

NOTICE OF RATE CHANGE

Notice is hereby given that Fannin County Electric Cooperative, Inc., (the "Cooperative") intends to change rates for electric service. Pursuant to Texas Utilities Code section 41.061 the Cooperative has adopted a resolution approving the rate changes. The rate changes are effective May 1, 2017 or as soon thereafter as may be allowed by law.

The Cooperative intends to change its rates for electric service. It is anticipated that the proposed rate changes will increase adjusted test year 12/31/2015 revenues from \$19,253,765 to \$20,430,594 which is an increase of \$1,176,829 or 6.11%. The classes of utility customers affected by the proposed rate changes are as follows:

| Rate Schedule | Percent Change |
|----------------------|---------------------------|
| Residential | 6.61% |
| Small Commercial | 6.64% |
| Large Commercial | 1.91% |
| Irving Water Well | 4.43% |
| Security Lighting | 5.46% |

You may obtain further information concerning the proposed rate changes and/or a copy of the proposed rate changes by calling the Cooperative at 903-583-2117.

A meeting to discuss the proposed rate changes will be held on March 20, 2017 at TEXOMA HOUSING PARTNERS, T.E.A.M. CENTER located at 806 West 16th Street in Bonham, Texas at 7:00 p.m. in the evening.