

Shop Local for Yuletide Pride and Prosperity



MESSAGE FROM CHIEF EXECUTIVE OFFICER ROBERT A. LOTH III

'TIS THE SEASON, AND MOST OF US WILL SPEND THIS MONTH shopping for, buying, wrapping and giving gifts. If you value our community like I do, you might go out of your way to buy locally.

I love the feeling of walking into my favorite locally owned shop, restaurant or store and knowing that the products, labor and profit involved can make a positive impact on my community. The spirit of Main Street is embodied in these businesses, just like it is in Central Texas Electric Cooperative.

Electric co-ops are as local and community-centered as they come. Founded to bring electricity to communities that didn't interest the big, investor-owned utilities,

electric cooperatives have been a cornerstone of community and economic development in rural America and beyond for decades.

The feeling I get when I frequent businesses in our community is the same feeling I get when I walk into work at the co-op every day: pride. I am proud to be a part of an organization that serves the community in which we live instead of a group of shareholders who might never set foot in our service territory.

Your electric cooperative is a nonprofit. When we make more money than we need to keep the lights on safely and reliably, we return

it to our members in the form of capital credits. This means that after all co-op expenses are paid, any additional money we earn goes back into our community instead of into a shareholder's pocket.

And because we are owned by you, our members, we have a vested interest in making sure our community prospers. We do this by investing in economic development and community service programs.

I hope you view Central Texas EC not just as your electric utility provider but also as a local business that brings pride and prosperity to our community.

We believe that being a part of this community is the most valuable gift, and we hope you feel the same way. Merry Christmas and happy holidays to everyone in your family, from everyone at your co-op family.



CTEC Hosts Toy Drives

CENTRAL TEXAS ELECTRIC COOPERATIVE

will be collecting toys at all four of their offices in Fredericksburg, Kingsland, Llano and Mason until mid-December. Individuals that bring in a donation will get a free koozie. New and unwrapped toys are needed for children ages one to 17.

At our Fredericksburg headquarters, CTEC is working with the Rotary Club of Fredericksburg in their Toys for Tots program, which collects, wraps and delivers Christmas presents to needy children in Gillespie County.

Our Mason branch office toy drive will benefit the Bluebonnet Court Appointed Special Advocates or CASA. CASA provides and supports trained community volunteers to advocate for the best interest of abused and neglected children involved in the court system and find them safe and permanent homes.

The Llano location will deliver the toys collected there to the Llano County Brown Santa program which is sponsored by the Llano County Sheriff's Department. In this drive we ask to refrain from donating stuffed animals. Also, wrapping materials such as paper, tape and bows are also needed.

Finally the Kingsland branch office will be collecting for Sharing the Harvest. This nonprofit organization serves families in need in the Highland Lakes area.



PETAR CHERNAEV | ISTOCK.COM

Stay Safe While Shopping Online

IF YOU'RE LIKE MANY CONSUMERS TODAY, YOU PROBABLY DO SOME SHOPPING ONLINE.

Every year, online sales seem to increase dramatically. During the 2016 Christmas shopping season, internet-related sales grew more than 12 percent from the year before—reaching an astonishing \$122.9 billion, according to the National Retail Federation. But while shopping from the convenience of your keyboard can save time, money and gas, there are important things to consider for your own security:

It's always safer to shop with merchants you know. If you want to buy from a website that's new to you, do an online search for that merchant and "complaints" to check for negative chatter about the seller.

Use secure websites. When placing your order on the merchant's website, make sure that there is an "s" near the beginning of web address: For example, the URL should begin "https://" instead of just "http://." Also, be sure to look for a padlock icon in the upper left or lower right portion of the screen. Both of these features signal that the site you are visiting uses a high level of security to protect customers' personal information.

Credit cards give you greater protection than cash and debit cards. If you are not charged the correct amount for your purchase or do not receive the merchandise you ordered, you can dispute the transaction under the terms of the Fair Credit Billing Act—but only if you used a credit card.

Choose your passwords carefully. Most websites require you to use a password to access your personal information and place orders. Be sure to create passwords that are not easy for others to guess—and use a combination of letters, numbers and, if possible, symbols such as * and % to make it more difficult for your information to be accessed by others.

Check the merchant's privacy policy. This will tell you how they plan to use your information—including whether they will share it with others. You may wish to avoid sellers that do not have a privacy policy, as you have no way of knowing what they'll do with your data.

Always print and keep the receipts from your transactions. Receipts contain all the information from your order, including what you bought, the price you paid and any order or confirmation number. This info is vital if you need to follow up with the merchant or dispute your transaction.

Shopping online is easy and convenient—but by taking some simple precautions, it also can be *safe*.



Central Texas Electric Cooperative

Fredericksburg (headquarters)

386 Friendship Lane
Fredericksburg, TX 78624

Llano

1410 E. St. Hwy. 29, Llano

Kingsland

Nob Hill Subdivision
706 Cottonwood St., Kingsland

Mason

1881 E. State Highway 29, Mason

Office Hours

8 a.m.–5 p.m., Monday–Friday

Website

ctec.coop

CHIEF EXECUTIVE OFFICER

Robert A. Loth III

BOARD OF DIRECTORS

W.C. "Dub" Stewart, President, *Llano County*
Allen Goodwin, Vice President, *Kendall County*
Doyle Bode, Secretary, *Gillespie County*
Tim Lehmborg, Treasurer, *Gillespie County*
Jack Asbill, *Mason County*
Rex Brand, *Kerr County*
Tommy Duncan, *Llano County*
Mark Hahn, *Mason County*
Stanley Keese, *Llano County*
James Low, *San Saba County*
Charles E. Pearson, *Gillespie County*

Emergency Contact

To report electric service interruptions, please call the Central Texas Electric Cooperative office in your area at the numbers listed below:

FREDERICKSBURG AREA

(830) 997-2126

1-800-900-CTEC (2832)

including Gillespie, Kendall, Kerr, Blanco, Real and Kimble counties

LLANO AND SAN SABA AREAS

(325) 247-4191

THE LAKES AREA

(325) 388-4542

8 a.m. to 5 p.m.

(325) 247-4191

after business hours

MASON AREA

(325) 347-6314

including McCulloch, Menard and Kimble counties

BAG: EVGENIYA. M. | ISTOCK.COM; LOCK: BIBBANE | ISTOCK.COM

Regular Board Meeting Recap

Central Texas Electric Cooperative, October 10

Meeting called to order by Board President W.C. “Dub” Stewart and prayer offered.

Discussed: Status of future power procurement

Discussed: Results of 2016 key ratio trend analysis

Approved: Minutes of the regular board meeting held September 19, 2017

Approved: September 12–October 2, 2017 membership list and conversions

Approved: Safety report for eight months ended August 31, 2017

Reviewed: Financial and statistical reports for eight months ended August 31, 2017

Approved: Retirement of 1.1 percent of the cooperative’s unretired capital credits balance for fiscal year 2017

Reviewed: Rate comparison of similar entities

Reviewed: Long-term debt portfolio

Reviewed: Board Policy No. 12

Discussed: Status of current employment opportunities

Discussed: Status of NISC secure member portal

Discussed: Status of Mason property

Reviewed: Operations report for September 2017

Discussed: Committee reports

Meeting adjourned.



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MERRY CHRISTMAS & HAPPY NEW YEAR

Central Texas EC will be closed
Monday and Tuesday, December
25–26, for Christmas, and Monday,
January 1, for New Year’s Day.

Deck the Halls With LEDs

REMEMBER OLD-SCHOOL CHRISTMAS LIGHTS? WHEN ONE WENT OUT, THEY ALL DID.

But not anymore, if you use LEDs for holiday decorating. These hardy, energy-saving bulbs give you one less thing to worry about during the holidays.

Why are LED holiday lights better than traditional ones?

▶ The look of LED lighting is now on par with that of traditional bulbs. LEDs come in warm, inviting colors with a variety of light beam patterns and dimming levels.



POP/ALLEN | ISTOCK.COM

▶ LEDs have an operational life span of about 20,000 hours—enough to last for 40 holiday seasons.

▶ LED bulbs don’t have glass or filaments, making them durable and resistant to breaking.

▶ An outage in an individual LED bulb generally doesn’t darken the whole strand.

▶ LEDs use less energy. Running LEDs on a 6-foot Christmas tree 12 hours a day for 40 days can save about 90 percent of the cost of using traditional lights.

▶ Because they use less energy, it’s safer to connect multiple LED strands

end-to-end without overloading the wall socket. Also, they’re cool to the touch, reducing the risk of fire.



Give friends and family the Best of Texas.

The Best of Typically Texas Cookbook features more than 700 best-loved recipes (with more than 300 desserts) from two of our most popular cookbooks.

Now available at Central Texas EC.
Come by and purchase your copy today!



Students: Apply Now To Win a Trip to Washington, DC

WASHINGTON, D.C., IS HOME TO MUSEUMS AND MEMORIALS, beautiful art and grand architecture, and our nation's leaders and lawmakers. Central Texas Electric Cooperative is sending three high school students to discover all this and more in our nation's capital.

The CTEC Government-in-Action Youth Tour Essay Contest is underway, and essays are due January 26 to compete for a spot on what truly is the trip of a lifetime. Participation is open to area high school students who will have completed their sophomore year by May 2018.

Youth Tour has a packed itinerary over the 10-day trip, with stops like the Washington National Cathedral, Arlington National Cemetery, Mount Vernon, the Smithsonian Institution and much more. More than 150 youths and chaperones from across Texas join those from other states to participate in Youth Day, where students get to meet each other and hear featured speakers who provide insight to the important roles electric cooperatives play in their communities.

Activities also include a performance at the Kennedy Center, going on a boat cruise with dinner and dancing, and meeting

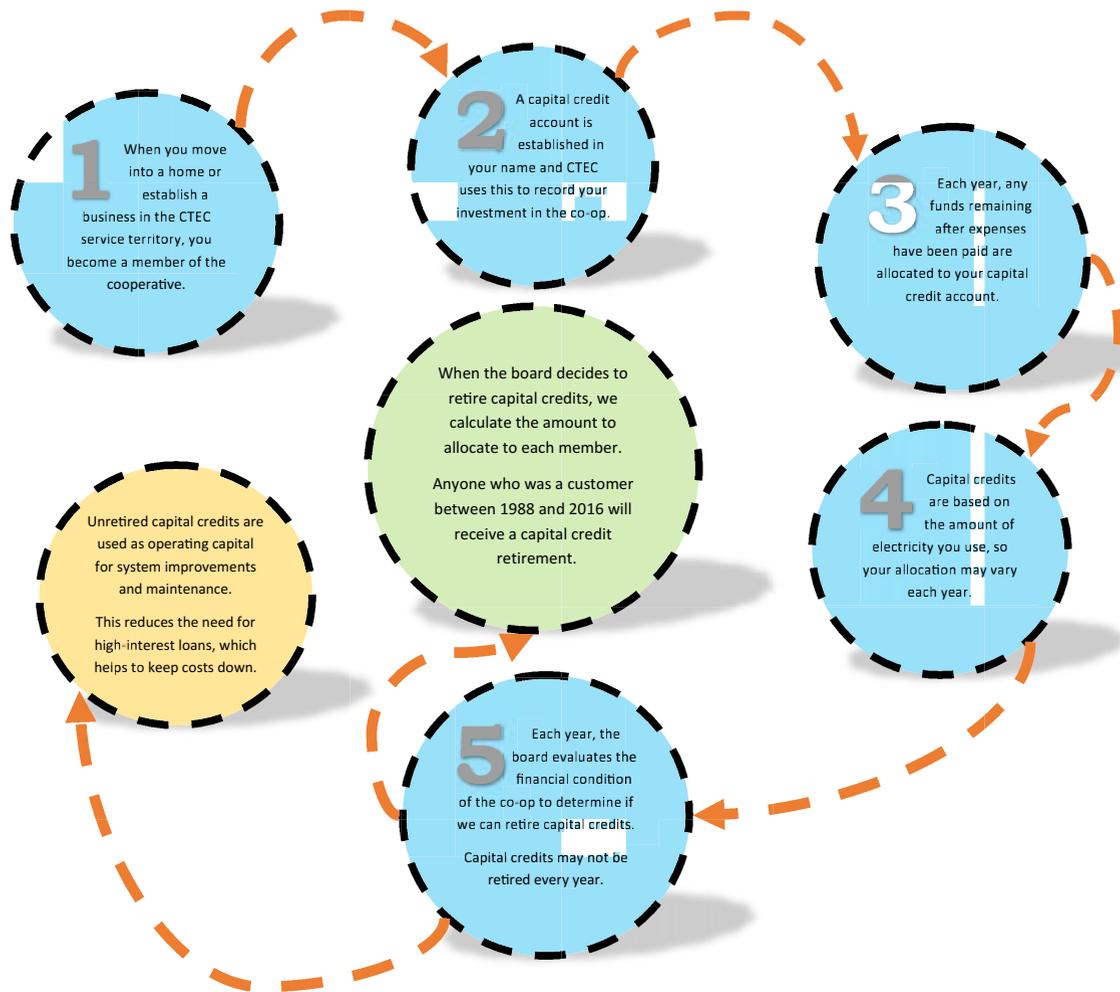
elected officials. All expenses for the tour (except personal items such as souvenirs, etc.) are paid by the co-op for the three winners. Chaperones are provided by sponsoring cooperatives, and CTEC provides transportation to and from Austin, from where the tour departs.

Contest Rules

Essays of 500 words or fewer must be submitted to the CTEC headquarters office in Fredericksburg by 5 p.m., Friday, January 26, 2018. This year's essay should answer the question: "What does smart grid technology mean for the future of electricity?"

Winning essays are selected by independent judges and are judged on originality (40 percent), knowledge of topic (30 percent), composition (10 percent), neatness (10 percent) and grammar (10 percent).

Two alternates also will be named in the event that a winner is unable to attend the tour. Additional details, information and entry forms are available from local high schools or online at ctec.coop.



You Get The Credit

IT'S TIME FOR YOU TO GET THE (CAPITAL) CREDIT FOR HELPING build, sustain and grow your local electric cooperative.

More than \$1 million will be returned to Central Texas Electric Cooperative members this year. Since 1965, the co-op has returned more than \$15 million to members through the retirement of capital credits.

As a member of CTEC, you are entitled to share in the co-op's margins. To be financially stable, a cooperative must earn a margin between what it costs to operate the business and what it takes in as income. Without a positive margin, a co-op cannot obtain adequate financing for future expansion and growth.

The retirement process established by the co-op's bylaws returns patronage capital to all co-op members and emphasizes payout of the oldest unretired capital credits. The process also returns a larger share of capital to members who have paid larger bills and contributed more capital over the years.

Process: The retirement process involves two steps. First, half of the authorized retirement amount is applied against the oldest unretired capital credits on the co-op's books. Then, each member's share of the remaining half of the retirement amount is calculated, based on the percentage of unretired capital credits of the co-op. After the dollar amount of each member's retirement is determined, it is applied to reduce the oldest unretired capital credits on record.

Members receiving service at any time between 1988 and 2016 will benefit from this year's retirement. Active members (those still receiving service from CTEC) will have their 2017 capital credits retirement applied as a credit to their December bills. Inactive members who are entitled to a retirement of \$10 or more will be sent a check. To save postage and processing fees on inactive accounts, retirements of less than \$10 will be accumulated from year to year until the minimum \$10 amount is reached.

Capital Credits FAQs

Will the total capital credits amount be returned to me after I terminate electric service?

Early retirement of capital credits is not allowed when electric service is terminated. When capital credits are retired, or paid back, inactive accounts are included in the retirement calculation until their balances are fully retired.

Retirements will be issued subject to the \$10 minimum check limitation. Capital credits retirements cannot be delivered correctly if the co-op is not aware of address changes, so please keep Central Texas Electric Cooperative informed of your current address.

My relatives are deceased. How can we handle an estate?

Heirs of an estate can choose to close out the capital credits account of a deceased member by opting for an estate retirement. With this option, the capital credits balance is retired at a discount, and a check is issued to the heirs. More information about estate retirements is available from the CTEC Capital Credits Department at (830) 997-2126, or toll-free at 1-800-900-CTEC (2832).

What happens when capital credits checks are not cashed?

CTEC keeps a record of all capital credits checks that are not cashed. Claims on these accounts can be made indefinitely, but after three years, unclaimed amounts must be transferred to the Texas Unclaimed Property fund. Some of these unclaimed funds are returned to the co-op to be used for scholarships and economic development.

Using these proceeds, the Central Texas Electric Scholarship Fund supports higher education for co-op members and their families who live in the co-op's service area. These funds also can be used to promote economic development and provide energy-efficiency assistance in the co-op's service area.

Can I donate my capital credits to Operation Round-Up or the CTEC Scholarship program?

Yes, you can! Each of these programs is designed to give back



to the communities in which we all live. Operation Round-Up is a program that provides grants to charitable causes and non-profit civic organizations within the co-op's service territory. It is administered by a volunteer board of directors, and all funds are kept separate from co-op funds.

The CTEC Scholarship program uses unclaimed capital credits funds to award student scholarships to co-op members or their family members (whose primary residence is served by CTEC) for full-time study at an accredited secondary school in Texas.

Active members can find their 2017 capital credits retirement as a credit on their December bill.

Power Cost Pass-Thru	246 kWh	@	0.0530	13.04
Transmission Cost Pass-Thru	246 kWh	@	0.0090	2.21
Distribution Energy Charge	246 kWh	@	0.0250	6.15
Distribution Access Charge				22.50
Capital Credit Retirement				-3.42
Account Total				40.48