



December 17, 2024

**Via Email Only**

Board of Trustees  
Tri-County Electric Cooperative, Inc.  
c/o Chad Lowder  
6473 Old State Rd  
St. Matthews, SC 29135  
[clowder@tce.coop](mailto:clowder@tce.coop)

RE: Electric Cooperative 2024 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 conducted its examination of Tri-County Electric Cooperative, Inc., pursuant to the provisions of Act 56 which was enacted in 2019, relating to compliance with the provisions of the Act.

ORS conducted its examination in accordance with S.C. Code Ann. § 58-4-50, as amended by Act 56. Section 33-49-150(A) vests ORS with authority and jurisdiction to conduct examinations of electric cooperatives regarding compliance with certain enumerated statutes. Certain statutes covered by our examination are as follows:

- 33-49-255 - Restrictions on Interruption of Electric Service to Residential Customers for Nonpayment of Bill; Exceptions
- 33-49-280 - Bylaws
- 33-49-420 - Meetings
- 33-49-430 - Quorum
- 33-49-440 - Voting
- 33-49-450 - Disposition of Propositions Presented by Not Less Than Ten Percent of Members
- 33-49-610 - Trustees
- 33-49-615 - Disclosure of Compensation and Benefits
- 33-49-620 - Voting Districts for Trustees and For Delegates
- 33-49-625 - Notice, Votes, and Minutes
- 33-49-630 - Compensation or Employment of Trustee; Actions and Conduct Prohibited
- 33-49-640 - Annual Election and Term of Trustees
- 33-49-645 - Conduct of Elections
- 33-49-1420 - Termination Procedures; Contents

Accordingly, the timing and extent of our tests were conducted as follows:

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- (1) The examination involved testing compliance with the statutes listed above, for the period from July 1, 2021 to December 31, 2023.
- (2) ORS's examination procedures included the following: questionnaires, inquiries, review of the Electric Cooperative's bylaws, review of board meeting notices, review of minutes of meetings, review of Trustee compensation and benefits related to board meeting attendance, and other analytical analysis.

Based upon the examination procedures performed and the results obtained from the examination and the affirmations provided, Tri-County Electric Cooperative, Inc. is in compliance with the statutes referenced above.

For future reviews of the Electric Cooperatives and the Association, ORS is planning the following examination schedule:

1. For calendar year 2024 and each year thereafter, the ORS will:
  - a) Review each Cooperative's and the Association's disclosure of compensation and benefits 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 no later than May 15 and disclose amounts paid for the previous calendar year.
  - b) Review each Cooperative's and the Association's compliance 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. The review period will be the same as covered in the compensation and benefits review.

Regarding comprehensive examinations (beyond examining Compensation and Benefits disclosures), the ORS continues to conduct a three (3) year rotation examining one-third of entities eligible to be examined per year. The rotation schedule for comprehensive examinations will continue in 2025 as follows:

**1. 2025 Comprehensive Examinations:**

- Conduct 8 comprehensive examinations covering a test period July 1, 2021, to December 31, 2024 (Test period is 3.5 years).
- This next selection of 8 will be randomly selected from the remaining entities for which a comprehensive examination was not performed in 2024.

**2. 2026 Comprehensive Examinations:**

- Conduct comprehensive examinations covering a test period July 1, 2021, to December 31, 2025. (Test period is 4.5 years).
- The remaining entities for which a comprehensive examination was not performed during the previous two years will be included in this rotation.

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3. **In 2027 the rotation will start over.**

Sincerely,

***David Herpel***

David Herpel, CPA  
ORS Audit Manager

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