



TVEC Targets Transaction Costs To Save Members Money

With constant attention to costs and budgets, Trinity Valley Electric Cooperative has been aggressive in dealing with rising costs over the last 12 years. Those efforts have resulted in a steady base electricity rate of \$.10484/kWh that has not changed since 2008, even as almost 32% inflation has occurred in the same period, raising the cost of doing business.

One way co-op members can help is to consider the costs of transactions for payment. The cost of credit card and mailed-in payments in particular have grown considerably over the last several years.

“As a nonprofit cooperative business, it is really in all of our best interests to keep costs as low as possible,” said Jeff Lane, TVEC general manager/CEO. “We have identified the costs of payments, and of mailing service in general, as a way that co-op members can really help us by simply choosing the most cost-effective payment method

that makes sense for their situation.” For perspective, credit card merchant fees paid by the co-op have risen 28% just since 2020. That has resulted in about \$750,000 in charges paid in 2021.

“As the co-op has grown, the percentage of members using credit cards for payment has also grown. Combine that with higher fees charged by the card companies, credit card payments have become a major expense,” Lane said.

The most cost effective methods of payment are automated bank drafts, e-check payments online or through the myTVEC mobile app, and mailed check payments.

Mail service costs have also risen dramatically, meaning a switch to electronic billing with online bill payment is both easier on the environment and cost-effective for co-op members.

Average Transaction Costs

Payment Method	Average Cost per Payment	Paperless Options
Auto Bank Draft	\$.15	Yes, Setup online or by contacting Member Services
Electronic Check	\$.50	Yes, pay online or through the myTVEC Mobile App
Mailed Check	\$.67	No
Phone/In-Person Payments	\$1.48	Yes, E-Bill
Credit Card Payments	\$1.63	Yes, pay online or through the myTVEC mobile app