

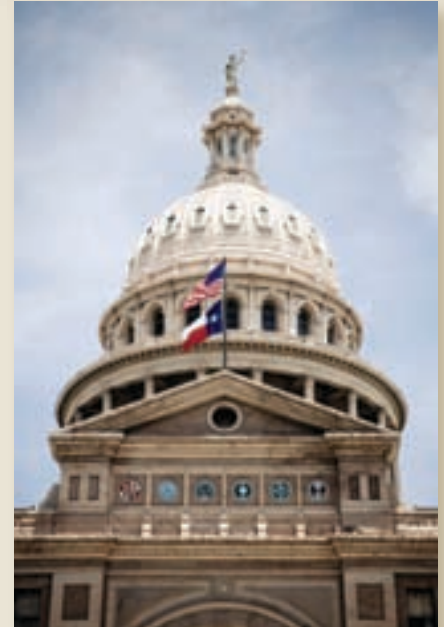
# 2011 Member Handbook

As a Sam Houston EC member-owner, you can count on us to provide reliable service at the lowest possible cost. With careful purchasing and planning, we serve our community's energy needs today and tomorrow. These are our commitments to you.

**It's all about our member-owners at Sam Houston Electric Cooperative.** It always has been, and it always will be. Our member-owners have governed Sam Houston EC and their electric needs since our founding in 1939. Unlike investor-owned utilities where the focus is on profit, Sam Houston EC's focus is to provide reliable service and low-cost power.

**As part of the cooperative business model, our members are privy to special benefits of membership,** such as capital credits, the opportunity to be heard at the Co-op Annual Meeting and electing our 11-member Board of Directors that represents members' electric and community interests.

**The Co-op's job doesn't stop once electricity is delivered to members' homes and businesses.** We also provide a variety of value-added member services and community services. We are members of this community and have a vested interest in serving our friends and neighbors however possible—be it through education initiatives or economic development programs.



## Your Bill of Rights

### Member Rights & Responsibilities

**As a Sam Houston EC member, you have the right to:**

**Receive adequate and dependable electric service.**

From maintenance to upgrades, a daily part of our work at Sam Houston EC is to take proactive steps that help prevent unnecessary power interruptions.

**Privacy.** Sam Houston EC complies with the Open Records Act. However, we respect the privacy of our members.

Therefore, the information in our member files is considered confidential.

**Be heard at member meetings.** You are entitled to be recognized and provided an opportunity to speak at meetings on the condition that you observe the rules of parliamentary procedure.

**Your share of capital credits.** The Cooperative distributes excess capital to its members as financial conditions permit.

**Information about Sam Houston EC.** Our Member Service Representatives are happy to provide you with information about the Co-op's operating procedures, rates, tariffs, special services and programs.

**Have your property treated with care by Sam Houston EC personnel.** When it is necessary for our employees to access your property for maintenance, meter reading or construction, special care will be taken to ensure that we leave the area as undisturbed as possible.

**Be heard if you have a dispute or complaint with Sam Houston EC.** We want to hear from you. Contact a Member Service Representative.

**Service without discrimination to race, color, sex, nationality, religion or marital status.**

# Connections

## Getting Connected, Reconnected or Disconnected

### Establishing Credit for Service

If you are applying for service for the first time or reapplying after discontinuance of service, you will not be required to pay a deposit if:

- You can show proof of being a consumer of an electric utility, electric cooperative or retail energy provider for the same kind of service within the last two years for residential service or 24 consecutive months for commercial service.
- You are not delinquent in payment of any such electric service account.
- You have not had more than two occasions in which a bill for such electric service was paid after becoming delinquent in the last 12 consecutive months of service.
- You never had service disconnected for nonpayment.
- You can demonstrate a satisfactory credit rating by an acceptable credit agency, as defined by the Cooperative.
- You are 62 years of age or older, in which case you will be considered to have established credit if you do not have an outstanding account balance for the same utility service, which accrued within the last two years.

When it is necessary to establish credit with the Cooperative, credit history will be applied equally for a reasonable period of time to a spouse or former spouse who shared the service and credit history.

You may be required to make a deposit if credit has not been established satisfactorily to the Co-op. This applies to residential, commercial or industrial applicants. The Cooperative may also require a deposit to protect against the assumed risk for temporary service, seasonal service or weekend residences.

### Reconnection

If your service is terminated, you may reestablish service when all amounts due to Sam Houston Electric Cooperative are paid.

### Voluntary Disconnection

If you are moving or otherwise choose to have your service disconnected, please contact our business office as soon as possible to arrange for disconnection and a final meter reading.

### Termination of Service

**Your electric service may be disconnected after proper notice for the following reasons:**

- Failure to pay an outstanding bill in full within 26 days of issuance or failure to meet the terms of a deferred payment plan.
- Violation of Sam Houston Electric Cooperative's rules for the use of service in such a manner that interferes with the service of others or the operation of nonstandard equipment, provided that the Cooperative will make every attempt to notify you of the problem and allow you to remedy the situation.
- Failure to comply with Sam Houston Electric Cooperative's deposit and/or fee requirements.

**Sam Houston Electric Cooperative may disconnect service at once and without notice:**

- In instances of tampering with meters or equipment, bypassing the same or other instances of diversion.
- Where a dangerous condition exists.

### Getting Your Deposit Back

Following disconnection, the Cooperative will promptly and automatically refund deposits, plus accrued interest, or the balance, if any, in excess of the unpaid bills for service furnished.

When a member has paid for service for 12 consecutive residential bills or for 24 consecutive commercial or industrial bills without having service disconnected for nonpayment, without having more than two delinquent bills and is not delinquent in the payment of current bills, the Cooperative will refund the deposit plus accrued interest in the form of cash or credit to the member's bill.

Subject to the provisions above, deposits may be held for the term of service as rendered necessary by the Cooperative.

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936-327-5711

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Your Touchstone Energy® Partner 

**1-800-458-0381**  
**www.samhouston.net**

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## Payment Programs

### How Would You Like to Pay for That Today?

**Billing and Payment Basics**—Sam Houston EC statements are mailed monthly. Payment is due 16 days after issuance. A bill is considered delinquent if payment is not received at Sam Houston Electric Cooperative by 5 p.m. on the due date indicated on your monthly statement.

**Payment Options**—As a service to our members, Sam Houston EC provides a variety of payment options designed to simplify bill paying. For more information about any of these programs, contact a Member Service Representative.

**Pay with Cash, Check or Credit**—Payments can be made in person at one of our branch offices, online at our website ([www.samhouston.net](http://www.samhouston.net)) or via phone (1-800-458-0381) by calling with a credit card number. Visa, MasterCard and Discover cards are accepted. Payments can also be made via check-by-phone. Just call 1-800-458-0381, and we'll set you up.

**Even Monthly Payments Help Balance Your Budget**—Qualifying accounts can divide anticipated annual electric costs out evenly over the year, ensuring that your bill doesn't fluctuate from month to month. Even monthly billing is a

great way to combat the impact fluctuating energy usage can have on your monthly budget.

**Automatic Bank Drafting Takes Care of Itself**—When you enroll in our automatic payment program, Sam Houston EC will draft your bank account or charge your credit card in the amount of your electric bill each month. Sign up for this safe and free program. We'll take it from there.

**Fidelity Express Payment Centers**—Sam Houston EC has teamed up with Fidelity Express to offer members the ability to pay their bills with cash, check or money order at more than 40 conveniently located payment stations in stores and businesses throughout the Cooperative's 10-county service area. There is a \$1 fee per transaction for this service. For payment station locations, please visit [www.samhouston.net](http://www.samhouston.net) or call a Member Service Representative.

**The Deferred Payment Plan Can Help in a Pinch**—Members who maintain a payment record with no more than two termination notices during the preceding 12 months are eligible to request a deferred payment plan which allows payment of outstanding debt in monthly installments.

## Energy Services

### Surge Protection, Security, Efficiency and Accuracy

**Whole-Home Surge Protection**—Sam Houston Electric Cooperative offers whole-home surge protection equipment to protect in-home appliances and electronics from surges caused by lightning or other sources. Unlike most store-bought plug-in protectors, this system reduces high-voltage spikes before they enter your home. The device is easily installed by a Sam Houston Electric Cooperative representative for \$29.95 and costs just \$5.95 each month following installation (plus applicable sales tax).

**Security Lighting**—Sam Houston EC offers commercial-grade area/security lighting. These lights automatically come on at dusk and turn off at dawn. Service costs include all maintenance and will appear on your monthly bill. Sam Houston Electric Cooperative security lights are often more energy efficient and less expensive than alternatives you might purchase and install yourself.

**Energy Audits**—Free energy audits are available to all our members. This service enables a better understanding of how your energy dollars are spent and pinpoints ways

to reduce energy usage and save money. An energy audit includes a home or business inspection and a personalized report of recommended actions for improved energy efficiency.

**Meter Reading and Testing**—The Co-op's meter readings are the basis of your monthly billing. Meters are read monthly unless circumstances warrant more frequent readings. If we are unable to read your meter, billing will be estimated until an actual reading is obtained, at which time an adjustment will be made to your account if necessary. If you believe your meter is inaccurate, you may request a meter test. Meter tests are free of charge, provided a similar request has not been made during the previous four years.

**Upgrades**—If you're planning to upgrade the electrical service facilities at your home or business, call Sam Houston EC first. Our experts keep up with ever-changing specifications and electrical codes. We can help make the transition a smooth one.

# Service Charges & Rates

## Making Sense of Rates

### We're a Not-for-Profit Business

The rates we charge are to cover costs, not produce profit margins. Sam Houston EC's bottom-line commitment is delivering reliable power at some of the lowest rates around.

### Cooperation Works

To ensure that we purchase low-cost power, Sam Houston EC works with nine other co-ops in East Texas to purchase electricity from generation and transmission (G&T) cooperatives at a bulk rate.

### Diversified Fuel Sources

Our "mix" of electric generation sources is distributed over a variety of natural resources. The electricity we deliver to our

members is generated by coal, natural gas and hydro power. We're keeping an eye on the future as well, with renewable green projects such as more hydro power and biomass. By diversifying our generation sources, we are able to ensure reliable, low-cost electricity for years to come.

### Maintaining Stable Rates

Sam Houston EC members have long enjoyed lower rates per kilowatt-hour than consumers of other providers in nearby areas. In an increasingly volatile energy market, where the costs to purchase power, maintain our delivery system and distribute power are on the rise, Sam Houston EC will continue to do everything possible to maintain stable rates.

## EFFECTIVE 7-1-2006

| Service  | Rate  | Base Charge | Demand                                   | Energy Charge | Delivery Charge (per kWh) | Delivery Charge (per kW)                 | PCRF  |
|--|-------|-------------|--|---------------|---------------------------|--|-------|
| Residential  | R01   | \$12.75     | N/A                                      | 0.0714        | 0.0334                    | N/A                                      | N/A   |
| Small General Service Single-Phase                         | SG1   | \$13.50     | N/A                                      | 0.0657        | 0.0413                    | N/A                                      | N/A   |
| Small General Service Three-Phase                          | SG2   | \$39.50     | N/A                                      | 0.0657        | 0.0413                    | N/A                                      | N/A   |
| General Rate Service Single-Phase                          | G1    | \$13.50     | \$0 for first 10 kW<br>\$4.15 over 10 kW | 0.0549        | 0.0398                    | \$0 for first 10 kW<br>\$1.60 over 10 kW | N/A   |
| General Rate Service Three-Phase                           | G2    | \$39.50     | \$0 for first 10 kW<br>\$4.15 over 10 kW | 0.0549        | 0.0398                    | \$0 for first 10 kW<br>\$1.60 over 10 kW | N/A   |
| Large Power Service  | L1/L2 | \$175.00    | \$5.07                                   | 0.0495        | 0.0305                    | \$1.18                                   | N/A   |
| High Load Factor Service                                   | HLFS  | \$175.00    | \$7.60                                   | 0.04459       | N/A                       | N/A                                      | 0.027 |
| Large School Service                                       | LSS   | \$150.00    | \$2.98                                   | 0.0497        | 0.0227                    | \$1.77                                   | N/A   |
| Outdoor Lighting Service (100 Watt HPS) at 75 kWh/Month    |       | \$9.75      | N/A                                      | N/A           | N/A                       | N/A                                      | N/A   |
| Outdoor Lighting Service (175 Watt MV) at 75 kWh/Month     |       | \$10.20     | N/A                                      | N/A           | N/A                       | N/A                                      | N/A   |
| Outdoor Lighting Service (250 Watt HPS) at 104 kWh/Month   |       | \$17.10     | N/A                                      | N/A           | N/A                       | N/A                                      | N/A   |
| Outdoor Lighting Service (400 Watt HPS) at 160 kWh/Month   |       | \$21.50     | N/A                                      | N/A           | N/A                       | N/A                                      | N/A   |
| Outdoor Lighting Service (1,000 Watt HPS) at 320 kWh/Month |       | \$40.14     | N/A                                      | N/A           | N/A                       | N/A                                      | N/A   |

## EFFECTIVE 1-1-2007

| Service                                 | Charge        | Service  | Charge   |
|---|---------------|--|----------|
| Connect Service                         | \$75.00       | Reconnect Non Pay (business hours)                                 | \$75.00  |
| Connect Security Light (existing pole)  | \$50.00       | Reconnect Non Pay (after hours)                                    | \$150.00 |
| Change Billing Name                     | \$25.00       | Temporary Service Charge   | \$25.00  |
| False Call for Service (business hours) | \$75.00       | Meter Test - Single-Phase*   | \$75.00  |
| False Call for Service (after hours)    | \$150.00      | Meter Test - Three-Phase*  | \$150.00 |
| Trip Charge (business hours)            | \$50.00       | Meter Tampering  | \$300.00 |
| Trip Charge (after hours)               | \$150.00      | Taxes (as levied by state, city, county or other entities) at Cost |          |
| NSF Check                               | \$25.00       |  |          |
| Late Payment                            | 5%            |  |          |
| Fees/Deposit                            |               |  |          |
| Residential Deposit                     | (1)           |  |          |
| Commercial Deposit (50 kVA or less)     | (1)           |  |          |
| Commercial Deposit (more than 50 kVA)   | Per Agreement |  |          |

\*If meter has passed test in the last four years. No cost if meter fails.  
(1) The Cooperative may require a deposit in a minimum amount of \$300.00, or an amount equal to 1/5 of the estimated annual usage to any classification of consumer. Residential deposits may be waived or returned upon presentation of an acceptable Letter of Credit or Letter of Guarantee.

Rates and fees are subject to change.

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## Community Services

### Beyond Electric Service

#### Scholarship Program

High school seniors whose parent or legal guardian is a current Cooperative member are eligible to apply for the Co-op's annual scholarship program. Twenty-two \$3,000 scholarships and seven \$1,500 vocational scholarships were awarded in May 2010. Scholarship awards are funded by unclaimed capital credits returned by the State of Texas. Interested students can contact their high school counselor, call a Member Service Representative for information or download a scholarship application at [www.samhouston.net](http://www.samhouston.net).

#### Helping Hands

The nonprofit Helping Hands Program assists members who are unable to pay their electric bills due to financial hardship. The program is funded entirely by donations

from Sam Houston EC member-owners, employees and Directors. Since 1992, we have collectively donated more than \$150,000 to those in need. Donations are distributed by local service agencies to the same county from which they are received. Members can receive assistance once per year, and the amount of assistance can be up to \$100.

#### Educational Programs

Education, training and information are the cornerstones of the fifth cooperative principle. Sam Houston Electric Cooperative sponsors presentations and educational programs for local civic organizations, school students and youth groups. Safety, renewable energy and conservation are just a few of the topics that are presented each year.

## Emergency Services

### When the Power Goes Out, So Do We

Although Sam Houston EC takes preventive measures to maintain rights-of-way and sustain our electric distribution system, power outages are still caused from time to time due to fallen trees, lightning or equipment failure. Regardless of the cause, rest assured the power restoration

process starts as soon as an outage is reported. Our Member Service Representatives, Dispatch Department and Line Technicians are committed to getting your lights back on as quickly as possible.

### Tips for Managing an Outage Situation

#### Have an Outage Kit on Hand

Store essentials such as a flashlight, first-aid kit and nonperishable food in a central location where they can be easily located and help ease the inconvenience of an outage.

#### Call the Cooperative and Report the Outage

Member calls help us locate the outage source and restore power faster. Remember, cordless phones require electricity, so it's important to have a regular phone or cell phone handy.

#### Tune in to Local Radio Broadcasts for Updates

Load fresh batteries into your portable radio or TV and tune in to broadcast resources for up-to-date information about the restoration process or current weather reports.

#### If You or Someone in Your Home Requires Life-Sustaining Equipment...

Please notify the Cooperative if you, a family member, a tenant or anyone in your home is dependent upon electrically-powered medical equipment. Likewise, if your situation changes and the equipment is no longer needed, please notify us so that we may keep your account current.

# Contact Us

## Calling Sam Houston EC

### Automated Phone System

To help us serve you better, we utilize an automated phone system. This system helps us process more calls than would be humanly possible. It's easy to use. Just call your local branch office or 1-800-458-0381 toll-free, follow the voice prompts and have your account number ready. It's your ticket to faster service!

### To Report an Outage

To report an outage, call your local branch office and follow the voice prompts. Be sure to have your account number ready. Never assume someone else will call to report an outage. By reporting outages promptly, you help us pinpoint problem areas, which allows our crews to restore your power faster.

### Questions About Your Bill

If you have a dispute regarding the amount of your electric bill, you may request a supervisory review by the Cooperative. If you do not participate in such a review, electric service may be disconnected provided notice of disconnection has been issued. The Cooperative must complete its determination within 60 days.

### Problems or Concerns

If you have a problem or concern about any action of the Cooperative, you may request a supervisory review. If you are dissatisfied with the supervisory review, you may submit your complaint to the Management Team. The Management Team's decisions are reviewed by the Board of Directors at regularly-scheduled board meetings.

# Contact Information

## Do We Have Your Current Contact Information?

In order for us to serve you best, it's important that we know how to contact you. If you've recently moved, you can update your address and phone information online at [www.samhouston.net](http://www.samhouston.net) or contact a Member Service Representative via phone.

### Livingston Branch Office

1157 East Church Street  
P.O. Box 1121  
Livingston, Texas 77351-1121  
Local: 936-327-5711

### Woodville Branch Office

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P.O. Box 2280  
Woodville, Texas 75979-2280  
Local: 409-283-8251

### Coldspring Branch Office

14201 Highway 150 West  
P.O. Box 1726  
Coldspring, Texas 77331-1726  
Local: 936-653-5400

### Long Distance

1-800-458-0381

### Web Address

[www.samhouston.net](http://www.samhouston.net)

### Business Hours

Monday-Friday,  
7:30 a.m. - 5 p.m.

### Horario de Oficina

Lunes a Viernes,  
7:30 a.m. - 5 p.m.

### Call Center

Monday-Friday,  
7:30 a.m. - 6 p.m.  
Saturday, 8 a.m. - 4 p.m.

### Centro de Llamadas

Lunes a Viernes,  
7:30 a.m. - 6 p.m.  
Sabado, 8 a.m. - 4 p.m.  
24-Hour Dispatch

The information included in this handbook is available in Spanish upon request. Información en este libro es disponible en Español.

To review a complete copy of Sam Houston Electric Cooperative's Bylaws, please visit [www.samhouston.net](http://www.samhouston.net).

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