1990s

Midwest Electric Cooperative

In 1991, Midwest implemented an Electric Incentive Program for members to install energy efficient heating and cooling equipment and electric water heaters. MEC set the first construction meter for Granite Construction in March for the construction of Lake Alan Henry east of Justiceburg. Later in the month, a subsidiary organization – Midwest Development Corporation – was created to facilitate economic growth in the MEC service area.

1992 marked the beginning of 4 years of merger discussions between Midwest and Dickens Electric Cooperatives. In 1996, merger talks between the two were abandoned.

Midwest began transferring load from TU (Texas Utilities) in 1994 to Golden Spread Electric Cooperative (GSEC) to control costs. GSEC constructed 8.9 miles of 69KV transmission lines on using concrete poles from southeast of Post to east of our Justiceburg substation on Hwy. 84, tying into MEC's existing transmission line and eliminating TU's Dermott metering point.

In 1995, SnTx Park 1 was established, housing the Lortex Mills, a large industrial load on MEC's system. The co-op was instrumental in annexing the 313 acre park to the City of Snyder. The co-op applied for a franchise agreement with the city of Snyder, which was approved in June 1995. The board voted to invest 2.7% of the cost of building generating facilities for GSEC, up to $4 Million. The generation & transmission cooperative would begin construction of Mustang Station, a 400 megawatt high-efficiency, gas-fueled generating station outside of Denver City, TX. Expected savings over the lifetime of the units (generators) is expected to exceed $1 Billion for GSEC's member cooperatives.

Line loss was very high; approximately 20% of meters registered no usage on a monthly basis and were billed the minimum fee to keep an active meter.

In 1996, 5,701 meters were billed. MEC members voted to deregulate from PUC oversight on rate setting: 800 voted for deregulation, 24 voted against. The co-op progressively worked to switch load to GSEC from TU, constructing 14.4 miles of 69KV transmission feeder to the new Union substation south of Union. This line contained 116 concrete and 112 wood poles, and was necessary to eliminate two TU metering points which had expiring contracts.

In December 1997, the management and directors of Midwest and Stamford EC's met to discuss the possibility of a merger or consolidation and began conducting a feasibility study. Results of that study showed expected savings of $3.7-$4.4 million in savings over 11 years upon the merger. Early in 1998, Midwest began preparing their financial assets for a likely merger. In July, four community meetings were scheduled in Snyder, Roby, Rotan & Hamlin to inform members and the community about the merger. Finances for the co-op started to decline, largely due to the decrease in oil field load. Revenue and sales decreased, expenses increased. When Midwest held the vote to consider consolidation with Stamford EC, 1,046 of 2,625 ballots were returned: 991 Midwest EC consumers voted for consolidation, 55 voted against. As the year ended, Midwest EC prepared to become a new entity, united with Stamford EC under the new name of Big Country Electric Cooperative. Logos, patches, vehicle decals and letterhead were selected. Beyond the transition to the new entity, the co-op began preparing for the transition to a new millennium by adopting a Y2K compliance policy. A new computer system, CADP (Central Area Data Processing) was purchased jointly with Stamford Electric Cooperative.

Stamford Electric Cooperative

Adapted from Stamford Electric Cooperative, Inc.: The First Thirty-Seven Years by C.M. Lester

The rate increase implemented in 1988 had achieved the expected result of raising revenue by 13%. About 5,600 meters were read every month, with an average meter reading cost of $1.01 - $1.25 per meter.

In June 1990, a major storm struck the Hamlin and Haskell areas, causing enough damage that the two-year work plan had to be amended to include $110,000 to cover storm-related damage costs. The co-op was making very little on each kWh sold, and covering operating expenses became difficult. As of the March 1991 annual meeting, SEC had 2,605 members. Minimum bills represented 29% of average monthly billing. Minimum bills were $7 for residential services and $11 for small commercial. To try and reduce line loss, as many idle services as possible were retired. A decline in revenue coupled with increases in transmission, distribution, maintenance, administrative and general expenses put a strain on the cooperative's finances. In 1992, the board implemented a limited rate increase of 5% to increase yearly revenues by nearly $480,000, to help the co-op meet monthly operating expenses. Advisors recommended this increase would met the co-op's needs for approximately 2 years, but advised consideration of a merger.

Also in 1992, deregulation became a major topic as sales and revenue continued to fall and expenses rose. Capital Credit payments were suspended due to small operating margins. 29% of monthly billing was no usage/minimum billing.

Conditions improved somewhat in 1993-1995. In 1993, kWh sales rebounded, increasing to levels that had not been seen since 1986. The construction work plan was completed: 15 new miles of line and 209 new services were built. A new work plan began for 1995-1995, and proved to be a beneficial expense, greatly reducing the outage time for members. SEC also refinanced REA notes with CFC, resulting in a savings in interest payments and allowing the cooperative to return $217,939 in Capital Credits. Since the co-op's humble beginnings, over $4 million in Capital Credits had been returned. As an additional bonus, the co-op received Capital Credits from CFC, based on the amount of business transacted with the bank.

To illustrate the effects of inflation, the co-op bought a new digger in 1995 for $131,107; the digger it would replace was purchased in 1973 for only $35,876. Linemen were now required to wear FR – Fire Retardant – clothing to meet OSHA requirements.

Decreased usage/sales and revenue and increasing expenses caused cash flow problems, and management worked diligently to reduce spending as much as possible while striving to maintain a functional electric system as economically as possible. The co-op faced financial hardships while working to remain competitive & innovative in a rapidly changing industry. Retail wheeling and opening the electric industry to competition, were hot topics. In 1997, the membership voted to deregulate from PUC rate-making purposes.

In December 1997, management and directors of SEC and Midwest Electric Cooperative met to discuss the feasibility of a merger or consolidation. Many aspects were to be considered, but all officials for both cooperatives sought to advise that which was mutually beneficial for members of both cooperatives.

In 1998, the consolidation with Midwest EC became an imminent reality, and the co-op's began working closely together, informing their membership so they could make an informed decision. December 31, 1998 marked the metamorphosis of Stamford and Midwest Electric Cooperatives into a new, unified, stronger entity, and on January 1, 1999, Big Country Electric Cooperative was born.