

HISTORY

OVER 70 YEARS OF RURAL ELECTRIFICATION

The year 2008 marked 70 years of rural electrification for Big Country Electric Cooperative, Inc. We have been providing electric service to our member/owners as Midwest Electric Cooperative, Stamford Electric Cooperative, and now as Big Country Electric Cooperative. It was a difficult beginning, but persistence has paid off as we are here today, over 70 years later, still serving our members.

Requests for electric service from rural residents to the investor owned utilities fell on deaf ears in the 1930's. The big utility companies could not see building miles of electric lines to farms and farm homes in areas such as West Texas. The best return for the Investor Owned Utilities (IOU's) investments were in the cities all across the country. Rural Americans could only wish for such a luxury. Things were about to change. Below is a history of some of the significant events over the years that make our cooperative what it is today.

On May 11, 1935, President Franklin D. Roosevelt signed an order establishing the Rural Electrification Administration (REA). The REA loan program made low interest loans available to any utility that would construct power lines to the rural areas. Even at these low rates, the IOUs would still not build power lines to these areas. Once again, rural people were left in the dark. Rural people looked upon this new movement with skepticism and wonderment. At no other time in history had there been such a belief that such a "city luxury" could be brought to the American farm. Rural folks found it hard to believe that such a program would thrive in sparsely populated areas such as West Texas.

Midwest Electric Cooperative

Rural pioneers such as Sterling Willingham and Cleveland Littlepage in Fisher County and G.J. Smith, H.L. Osment, H.B. Haterius and W.

H. Overton of Jones County saw an opportunity to build for themselves, what private utilities would not build. On June 10, 1938, Sterling Willingham spoke of an idea of starting an electric cooperative at a regular board meeting of the Hobbs School District in Fisher County. After a meeting at the Fisher County courthouse where 15 people attended a second meeting was scheduled to see if more support could be raised. Only 11 interested people came to the meeting. A hat was passed at this meeting where \$13.11 was raised. The services of Attorney Joe Fender were enlisted. Attorney Joe Fender and Cleveland Littlepage traveled to Austin on September 23, 1938 and filed for a charter for Midwest Electric Cooperative. Midwest Electric Cooperative, which was to serve nine counties: Fisher, Scurry, Nolan, Mitchell, Garza, Kent, Stonewall, Jones and Borden.

The first Board of Directors included Cleveland Littlepage, Homer Aaron, Earnest Kiser, L.D. Singley, James Beavers, O.O. Hollabaugh, Julius Edwards and President Sterling Willingham. Each director was to speak with prospective members for service and to collect a \$5.00 membership fee. The fee was a common hardship for most families as times were difficult.

Midwest Electric was chartered with 132 members. A loan was obtained from the Rural Electrification Administration for \$137,000 at 2 percent interest. This money was to help build 43 miles of line between Roby and Rotan in July 1939. This construction was completed in October of that year. The first board meetings were held at the Rotan City Hall. The building next to the First National Bank of Rotan was secured for the first office.

In 1940 the cooperative office was relocated to Roby on Highway 180. At this time the average farm residence saw a usage of 39 kilowatt hours per month at a cost of \$3.58. During the first ten years of Midwest Electric Cooperative, there were 4 Managers: W.A. Jones, Olen Yandell, Troy Peeples and Lon Adams.

During the 1940's, several cooperatives along with Midwest joined together to form the Mid-Tex Generation & Transmission Cooperative. This improved the energy bargaining power of Midwest and neighboring cooperatives being served in Electric Reliability Council of Texas (ERCOT) by West Texas Utilities. Midwest Electric Cooperative joins forces with other cooperatives in 1941 to form "The Texas Power Reserve", later known as "Texas Electric Cooperatives, Inc.", our statewide organization. Serving as Board Presidents for the years 1943-1945 were: Sterling Willingham (1943-1945) and W.O. Moore (1945).

The first organized annual meeting of the members of Midwest Electric Cooperative was held at the Roby High School Auditorium in 1946. John Stavely served as Board President from 1945-1953. Due to the discovery of the Canyon Reef oil field in Scurry County in 1948 the city of Snyder tripled in size. Midwest Electric opened its first Snyder office facility on the east side of the Snyder square. Office space was shared with Bruton's Jewelry Store. The Snyder office of Midwest Electric was a 4 man, two truck maintenance office for a long while.

The 1950's saw a devastating drought that lasted for 7 years. Farming as a way of life was a hardship. Lack of water caused many farms to be sold. People moved to urban areas where jobs could be found. Fortunately for Midwest Electric Cooperative the oil boom in Scurry County came simultaneously as the drought was being experienced. Loads increased during this time. Board Presidents for years 1953-1959 were: Demp Kearney (1953-1955), Vernon Harris (1955-1957), and Grady Williams (1957-1959). Midwest Electric Cooperative built its present headquarters in 1958 in Roby. A warehouse was built behind the office building a year later.

Ted McArthur served as Board President from 1959-1963. 1963 saw a milestone for members of Midwest Electric as the company pays off its original loan to REA of \$137,000. This same year, Glenn Tate was elected to serve as Board President. He served from 1963-1972.

The average cost of a kilowatt hour reached its all time low of less than 3 cents in 1964. The following year, the first rate increase was filed by Midwest Electric Cooperative. Midwest Electric Coop joins other cooperatives to sponsor the “Government in Action Youth Tour” to send area youth on expense paid tours to Washington D.C. annually.

In 1970, Midwest Electric Cooperative, along with other rural electric cooperatives from across the country banded together to charter “The National Rural Utilities Cooperative Finance Corporation” (CFC) in order to fill a need for future growth capital. Midwest Electric passed through to its members the first fuel adjustment charge in 1973. Manager Johnnie Ammons resigns after 18 years at Midwest Electric. Parker Wetsel assumes management position for the next 12 years. During 1979, Midwest Electric Cooperative built its first office building in Snyder four blocks from the town square. The Snyder employees, now at 10, had added 2 additional pickup trucks, a service bucket, and a digger truck to its fleet. Board President, Hoyle Cary serves from 1972-1980.

In 1980, James Beaver was elected as Board President and Manager Parker Wetsel was elected President of Texas Electric Cooperatives for 1980-1981. In 1984 Midwest Electric, along with other cooperatives being served by Southwestern Public Service (SPP), organized another generation and transmission cooperative “Golden Spread Electric Cooperative”, based in Amarillo. Midwest Electric Cooperative started serving the new Price Daniel Unit of the Texas Department of Corrections, 4 miles East of Snyder. Parker Wetsel retires after more than 36 years of service to Midwest. Vesta Orr is named new General Manager on July 1, 1988.

March 9, 1991, Midwest sets first construction meter for Granite Construction for the construction of Lake Allen Henry to be built East of Justiceburg. On May 21, Midwest charters a subsidiary organization “Midwest Development Corporation” in order to assist and attract new business in the area. Midwest begins process of

transferring load from Texas Utilities to Golden Spread in an effort to control power costs from continuing rate increases in 1994. The following year, SnTx Park was dedicated and Lortex Mills was built at this location. Manager Vesta Orr retired and Jerry Stapp was named as his replacement in 1998.

Other Directors since Original Board (in no particular order):

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|-----------------------------|------------------------|-------------|
| A. A. Aaron Andress | John Ward | M. L. |
| W. O. Moore Kennedy | Jerry Upshaw | J. E. |
| Charles C. Gregory Brown | Sue (Herring) Stephens | John R. |
| J. A. Stavely Kearney | Bobby Gruben | Demp |
| J. J. Henry Harris | Vance Lakey | Vernon |
| Grady Williams McArthur | James Beaver | J. L. (Ted) |
| Ted Marchant Bley | Melvin Clements | Charlie |
| Glenn Tate (Buddy) Murff | Joe Falls | J. A. |
| Dwight Nowlin | Bernice Hargrove | H. H. Cary |
| Don Gray | James Cave | Dee Pylant |
| James Nettleton | Donald Coker | Mickey |
| Sterling Mike Herron | | |

Stamford Electric Co-op

Articles of Incorporation were approved for Stamford Electric Cooperative on March 8, 1939 and a Charter was granted March 14, 1939. The original incorporators served as directors: Hugo B. Haterius, C.J. Smith, E.W. Carlson, Ed Newquist, E.E. Link, Arche Pardue, W.H.Overton and Ted Willoughby. The first meeting of the

group was held on March 16, 1939, and the following were officially elected: Hugo B. Haterius, President; W.H. Overton, Vice President; G.J. Smith, Secretary/Treasurer; and H.G. Andrews, Attorney.

The first location for the Cooperative office was the southeast corner of McHarg and Ferguson streets where the Stamford Production Credit Association offered to share space in the old Hardy Motor Company building. H.L Osment was elected as Coordinator/Project Superintendent (1939, 1940-1943). T.L. Evans served as Project Superintendent from 1939-1940.

A loan application was made to REA in the amount of \$158,000 for the construction of the "A" section of line and was approved in July, 1939. There were 136 miles of line to be constructed in the section. The line was energized on November 23, 1939. For the time period of November 23 to December 31, there were 369 members/owners of Stamford Electric Cooperative. These members were billed an average of \$1.72 per month for 15 kilowatt hours used. The "B" section of line which was about 235 miles in length was a number of extensions from the A section. All of these extensions were from one central metering point in Stamford.

During the 1940s, along with Taylor Electric, Midwest Electric and Coleman Electric Cooperatives, Stamford Electric Cooperative forms Mid-Tex Generation and Transmission Cooperative. The first annual meeting of Stamford Electric Cooperative was held September 25, 1940 where the following were elected to serve on the Board of Directors: Hugo B. Haterius, President; W.H. Overton, Vice President; G.J. Smith, Secretary/Treasurer; and E.W. Carlson, J.C. Harwell, E.E. Link, Ed Newquist, Arche Pardue, Ted Willoughby, Directors. The following year, the office was moved to 113 North Swenson.

At the June 1943 board meeting, C.M. Lester was appointed Manager of Stamford Electric Cooperative at a salary of \$200.00 per month.

During the year 1947, the Arledge Building on West McHarg Street is leased for a period of 5 years at \$130.00 per month.

By 1950 after just over 10 years of operation, Stamford Electric Cooperative had grown to 2,867 members, 1,037 miles of line. The average use per meter was 111 kilowatt hours. At the end of the 1950's consumers numbered 3,860, miles of line had increased to 1,763.

On December 31, 1968 Mr. C.M. Lester who had managed the cooperative for 25 years, retired, and Charles W. Stenholm became manager, serving from 1968-1976. During the last days of 1969 the worst disaster to the cooperative came in the form of an ice storm. One to two inches of rain fell over the area as temperatures dropped. Crews worked around the clock as other cooperatives sent crews to help restore power. Most of the residences were back on in 4 to 6 days. Over three hundred poles were lost and many miles of broken wire had to be replaced.

The need for better office space and facilities was recognized by the Board of Directors and the building at 225 West McHarg was purchased and remodeled in 1974. In May 1976, Marvin Massey was hired as General Manager and served until 1985. In March of 1977, a franchise was approved by the Stamford City Council to allow Stamford Electric Cooperative to serve Stamford Lake residence for a period of 25 years. Stamford Electric Cooperative celebrated 40 years of service in 1979.

By 1981, Stamford Electric Cooperative served nearly 1600 oil services with the first oil well being connected in 1948. The first rate increase for Stamford Electric Cooperative was in 1982. In May 1985, Jerry Terrell was appointed and served until 1998.

Other Directors since Original Board:

H.L. Osment
Agnew

E.O. White

J.H.

| | | |
|--------------------------------------|--------------------|-------|
| Ed F. Fouts Simpson | R.P. Nunneley | E.W. |
| W.A. Montgomery Edgar Boaz | E.H. Jenkins | Z. |
| O.G. Lewis Rainwater | M.E. Overton | J.C. |
| C.A. Baucum, Jr. Doty | Weldon F. Walker | Mack |
| Allen Davis Vaughn | Walter E. Fisher | Leroy |
| Willie E. Pieser Jimlee Baucum | John Ed Youngquist | |
| Louis Spitzer Turner | Carl Thompson, Jr. | Sam |
| Lewis Corzine Martin Dale Coleman | Leroy Lundgren | |
| J.F. Dozier Walter Buerger | Billy Middlebrook | |

Big Country Electric Cooperative

On August 15, 1998, members of Midwest Electric Cooperative and Stamford Electric Cooperative approved a consolidation of the two cooperatives. Combined studies by the cooperatives indicated that a consolidation would result in significant benefits to each. All three offices would remain open and would continue to provide full service.

The inaugural board meeting of Big Country Electric Cooperative, Inc. was held January 4, 1999. General Manager Jerry Stapp presided and directors present were: Jimlee Baucum, Walter Burger, Lewis Corzine, J. F. Dozier, John Ben Glover, Bobby Gruben, Sue Herring, Wilbert Klose, Vance Lakey, Billy Middlebrook, James Seidenberger, Mickey Sterling, Carl Thompson, Jerry Upshaw, John Ward, and Carl Williams.

The first BCEC officers were: Jimlee Baucum, President; Carl Williams, Vice president; Lewis Corzine, Secretary; and John Ward, Treasurer. The board ratified the consolidation agreement and approved the Articles of Consolidation and By-laws. In addition, they approved the new logo, board policies, subsidiary name changes, and the transfer of all assets and liabilities from Midwest Electric Co-op and Stamford Electric Co-op.

In May 1999 the first talks began regarding Y2K compliance preparations. Reports were submitted to the Texas Public Utility Commission and critical areas were tested throughout the remainder of the year. On New Year's Eve, all co-op employees worked through midnight to address any problems that might arise. Fortunately, there were none.

On September 1, 1999, nine employees accepted a special early retirement package. Two hundred four years of experience was lost in one day. Those retiring were: Jeanne Black, Joyce Cox, Milton Ehlers, Billie Lou Holcomb, Jimmy Kiker, Bertha Nauert, Barbara Rasco, Beverly Rister, and Jennie Watts.

The first annual meeting of Big County Electric Co-op was held April 29, 2000 at the Stamford High School auditorium. President Jimlee Baucum presided and gave a report on the consolidation. In May, Carl Williams was elected president; Jimlee Baucum, vice president; Lewis Corzine, secretary; and Sue Herring, treasurer, during the reorganizational meeting. Vance Lakey, Billy Middlebrook, and John Ward all retired.

On September 5, 2000 the Big Country Electric Co-op board voted not to opt into competition in the newly deregulated electric industry at this time. They decided to wait and see the effects of deregulation in Texas before they committed the co-op to an action that could not be reversed. The effects of electric deregulation had not proven positive in California.

April 28, 2001, the Second Annual Meeting of Big Country Electric Cooperative is held at Scurry County Coliseum, Snyder Texas. Re-elected to board are Carl Thompson, Mickey Sterling and James Seidenberger. Directors retired from board are: Jimlee Baucum, Lewis Corzine and Walter Buerger.

In May 2001 the Big Country Electric board of directors consisted of nine directors, having been reduced from sixteen directors as part of the consolidation plans. The nine directors were: Carl Williams, president; Carl Thompson, vice president; James Seidenberger, secretary; Sue Stephens, treasurer; and Roger Blackwelder, J. F. Dozier, John Ben Glover, Mickey Sterling, and Jerry Upshaw. The board remained the same until 2004 when Jerry Upshaw retired and was replaced by Todd Coker.

At the annual meeting of the membership on April 27, 2002, Director Wilbert Klose retires from board.

The first residence at Lake Alan Henry near Justiceburg in the Northridge addition was completed in July 2002. As of July 2008, there are thirty eight residences at Northridge and twenty at the Rio Brazos addition. There are plans to have approximately one hundred seventy homes at the lake when all additions are completed.

A tariff for temporary construction service was approved for wind farms on August 21, 2003. A permanent tariff was approved October 20, 2005. As of September 2008, five wind farms are using the auxiliary service rate.

A severe storm crippled much of the eastern portion of the BCEC system on March 4, 2004. One hundred thirty eight poles were lost. The system damages were in excess of \$ 240,000 and over half of the twelve thousand meters were without power. The headquarters office in Roby had to operate using generators. This prompted the development of an IT emergency preparedness plan.

On April 21, 2004, General Manager, Jerry Stapp attended the last Annual Meeting before his retirement on May 1, 2004. Longtime co-op employee and Assistant Manager, Fredda Buckner was introduced as the new general manager.

July 1, 2004 Big Country Electric Co-op and all of the other member co-ops of Mid-Tex G & T withdrew from Mid-Tex. At that time, Big Country EC's ERCOT load from Mid-Tex was transferred to Golden Spread Electric Cooperative (GSEC). The Mid-Tex charter was transferred to GSEC in order to preserve it.

In September 2004, Big Country Electric Cooperative achieved Safety Accreditation for the first time since becoming BCEC. The preparation process took many months but a score of ninety-three and the knowledge that the co-op was operating in the safest manner possible made it worth the effort.

On February 23, 2006, Mrs. Dean Wemken became the first person in co-op history to be nominated for a director position by a petition of co-op members. She was not elected to the position but set a precedent for nominations by petition.

Director Mickey Sterling retired from the board on April 20, 2006 after many years of service. Steve Moore became the new director for District 7.

May 18, 2006-The Big Country Electric Cooperative board voted to transfer the co-op's substation and transmission assets to Golden Spread Electric Cooperative. Big Country EC will continue to maintain these assets and has the option to purchase them back in the future if desired. The transfer is a long process and is pending final approval as of August 2008.

Directors J.F. Dozier and John Ben Glover retired from the BCEC board in April 2007 and new directors were Dickie Sloan and Matt Mueller. Mr. Dozier passed away several months later as did director

Sue Stephens. David Beaver was later appointed to fill the unexpired term of Mrs. Stephens.

The co-op history is long and diverse. These events are just a part of seventy years of providing electric service to this area. Though the characters have changed; the story's mission remains the same. We are here to provide our member-owners with reliable service at a competitive cost while positively impacting our local communities.