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December 22, 2025

Via Email Only

Board of Trustees

Tri County Electric Cooperative, Inc.

c/o Chad Lowder and Cindy M. Sarratt

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St. Matthews, SC 29135

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Re: Electric Cooperative 2025 Compliance Examination in Accordance with S.C. Code Ann. § 33-49-150(A)

Dear Members of the Board:

In accordance with S.C. Code Ann. § 33-49-150(A), the South Carolina Office of Regulatory Staff ("ORS") has examined Tri-County Electric Cooperative, Inc.'s (the "Cooperative") compliance with S.C. Code Ann. § 33-49-615, which requires disclosures of the compensation or benefits by category paid to or provided for board members during the previous calendar year, and S.C. Code Ann. § 33-49-630(A), which provides that compensation shall not be paid except for actual attendance upon activities authorized by the board. The time period examined was the 2024 calendar year. The disclosures mandated by S.C. Code Ann. § 33-49-615 for the 2024 calendar year were required to be made no later than May 15, 2025. S.C. Code Ann. § 33-49-615 went into effect on May 1, 2020, and is one of the provisions in Act 56, which was enacted in 2019.

Our compliance examination verified that information required to be disclosed regarding board member compensation and benefits for the 2024 calendar year was disclosed at a location accessible and visible to the Cooperative membership on the Cooperative's website by May 15, 2025. Information required to be disclosed includes: (1) daily per diem amounts; (2) total per diem compensation for attendance at meetings of cooperative service organizations; (3) total per diem compensation for attendance at regular and special meetings of the board of trustees, including board of trustee committee meetings; (4) total per diem compensation for trustee training and certification; (5) total expenses paid or reimbursed, including mileage, subsistence, entertainment or travel expenses paid in conjunction with items (2) through (4); (6) total value of and description of any other fringe benefit provided; and (7) the total value of and a description of any goods or services required to be disclosed by S.C. Code Ann. § 33-49-630(C)(3). In addition, as part of a previous examination, the Cooperative agreed to include all compensation and benefits board of trustee members receive from affiliates and subsidiaries of the Cooperative starting with the 2022 calendar year disclosure. ORS verified the 2024 calendar year disclosure included this information.

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Our compliance examination also included limited inquiries, review of minutes of meetings, and review of amended bylaws, if applicable.

Based upon the examination procedures performed and the results obtained, it appears that the Cooperative is in compliance with S.C. Code Ann. §§ 33-49-615 and 33-49-630(A).

For calendar year 2026, ORS is planning the following examination schedule:

1. ORS will:

- a) Review each Cooperative's and the Association's disclosure of compensation and benefits for calendar year 2025 as required by S.C. Code Ann. §§ 33-49-615 and 33-49-160(B), respectively, which require disclosing the compensation or benefits by category paid to or provided for board of trustee members during the previous calendar year. These disclosures are required to be made by a Cooperative or Association no later than May 15 and disclose amounts paid for the previous calendar year.
- b) Review each Cooperative's and the Association's compliance for calendar year 2025 with S.C. Code Ann. §§ 33-49-630(A) and 33-49-160(D)(1), respectively, which provide that compensation shall not be paid except for actual attendance upon activities authorized by the board.

2. ORS will conduct in 2026 a comprehensive examination (beyond examining Compensation and Benefits disclosures) of the remaining eligible entities for which a comprehensive examination was not performed during 2024 or 2025. The test period will be July 1, 2021, to December 31, 2025 (test period is 4.5 years).

ORS will announce a schedule for future examinations at the conclusion of those conducted in 2026.

Sincerely,

Keri Dowd-Pugh

Keri Dowd-Pugh, CIA
Audit Manager

cc: Christopher R. Koon, Esquire (via email)