, member-owned electric cooperative, capital credits are just one of many differences that set cooperatives apart from other business models. capital credits are your equity in the co-op and the capital that DSEC uses to maintain the distribution system.

*****If you move out of DSEC's service territory, it is extremely important that we have your current mailing address on file. If we lose track of you, your funds will be escheated to the state of Texas.*****

RATES AND FEES

Non-Payment Disconnect Fees:

If payment is not received in our office before the disconnection date, your service may be disconnected. If disconnected, you will be required to pay all amounts due in order to reconnect service.

For a remote disconnect meter there is a \$30 reconnect fee. For all other meters, a trip charge of \$20 and a \$30 reconnect fee. After hours the reconnect fee is \$45. You will also be required to pay a deposit equal to 1/6 of the future estimated annual billing. These additional charges as specified will be applied to your account and will need to be paid before reconnection.

Deposit:

If credit is not established for residential service, a deposit of \$200, but not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billing, plus any associated connect fees, all payable in advance. For all other meter classes the deposit is 1/6 of estimated annual usage or less, as negotiated, but not less than \$250. A deposit may be required if a member's account has been disconnected for nonpayment.

High Bill Complaint Service Check: One free per year. After is \$20 per service check.

Meter Fee: See next page for monthly fees

Transfer Fee: \$5 per meter up to nine meters, or up to a maximum \$45.

(when AMI readings can be used for account changes the \$5 fee up to \$45 shall be charged unless customer requests a change as of the last billed reading. When readings must be taken in the field, the applicable trip fee shall be applied)

Trip Fee:

The Cooperative shall charge \$20 for each trip to member's premises during office hours and \$35 after hours, which is requested by the member, or is reasonably necessary under standard operating practice (e.g. maintenance calls if the problem is on the member's side).

Aid to Construction: Member shall make non-refundable contribution in aid of construction in an amount to be determined and set forth on each respective meter agreement.

Sales Tax: All bills shall be adjusted by the amount of sales tax attributable to the sale of electric service, unless the member has provided proof of exemption.

Power Cost Adjustment: PCA charge is a fluctuating adjustment to your monthly billing to account for differences in actual purchased electricity cost.

Rates for Deaf Smith Electric Cooperative, Inc.

(Effective March 20, 2019)

All rates subject to power cost recovery

Farm & Home - Rate 01 & Rate 02

(includes: residential, fence chargers, stock wells, barns, etc.)

Summer Rate (April through September)**Winter Rate** (October through March)

All kWh.....0.095065per monthFirst 1000 kWh..... 0.095065per month
Remaining kWh..... 0.077565

Customer Charge per meter per month.....\$ 13.50 **Prepaid Metering add \$5 per month**

Irrigation - Rate 03

Summer Rate (July through September)**Remainder of Year** (October through June)

First Step.....50 kWh X Hp X .240523All kWh (flat rate).....0.092030per month

Remaining kWh X.....0.072030

Customer Charge per meter per month.....\$ 15.00

includes Rate 03A (annual minimum @\$20/hp for 5 years) and Rate 03AI (interruptible annual minimum @\$20/hp for 5 years)

Irrigation Rate Example (Assuming 50HP motor, 15,000 kWh usage, one meter)

At the Summer Rate -

First Step.....50 kWh x 50 Hp = 2500 kWh x .240523 = \$ 601.31
Second Step.....15,000 kWh - 2500 kWh = 12,500 kWh x .072030 = \$ 900.38
Customer Charge.....per meter per month.....\$ 15.00
Total Bill.....\$ 1,516.69

At the Winter Rate -

Flat Rate..... 15,000kWh x .092030 = \$ 1,380.45
Customer Charge..... \$ 15.00
Total Bill.....\$ 1,395.45

Small Commercial - Rate 05

Customer Charge..... \$ 25.00 Cost per kWh..... 0.081306

Large Power - Rate 07

Customer Charge..... \$ 40.00 Cost per kWh..... 0.039579 Demand Charge..... \$ 9.00

Industrial - Rate 08

Customer Charge..... \$ 100.00 Cost per kWh..... 0.025734 Demand Charge..... \$ 12.88

Idle Services - Rate 10.....\$ 162.00per year

Lighting - Rate SL

175 Watt Mercury Vapor.....82 kWh.....	\$ 7.65	100 Watt HP Sodium.....	40 kWh.....	\$ 7.65
400 Watt Mercury Vapor.....164 kWh.....	\$ 15.45	250 Watt HP Sodium.....	105 kWh.....	\$ 9.80
1000 Watt Mercury Vapor.....410 kWh.....	\$ 38.45	400 Watt HP Sodium.....	164 kWh.....	\$ 15.45
<100 Watt LED.....	\$ 7.65	1000 Watt HP Sodium.....	410 kWh.....	\$ 38.45

UNDERSTANDING YOUR BILL

1 **Customer ID** - capital credits are filed under this number. If you have more than one account or meter, they are all grouped under the Customer ID

2 **Account Number** - this and the meter number are linked and grouped under Customer ID. More than one account will have multiple account numbers and an invoice group number.

3 **Meter Number** - this unique number is how we read your usage to produce a bill.

4 **Billing Summary** - shows any adjustments made, balance, payments received and current charges.

5 **Current Service detail** - reflects kWh usage, monthly meter fee, Power Cost Adjustment, and Round Up Amount (funds go towards member scholarships, not to exceed \$11.98 per year)

6 **kWh Usage History** - includes your current usage history along with average monthly usage for the previous year. Chart is only available if you aren't part of an invoice group

NNNN



24011 MB 0.485
DSEC
PO Box 753 Hereford,
TX 79045-0753

5 2401
C-8

Customer ID	200000000
Statement Date	03/30/2022
Payment Due	04/18/2022

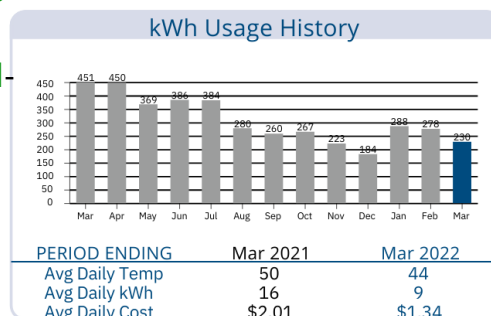
Billing Summary	
Previous Balance	44.00
Payment Received 03/10/22 Thank You!	44.00CR
Balance Forward	0.00
Current Charges	37.00
BANK DRAFT ON 04/11/22	DO NOT PAY

Message from DSEC
For more information about load shedding and how it may affect you, visit the outage center located on our website.
www.deafsmith.coop

Page 1 of 2

Account Number: 1234567

Meter Number	Map Location	Service Address	Services From	Services To	Readings Previous	Readings Current	Meter Multiplier	kWh Usage	Demand Usage	Rate
12345	98 76 54	1501 E 1st St	02/17/22	03/16/22	23019	23249	1	230	2.268	1



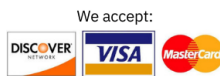
Current Service Detail	
Energy	21.86
Service Charge	13.50
kWh PCA	0.92
Round-Up Amt	0.72
Total Current Charges	37.00
BANK DRAFT ON 04/11/22	

KEEP
SEND
DSEC
PO Box 753
Hereford, TX 79045-0000

Please do not staple or paperclip.

Account Number	1234567
Current Charges	\$37.00
BANK DRAFT ON 04/11/22	DO NOT PAY

Comments/Address Change: _____



We accept:



Account Balance, Monthly Usage,
and Bill Payments are available at
www.deafsmith.coop

DEAF SMITH ELECTRIC COOPERATIVE, INC.
PO BOX 753
HEREFORD TX 79045-0753

WHAT IS A KILOWATT-HOUR (KWH)?

The kilowatt-hour is the basic measurement used to calculate your bill. Any electronic device has a certain amount of electricity it needs to function, also known as its wattage. For example, the average ceiling fan is 50 watts. If you use that ceiling fan for 20 hours in one month, your ceiling fan will have consumed one kilowatt-hour.

POWER OUT?

If you lose power call us 24/7 at 806-364-1166

Power Blinks

Quick, momentary outages that were unnoticed years ago are “reported” today by the many electronic devices around us. Before digital clocks we probably didn’t notice most of these “blinks.”

Many times, having the power blink is better than the alternative — having it go out completely. Blinks are sometimes caused by reclosers, which are devices designed to protect the electrical system. Reclosers essentially act like the circuit breakers in your home, with one major difference. They reset themselves after “breaking” the circuit.

The intent is that a tree touching the line, or other problem, will cause the recloser to open. The device will reset itself and power once again will flow down the line. If the problem has cleared the line, power will stay on. If the problem still exists, the recloser will operate again. After trying three times, most reclosers are designed to stay open until the problem is fixed and the device is manually reset.

The opening and closing of the recloser is almost instantaneous and is often not even noticed. The alternative to using reclosers is to use fuses on each line. While greater use of fuses would result in fewer blinks, it would also create more outages.

DSEC is constantly evaluating our power lines to identify potential blink-causing problems so we can take preventative measures. While we may not be able to prevent all blinks, please let us know if your home or business experiences an excessive number of them.

Is it safe to use a generator when I lose power?

A generator can be a wonderful tool during an outage, but it also can be extremely dangerous if used improperly. Be aware that it’s against the law and a violation of electrical codes to connect a generator to your home’s electrical circuits without a generator transfer switch automatic-interrupt device. Otherwise, if a generator is online when electrical service is restored, it can become a fire hazard. In addition, the improper connection of a generator to your home’s electrical circuits may endanger service crews helping restore power in your area.

What is a pole-top fire?

Pole-top fires can occur when moisture in the air combines with dust and dirt built up on power lines or insulators (used to attach lines to wooden poles) and creates a path by which electricity can travel from lines to the wooden pole or cross arms. This is known as “tracking.” When this happens, the pole or cross arm can heat up and catch fire. The fire damage or the resulting short circuit can cause an outage.

Poles damaged by fire usually need to be replaced, or the line may need to be repaired. Drought and humid weather contributes to the risk of pole top fires, and fog, or light rain can provide the right conditions for pole-top fires to occur. Insulators damaged by lightning or other issues may also cause a pole fire.

INDUSTRY ACRONYMS

Like any good industry, the co-op industry has a variety of acronyms. You might see any of them pop up in local, national or co-op related news stories.

National Rural Electric Cooperative (NRECA)

The organization that represents the interests of over 900 electric co-ops in the U.S. to various legislatures. The Association, which was founded in 1942, unites the country's generation, transmission and distribution cooperatives which are found in 47 states and serve over 40 million people. It is headquartered in Arlington, Virginia.

Texas Electric Cooperative (TEC)

Formed in 1941, TEC assists Texas' 64 distribution and 11 generation and transmission cooperatives with legislation, employee trainings and conferences, a state magazine, and warehouse services.

Golden Spread Electric Cooperative

GSEC is a not-for-profit generation and transmission cooperative organized in 1984 to provide low-cost reliable electric power and energy to its 16 Member cooperatives, including DSEC.

Southwest Power Pool

SPP is a regional transmission organization founded in 1941 in Arkansas. SPP oversees the bulk electric grid and wholesale power market in the central United States on behalf of a diverse group of utilities and transmission companies in 17 states, including the Panhandle of Texas.

Electric Reliability Council of Texas (ERCOT) Is basically the "air traffic controller" of electricity throughout the state. They control some of the Texas electrical grid and make sure it stays balanced.

The Public Utility Commission (PUC)

The Public Utility Commission of Texas is a state agency that regulates the state's electric and telecommunication utilities, implements respective legislation, and offers customer assistance.



MEMBER PROGRAMS

Annual Meeting

Usually held in March, this meeting is the time our entire membership can come together and hear about co-op progress, finances and director election results. All members and their immediate family enjoy a free dinner, door prizes, and a member gift.

College Scholarships

This scholarship awards students in our service area with funds to help support the cost of higher education. They are available to high school seniors, or college students who haven't received a scholarship previously, who plan to attend a 4-year university or 2-year/vocational school. Visit deafsmith.coop for more information.

Government-In-Action Youth Leadership Tour

Compete to win a free VIP trip to Washington D.C. This contest is open to students who are over 16 and a junior or senior in high school, and are the dependent of a DSEC member. For a full list of rules, visit deafsmith.coop.

Co-op Connections

This program allows owner/members to obtain discounts at local restaurants, shops, attractions, and more. In addition, the Co-op Connections program includes a Pharmacy Discount feature. By using Co-op Connections, you will be able to receive 10% to 60% discount on prescription drugs at over 60,000 national and regional pharmacy chain stores.



KEEP IN TOUCH

It's our goal to give you the information you need when you need it. That's why we utilize information resources which are easily accessible and help you understand what is happening at your electric co-op.

www.deafsmith.coop

Our website is created for the everyday user. Scroll through pages to find information on member services, energy saving tips, public safety and more! Find current events posted on the homepage. The co-op's website is the hub of the co-op.

Facebook, Instagram and Twitter

facebook.com/deafsmithec, Insta: @deafsmithec, Twitter @deafsmithec - Like us today! We not only post co-op specific information, but we also post helpful tips and alerts.

Monthly Texas Co-op Power Magazine (center 8 pages)

Yes, read them! This is the #1 way to get co-op information. In addition to CEO updates, the magazine carries information about member events and deadlines, safety and energy efficiency.

SmartHub Online Account

The account management system not only allows you to pay your electric bill, but you can also see weather patterns that impact your usage and your billing history. Download the SmartHub app today to your smart device so you can always have your co-op information with you.

Monthly Bill Inserts

Several times a year the co-op will insert information into your electric bill envelope. These can be high bill explanations, member news and upcoming events.