

NORTH CAROLINA DEPARTMENT OF COMMERCE

Roy Cooper, Governor

Anthony M. Copeland, Secretary

March 13, 2017

The Honorable Roy Cooper, Governor 116 West Jones Street Raleigh, North Carolina

Dear Governor Cooper:

Enclosed is the 2016 Biennial Report that was prepared by the North Carolina Rural Electrification Authority ("the Authority"). As you are aware, the Authority operates under Chapter 117 of the North Carolina General Statues ("G.S.") and we are proud of the services that we provide and are confident that we make a positive difference to the cooperatives, their members and to the State of North Carolina. This report provides statistical data such as growth trends, revenues and important facts about the electric membership corporations (EMCs) and telephone membership corporations (TMCs) that operate in our great State.

One of our main responsibilities is to review and approve federal loan and grant requests from the EMCs, TMCs and the North Carolina Electric Membership Corporation (NCEMC). Upon approval, the Authority submits the loan and grant requests to the appropriate United States Government funding agency. During 2016, North Carolina lead the nation for the number of Rural Economic Development loans and grants (REDLG) that were submitted and approved. For fiscal year ending June 30, 2016, the Authority reviewed and the Board approved four Rural Utility Service (RUS) loans and twenty-one REDLG loans and grants totaling \$135.9 million. The funds from the RUS loans will be used to provide electric service to new cooperative members, upgrade existing electric lines, implement new technologies, install security lights and improve existing services which allows the cooperatives to deliver reliable and safe power and provide capacity for future load growth. Some of the projects for the REDLG loans and grants included the purchase of fire trucks and equipment, provided renovations for schools and libraries and built buildings for new businesses which will contribute to economic development for North Carolina as well as create and retain jobs in the rural areas of our State. The office of the Authority also receives, researches and resolves member complaints of the cooperatives. Our office is responsible for the resolution of arbitration proceedings between the TMCs and other local and wireless providers when there are disputes between the parties during the process of negotiating interconnection agreements.

Frances Liles, Administrator - Rural Electrification Authority 4321 Mail Service Center • Raleigh, North Carolina 27699-4321 • Phone: (919) 814-4694 The Honorable Roy Cooper, Governor Page 2

The thirty-one electric cooperatives provide service to over one million accounts, representing more than 2.5 million people across the State and they deliver energy to homes, farms, industries and businesses throughout ninety-three of North Carolina's one hundred counties. The eight telephone cooperatives serve approximately 124,000 residence and business landline accounts in the State and the members live and work in twenty-six of the State's one hundred counties. In addition to providing plain old telephone service (POTS) at competitive local rates, the telephone cooperatives also offer other services including Broadband, digital cable TV, wireless, business communications and home security which allows them to provide critical services and remain competitive in the rural areas they proudly serve. Our cooperatives take great pride in serving the rural areas of the State and they do so by providing high quality, reliable, affordable and essential services to their members. North Carolina cooperatives emphasize the importance of community involvement, integrity, accountability and innovation. There are continual changes to the electric and telecommunications industries, both at the local and Federal level. These changes result in challenges and new opportunities for the cooperatives who strive to produce positive resolutions and results for their cooperative and their members.

The Authority is appreciative of the support provided to our Agency by your office and we thank you and your Administration for your dedication and leadership to the people of the great State of North Carolina. If you or your staff have questions regarding the enclosed report, please do not hesitate to let me know.

Respectfully submitted,

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Frances Liles, Administrator North Carolina Rural Electrification Authority

Enclosure

CC: NCREA Board Members Members of the General Assembly North Carolina Utilities Commissioners

The Role of the North Carolina Rural Electrification Authority



The purpose of the North Carolina Rural Electrification Authority ("the Authority") is to secure dependable electric and telephone service to customers served by the EMCs and the TMCs in predominately rural areas of the State as set forth in Chapter 117 of the North Carolina G.S. To accomplish this purpose, following are some of the responsibilities of the Authority:

- 1. Ensure that customers in the predominantly rural areas of the state have access to adequate, dependable, and affordable electric and telephone service.
- 2. Act as an agent in reviewing and approving loans or grants for any electric or telephone membership corporation formed under direction or permission of the Authority and submit those approved loans and grants to the USDA.
- 3. Receive and investigate member complaints of the cooperatives.
- 4. Pursuant to the Telecommunications Act of 1996, the Authority shall receive and review Petitions of arbitration for disputed interconnection issues between TMCs and other local and wireless providers. The Authority shall issue directive orders, establish procedural schedules, hold hearings and render final decisions for these proceedings based on information received from testimony, discovery and hearings.
- 5. The Authority has responsibility to review and approve interconnection agreements and their amendments between the TMCs and other local and wireless providers in accordance with Section 252(e) of the Telecommunications Act. The Authority is responsible for submitting certification to the FCC to ensure the TMCs receive the appropriate high cost support.
- 6. Oversee the application of the electric and telephone cooperative rules and regulations to ensure they are administered according to the manner in which they are written.
- 7. The Authority will advise cooperatives regarding recommended changes in rules and regulations.
- 8. Perform all other requirements of the North Carolina Rural Electrification Laws as documented in Chapter 117 of the G.S.

Current Board and Staff

RURAL ELECTRIFICATION AUTHORITY NORTH CAROLINA DEPARTMENT OF COMMERCE

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NOTE: Each Director is appointed by the Governor

THE ELECTRIC MEMBERSHIP CORPORATIONS



Electric Industry Updates

The electric cooperatives deliver energy to over 2.5 million consumers in 93 of North Carolina's 100 counties and maintain more than 103,000 miles of power lines in the state's rural areas. Today, there are thirty-one EMCs serving the rural areas of North Carolina and the headquarters for five of these EMCs are located outside of North Carolina. The purpose of an electric cooperative is to provide affordable, safe and reliable electricity to their members/consumers. Electric cooperatives operate as not-for-profit and are owned by those they serve unlike investor owned utilities that operate to maximize shareholder's profits. Due to the sparsely populated areas the electric cooperatives serve, they usually have a higher average cost for service than investor-owned utilities. Approximately 99 percent of the electric cooperative customers are residential and small businesses and the cooperatives collectively employ more than 2,300 skilled people. The electric cooperatives in North Carolina are proudly guided by the Seven Cooperative Principles and the cooperatives in the daily operation of their business. The principles are:

- Voluntary and open membership;
- Democratic member control;
- Member economic participation;
- Autonomy and independence;
- Education, training and information;
- Cooperation among cooperatives and
- Concern for community

The cooperatives continue to stand out as national leaders in their use of RUS and REDLG loans and grants which are approved by the Authority and we submit them to the US Department of Agriculture (USDA). The REDLG program allows the cooperatives to assist communities to fund projects such as the purchase of fire trucks, building new businesses, renovating schools and libraries and creating and retaining jobs in the rural communities. The cooperatives contributed more than \$8 million to the State in 2016 in support of community service, education and industrial projects through REDLG loans and grants. The cooperatives sent thirty-nine North Carolina high school students to Washington, D.C. in 2016 as part of the annual Youth Tour Program which gives them the opportunity to meet their Legislators and watch the Federal Government in action.

Hurricane Matthew soared through the eastern part of our State in October, 2016 and left devastation in its path. The staff of the EMCs worked tirelessly to clear and cut trees and other debris from and around power lines so they could restore service to their customers as quickly as possible. One of the EMCs in the State lost power to 99% of their customer base and another EMC lost power to 86% of its customer base and power was restored to all members within seven days. Some of the EMCs stated that Hurricane Matthew left more devastation and damage than Hurricane Fran did in 1996. The EMCs always prepare for these type storms by ensuring they have sufficient staff in place which includes their own employees as well as staff from other EMCs in North Carolina and from EMCs in other states to assist after the storm has passed through in order to restore power as quickly as possible. The cooperatives are not driven by the need for excessive profits or stock value; their goal is to provide member satisfaction in the price they pay and the quality of the product they receive which is electricity. The North Carolina cooperatives are not content with maintaining the status quo; they always work hard to improve the service they provide in an affordable, safe and reliable manner.

New technology continues to provide new opportunities for electric cooperatives and their members. Technology is changing the way people think about energy since appliances are becoming more energy efficient and smarter. Thermostats are also smarter and can be controlled through our smartphones and renewable energy options and solar technology are becoming more attainable. Electric cooperatives navigate this changing environment every day and continue to create and find innovative options that provide their members efficient and affordable service. Some of the North Carolina electric cooperatives have installed solar panels and solar farms and allow the cooperative members to buy a share of the solar project in exchange for a credit on their monthly bill. Solar panels are becoming cheaper to produce and batteries are lasting longer, charging faster and costing less. Smart home devices can make instantaneous calculations to optimize the energy use of the cooperatives. The cooperatives are working to make the grid smarter and more adaptable and matching technology with what makes sense for their unique geographic area and membership. Even as renewables come down in cost and improve in reliability, large and highly efficient generation facilities will continue to play a critical role in our power system. The digital revolution has accelerated the pace of innovation bringing changes to the network and the smart electric grid is the network that will make it all possible. Technology is a huge driver of change across many industries and products but in the electric industry, technology-driven change at the consumer level is relatively new.

Regulations have shaped and will continue to shape the future of our industry, but now technology is impacting how power is distributed and used which creates opportunities on both sides of the electric meter. The cooperatives, through the NCEMC, are supporting microgrid pilot projects, including one at Ocracoke Island and an anticipated pilot at an agribusiness site. These pilot projects will allow the cooperatives to test the technology as well as their ability to improve reliability while controlling costs. One of the North Carolina cooperatives is offering members a discounted rate to charge electric vehicles overnight allowing the cooperative to manage demand while creating savings for members. The cooperatives have implemented maps online to inform members about outages and restorations. They have introduced real-time electric usage data and pre-pay metering to assist members with payment options and energy savings. There are many other examples of how the NC cooperatives contribute to North Carolina and its success.

Prepay programs are proving to dramatically reduce member payment defaults but are also popular with all members looking for more control of their energy costs. The prepay program allows a member to forego a deposit and buy as much electricity as they want in advance and they are notified when they need to buy more. According to several cooperatives who offer the prepay service, it has provided them with an avenue to mitigate some of the most difficult and painful interactions they have with members regarding payment arrangements, disconnect for nonpay and collections.

In addition to providing reliable electric service, the cooperatives are involved in community development and revitalization projects. The EMCs take pride in their involvement with community colleges throughout the State and they also understand the importance of WiFi and broadband availability throughout the rural areas of the State. As member-owned organizations, electric cooperatives have a built-in motivation to provide first-class service to each and every one of their members. The EMCs offer a program called Bright Ideas which is an education grant program that allows school teachers to receive funding for innovative projects to help students achieve success. The program allows educators to purchase tools and materials necessary to teach concepts and complete projects that may otherwise not be funded. Children are the future of our

rural communities and our great State and these programs help them excel in their interest and love for learning in school. Brunswick EMC began the Bright Ideas program in 1993 and it is now being used by EMCs across the United States. Since 1994, the EMCs have awarded \$10.2 million to sponsor 9,800 projects benefiting two million students. One teacher used this money to help purchase a set of graphing calculators for her high school math class; some schools have used the money for music programs and international outreach and there are many other ways the money has been used. The students that are in the classrooms today will at some point be the leaders of our country, our State and will be employed by businesses in the State and the Bright Idea grants are a small way to encourage their learning and give them additional tools they need to make a difference.

Just as the information age was made possible by digital devices talking to each other over a communication network, our modern energy system will rely on new technologies working together through an interconnected power grid. The key to making the system work is a smart electric grid that enables the two-way flow of energy from a decentralized network of generation resources. The digital revolution has accelerated the pace of innovation bringing changes to that network. In the not-too-distant future, electricity will power an even larger share of our daily lives, from cars to smart appliances, to home automation systems. These technologies have the potential to make our lives easier, save us money and support a sustainable future. The smart electric grid is the network that will make it all possible. The electric cooperatives realize the implementation of new technologies are instrumental in their efforts to operate as efficiently as possible and assist in keeping costs as low as possible and they lead the electric utility industry in their embrace of smart grid technologies, particularly in their investment in automated metering infrastructure (AMI). Today, many electric utilities can read meters from their offices without ever having to send employees to the premises which reduces operating costs, and because electric cooperatives are not-for-profit, any money saved on day-to-day operations will ultimately be returned to the members. With today's technology, the cooperatives can use sensors to monitor equipment and proactively repair or replace worn parts, improving reliability and reducing expenses by preventing potential power outages. Technology and information are driving the future and the cooperatives are in the forefront of deploying cost effective, member focused solutions that meet increasingly diverse energy needs of their members.

KEY DATA AND ACTIVITIES TRACKED BY THE AUTHORITY

Number/Type of Inquiries, Growth Trends, Outage Activity and Loan Applications

INQUIRY TYPE			
	2013-2014	2014-2015	2015-2016
Bad Debt Transfer	8	13	5
Capital Credits	0	2	1
Charges	30	32	34
Deposit	18	7	11
Disconnect	15	14	12
High Bill	22	20	17
Insurance Claim	4	2	2
Meter Tampering	5	2	2
Miscellaneous	20	20	13
Outages	6	2	1
Payment Arrangement	98	76	66
Right of Way	9	4	6
Security Light	0	6	3
Service	6	6	2
Voltage	0	1	1
Tree Trimming	0	1	0
TOTAL	241	208	176

Member Inquiries to the Authority

Numbers are listed by fiscal year (July 1st – June 30th)



As the chart above illustrates, the thirty-one EMCs serving the rural areas of North Carolina continue to experience steady growth. In fact, the number of active meters has increased annually from 2010 to 2015 as reflected on this chart. As of December 31, 2015, the cooperatives were serving in excess of 1.0 million active meters to more than 2.5 million members which represents an increase of 14% since 2010.

INDIVIDUAL COOPERATIVE GROWTH TRENDS

CORPORATION	CONSUMERS ON RURAL LINES	CONSUMERS ON RURAL LINES	CONSUMERS ON RURAL LINES		
	2013	2014	2015		
ALBEMARLE	12,532	12,532	12,575		
BLUE RIDGE MTN.*	17,205	17,328	17,513		
BLUE RIDGE	74,575	74,932	75,280		
BROAD RIVER*	404	409	410		
BRUNSWICK	85,183	86,559	88,158		
CAPE HATTERAS	7,591	7,613	7,669		
CARTERET-CRAVEN	39,154	39,320	39,557		
CENTRAL	21,735	22,019	22,177		
EDGECOMBE-MARTIN	11,612	11,601	11,648		
ENERGYUNITED	122,673	124,052	125,063		
FOUR COUNTY	32,357	32,410	32,535		
FRENCH BROAD	37,174	37,308	37,585		
HALIFAX	11,707	11,708	11,706		
HAYWOOD	26,259	26,312	26,691		
JONES-ONSLOW	72,230	73,383	74,217		
LUMBEE RIVER	58,341	58,882	59,439		
MECKLENBURG*	132	132	130		
MOUNTAIN ELECTRIC*	18,401	18,504	18,652		
PEE DEE	20,751	20,769	20,882		
PIEDMONT	31,167	31,301	31,484		
PITT & GREENE	8,605	8,629	8,654		
RANDOLPH	32,143	31,768	32,266		
ROANOKE	14,510	14,462	14,428		
RUTHERFORD	67,804	68,159	68,594		
SOUTH RIVER	43,054	43,251	43,493		
SURRY-YADKIN	28,435	27,888	27,857		
TIDELAND	23,325	23,659	23,284		
TRI-COUNTY	24,125	24,268	24,547		
TRI-STATE*	1,253	1250	1,312		
UNION	69,338	70,910	72,399		
WAKE	36,249	38,751	40,208		
TOTAL	1,050,024	1,060,069	1,070,413		

*Corporations Headquartered Outside North Carolina

OUTAGES RECORDED BY CORPORATION

EMC SERVICE INTERRUPTIONS 2015										
Average Minutes per Customer by Cause										
	Supp	olier	Extreme			All Others		Totals		
CORPORATION	Year 2015	5 Year	Year 2015	5 Year	Year 2015	5 Year	Year 2015	5 Year	Year 2015	5 Year
ALBEMARLE EMC	20.100	38.346	72.360	417.648	6.540	7.188	30.300	56.598	129.300	519.780
BLUE RIDGE EMC	6.870	5.300	5.440	46.100	3.530	3.610	65.700	71.310	81.540	126.320
BRUNSWICK EMC	0.000	.919	6.593	93.285	1.272	1.606	46.546	38.093	54.411	133.903
CAPE HATTERAS EMC	461.000	178.620	0.000	1,046.300	15.000	43.880	27.010	48.910	503.010	1,317.710
CARTERET-CRAVEN EMC	5.760	87.210		347.520		3.740	58.800	69.600	64.560	508.070
CENTRAL EMC	7.70	396.56	59.71	148.01	0.02	18.45	148.16	149.89	215.39	712.91
EDGECOMBE-MARTIN	18.380	19.330	107.990	613.140	12.330	3.000	105.000	104.780	243.700	740.250
ENERGYUNITED	9.396	14.523	34.983	127.441	.683	.739	88.416	81.059	133.478	223.
FOUR COUNTY EMC	0.00	29.450	205.450	218.950	0.00	.650	94.990	88.860	300.440	337.910
FRENCH BROAD EMC	176.000	37.000	23.000	26.000			257.000	238.000	456.000	301.000
HALIFAX EMC		10.240		8.330			94.920	69.470	94.920	88.040
HAYWOOD EMC	184.00	105.00	0.000	40.000	12.000	6.000	289.000	258.000	485.000	409.000
JONES-ONSLOW EMC	17.13	96.79	108.24	199.82	33.26	50.82	72.02	119.06	230.65	466.49
LUMBEE RIVER EMC	10.400	4.400	249.800	120.000	4.200	1.800	102.800	119.000	367.200	245.200
PEE DEE EMC	11.490	20.560	23.760	44.740	.084	2.430	121.570	134.670	157.660	202.400
PIEDMONT EMC	21.450	9.388	210.860	487.448	5.240	2.895	74.020	60.182	311.570	559.913
PITT & GREENE EMC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RANDOLPH EMC	13.530	2.730	38.360	193.470	3.430	2.890	115.070	97.680	170.390	296.770
ROANOKE EMC	17.740	20.970	18.870	810.720	0.000	5.640	213.860	146.830	250.470	984.160
RUTHERFORD EMC	3.420	11.364	30.960	44.496	1.560	1.164	25.860	62.616	61.800	119.640
SOUTH-RIVER EMC	29.22	14.78	0.00	0.00	11.76	5.15	186.24	136.61	227.22	156.54
SURRY-YADKIN EMC	5.400	13.400	74.000	102.400	.200	.300	93.500	120.500	173.100	236.600
TIDELAND EMC	172.670	97.530	4.416	1,228.380	.114	.599	248.010	186.402	425.210	1,512,911
TRI-COUNTY EMC	76.160	95.800	8.400	213.320	90.360	31.790	74.450	99.460	249.370	440.370
UNION EMC	2.270	2.480	36.880	83.640	1.300	.790	63.110	60.890	103.356	147.800
WAKE EMC	69.30	48.80	67.40	39.90	5.60	8.80	115.60	90.20	257.90	187.70
BLUE RIDGE MTN. EMC*	2.587	1.440	50.472	82.340	7.218	8.630	163.713	146.900	223.990	239.310
BROAD RIVER EMC*	21.00	99.00	3.00	1,186.00	0.0	0.0	174.0	263.0	198.0	1,548.0
MECKLENBURG EMC*	37.530	51.300	146.070	383.060	6.200	8.440	136.290	168.950	326.090	611.750
MOUNTAIN ELECTRIC EMC*	0.000	70.280	0.000	54.630	.691	1.510	197.440	218.040	198.131	344.460
TRI-STATE EMC*	115.250	79.454	45.360	72.788	.010	.288	0.000	2.598	160.620	155.128
* Foreign Corporations domestic	cated in NC									

RUS LOANS BY FISCAL YEAR

	Year	Year	Year	Year	Year	Year	Year	Year		
Corporation Name	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	Cooperative Total Since 1977	
ALBERMARLE EMC	\$11,500,000		\$12,000,000						\$54,296,736	
BLUE RIDGE EMC				\$25,000,000					\$265,948,000	
BRUNSWICK EMC		\$16,000,000			\$21,500,000				\$243,025,375	
CAPE HATTERAS EMC				\$9,792,000					\$45,695,532	
CARTERET-CRAVEN EMC		\$15,000,000							\$85,128,750	
CENTRAL EMC	\$7,500,000			\$22,000,000					\$66,158,000	
CRESCENT EMC*									\$41,301,005	
EDGECOMBE-MARTIN EMC					\$6,410,000				\$52,960,382	
ENERGYUNITED EMC		\$69,000,000				\$34,000,000			\$313,844,951	
DAVIDSON EMC*									\$43,491,421	
FOUR COUNTY EMC		\$45,000,000	\$20,000,000						\$152,827,807	
FRENCH BROAD EMC									\$48,828,292	
HALIFAX EMC		\$6,500,000			\$4,050,000		\$6,944,000		\$58,588,935	
HARKERS ISLAND EMC									\$591,041	
HAYWOOD EMC				\$25,000,000			\$22,000,000		\$121,850,473	
JONES-ONSLOW EMC									\$34,415,375	
LUMBEE RIVER EMC		\$50,000,000				\$25,000,000			\$194,535,330	
N. C. ELECTRIC MEMBERSHIP		\$204,763,000		\$34,293,000	\$97,582,000			\$67,100,000	\$3,351,461,391	
PEE DEE EMC		\$11,000,000						\$9,000,000	\$80,160,588	
PIEDMONT EMC					\$30,000,000			\$35,000,000	\$148,614,000	
PITT & GREENE EMC									\$7,865,182	
RANDOLPH EMC		\$25,000,000					\$24,000,000		\$133,825,000	
ROANOKE EMC				\$16,820,000			\$6,000,000		\$68,642,317	
RUTHERFORD EMC	\$16,000,000						\$18,500,000	\$16,000,000	\$228,555,737	
SOUTH-RIVER EMC			\$22,000,000		\$30,000,000				\$140,125,625	
SURRY-YADKIN EMC				\$20,000,000			\$33,000,000		\$113,513,183	
TIDELAND EMC							\$24,500,000		\$86,637,224	
TRI-COUNTY EMC							\$19,000,000		\$65,175,938	
UNION EMC									\$209,600,454	
WAKE EMC									\$31,564,905	
BLUE RIDGE MTN. EMC**	\$58,269,000					\$28,178,000			\$162,373,955	
BROAD RIVER EMC**									\$0	
MECKLENBURG EMC**									\$0	
MOUNTAIN ELECTRIC EMC**									\$0	
TRI-STATE EMC**									\$1,027,000	
YEARLY TOTAL	\$93,269,000	\$442,263,000	\$54,000,000	\$152,905,000	\$189,542,000	\$87,178,000	\$153,944,000	\$127,100,000	\$6,652,629,904	
** Corporations	\$00,200,000	÷,200,000	\$0.,000,000	÷.02,000,000	+.00,0.12,000	÷0.,0,000	÷100,011,000	÷.2.,.00,000	\$0,002,020,00 ·	

** Corporations Headquartered Outside of NC

Note: The above spreadsheet displays yearly activity for 2008 -2016. The last column displays total loan amounts by each Corporation since 1077 Corporation since 1977.

RURAL ECONOMIC DEVELOPMENT LOANS AND GRANTS

JULY 1-JUNE 30

				JULT 1-	JUNE 30				
	Year	Year	Year	Year	Year	Year	Year	Year	Cooperative
Cooperative Name	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	Total
									(since inception)
ALBERMARLE EMC									\$0
BLUE RIDGE EMC					\$1,000,000			\$850,000	\$1,850,000
BRUNSWICK EMC				\$1,740,000		\$4,700,000	\$652,000		\$7,492,000
CAPE HATTERAS EMC									\$0
CARTERET-CRAVEN EMC									\$450,000
CENTRAL EMC				\$800,000					\$1,000,000
EDGECOMBE-MARTIN EMC				\$700,000		\$2,000,000	\$1,450,000		\$4,450,000
ENERGYUNITED					\$1,300,000	\$7,000,000		\$1,000,000	\$10,610,000
FOUR COUNTY EMC				\$300,000	\$1,600,000	\$600,000	\$2,240,000		\$4,740,000
FRENCH BROAD EMC					\$300,000		\$300,000		\$600,000
HALIFAX EMC								\$300,000	\$300,000
HARKERS ISLAND EMC									\$200,000
HAYWOOD EMC									\$0
JONES-ONSLOW EMC						\$300,000	\$200,000		\$1,100,000
LUMBEE RIVER EMC	\$750,000			\$250,000	\$765,000		\$1,100,000	\$772,000	\$12,056,900
PEE DEE EMC							\$940,000	\$300,000	\$1,240,000
PIEDMONT EMC					\$300,000	\$2,625,500	\$2,298,000	\$3,422,000	\$8,645,500
PITT & GREENE EMC									\$0
RANDOLPH EMC						\$2,140,000		\$300,000	\$2,852,000
ROANOKE EMC		\$740,000				\$1,000,000			\$4,695,000
RUTHERFORD EMC									\$0
SOUTH-RIVER EMC									\$493,500
SURRY-YADKIN EMC							\$372,000		\$0
TIDELAND EMC	\$1,040,000						\$840,000	\$170,000	\$3,190,000
TRI-COUNTY EMC							\$100,000	\$1,300,000	\$1,400,000
UNION EMC								\$300,000	\$300,000
WAKE EMC		<u> </u>			<u> </u>	\$540,000	\$380,000	\$180,000	\$1,430,000
TOTAL	\$1,790,000	\$740,000		\$3,790,000	\$5,265,000	\$20,905,500	\$10,872,000	\$8,894,000	\$69,094,900

RURAL UTILITIES SERVICE

An Agency of the US Department of Agriculture Providing Loans for Electric Infrastructure

Purpose of Rural Utilities Service

Providing reliable, affordable electricity is essential to sustaining the economic well-being and quality of life for all of the nation's rural residents. The Electric Program provides leadership and capital to maintain, expand, upgrade, and modernize America's vast rural electric infrastructure. Under the authority of the Rural Electrification Act of 1936, the Electric Program makes direct loans and loan guarantees to electric utilities (wholesale and retail providers of electricity) that serve customers in rural areas.

The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, as well as demand side management, energy efficiency and conservation programs, and on-grid and off-grid renewable energy systems.

Through the Electric Programs, the Federal government is the majority note-holder for approximately 700 electric system borrowers in 46 states. The Rural Energy Savings Program (RESP) provides loans to entities that agree to make affordable loans to help consumers implement cost-effective, energy efficiency measures. This program, authorized by Congress in the 2014 Farm Bill, was implemented to help build a cleaner and more sustainable domestic energy sector for future generations. RESP helps lower energy bills for rural families and businesses and reduces barriers to investment in energy efficiency projects or activities. The Electric Programs also provide financial assistance to rural communities with extremely high energy costs to acquire, construct, extend, upgrade, and otherwise improve energy generation, transmission, or distribution facilities.

Any North Carolina electric cooperative desiring to secure a grant or loan from any agency of the United States Government must apply through the Authority, not directly to the United States agency and the Authority has the responsibility to submit those applications for the cooperatives. In 2016, eleven of the thirty-one electric cooperatives in North Carolina borrowed \$250 million from the Rural Utilities Service to extend and improve their existing distribution systems and/or provide rural economic development grants / loans in their respective service areas.



Rural Utilities Service

U.S. Department of Agriculture 1400 Independence Avenue, SW Washington, D.C. 20250-1500

Administration and Staff

Christopher McLean Acting Administrator Telephone: 202-720-9540 James Elliott Director of Operation - Electric Telephone: 202-720-9547

OFFICE OF LOAN ORIGINATION AND APPROVAL (OLOA)

Joseph Badin Deputy Assistant Administrator Telephone: 202-720-0409 Constance Urdal Chief, Financial Operations Branch Telephone: 202-720-9271

Victor T. Vu, Deputy Assistant Administrator Office of Portfolio Management and Risk Assessment (OPMRA) Telephone: 202-720-1449

FIELD REPRESENTATIVE

Mark Bartholomew General Field Representative P.O. Box 49163 Charlotte, N.C. 28277-0074 Telephone: 704-544-4612 Richelle Richardson General Field Representative P.O. Box 451 Spotsylvania, VA 22553 Telephone: 540-582-2035

ELECTRIC MEMBERSHIP CORPORATIONS

A Look at Each Individual Cooperative

Service Area Map



15.

16.

17.

18.

19.

20.

21.

Electric Corporation Territories

1.	Albermarle	8.
2.	Blue Ridge	9.
3.	Brunswick	10.
4.	Cape Hatteras	11.
5.	Carteret-Craven	12.
6.	Central	13.

7. Edgecombe-Martin 14.

EnergyUnited Four County French Broad Halifax Haywood Jones-Onslow Lumbee River

Pee Dee Piedmont Pitt & Greene Randolph Roanoke Rutherford

South River

Surry-Yadkin Tideland

22.

23.

24. 25.

26.

Tri-County

Union Power Wake

Electric Membership Corporations

Albemarle Electric Membership Corporation

Mailing Address

PO Box 69 Hertford, NC 27944

Phone

Fax (252) 426-8270

Key Staff

(252) 426-5735

(800) 215-9915

Gary Ray, Executive Vice-President & General Manager John W. Spence, Board President Glenn Parks, Manager of Operations Clarissa B. Perry, Manager of Corporate Services Kevin Heath, Manager of Engineering

Annual Meeting: September or October

Active Meters: 12,575

Counties Served: Chowan, Perquimans, Pasquotank, Camden, Currituck

Current and Future Plans

During the past 12 months, Albemarle EMC employees and board members have worked hard to accomplish several goals and provide the highest level of service possible to the membership.

With changes in technology, we now offer Mobile Apps access for our membership. This gives our members the ability to connect with us via their mobile devices 24 hours a day, 7 days a week and 365 days a year.

The cooperative continued its strong commitment to our community through several community outreach programs. Albemarle EMC held its 9th annual Light Up Christmas golf tournament, raising over \$17,000 to purchase toys for more than 500 underprivileged youth in the counties we serve. The Albemarle Community Trust, which is funded by members who voluntarily contribute through their power bills, provided about \$60,000 in grants to organizations that benefit the community. The company also awarded \$13,000 to area teachers through our Bright Ideas grants programs.

This year's general retirement totaled over \$550,000 given back to our members in power bill credits for active members and in checks for former members.

During the past year, we were able to make significant improvements to the reliability of our system with the completion of a new distribution point and new substation. The Snowden distribution point in Currituck County and New Hope Substation in Perquimans County provided much needed capacity to that part of our service area. Another system feature, Conservation Voltage Reduction (CVR) was implemented this year to optimize system voltage at peak-demand times.

In conclusion, it has been a pleasure serving the membership throughout the past year. We have a dedicated group of employees who are committed to safely providing reliable electricity at the lowest cost possible.

Blue Ridge Electric Membership Corporation

Mailing Address

P. O. Box 112 Lenoir, N.C. 28645

Phone Fax

(828) 758-2383 (828) 754-9671 (800) 451-5474

Key Staff

Douglas W. Johnson, Chief Executive Officer Kenneth R. Greene, President John Coffey, Senior Vice President/Chief Operating Officer Julie O'Dell-Michie, Senior Vice President/Chief Administrative Officer/Ethics Officer Brad Shields, Senior Vice President/Chief Technology Officer Katie Woodle, Senior Vice President/Chief Financial Officer

Annual Meeting: During the month of June

Active Meters: 75,601

Counties Served: Avery, Watauga, Ashe, Alleghany, Wilkes, Caldwell, Alexander

Current and Future Plans

In 2016, Blue Ridge Electric Membership Corporation and its propane and fuels subsidiary, Blue Ridge Energies, LLC integrated to begin doing business under the one brand identity of Blue Ridge Energy. This strategically positions our companies to expand our product and service line and train our front line staff as energy advisors.

In 2016, Blue Ridge Energy is offering new programs including community solar gardens, Energy Saver loan/on-bill financing, energy efficiency rebates and Utility Shield home protection.

For the third consecutive year, Blue Ridge was named as one of North Carolina's Best Employers. Previously, Blue Ridge became the first cooperative to receive the acclaimed international Palladium Group's Balanced Scorecard Hall of Fame award for achieving breakthrough performance results based on strategy execution expertise.

Being awarded the grant for NRECA's CRN Smart Grid Demonstration Project, the cooperative continues deployment of Aclara's Consumer Engagement and Meter Data Management to more fully utilize smart grid technology.

In 2016, the cooperative returned a record \$4.8 million in capital credits to its members as approved by its Board of Directors.

This same year, the Blue Ridge Electric Members Foundation, Inc. awarded almost \$100,000 in crisis heating assistance and \$130,000 in community grants to help fund not-for-profit services that improve local quality of life. The foundation is funded by the generous donations by members to the cooperative's Operation Round Up, programs as well as member donations of their capital credits in addition to profits from the cooperative's subsidiaries.

Blue Ridge continued local economic development activities in 2016, being approved for \$850,000 in grants from the USDA's Rural Economic Development Grant program. Blue Ridge is using the funds for its Revolving Loan Fund to help Ashe Memorial Hospital with emergency room renovations and additional jobs; a Business Development Center in Alleghany county and for a pumper truck and additional jobs for a community Fire Department in Caldwell County.

Blue Ridge Energy has been ranked among the best performing utilities in the nation in all areas of operation. The cooperative consistently ranks among the top performers on the American Consumer Satisfaction Index and in the top quartile nationally for electric reliability.

Brunswick Electric Membership Corporation

Mailing Address

P.O. Box 826 Shallotte, NC 28459

www.bemc.org

Phone:	Fax:
(910) 754-4391	(910) 755-4299
800-842-5871	

Key Staff

Don Hughes, Chief Executive Officer & General Manager John Ward, President of the Board of Directors Rusty Shipe, Vice President, Finance Bobby Davis, Vice President, Technical Services Bonita Hughes, Manager, Human Resources

Active Meters: 87,888

Counties Served: Brunswick, Columbus, Bladen and Robeson

Current and Future Plans

BEMC's prepaid program continues to grow. As of 2016, 9081 prepaid accounts represent more than 10% of the co-op's active meters. A major benefit of the prepaid program is the increased energy efficiency of users as they become better educated consumers as a result of the ability to monitor their power usage and energy budget. BEMC was among the first in the nation to offer prepaid power as an option for its members, and serves as a resource for others interested in implementing a similar program.

The co-op's Weatherization Loan program has provided more than \$12.2 million dollars in loans to members for energy efficiency improvements to existing homes since inception in 1989. Of such, \$5.1 million has been REDLG/USDA and approximately \$7 million has been ERC Loans from BEMC. The monthly energy savings are sometimes enough to cover the loan payment and the member's savings continue for the life of the energy efficiency improvement.

BEMC provides a steady stream of energy efficiency information to its members in all forms of communication, distributed more than free CFL and LED bulbs to members.

The co-op continues to build its renewable energy portfolio, with a total of 110 solar installations generating about <u>950kW</u> per month. In 2016, BEMC brought online two 100kW each community solar farms totaling 738 panels as an optional way for members to participate in solar power. Combined with our energy efficiency effort and purchase of renewable energy from large-scale

sources, we have met the NC REPS mandates and are currently acquiring the required 6% of annual sales from renewable and energy efficiency. To gather data regarding improving load management capabilities, our Ecobee smart thermostat pilot program has approximately 300 members participating.

In addition, the co-op has provided a public workshop about the benefits and technology of electric vehicles and installed eight electric vehicle charging stations located throughout our service area.

With relatively severe weather activity in the co-op's service area over the past couple of years, BEMC has accelerated its ongoing maintenance program and also has been available to assist other co-ops when called upon for power restoration efforts. System reliability continues to exceed 99.9% and BEMC's American Customer Satisfaction Index (ACSI) score continues to exceed all electric industry benchmarks. SmartHub system continues to be successful, now allowing members mobile options; access to detailed usage information, an upgraded payment system, and data to help manage their energy budgets.

In 2016, the co-op enhanced its communications program by developing special publications and launching multiple social media platforms.

BEMC's commitment to community efforts to date include Warm Homes, Warm Hearts (a community heating assistance program) that has provided more than \$750,000 in assistance to the elderly and struggling families in need of help with heating bills; the Bright Ideas educational grant program for teachers totaling more than \$550,000; a community grants program that has awarded approximately \$450,000 to community groups working to improve the quality of life in our service area; college scholarships totaling \$80,000; and youth sports scholarships as well as support for a host of community events and economic development efforts.

The co-op has implemented mobile data to extend our secure communications network for greater efficiency, without compromising safety and security of data. Development of an active cyber security committee and the launch of company-wide cyber security training has been a major effort as well.

Also in 2016, the co-op completed two endeavors:

A solar contract project for the Sunny Point Military Ocean Terminal power system (1.2 MW). The revenue from this long-term contract and special project benefits all co-op members by providing non-operational income that helps mitigate the need for rate increases for the general membership; And a new substation at Daws Creek, bringing the total to 45 substations in our service area.

Cape Hatteras Electric Cooperative

Mailing Address

47109 Light Plant Rd PO Box 9 Buxton, NC 27920

www.chec.coop

Phone 252-995-5616

Fax 252-995-4088

Key Staff

Susan E. Flythe, Executive Vice President & General Manager George Price, Manager, Engineering & Operations Laura Ertle, Director of PR & Marketing Richard Midgett, President

Annual Meeting: May

Active Meters: 7,503

County Served: Dare

Current and Future Plans

Cape Hatteras Electric Cooperative (CHEC) is headquartered in Buxton, North Carolina. The Cooperative serves 7,500 meters on Hatteras Island located in Dare County. CHEC's membership is 85% residential and 15% commercial.

CHEC purchases power from North Carolina Electric Membership Corporation (NCEMC). CHEC takes delivery north of the Bonner Bridge at Oregon Inlet from Dominion North Carolina Power. CHEC delivers the power south across the Bonner Bridge via 43 miles of 115kV transmission lines. CHEC owns and maintains a 115kV step-down substation in Buxton, with 10.1 miles of 34.5kV from Buxton to Hatteras Village. In total, CHEC owns and maintains 346 miles of line. CHEC also wheels power for Tideland EMC to serve Ocracoke Island which is south of Hatteras Island and in Hyde County. CHEC operates in an extreme coastal environment with wind, salt and flooding constantly threatening the electric system's reliability. These factors require more frequent maintenance and replacement of materials on its system.

Since the commencement of the construction of the new Bonner Bridge in January, 2016, CHEC has been actively working with NCDOT, the design-build contractors, our engineering consultants, the National Park Service and US Fish and Wildlife Service to coordinate the attachment of new 115kV transmission cables on the new Bonner Bridge. This is a major undertaking for the cooperative both from a financial and staffing perspective. However, recent studies revealed that attaching the cooperative's transmission cables to the new Bonner Bridge, still remains the most

practical and cost effective means of providing reliable electric service to Hatteras and Ocracoke Islands.

Carteret-Craven Electric Cooperative

Mailing Address

PO Box 1490 Newport, NC 28570

 Phone
 Fax

 (252) 247-3107
 (252) 247-0235

 (800) 682-2217
 (252) 247-0235

Website: www.carteretcravenelectric.coop

Key Staff

Craig A. Conrad, Chief Executive Officer & General Manager Jerry Eborn, Vice President of Finance & Accounting Sarah Grider, Vice President of Support Services Jake Joplin, Vice President of Engineering & Operations Cheryl Slater, Vice President of Customer Service Randy Carr, Vice President of IT Systems Doug Fulcher, President, Board of Directors

Annual Meeting: First Thursday in May

Active Meters: 38,980

Counties Served: Carteret, Craven, Jones, Onslow

Current & Future Plans

Seeking to deliver even better service to our members and improve efficiency, CCEC has installed new advanced metering infrastructure (AMI) equipment. The AMI system provides two-way communications between meters at members' homes or business and our office. The system improves service to cooperative members by giving us immediate access to meter readings to answer billing questions and help members analyze their energy use when they call our office.

More comprehensive energy usage information will help us better forecast future needs, and power quality diagnostics help us determine the source of outages and provide data to help us predict and prevent future problems. The cooperative plans to offer a pre-pay program once the project is fully functional.

In addition to meeting and fulfilling its mission of providing safe and reliable electricity, CCEC is committed to serving communities in its service territory. Through the Carteret-Craven Electric Foundation, our members give back, too. The foundation manages funds received from members who participate in Operation Round-UP®. In 2016, donations topped \$3 million. The volunteer foundation board members are appointed by the directors of the cooperative and are dedicated to

enriching the community by awarding grants, with a focus on individual members meeting individuals' needs.

Each month, participants' electric bills are rounded up to the nearest dollar amount. The average amount rounded up in a yearly period is \$6 per member. The maximum amount is \$11.88. Since inception, the foundation has funded many worthy requests from individuals and organizations, including scholarships for more than 100 high school seniors and community college students and more than 380 Bright Ideas Grants for public school educators.

The foundation has also provided support for the Children's Miracle Network, American Cancer Society, March of Dimes, the NC Burn Center, and Duke Hospital's children's pediatric cancer program. Local organizations funded have included Broad Street Clinic, the Carteret County Domestic Violence Program, Carteret County Veterans Services, Habitat for Humanity, Hope Mission Soup Kitchen & Outreach, Matthew 25 Food Pantry and Project Christmas Cheer and more. Emergency funds are also provided to help individuals pay utility bills through the Carteret County Department of Social Services and Havelock-Cherry Point Ministerial Outreach.

CCEC continues to foster its relationship with a "sister cooperative," Cooperativa Electrica de los Santos in Costa Rica, through the Rural Electric Cooperative Association's International Sister Cooperative Program.

Central Electric Membership Corporation

Mailing Address

P O Box 1107 Sanford, NC 27331-1107

Phone

(919)-774-4900 (800)446-7752 **Fax** (919)-774-1860

Key Staff

Morris McClelion, Manager & CEO Rebecca Cogan, President, Board of Directors Wes Davis, System Engineer Tabitha Whitlow, Manager of Accounting and Finance Eddie Oldham, Manager of Operations Angela Hare, Manager of Customer Service and IT Jody Albright, Manager of Member Services and Business Development Dal Langston, Manager of Administrative Services

Annual Meeting: First Friday in October

Active Meters: 22,051

Counties Served: Chatham, Harnett, Lee, Moore, and small portion of Randolph

Current and Future Plans

Central operates with one goal in mind: providing reliable electricity to members at the lowest possible cost consistent with sound financial principles. Though much has changed in the energy industry over the last 75 years, Central Electric, a Touchstone Energy Cooperative, is still one of North Carolina's fastest growing electric membership corporations. Central serves over 22,000 members in four counties and maintains more than 2,400 miles of power lines

One way Central provides excellent service to our members is through advanced technologies. Central uses an automated system capable of handling high call volumes while taking credit card payments 24 hours per day. This system also allows the cooperative to program outbound messages regarding planned outages, pending disconnection and more. Mobile workforce management is also a big part. This system allows the cooperative to send work orders to field personnel directly, reducing the amount of paperwork and retention. In 2013, we kicked off a conversion effort to install all new metering by implementing Advanced Metering throughout our infrastructure. This investment in technology helps us to conduct business more efficiently, deliver better service to our members and hold down costs. This project was completed in 2015. A kiosk was located in the Spout Springs area in Harnett County, one of our fastest growing areas. Cash, checks and credit cards are accepted as payment by this technology.

The cooperative not only provides electricity, but also offers many related services to its members, including home energy analysis, water heater maintenance, PowerGuard, a surge protection program, outdoor security lighting, a variety of rate schedules and a low interest loan program for members buying electric heat pumps or upgrading insulation or purchasing storm windows.

Central, along with 22 other electric cooperatives, joined together to create a not-for-profit company, GreenCo Solutions, LLC., to focus on energy efficiency initiatives and renewable resources. Through GreenCo, we can provide inexpensive high quality programs that will benefit our residential and commercial consumers. GreenCo Solutions provides compliance reporting and tracking for member cooperatives related to Renewable Energy Portfolio Standards (REPS). Established by Senate Bill 3, and enacted by the NC General Assembly in 2007, the bill mandates that NC-based electric utilities must purchase or generate a specific amount of renewable energy or reduce electricity use through energy efficiency improvements.

December 2015, Central flipped the switch on a community solar project for co-op members and the surrounding community. The project, located beside the Central Electric office on Wilson Road in Sanford, consists of 360 photovoltaic panels and produced up to 100 kilowatts of electricity, enough to power as many as 12 to 15 homes.

In 2009, Central started emphasizing the importance of energy efficient improvements and steering members toward the cooperative programs, such as the compact fluorescent light (CFL) credit program which began in 2008 and ended in 2012. Rebates were also offered for the following programs: The fridge and freezer disposal, high efficiency heat pump and water heater sales. Plus, rebates were provided to members who purchase or built a high efficiency residential home built to the HERO standard. In 2015, Central expanded its online services giving members the ability to monitor their energy use through the online portal located at CEMCPower.com. By setting up a login and using this free service, members can keep tabs on daily energy use and set up alerts that will send them a notification if their usage has reaches a specified dollar amount. This information is available at our website, cemcpower.com and we encourage members to take advantage of the tools available to them. Central Electric members also have an additional way to pay for electricity through "FlexPay." This program allows participating members to monitor energy use. Members that choose to go on FlexPay tend to be up to 10 percent more energy-efficient.

Several examples of Central Electric's commitment to the community is shown through participation in the 4-H Club of Lee County golf fundraiser, Bright Ideas education grants for teachers, the Rural Electric Youth Tour to Washington DC and the Touchstone Energy Sports Camp Scholarship Program. Central also provides scholarships of \$2,000 to five students who are members, or children of a member, attending a community college in our area, and rewards students from kindergarten through college who send in a report card with at least one "A" during the most recent grading period.

One other huge part of Central's community outreach is Operation Round Up, which began in 2013. Operation Round UP is a volunteer program in which members of the cooperative can choose to round up their electric bill to the next whole dollar each month. The money is

distributed by a Trust board to nonprofit organization in Chatham, Harnett, Lee and Moore counties for various worthy projects.

Edgecombe-Martin County Electric Membership Corporation

Mailing Address P. O. Box 188 Tarboro, N.C. 27886

Phone

(252) 823-2171(800) 445-6486

Email: lisa.tolson@ememc.com

Key Staff

Winston Howell, Chief Executive Officer Mike Johnson, Vice President of Engineering & Operations Melinda Nimmo, Vice President of Finance Eddie Stocks, Vice President of Member & Industrial Development Lisa Tolson, Vice President of Human Resources

Annual Meeting: Third Saturday in March

Active Meters – 11,078

Counties Served: Nash, Wilson, Halifax, Edgecombe, Pitt, Martin, Beaufort, Bertie

Current and Future Plans

Edgecombe-Martin County EMC provides an extensive program in helping the communities and citizens within its service territory by providing several ongoing programs such Summer Fan Relief, Edgecombe County Alzheimer's Walk, Annual EMC 4-H Golf Tournament, The Youth Tour, the Cooperative Leadership Camp and Conference, Black History Month, Customer Appreciation Day, Children's Miracle Network, Annual Donations for Rural Volunteer Fire Departments, Relay for Life, Bright Ideas and local community college scholarships.

Edgecombe-Martin County EMC along with several other electric cooperatives in North Carolina are now members of GreenCo Solutions, an organization that was founded by 23 electric cooperatives after 2007 state legislation which mandates electric utilities in North Carolina to purchase renewable energy. The Cooperative currently has several members producing and selling power back to the Cooperative by means of solar and biomass through projects.

EnergyUnited Electric Membership Corporation

Mailing Address

P. O. Box 1831 Statesville, N.C. 28687

Phone Fax

(704) 873-5241(800) 522-3793

Fax (704) 924-2120

Key Staff

Wayne Wilkins, Chief Executive Officer Alec Natt, Chief Financial Officer Kathleen Hart, Chief Information Officer Tim Holder, Vice President of Customer Care, Sales, Marketing & Communications Dave Meisinger, Vice President, Power Supply Open, Vice President Human Resources David Schleicher, Vice President, Engineering & Operations

Annual Meeting: Third Week in September.

Active Meters: 124,000

Counties Served: Wilkes, Yadkin, Alexander, Iredell, Catawba, Gaston, Mecklenburg, Cabarrus, Montgomery, Davie, Rowan, Davidson, Forsyth, Stokes, Rockingham, Guilford, Randolph, Lincoln & Caldwell

Current and Future Plans

EnergyUnited serves electric power over approximately 195 miles of transmission, 8,100 miles of overhead distribution and 4,300 miles of underground distribution lines. Today, the cooperative serves more than a quarter million people through 124,000 customer metering points and provides for a peak electric demand of more than 735,000 KW. Currently, there are 9 Board of Directors.

EnergyUnited provides electric service over a geographically diverse area ranging from rural, hilly farmland in the north to dense suburban areas in the Charlotte and Piedmont Triad areas in the south and east. The load EnergyUnited serves is predominantly residential along with a growing group of industrial customers in a variety of industries (manufacturing, textiles, water treatment, etc.).

In addition, EnergyUnited provides propane service through its subsidiary, EnergyUnited Propane. EnergyUnited Propane consists of 13 retail outlets, providing service to residential, commercial and industrial customers in 63 North Carolina counties and 11 South Carolina counties.

EnergyUnited is committed to delivering reliable energy services at competitive prices to improve the quality of life of our members and communities.
Four County Electric Membership Corporation

Mailing Address

PO Box 667 Burgaw, NC 28425

Phone & Fax (910) 259-2171 (910) 259-1878

Key Staff

Mitchell Keel, Chief Executive Officer Dan Allen, Vice President of Customer Services Gary Chitwood, Vice President of Finance & Accounting Billy McGavock, Vice President of Operations Gregg Cohn, Vice President of Engineering Cindy Moore, Vice President of Human Resources Doug Krynicki, Vice President of Information Technology

Active Meters: 32,442

Counties Served: Columbus, Bladen, Sampson, Duplin, Pender, Onslow

Current and Future Plans

Today, 32,442 active meters are served in the four core counties, and to a lesser degree in Columbus and Onslow counties. Four County EMC has grown to 5,046 miles of line: 219 miles of transmission, 3,930 miles of overhead and 897 miles of underground. There are 26 substations, three switching stations and six points of delivery.

Through our advanced metering technology, our Prepay Advantage program continues to grow. The prepay program allows participants payment flexibility, eliminates deposits, monthly bills and late fees. The Prepay Advantage program also enables participating members to conveniently set their own payment schedule and receive alerts about their usage and account status.

Four County EMC's long standing commitment to economic development is an ongoing effort as we work with the communities we serve to create/save jobs, create new investment, and improve the quality of life for our citizens. Currently, we are working with the United States Department of Agriculture (USDA) which helps us make loans to assist local communities regarding economic and community development, and with the USDA's help, we are able to make zero interest loans. In 2016, Four County EMC was named Wilmington Business Development (WBD) Ally of the Year by WBD. Four County EMC was the first-ever to receive the award for showcasing exceptional leadership behind our region's economic development success.

An annual meeting is held for the members of Four County EMC. The meeting gives members the opportunity to elect their Board of Directors and to become better acquainted with the progress of the Cooperative during the year. Notice of the annual meeting is printed in the Carolina Country magazine, as well as the monthly newsletter, *Four County Connection*, which is included within the magazine.

Notice of the meeting will also appear in local newspapers, on Facebook, Twitter and the co-op's website at <u>www.fourcty.org</u>. According to the Cooperative's bylaws, the annual meeting is to be held on the first Monday, in October; or, the Board of Directors may fix a date not more than 30 days prior to, or subsequent to, the regular meeting date.

In 2016, and being the first in the state, the entire Board of Directors attained their Director Gold credential for continued cooperative education from the National Rural Electric Cooperative Association (NRECA).

Four County EMC is a member of the North Carolina Electric Membership Corporation, which serves as the Cooperative's wholesale power supplier. Together with 26 other electric cooperatives in the state, Four County EMC owns part of the generating capacity of Duke Power Company's Catawba Nuclear Plant. In addition, the Southeastern Power Administration provides a small percentage of the Cooperative's total wholesale power needs.

French Broad Electric Membership Corporation

Mailing Address

3043 Highway 213 PO Box 9 Marshal, NC 28753

Phone (828) 649-2051

Fax (828)649-2989

Key Staff Jeff Loven, General Manager Joseph G. Justice, President

Joseph G. Justice, President Tracy Evans, Burnsville District Manager Greg Fowler, Marshall District Manager Phyllis Holt, Office Manager

Annual Meeting: First Saturday in May

Active Meters: 37,490

Counties Served: Madison, Yancey, Mitchell, Buncombe

Current/Future Plans

French Broad EMC has grown into a modern-day cooperative, with 21 substations serving 37,490 members. French Broad has modern system Control's along with a data acquisition system, linked by fiber optic cable and wireless communication, to facilitate accurate and rapid functioning of its electrical distribution and transmission plant. Most of the older type substation protection type devices have been replaced with state of the art electronic relays and controls that integrate seamlessly with the Cooperative's SCADA system. With the down turn in the economy, the Cooperative has seen only a small increase in member growth. However, due to the cold winter, kilowatt hour sales have increased over the past year as an all-time system peak was set on January 7th, 2014 of 136 MW.

Future plans and improvements include continued expansion of the automated meter reading with a wireless system from Tantalus. This wireless AMI system is being used to provide prepayment electric service to members wishing to avoid a deposit or an alternative way to manage their bill. Fiber optic cable is continuing to be installed across the system to provide connectivity to the substations for SCADA, AMR, and High Speed Internet. The Cooperative recently applied for FCC grant money to provide Fiber to the Home service to many of its customers in Madison County. Mobile map viewing and staking software packages are being used by the cooperative in an effort to further improve service response times and streamline the data collection process. As new renewable energy laws are now in place in North Carolina, French Broad EMC finds that the investment they made in their hydroelectric plant back in the 1980's has an ever increasing value. In addition to the electricity French Broad EMC purchases from the South Eastern Power

Administration (SEPA), the electricity generated from this plant counts directly towards the state mandated renewable energy requirement. The cooperative has also offered several programs to those customers who wish to invest in renewable technologies and offset some or all of their energy needs.

Halifax Electric Membership Corporation

Mailing Address

P. O. Box 667 Enfield, N.C. 27823

Phone (252) 445-5111

Fax (252) 445-2398

Key Staff

Charles Guerry, Executive Vice-President & General Manager Beverly Walker, President Wanda P. Cooke, Manager of Finance Sam Moseley, System Engineer Leona Padgette, Manager of Human Resources & Facilities Brady Martin, Manager of Marketing & Economic Development Sanders Cox, Manager of Billing Services Roderick D. Bozard, Manager of Operations

Annual Meeting: Third Saturday in May

Active Meters: 11,712

Counties Served: Warren, Nash, Halifax, Martin

Current and Future Plans

Halifax EMC celebrated its 75th anniversary in 2013. Incorporated on December 15, 1938, Halifax EMC serves Halifax and Warren counties, parts of Nash and Martin counties and provides wholesale power to the Town of Enfield.

Halifax EMC offers its members Pre-Pay (formerly Pay-As-You-Go) electric billing option. The number of members taking advantage of this feature increases monthly. Pre-Pay allows new members to avoid deposit fees. Members who use the Pre-Pay service can easily budget their money and avoid late, disconnect and reconnect fees. Not only does it allow members to have flexibility in their budgets, it also allows them to control payment due dates instead of having a set due date. Pay-As-You-Go also raises awareness of energy usage for members. Providing better ways to serve our members is an ongoing focus.

Halifax EMC continues to focus on supporting the community through economic development in the Halifax and Warren county regions. Construction was recently completed for a substation on North 301 in Halifax County which will serve the Klausner Lumber Plant. The 115/24.9 kV substation was energized with connection to Dominion transmission line in that region. It is designed to allow for multiple transmission line sources from Dominion and redundant transformers for maximum reliability. The substation also has been designed to accommodate multiple new industries similar to the size of Klausner Lumber Company. The substation is located on five acres of land and is surrounded by nearly 800 acres of land which has potential for future industrial development. The magnitude of this project further emphasizes its importance to Halifax EMC members and Halifax County and justifies the investment being made by the members of Halifax EMC.

Halifax Electric Membership Corporation believes its role in local economic development can and will be valuable and influential. By establishing dialogue with the State, Region, and our Counties' Economic Development organizations, Halifax EMC continues to be recognized as a leader and a resource for economic development. We are recognized as an entity that is willing to offer assistance to potential clients, through USDA loans or grants, NCEMC zero interest business development funds, or through possible industrial site and building identification. In addition, we have established a presence with county and statewide organizations, including chambers of commerce and economic development commissions, and recognize that these relationships can be mutually beneficial. We make clear our interest as being a regional partner in economic development efforts. At Halifax EMC, we understand there is power in numbers, and we are committed to be a part of the economic development team for our community and for northeastern North Carolina.

Haywood Electric Membership Corporation

Mailing Address

376 Grindstone Road Waynesville, N.C. 28785

Phone

(828) 452-2281(800) 951-6088

Fax (828) 456-9443

Key Staff

Norman D. Sloan, Executive Vice-President & General Manager Larry Clark, President Tom Batchelor, Assistant General Manager Ken Thomas, Manager of Marketing & Communications Wilma Corbin, Manager of Human Resources Susan McCall, Internal Auditor Darlene Shipman, Supervisor of Consumer Accounting

Annual Meeting: Second Thursday in August

Active Meters: 26,398

Counties Served: Macon, Jackson, Transylvania, Haywood, Buncombe, Madison, Rabun County, Georgia and Oconee County, South Carolina

Current and Future Plans

Over the years, Haywood's headquarters has moved from the Cruso community to Main Street in Waynesville followed by a move in 1953 to the Old Asheville Highway in Waynesville where the headquarters remained until July, 2009. As Haywood EMC grew, a district office was added in Lake Toxaway of Transylvania County. Haywood EMC has grown from 18 employees and 3,936 services in 1953 to 67 employees, plus approximately 76 contractor employees serving the 25,839 plus services today.

Due to growth, Haywood EMC maximized the potential of its previous headquarter facilities through renovation and remodeling over the 55 years there. Therefore, Haywood EMC moved into a new headquartering facility at 376 Grindstone Road, Waynesville, NC 28785 as of July, 2009. This will allow the co-op too continue meeting its responsibilities to both the members and communities it serves.

Haywood EMC has averaged a growth of one percent a year in new accounts and the corporation projects a similar growth pattern into the near future.

In addition to providing the affordable, reliable and safe electrical energy members have come to know and expect, we are also striving to meet state mandates in providing a mixed portfolio of traditional and renewable power resources. This is also being supplemented with energy efficiency programs offered to members as an incentive to reduce greenhouse gases.

Jones-Onslow Electric Membership Corporation

Mailing Address:

259 Western Boulevard Jacksonville, NC 28546

Phone Numbers:

Fax (910) 353-7735

(910) 353-1940
(800) 682-1515
(910) 353-7117 (Power Outage)
(800) 681-4146 (Power Outage)

Key Staff:

Jeff T. Clark, Chief Executive Officer John L. Pierce, Chairman Tommy Pritchard, Chief Utility Engineering Officer Steve Goodson, Vice President of Energy Services Wanda Jones, Vice President of Commercial Operations Danny Parker, Vice President of Operations Michelle Hefner, Vice President of Finance and Accounting Carrie Peters, Vice President of IT Shirley Cox, Vice President of Human Resources Ricky Maready, District Vice President

Annual Meeting: Last Friday in March

Active Meters: 73,538

Counties Served: Onslow, Pender, Lenoir, Duplin, Craven, Jones

Current and Future Plans

With many changes facing the industry, Jones-Onslow EMC is still serving its consumers with the neighbor helping neighbor concept, through the cooperative way of business. With over 2,300 miles of line serving over 73,000 customers, Jones-Onslow EMC is one of the fastest growing and most innovative cooperatives in the United States.

JOEMC's annual work plan focuses on reliability and system strength to withstand major storms. Current and future work plans include improving system reliability by focusing on the construction of new, and the upgrading of existing, distribution substations throughout their service territory. All of this is to accommodate the continued growth in JOEMC's service territory.

Lumbee River Electric Membership Corporation

Mailing Address

P. O. Box 830 Red Springs, N.C. 28377

Phone

(910) 843-4131 (800) 683-5571 Fax (910) 843-2079

Key Staff

Steven C. Hunt, President & Chief Executive Officer Roger D. Oxendine, Chairman - Board of Directors Chris Locklear, Chief Operating Officer Carmen Dietrich, Vice President of Member Services Steve Morrison, Vice President of Finance Theresa Walker, Vice President of Human Resources Vacant, Vice President of Information Technology Tina Jones, Director of Logistics Mark Walters, Director of Safety Walter White, Director of Marketing and Economic Development Timothy C. Locklear, Director of Enterprise Information Management

Annual Meeting: Second Thursday in October

Active Meters: 59,715

Counties Served: Scotland, Hoke, Robeson, Cumberland

Current and Future Plans

At the first Annual Meeting of the Members in 1941, the cooperative had 469 miles of line. The average member used 36 kWh per month and paid 7 cents per kWh. Today, the cooperative has 5,789 miles of line and the average residential member uses 1,516 kWh per month at a cost slightly more than 10 cents per kWh. The membership is comprised of 96% residential and 4% commercial. Revenue growth has averaged 7% annually over the past 10 years.

The strong growth for the cooperative continues to be concentrated in the Cumberland and Hoke County areas, in large part due to the proximity to Ft. Bragg. In the past 2 years we have seen significant commercial growth in this area along with the connection of 2 hospital facilities.

In Robeson County, development of businesses is driven by the access to major highways and rail systems, as well as the success of COMtech, a partnership of educational, business and government entities founded to support and help tenant-partners focus on the profitability of their core business through workforce development. Lumbee River offers two loan programs to assist with economic development: the USDA Intermediary Relending Program (IRP) and the USDA Rural Economic

Development Loan and Grant Program (REDLG). Both loans help the expansion of businesses to create jobs when adequate funding is not available from other sources.

In addition to Lumbee River's commitment to support economic development, our investment in technologies has streamlined work processes and provided additional services to the membership. Lumbee River EMC remotely reads meters and is capable of connecting and disconnecting services from our office. Using implemented technology, members may transact business, such as making payments or establishing service by simply visiting our web site, using our Smartphone application or our automated phone system. Members may also choose to enroll in FlexPay, a prepaid metering program that allows the member to monitor and manage their daily kWh consumption. Lumbee River EMC continues to be committed to evaluating emerging technologies to be the trusted energy advisor for our membership.

Lumbee River continues to focus on member energy efficiency programs and the inclusion of renewable energy in our fuel portfolio as mandated by the renewable energy portfolio standard by the state of North Carolina. Effective energy efficiency programs, expanding member education and favorable member financing options are resulting in savings to the membership through our implementation of numerous energy efficient measures. Lumbee River EMC will continue to evaluate various renewable energy projects as we work toward meeting our 2018 renewable mandates and future energy needs.

The \$20M grant/loan package Lumbee River EMC received through the federal Broadband Economic Development Initiative Program to construct a fiber optic "last mile" network allowed high-speed broadband services to be provided to residences, businesses and public facilities located in underserved or unserved areas of Robeson County. In 2014, Lumbee River EMC began collaboration with Horry Telephone Cooperative to offer high speed broadband, TV and telephone services to residences on the network. In addition, Lumbee River EMC is able to deploy various smart grid technologies using the fiber network.

With a membership that exceeds 52,180 individuals, Lumbee River EMC continues to provide safe, reliable and affordable electric service to the residents of Cumberland, Hoke, Robeson and Scotland Counties.

Pee Dee Electric Membership Corporation

Mailing Address

575 Highway US Highway 52 South Wadesboro, N.C. 28170

Phone

(704) 694-2114 (800) 992-1626 **Fax** (704) 694-9636

Key Staff

Donald (Donnie) Spivey, Chief Executive Officer & Executive Vice-President Richard H. Johnson, Board President J. Mark Rhyne, Director of Engineering & Operations Phillip Mabry, Director of Finance & Accounting Cathy Page, Director of Customer Service & Marketing Kim Faulkner, Director of Human Resources Janet Carson, Director of Information Technology

Annual Meeting: First Thursday in October

Active Meters – 21,005

Counties Served: Anson, Montgomery, Moore, Richmond, Scotland, Stanly, Union

Current and Future Plans

Today, Pee Dee Electric serves 21,005 meters throughout seven counties and maintains over 3,100 miles of line.

Pee Dee Electric utilizes advanced technologies including Automated Metering Infrastructure (AMI) and Geographic Information System (GIS). The GIS mapping system provides accurate information in the field for the entire service area. Pee Dee Electric recently installed an Outage Management System (OMS) that is integrated with the AMI and GIS systems. This automated OMS system provides information allowing quicker response times for power outages. Pre-paid Metering services and power usage monitoring became available to our members in 2012. A website portal displaying energy usage allows members the ability to look at previous day usage and sign up for email alerts.

Pee Dee Electric continues to focus on energy efficiency programs for its members and complying with the NC Renewable Energy Portfolio Standards mandate. Pee Dee completed construction of a 100kW Community Solar Farm to support alternative energy while providing members an opportunity to participate in a solar energy facility.

The cooperative's 2014 Strategic Plan sets the direction for the cooperative. Safety and providing legendary customer service continues to be a priority for all employees of Pee Dee Electric.

Piedmont Electric Membership Corporation

Mailing Address

P. O. Drawer 1179 Hillsborough, N.C. 27278

Phone	Fax
(919) 732-2123	(919) 644-1030
(800) 222-3107	

Key Staff

Stephen (Steve) B Hamlin, President & Chief Executive Officer Susan Cashion, Vice President, Chief Compliance and Administrative Officer Lisa Kennedy, Vice President, Financial Services Larry Hopkins, Vice President, Engineering Robert Riley, Manager of Operations Brandon Reed, Manager of Member Services & Public Relations Chuck Lee, Manager of Energy Services Kirk Metcalf, Human Resources Manager

Annual Meeting: Fourth Friday in April

Active Meters: 31,472

Counties Served: Caswell, Person, Alamance, Orange, Durham, Granville

Current and Future Plans

Piedmont EMC has established a Revolving Loan Community Fund, through the USDA Rural Economic Development Loan and Grant Program, to provide zero interest loans for economic and community development projects. Since their start in 2013 Piedmont EMC has made zero interest loans for 11 fire trucks, 2 ambulances, 1 fire station expansion, 2 fire station equipment purchases, 2 school expansions and 1 public library expansion. Through this program Piedmont EMC has funded \$14 million in total economic development investment, \$7 million in Piedmont Electric/USDA loans and sourced \$5 million in revolving loan funds.

Piedmont EMC became the first utility in the state to provide advanced meters to all its memberconsumers in July 2009 when we successfully completed our three-year program implementation of meters that utilize the advanced Power Line Carrier technology. In addition to reducing our meter reading cost and improving the efficiencies of our distribution network, the advanced meter upgrade brought members direct benefits which allow them to monitor on a daily basis their energy usage without having to wait until the monthly bill arrives. A website portal, SmartHub, allows members to look at previous day energy usage and historical usage, pay their bills online, manage account information from mobile devices or the web, sign up to receive notifications via email or text concerning activity on their account and contact Piedmont EMC to initiate various customer service requests. Through the advanced meter technology, we are also able to offer a prepay program that provides payment flexibility, eliminates the requirement for security deposits and supports conservation by informing members of their daily energy consumption.

Piedmont EMC offers numerous programs and initiatives that not only support the state Renewable Energy and Energy Efficiency mandate (Senate Bill 3) but also empowers our members to control their energy costs. These programs and initiatives are mostly a continuation and expansion of programs that have existed at Piedmont EMC for decades; however, recent calculators and applications have been added that analyze monthly bills using actual energy usage, estimates energy use based on inputs to calculate energy saving scenarios, appliance energy calculators, lighting calculator, heating calculator for heat pumps, natural gas, oil and propane heating. The cooperative has also added an electric vehicle calculator tool that calculates how much money an electric vehicle can save the member-consumer. The cooperative has always been focused on helping our members manage their electricity needs in the most cost effective and economical way. The programs that we will continue to focus on include offering additional advanced meter tools, residential, commercial and industrial energy efficiency evaluations at no cost to our members, high efficiency heat pump rebates, LED rebates, solar water heater rebates, time-of-day rates, net metering rates, Energy Star New Home rates, HVAC system audits, low interest loans for energy efficiency and renewable equipment and rates for our members that are renewable generation producers. Our technology energy toolkit includes a residential duct blasting test and an infrared thermal imaging camera. These new tools are used during energy audits and they help our members identify areas within their homes and buildings where measures can be applied to help improve their energy efficiency. At our April 2016 Annual Meeting we provided members in attendance with more than 800 energy saving LEDs. A total of 1,002 electric water heater wrap kits have been sold or provided to members that have an annual energy savings of 430 kWhs per wrap kit. Piedmont EMC has more than 670 members on Time-of-Day rates. Piedmont EMC, which is an Energy Star Partner with the US Environmental Protection Agency and the Department of Energy, continues to promote the Energy Star Program through communications with our members. Through GreenCo Solutions Inc., we participate in energy efficiency and renewable programs that support the achievement of our REPS mandate. Lastly, Piedmont EMC has 152 active renewable solar generation projects that range from 2kW to 200kW that participate in either the NC Green Power program, Piedmont's Qualifying Facility or Net Metering rate programs. Piedmont EMC has also given solar thermal rebates to 43 members who have installed solar water heaters. Also, Piedmont EMC launched a community solar project in 2016 where member-consumers subscribe to a panel for a small monthly fee and then are credited for the panel's output on their bill. Thus far, member-consumers have subscribed to more than 950 panels. Piedmont EMC offers outdoor security area and street lights where we have more than 12,800 outdoor lights installed. These outdoor lights are mostly High Pressure Sodium (HPS) with some Mercury Vapor (MV) fixtures. With our recent rate revision, we now offer a LED fixture as our standard security light and will be converting existing outdoor lighting fixtures to LED fixtures in lieu of relamping or repairing the HPS or MV fixtures.

Pitt & Greene Electric Membership Corporation

Mailing Address

P. O. Box 249 Farmville, N.C. 27828

Phone

(252) 753-3128(800) 622-1362

Fax (252) 753-3136

Key Staff

Mark A. Suggs, EVP & General Manager Glenn Smith, President Tammy Murphy, Human Resources & Administrative Assistant Tony Barrow, Director of Engineering Barry Potter, Director of Operations Linda Gray, Director of Office Services

Annual Meeting: First Thursday in November

Active Meter: 8,642

Counties Served: Wilson, Edgecombe, Wayne, Lenoir, Greene, Pitt

Current and Future Plans

Pitt & Greene Electric Membership Corporation (Pitt & Greene EMC) is a non-profit, non-taxable rural electric cooperative organized pursuant to Article 2, Chapter 117 of the North Carolina General Statutes. The Certificate of Incorporation was filed in the office of the Secretary of State of the State of North Carolina on the 8th day of June 1937. Pitt & Greene EMC is operated by a nine-member board of directors elected by the member-owners of the corporation. The purpose or purposes of the corporation for which it is formed are in general, to provide electric energy to the members of the cooperative; to mortgage plant, buildings and machinery; to acquire and hold, to the extent permitted by law, mortgages, leases, licenses, and right of way easements; to borrow money and other evidences of indebtedness necessary to finance the operation of providing electric energy to the members of the cooperative.

Pitt & Greene EMC is located at 3989 West Wilson Street, Farmville, NC. Its formation began in 1937, and its first homes were energized on March 8, 1938. Construction began on the first Headquarters building in 1953 and was completed May 1954. Pitt & Greene was the 14th electrical co-op established in the nation.

Pitt & Greene EMC installed the AMI (Automated Metering Infrastructure) beginning March 15, 2011. By September 30, 2011, 8500 meters had been successfully installed. We are now

offering Customer Choice, which is a pay as you go program. Customer Choice is optional and is available to all members. Pitt & Greene EMC currently has 27 employees. It serves Pitt, Greene, Lenoir, Wayne, Wilson, and Edgecombe counties. Its average total number of consumers is 8,653, and the corporation serves 1,076 miles of line.

Randolph Electric Membership Corporation

Mailing Address P. O. Box 40 Asheboro, N.C. 27204-0040

Phone

(336) 625-5177(800) 672-8212

Fax (336) 626-1551

Key Staff

Dale Lambert, Chief Executive Officer Jay Albright, District Vice President Adam Hargett, Vice President of Finance Dennis Mabe, Vice President of Engineering & Operations Fred Smith, Vice President of Member & Public Relations

Annual Meeting: Third Friday in June

Active Meters – 31, 907

Current and Future Plans

Today Randolph EMC serves nearly 32,000 consumer-members in Alamance, Chatham, Montgomery, Moore, and Randolph counties in central North Carolina. The company is headquartered in Asheboro and has one district office in Robbins. Randolph EMC delivers over 500 million kWh of electric energy annually with an annual peak capacity of 159 MW to residential, commercial and industrial customers.

REMC's advanced metering infrastructure allows the cooperative to offer various programs that utilize the digital meters' two-way communication feature. Daily usage monitoring via REMC's online member service portal allows members to monitor their kWh electricity use on a daily basis. FlexPay is a program that lets members pre-pay for electricity, which eliminates late payment fees and the need for deposits.

Randolph EMC also offers its members a variety of electric rates. General service residential, commercial and industrial rates are available, as well as a number of time-of-use options. Renewable purchase options are offered to members willing to invest in the cooperative's SunPath Community Solar[®] program. Participants in this program have the option to subscribe monthly or for a full term (240-months) to the output of any number of solar panels they wish. As a result, these members receive credit on their bills for the amount of energy their panel(s) generate, based on the co-op's published Solar Energy Credit at the time of billing.

In addition, members enjoy services such as electronic bill payment, budget billing, and bank draft as a result of Randolph EMC's commitment to making account management easy. REMC's dispatch center has a representative available 24-hours-a-day to answer member calls, and members may access their account information at any time online or through an automated phone line.

The cooperative also routinely employs new technologies through pilot programs, which aim to help manage costs both for the utility and the participating member. Recently, REMC introduced REVUP—REMC Electric Vehicle Utility Program. This program offers members with electric vehicles a \$500 rebate toward purchasing a Level 2 charging station in exchange for their charging data. This program also incorporates a three-tiered time-of-use rate to allow maximum savings in charging an electric vehicle overnight when the cost of electricity is lowest for the utility.

Randolph EMC not only has a philosophy of providing reliable electric power at an affordable price, but is dedicated to community involvement as well. Employees are encouraged to participate in civic, service and business organizations within the community. The company has representation in associations such as Rotary International, Youth Sports, United Way, and local economic development organizations.

One very special program developed locally is "*People Helping People*," an organization governed by an independent board of directors and sponsored by Randolph EMC. This program allows enrolled members to round up their electric bill to the nearest dollar to help other members in need of financial assistance. As of 2016, more than \$95,000 has been given to individuals and families in need of support.

Education also plays an important role at Randolph EMC. The co-op believes it is because of teachers willing to go the extra mile that our children enjoy some of the finest education opportunities in the world. Each year, REMC sponsors a student to visit Washington, D.C., through the Rural Electric Youth Tour, and sends students to the Roy Williams and N.C. State Wolfpack Basketball Camps, as well.

In addition, employees have delivered hundreds of presentations on energy and electrical safety to area schools and the company is involved in programs that also support teachers. Randolph EMC has given away more than \$222,000 to teachers over the past 22 years through the "*Bright Ideas*" program, which assists local teachers with educational programs. In addition, the co-op participates in the "*Teacher Internship Program*" sponsored by the Asheboro/Randolph Chamber of Commerce. In this program, area teachers spend a week during the summer working at Randolph EMC to gain on-the-job experience that they can incorporate into their lesson plans.

Randolph Electric Membership Corporation looks toward a bright and challenging future as the nation moves toward energy independence and a cleaner environment. The co-op will do its part to ensure intelligent, affordable solutions in meeting the electric requirements of its members. Through a diversified portfolio of traditional power resources, renewable and environmentally friendly generation technologies, as well as energy efficiency, Randolph EMC is committed to delivering affordable, reliable electric energy and superior service in response to the needs of its members and communities.

Roanoke Electric Cooperative

Mailing Address

P. O. Box Drawer 1326 Ahoskie, N.C. 27910

Phone Fax (252) 209-2236 (252) 209-5040 (800) 433-2236 209-5040

Key Staff

Curtis Wynn, President & Chief Executive Officer Allen W. Speller, Board Chairman Marshall Cherry, Chief Operating Officer Kimberly Braxton, Vice-President, Accounting/Human Resources/Finance

Annual Meeting: Fourth Saturday in August

Active Meters: 14,763

Counties Served: Halifax, Northampton, Hertford, Gates, Bertie

Current and Future Plans

Roanoke Electric Cooperative has been recognized among its peers as an organization asserting innovative approaches to economic and community development winning the prestigious NRECA Community Service Network Award on two occasions.

Through its non-profit subsidiary--The Roanoke Center—the cooperative has positioned itself as a major catalyst of overall sustainability in the Roanoke Chowan and Roanoke Valley regions of North Carolina.

Currently, the cooperative is executing several high-impact initiatives to support enhancing service to its members which will bring significant rewards over the next several years.

Roanoke has been recognized as one of the first electric cooperatives nationally to receive USDA funds to administer an Energy Efficiency and Conservation Loan Program. This \$6 million opportunity will be invested in the region over the next several years and will effect homes to be more energy efficient.

Roanoke is also one of the first cooperatives in North Carolina to complete a Community Solar Project offering member-owners an easier opportunity to invest in renewable energy production. The cooperative has enrolled member-owners to subscribe to these panels and successfully garnered funds from organizations to support sponsoring a portion of the upfront purchase for low-income residents.

Another major project underway is a \$4 million investment to deploy fiber across its distribution system, which will enable smart grid technologies. Excess fiber has been made available to engage last mile providers of broadband services. The cooperative managed a Crowd Fiber campaign to build a business case for providers, and the results are leading toward some expansion of broadband capacity in the region.

Rutherford Electric Membership Corporation

Mailing Address: P. O. Box 1569 Forest City, NC 28043-1569

Website <u>www.remc.com</u>

Phone 828-245-1621 or 800-521-0920 Fax 828-248-2319

Key Staff

Joseph H. Joplin, General Manager J. Dean Carpenter, President Dirk Burleson, Vice President of Member & Corporate Services Jeffrey C. Brittain, Vice President of Engineering Colon L. Saunders, Vice President of Operations Randy Ward, Vice President of District Operations

Annual Meeting: Last Saturday in October

Active Meters: 69,096

Counties Served: Caldwell, McDowell, Rutherford, Polk, Cleveland, Burke, Catawba, Lincoln, Gaston, Mitchell

Current and Future Plans

Rutherford EMC is proud to celebrate 79 years of service to its members in 2016. What began with a handful of determined farmers, 10 miles of line and 30 members, has grown to provide electricity to more than 69,096 homes and businesses in 10 counties. Growth will continue in this small community atmosphere where good schools and the moderate climate provide an excellent area to work and raise families.

Today, all meters are read electronically by an Automated Meter Reading system. This meter reading system also allows us to remotely disconnect and connect services from our office. Members can log on to our website to our Customer Services Portal to view their daily meter readings and monitor their usage. This portal also allows the member to view their bill, set up Auto-Pay, sign up for E-Billing, pay online and make changes to their account. This service is convenient to members since it can be accessed on any device, including smart phones, any time of the day, 365 days a year. Our automated telephone system allows members to obtain information on their account, report an outage, or pay their bill from any touchtone phone. This service is available 24/7 by dialing any of our offices.

PrePay metering service is available to our qualifying residential and non-demand members. This option does not require a normal security deposit and gives the member flexibility in paying for their electric service.

Renewable energy generation is available to residential and nonresidential members receiving concurrent service from the cooperative where a solar, wind-powered, or biomass-fueled generation source of energy, without battery storage, is installed on the member's side of the delivery point. Currently, we have 99 members taking advantage of this program.

Rutherford EMC gives back to the community by participating in the Bright Ideas education grant program, the Rural Electric Youth Tour to Washington and the Summer Basketball Camp scholarship program. Many fundraisers are held by employees, with support from the cooperative, to assist families in the community and to donate to the American Cancer Society.

To aid in maintaining its primary goal of providing affordable electric rates and reliable service for its members, Rutherford EMC has developed a series of long-term business strategies aimed at guiding the cooperative well into the 21st century. The cooperative is working to improve its load factor in the residential market by promoting safe, energy-efficient, all-electric living, while capturing opportunities to serve new commercial and industrial loads by building an aggressive economic development program.

South River Electric Membership Corporation

Address

17494 US 421 S P. O. Box 931 Dunn, N.C. 28335

Phone

(910) 892-8071 (800) 338-5530 Fax (910) 891-7189

Web site

www.sremc.com

Key Staff

Chris Spears, Executive Vice-President & Chief Executive Officer Andrew Hardy, Vice President of Finance & Accounting Catherine O'Dell, Vice President of Member Services & Public Relations Barbara West-Lee, Vice President of Corporate Services Chuck Richardson, Vice President of Engineering David Akers, Vice President of Operations Tim Peede, Vice President of Information Technology

Number of Employees - 100

Annual Meeting: April

Active Meters – 43,245

Counties Served: Harnett, Cumberland, Sampson, Bladen, Johnston

Current and Future Plans

As one of 22 of North Carolina's electric cooperatives that are part of GreenCo Solutions, Inc, we will continue to focus on energy efficiency initiatives and the purchase of renewable resources to meet the state's Renewable Energy Portfolio Standards (REPS) mandate. The law requires NC-based electric utilities to purchase or generate a specific amount of renewable energy, or reduce electricity use through energy efficiency improvements. Through GreenCo Solutions, South River EMC is participating in the purchase of renewable energy certificates from the various renewable projects. Additionally, the Cooperative is offering a variety of energy efficiency incentives to members.

In 2016 South River EMC completed the refinancing of all existing Rural Utilities Service (RUS) debt with the National Rural Utilities Cooperative Finance Corporation (FC). The Cooperative expects an annual cash flow increase for the next several years of nearly \$1.5 million and a total savings of more than \$20 million over the life of the loans. The refinancing will net an additional

savings of around \$500,000 per year in operating costs by streamlining processes and eliminating the red tape.

South River EMC will continue to make investments in technology to conduct business more efficiently, to deliver better service to our Members and to hold down costs. In late 2016, South River EMC installed a payment kiosk at the Fayetteville office. This kiosk took the place of the night deposit box and will accept cash, credit and check payments and post them to the member's account immediately. The Cooperative plans to install a similar kiosk in the Dunn office mid-year 2017.

In November 2016, South River EMC retired approximately \$3.7 million in the form of capital credits to over 58,000 active and inactive members. Capital credit refunds were from 1997, parts of 1998 and/or 2015! This marked the first year that the Cooperative started to refund 25 percent of the previous year's capital credit allocation. This was part of a multi-part change made to South River EMC's capital credit policy to include giving members the option to receive all capital credits allocated to them at a discounted rate at the time they discontinue service with the Cooperative.

South River EMC is anticipating implementing a rate decrease in 2017 as the result of the reduction in the cost of purchased power. The Cooperative is also implementing a series of cost-saving measures to include a line-loss study and improvement plan, an aggressive right-of-way clearing program, an improved inventory process and an outdoor light inventory and conversion to LED lights.

South River EMC continues to look for ways to meet member expectations and to reduce costs, while improving member satisfaction.

Surry-Yadkin Electric Membership Corporation

Mailing Address

P. O. Box 305 Dobson, N.C. 27017

Phone

(336) 356-8241 (800) 682-5903 **Fax** (336) 356-9744

Key Staff

Greg Puckett, Executive Vice-President and General Manager Lee Von (Toby) Speaks, President Donna Marion, Vice President of Administration Misty Utt, Vice President of Finance and Accounting

Annual Meeting: First Saturday in October

Active Meters: 26,925

Counties Served: Wilkes, Surry, Yadkin, Stokes, Forsyth

Current and Future Plans

Surry-Yadkin EMC has grown from its modest beginnings to serving 26,925 plus meters and operating 17 substations. Currently, Surry-Yadkin has 107 miles of transmission line and 3,929 miles of distribution line. Since 1960, our headquarters are located at 510 South Main Street, Dobson, NC. All members are served from this location. Surry-Yadkin EMC has a staff of 61 well-trained employees to serve its membership.

We will continue to upgrade and install facilities as needed to meet the requirements of our membership.

<u>Tideland Electric Membership Corporation</u>

Mailing Address

P. O. Box 159 Pantego, N.C. 27860

Phone

(252) 943-3046(800) 637-1079

Fax (252) 943-3510

Key Staff

Paul Spruill, General Manager and Chief Executive Officer Paul Sasnett, President Tonya Little, Executive Assistant/Payroll Specialist Jim Chrisman, Chief Financial Officer & Manager of Internal Services Ben Beagle, Manager of Engineering & Operations Myra Beasley, Manager of Human Resources, Risk Management & Benefits Bill Waters, Manager of Information Technology Heidi Smith, Manager of Marketing & Communications

Annual Meeting: May

Active Meters: 22,597

Counties Served: Craven, Pamlico, Beaufort, Washington, Hyde, Dare

Current and Future Plans

Today, Tideland is keenly focused on its core business function: the safe and reliable delivery of affordable electric service. Since 1999, Tideland has made substantial investments in system upgrades including the construction of a 115 kV transmission line traversing Beaufort and Hyde counties, and in December 2011 the co-op completed the process of converting to all digital meters capable of providing remote readings and other advanced functions that will enable smart grid technologies in the coming years. In the summer of 2010, Tideland interconnected its first two small, member-owned photovoltaic solar systems, and it is possible that the Tideland service territory, at the southernmost end of the PJM (Pennsylvania-New Jersey-Maryland) regional transmission organization, will be home to large investor-owned wind and solar projects. As of December, 2014 Tideland completed construction of its first community garden and is now offering solar panels to its membership for a much more affordable price than installation of a rooftop solar alternative.

Technology and information drive the future, and Tideland is determined to be in a position to deploy cost effective, member focused solutions that meet increasingly diverse energy needs.

Tri-County Electric Membership Corporation

4255 Alt. US Hwy 117 South PO Box 130 Dudley, NC 28333

Website www.tcemc.com

Phone	Fax:
(919)735-2611	(919)734-6277

Key Staff

J. Michael Davis, General Manager Ken E. Davis, Manager of Finance and Accounting Tony Grantham, PE, Manager of Engineering Bob Kornegay, Manager of Member Services and Marketing Deidra Locklear, Manager of Communications and Public Relations Mike Wood, Manager of Operations

Annual Meeting: Second Saturday of November

Meters Served: 24,756

Counties Served: Wayne, Duplin, Lenoir, Johnston, Jones, Sampson and Wilson

Current and Future Plans

Community oriented programs are a top priority at Tri-County EMC. The Operation Round-Up program, which began in September 2000, has helped many needy individuals and non-profit organizations in our communities. Our participation rate is 95%. In the first fourteen years, our members have contributed over \$1.4 million to improve the quality of life in our communities.

To secure the future of our communities, our employees provide scholarships to send local students to college. Since 2001, 663 high school seniors have received scholarships totaling \$305,250.00. These budding leaders will help us build a better world.

Since its inception in 1994, the Bright Ideas Grant Program has contributed millions of dollars to teachers across the state of North Carolina to fund educational projects. We are proud to have awarded \$1,379,266.03 to teachers in our service area to fund 1,501 innovative teaching projects. The impact reaches thousands of students. We are proud to be making a difference for individuals and communities in our service area.

The Rural Electric Youth Tour to Washington, DC is held each summer. Last summer we sent four high school rising seniors to our nation's capital to learn about leadership, teamwork, and our nation's ideals.

Tri-County EMC, along with the North Carolina Association of Electric Cooperatives, selects two middle school students each year to attend the Touchstone Energy Roy Williams Basketball Camp at UNC-Chapel Hill for male students and the Wolfpack Basketball Camp at NC State University for female students.

Members are provided the Co-op Connections Card which gives them a discount on their medications at local pharmacies.

The cooperative has faced many changes and challenges in the electric industry over the years. As we continue to face more changes and challenges in the future, the mission of Tri County Electric Membership Corporation will remain the same. We are a member-driven cooperative committed to providing reliable electric power at a reasonable cost, to offering superior service, and to taking an active role in supporting the communities it serves. The core values of Tri-County Electric remain the same. Integrity, accountability, innovation, and commitment to community are the cornerstones on which Tri-County EMC continues to build a strong cooperative.

Union Power Cooperative

Mailing Address

P. O. Box 5014 Monroe, N.C. 28111-5014

Phone (704) 289-3145 (800) 922-6840 Fax (704) 296-0408

Key Staff

Greg Andress, Executive Vice-President & General Manager B. L. Starnes, President Numa Robertson, Vice President of Corporate Services Theresa Conyers, Vice President of Finance and Accounting David Gross, Vice President of Operations & Engineering Luanne Sherron, Vice President of Key Accounts & Government Relations Carrie Stroud, Vice President of Communications & Marketing

Annual Meeting: Saturday in September or October

Active Meters: 73,000

Counties Served: Union, Stanly, Cabarrus, Mecklenburg, Rowan,

Current and Future Plans

Union Power Cooperative's mission is to enhance the quality of life of our members and the communities we serve by delivering on our promise to provide safe, reliable electric power and energy service with exceptional value. Union Power serves a five county area outside the metropolitan area of Charlotte, NC including: Union, Stanly, Cabarrus, Mecklenburg, and Rowan counties. Offices are located in Union and Stanly counties.

With 73,000 members, and nearly 6,000 miles of lines and 23 substations, the co-op serves an average of 12 members per mile of line. This cooperative is in the top 5% of largest co-ops in the nation.

Currently, the cooperative has implemented an award winning Union Power Operations Dashboard (UPOD) that incorporates the cooperatives internal operations systems and OMS and allow linemen in the field to view outage information and mapping in near real time.

Union Power leverages a digital platform to communicate with the membership and is sending out over 33,000 *My Energy Report* e-mails each month. The co-op encourages members to do a full energy assessment of their home and learn how they can save money. The monthly report is personalized and reflects accurate billing data at it relates to weather conditions. The

comprehensive website, union-power.com offers over 30 online energy calculators to help residential and commercial members manage their energy use.

The cooperative offers a variety of ways members can pay bills including a Pre-Pay program called *Pay Your Way t*hat allows members to pay for their power in advance of using the service. Popular programs include levelized and budget billing.

Due to rapid growth in the western portion of Union County, the Cooperative is in the beginning phases of building a new transmission line in Western Union County to tie the Weddington and Marvin Substations. Additional growth in the Mint Hill area of Mecklenburg County is anticipated as the I-485 corridor continues to grow and will require the co-op build additional infrastructure to meet the growing needs of this area.

Union Power provides \$20,000 each year in teacher grants through the Bright Ideas program, provides six college scholarships and sends three rising seniors to NRECA's Washington Youth Tour each year. Union Power is assisting Flowes Store VFD in Cabarrus County in 2016 to purchase a new fire truck though the assistance of the USDA Revolving Loan Fund. Union Power employees have adopted Hospice in both Union and Stanly counties to raise funds and have donated nearly \$300,000 since 2009.

Wake Electric Membership Corporation

Mailing Address: P.O. Box 1229 Wake Forest, NC 27588-1229

www.wemc.com

Phone Number: (919) 863-6300 (800) 474-6300

Fax: (919) 863-6379

Key Staff:

Jim E. Mangum, Jr., General Manager and Chief Executive Officer Phil Price, Chief Operating Officer and Assistant General Manager Lisa Kennedy, Vice-President, Financial Services C. Fred Keller, Manager of Member Services T. Scott Poole, Manager of Customer Service Don Bowman, Manager of Engineering Kirk Metcalf, Human Resources Manager

Annual Meeting: Fourth Friday in March

Active Members: 41,000

Counties Served: Granville, Vance, Durham, Wake, Johnston, Franklin, Nash

Current and Future Plans

Wake Electric provides electric service to over 38,000 primarily residential consumers in parts of seven counties in north central North Carolina, including: Durham, Franklin, Granville, Johnston, Nash, Vance and Wake counties. Wake Electric has 19 substations, and more than 3,080 miles of distribution lines (1,849 miles overhead and 1,231 miles underground.) Service offices are located in Wake Forest and Youngsville.

Wake Electric is facing a steady growth in electricity demand while it is becoming more difficult and expensive to produce and transmit power. Even with successful energy efficiency programs, our state will experience increased energy demand requiring construction of new power plants and transmission lines.

Wake Electric is deploying state-of-the art technology that provides members powerful, secure and convenient online account access on their desktop, mobile device or tablet. For example, our SmartHub portal allows members to:

•Pay their bill immediately with secure online payments;

•View monthly electricity usage and history, including daily and hourly kWh for all meters with AMI technology;

•View monthly electricity usage and history through the My Usage tab, which includes information on daily and hourly kWh for all meters with AMI technology, allowing members to make informed decisions about energy usage;

•Manage account information directly and track payment history from mobile devices or the web; •Report an outage;

•Sign-up to receive notifications via email or text messaging concerning activity on their account; •Contact our office to initiate various customer service requests.

Wake Electric also updated its mapping system and moved everything online, giving linemen and meter technicians easy-to-access and accurate information in the field. Wake Electric has installed meters that automatically report outages on our residential members. Members can report outages using our automated phone system or talk directly with a customer service representative. Our crews in the field also report outages and system problems. A fully integrated customer and engineering database enables Wake Electric employees to analyze outage calls and assign restoration crews efficiently.

Along with keeping costs down, our energy efficiency programs help manage energy use. As a Touchstone Energy cooperative, we offer members' access to TogetherWeSave.com, an energy efficiency website that features more than a dozen interactive web applications linked to a virtual home tour designed to encourage members to take energy-savings actions now. We also offer online home energy audits to help members get the best value out of the energy you use every month.

Wake Electric is also working to do everyday business in a more efficient manner. We now have a dedicated pay-by-phone number option for bill payment. This convenient new way to pay monthly electric bills allows members to check the status of their account, make a payment, create or update PIN numbers and also update phone numbers through an automated phone system.

Costs are rising for all of us, but when it comes to your electric bill our rates are set simply to cover the cost of doing business, not to generate profits for distant stockholders. In fact, we give money back to our members as capital credits when our revenues exceed costs. This year alone, Wake Electric returned \$1,000,000 in patronage capital to existing and former members, as well as approximately \$140,000 to the estates of deceased members.

Wake Electric is working to keep electric bills affordable. We're controlling costs through innovation. We're continuing to put our members first. No matter what the future brings, one thing is certain: Wake Electric is looking out for its members.

Corporations With Headquarters Outside North Carolina

Blue Ridge Mountain Electric Membership Corporation

Mailing Address:

P. O. Box 9 Young Harris, Georgia 30582

Phone	Fax
(706) 379-3121	(706) 379-4834

Key Staff:

Jeremy Nelms, Executive Vice-President & General Manager Jane Henson, Executive Secretary Vacant, Director of Engineering Colton Payne, Director of Operations Sonny Mahan, Director of Member Services Erik Brinke, Director of Economic Development Patricia Young, Director of Office Services Dwayne Long, Director of Information Systems Daniel Frizzell, Director of Broadband Services

Annual Meeting: Second Saturday in September

Active Meters – 17,637 (In North Carolina as of October, 2016)

Counties Served: Clay and Cherokee

Current and Future Plans

The first lines were energized in the latter part of 1939. There have been many changes throughout the years. A new building was built along Highway 76 in Young Harris in 1955. Building additions/renovations were added in 1975 and 1995. In late 2012 the Co-op moved into its new corporate headquarters campus located just down the road from its 1955 location. The Co-op has seen considerable growth, presently serving approximately 51,618 electric meters by the end of October, 2016. Approximately 34% of these meters are in Clay and Cherokee Counties in North Carolina, and 66% are in Towns, Union and Fannin County, Georgia.

Our projections are that we will continue to grow at the rate of approximately 1.0% - 1.5% per year in the number of customers and approximately 2.0% - 2.5% per year in energy sales.

Blue Ridge Mountain EMC has constructed and continues to build out a fiber-optic network to provide broadband services to homes and businesses in the service area. Additionally, BRMEMC continues to work closely with the North Georgia Network (NGN), a regional broadband cooperative, to reduce broadband costs to members, and to improve the quality of broadband backhaul serving the region. As of the end of October, 2016, BRMEMC is serving just under

6,000 consumers with broadband (fiber optic) services, and supports over 1,100 miles of fiber-optic line.

Broad River Electric Membership Corporation

Physical Address:

811 Hamrick Street Gaffney, SC 29340

Mailing Address:

P. O. Box 2269 Gaffney, SC 29342

www.broadriverelectric.com

Phone

(864) 489-5737 (866) 687-2667 Fax (864) 487-7808

Key Staff:

Terry Mallard, CEO Cary Johnson, Chief Operating Officer Paula Feuerbacher, Chief Administrative Officer Daniel Gilfillan, Manager, Member Service

Annual Meeting: First Saturday in May

Active Meters - 406 (In North Carolina)

Counties Served: Cleveland, Polk, Rutherford

Current and Future Plans

Technology has changed many times since 1940. Computers have made a major impact on the way we run our business today, which enables us to fulfill our mission. Some of the innovations include: communications via the internet, automatic telephone system (answering and operations), Supervisory Control and Data Acquisition (SCADA) in all substations, digital mapping, digital line staking, engineering software for long range planning, outage reporting system, automatic meter reading system with signal over our power lines (read every meter every day, monitors power quality, etc.) to name a few.

Broad River's Annual Meeting is held on the first Saturday in May each year at our office in the Broad River Electric Cooperative Auditorium. Registration opens at 8:30 a.m. with the business meeting beginning at 10:00 a.m.

Mecklenburg Electric Membership Cooperative

P. O. Box 2451 Chase City, VA 23924

www.meckelec.org

Phone Telephone: (434) 372-6200

Fax: (434) 372-6101

Key Staff

John C. Lee, Jr., President & CEO Carolyn Glass, Executive Assistant Glen Gillispie, Chief Operating Officer B.J. Seamans, V.P. Engineering and Operations David Lipscomb, V.P. Member and Energy Services Leilani Todd, V.P. Human Resources Phyllis Williams, V.P. Information Technology Robert Lankford, Director of Operations Brian Woods, Director of Engineering

Annual Meeting: Third Wednesday in June

Active Meters in NC: 133

Counties Served: Granville, Vance, Warren, Person, Northampton

Current and Future Plans

Mecklenburg Electric Cooperative (MEC) is a Touchstone Energy Cooperative, headquartered in Chase City, Virginia, with three district offices—Chase City, Gretna, and Emporia. Serving over 31,000 accounts, it provides electricity to portions of 13 counties in southern Virginia and northern North Carolina. We have served our members since 1938 and will continue to fulfill our mission of providing safe, reliable, affordable and environmentally responsible electric service.

Much of the Cooperative's North Carolina service territory is near Kerr and Gaston Lakes. This proximity to John H. Kerr Dam results in MEC purchasing SEPA (Southeastern Power Administration) power and allowing its members to benefit from the renewable energy it generates. To further the Cooperative's green initiatives, we have worked collectively through Old Dominion Electric Cooperative (ODEC), a generation and transmission cooperative wholly owned by MEC and 10 other cooperatives across Virginia, Maryland, and Delaware, to purchase the most cost-effective solar power from two regional solar arrays totaling 30 MW. These facilities will be on-line during the first quarter of 2017 in addition to existing landfill gas and wind turbine generators.
In late 2015, MEC went live with a new Accounting and Business Solutions system and shortly thereafter implemented its new Member Care and Billing software. Throughout 2016, MEC was successful in guiding its staff and members in maximizing the effective use of the tools offered by these new systems. MEC's members were most pleased with the on-line opportunities offered by SmartHub, which included reviewing near real-time and historical energy usage, outage status and reporting, as well as checking bill status and payments. This enhanced online access expanded the members' capabilities at home using tablet or PC and allowed outstanding access via cellular and other mobile devices.

The Cooperative continued to meet and exceed member expectations through the use of its AMI (Automated Meter Infrastructure) system. This system provides 30-minute-interval data used to aid members concerned about efficient usage and to further conduct progressive home energy audits. Through the effective use of this data, Member Services personnel have identified malfunctioning heat pumps and air conditioners to save members' hard-earned dollars. Cooperative personnel also leverage the AMI system through strategic pinging of meters to quickly define outage areas and expedite power restoration.

At MEC its "Safety First" mantra is the chief objective with Cooperative employees attaining over 1.3 million man-hours without a lost-time accident. This is one of the proudest accomplishments as it is rooted in a culture to insure the safety of the public, our members, and our employees.

In regards to expenses, MEC, in conjunction with ODEC, was able to decrease wholesale power costs to the average member by just over \$10 per month in comparison to 2015. Additionally, MEC increased its capital credit refund to an overall amount in excess of \$35 million dollars.

Lastly, communicating these successes to the membership was accomplished through use of *Cooperative Living* magazine and through the use of social media. As a testament to its hard work in all areas, once again MEC was selected by local newspapers as the "Best Electric Utility" upholding the title for several years running. Through its intensive member-focused service excellence, MEC continues to increase its already high ACSI (American Customer Satisfaction Index) ratings.

MEC's staff strives to provide the ultimate in service to its members by not only meeting their needs but exceeding their expectations.

Mountain Electric Membership Cooperative

Mailing Address:

Corporate Office PO Box 180 Mountain City, Tennessee 37683 District Office PO Box 1240 Newland, NC 28657

Phone

(423) 727-1800

Fax

(423) 727-1822

Key Staff:

Joseph A. Thacker, III, General Manager Richard Grubb, Director of Engineering and Operations Sally Snyder, Director of Member Services Danny Cuthbertson, District Manager Judy L. Walsh, Director of Accounting & Financial Services

Annual Meeting: September

Active Meters –18,690 (In North Carolina)

Counties Served: Avery, Burke, McDowell, Watauga

Current and Future Plans

MEC's largest on-going project is the Sugar Mountain Transmission Line. We are in the process of acquiring a ROW easement to construct a 4.3 mile transmission line to a new substation in the Sugar Mountain area. The transmission line and associated substation is expected to cost 5.2 million dollars and will take 5 years to complete.

MEC's new eScore program provides cash incentives for making home energy improvements. Customers arrange for an on-site energy audit by a certified evaluator who reviews the home and creates a report of useful energy-efficiency modifications. Once the customer makes recommended improvements to their home, they are eligible for cash rebates.

For members interested in Renewable energy, MEC offers a couple of green power programs. The *Green Power Switch* program provides a method for members to purchase green power as part of their individual energy usage. The *Green Power Providers* program provides members a method to generate green power and sell it back to MEC's wholesale power supplier.

Mountain Electric Cooperative, Inc. (MEC) distributes electricity to over 34,000 residential and business consumers in a 700 square mile service area located in northeast Tennessee and northwest North Carolina. The organization, formed by farmers and home owners in 1941, is a member owned electric cooperative. Its headquarters office is located in Mountain City, TN with a district office in Newland, NC and a branch office in Roan Mountain, Tennessee. MEC's wholesale power supplier is the Tennessee Valley Authority.

Tri-State Electric Membership Cooperative

Mailing Address: P.O. BOX 68 McCaysville, Georgia 30555

(706) 492-3251

Phone:

Physical address: 2310 Blue Ridge Dr., Blue Ridge, GA 30513

Fax: (706) 492-7617

Website: www.tsemc.net

Key Staff:

Stacy Chastain, General Manager Jerry Pack, President Christy Setser, Manager, Finance Terry Arp, Manager, Operations Keith Thomas, Manager, Right of Way Barbara Wilcox, Manager, Office Services Lisa Hood, Manager, Billing Chris Hulsey, Manager, Human Resources David Lewis, Manager, IT Services

Annual Meeting: Third Saturday in September

Active Meters: 1,470 (In North Carolina)

Counties Served: Cherokee

Current and Future Plans

Tri-State has been proactive in moving with change and new innovations. For example, it has moved into the automated meter reading service. Increased firewall security for monitoring any potential "cyber-attacks", and to make sure our customers are secure when conducting business with Tri-State. Also, the website has been updated to be more user friendly and to provide customers with the information to manage and pay for electricity. Future plans are to build a new substation.

STATEWIDE ORGANIZATIONS

Collectively Giving the Individual Corporations a Statewide Presence

North Carolina Association of Electric Cooperatives, Inc.

3400 Sumner Boulevard (27616) Post Office Box 27306 Raleigh, North Carolina 27611 Telephone: 919-872-0800

In 1943, North Carolina's electric cooperatives formed the North Carolina Association of Electric Cooperatives, Inc. (NCAEC), a statewide association to promote training, safety and education among their consumers and the general public. These programs are arranged for and utilized by each of the twenty-six member cooperatives.

Functions of NCAEC:

- Promote government relations in Raleigh and its local communities and in Washington, D.C.
- Develop and distribute the Carolina Country magazine, published monthly for consumer-members since 1946;
- Provide training programs and conferences for co-op directors, managers and staff;
- Encourage and promote youth scholarships, education programs and tours to Washington, D.C.;
- Provide safety and job training for line workers;
- Initiate strategic communications planning, advertising, branding and community relations efforts on behalf of the member cooperatives;
- Provide IT and network services to support member cooperatives;
- Provide member cooperatives with market research services through customized research initiatives and satisfaction tracking;
- Discover and support local economic development opportunities and work with member cooperatives to secure USDA funds for projects that have created more than 4,000 jobs for North Carolina.

2016 OFFICERS:

Susan Flythe, President Cape Hatteras EC

L. V. (Toby) Speaks, Vice President Surry-Yadkin EMC

Bill Barber, Secretary-Treasurer Piedmont EMC

Joseph P. Brannan, Executive Vice President & CEO North Carolina Association of Electric Cooperatives, Inc.

Robert H. Goodson, Senior Vice President & COO North Carolina Association of Electric Cooperatives, Inc.

Chartered as North Carolina Association of Electric Cooperatives, Inc., on October 3, 1977.

North Carolina Electric Membership Corporation

3400 Sumner Boulevard (27616) Post Office Box 27306 Raleigh, North Carolina 27611 Telephone: 919-872-0800

North Carolina Electric Membership Corporation (NCEMC), the power supplier for most of the electric cooperatives throughout the State, has a mission to provide reliable, affordable and safe electric and related services to members of the organization. NCEMC acquires the power it sells to its member cooperatives in a number of ways including:

- Ownership of 61.5% of the Catawba Nuclear Station Unit 1, and a 30.76% interest in the common facilities of the Catawba Nuclear Station in York County, South Carolina;
- The NCEMC-owned and operated peaking generation sites on the Outer Banks: One at Buxton (15 megawatts) and the other at Ocracoke (3 megawatts);
- Purchases from investor-owned utilities and power generation companies, such as Duke Energy Progress (DEP), Duke Energy Carolinas (DEC), Virginia Electric & Power Company d/b/a Dominion North Carolina Power (DNCP) and Southern Power; and
- Ownership of two natural gas peaking plants located in Anson and Richmond counties, North Carolina, with a combined rating of approximately 600 megawatts of capacity.

The NCEMC also provides the following related services for most of the cooperatives:

- Power supply planning;
- Grid modernization planning and coordination;
- Storm restoration coordination; and
- Transmission coordination with transmission providers, including DEP, DEC, and DNCP.

2016 OFFICERS:

Mark A Suggs, President Pitt & Greene EMC

Dale F Lambert, Vice President Randolph EMC

Paul Spruill, Secretary-Treasurer Tideland EMC

Joseph P. Brannan, Executive Vice President & CEO North Carolina Electric Membership Corporation

Chartered as Eastern North Carolina Electric Membership Corporation on April 4, 1949 Chartered as North Carolina Electric Membership Corporation on May 27, 1958 Counties covered by charter: All 100 North Carolina counties

Tarheel Electric Membership Association, Inc.

8730 Wadford Drive Post Office Box 61050 Raleigh, North Carolina 27661 Telephone: 919-876-4603

The Tarheel Electric Membership Association, Inc. (TEMA) is a product of twenty-six North Carolina member cooperatives combining efforts to purchase material, equipment and supplies at competitive prices. The modern warehouse contains 112,000 square feet of storage space. Common carrier and contract haulers ship supplies, a system that assures economy, 24-hour-a-day service, and on-time delivery. TEMA maintains a multi-million-dollar inventory to respond rapidly to customer needs. Material on hand includes:

- Protective equipment: arrestors, cutouts, switches;
- Conductor: primary overhead, underground, secondary;
- Transformers: three-phase and single-phase;
- Junction boxes: three phase and single phase;
- Hardware;
- Insulators;
- Metering and AMR products;
- Wood products: poles and crossarms;
- Plant construction and maintenance materials;
- Utility lighting;

In the event of a storm or other emergency, TEMA goes to work immediately to direct materials and crews to where they are needed most. Cooperatives respond with teamwork, sending their crews and equipment, if necessary, to help other cooperatives.

2016 TEMA Board Officers: J. Michael Davis, President – TriCounty EMC Bertice Lanier, Vice President – Four County EMC Columbus Jeffers, Secretary-Treasurer – Roanoke EC

Lonnie Moore, Senior Vice President & COO The Tarheel Electric Membership Association, Inc.

A SNAPSHOT OF SERVICE BY COUNTY

A Microscopic View

RURAL ELECTRIC AGENCIES BY COUNTY

Alamance	Piedmont Electric Membership Corporation Randolph Electric Membership Corporation Duke Energy
Alexander	Blue Ridge Electric Membership Corporation EnergyUnited Electric Membership Corporation Duke Energy
Alleghany	Blue Ridge Electric Membership Corporation
Anson	Pee Dee Electric Membership Corporation Union Power Cooperative Duke Energy
Ashe	Blue Ridge Electric Membership Corporation
Avery	Blue Ridge Electric Membership Corporation French Broad Electric Membership Corporation Rutherford Electric Membership Corporation Mountain Electric Cooperative Duke Energy
Beaufort	Edgecombe-Martin County Electric Membership Corporation Tideland Electric Membership Corporation City of Washington Town of Belhaven Greenville Utilities Commission Duke Energy Dominion North Carolina Power
Bertie	Edgecombe-Martin County Electric Membership Corporation Roanoke Electric Cooperative Dominion North Carolina Power
Bladen	Brunswick Electric Membership Corporation Four County Electric Membership Corporation South River Electric Membership Corporation Duke Energy

Brunswick	Brunswick Electric Membership Corporation City of Southport Duke Energy
Buncombe	French Broad Electric Membership Corporation Haywood Electric Membership Corporation Duke Energy
Burke	Rutherford Electric Membership Corporation Mountain Electric Cooperative City of Morganton Town of Drexel Duke Energy
Cabarrus	EnergyUnited Electric Membership Corporation Union Power Cooperative City of Concord Duke Energy
Caldwell	Blue Ridge Electric Membership Corporation Rutherford Electric Membership Corporation Town of Granite Falls EnergyUnited Electric Membership Corporation Duke Energy
Camden	Albemarle Electric Membership Corporation City of Elizabeth City Dominion North Carolina Power
Carteret	Carteret-Craven Electric Membership Corporation Jones-Onslow Electric Membership Corporation Duke Energy
Caswell	Piedmont Electric Membership Corporation Town of Granite Falls Duke Energy
Catawba	EnergyUnited Electric Membership Corporation Rutherford Electric Membership Corporation City of Newton Town of Maiden Duke Energy

Chatham	Central Electric Membership Corporation Randolph Electric Membership Corporation Duke Energy
Cherokee	Haywood Electric Membership Corporation Blue Ridge Mountain Electric Membership Corporation Tri-State Electric Membership Corporation Duke Energy
Chowan	Albemarle Electric Membership Corporation Roanoke Electric Cooperative Town of Edenton Dominion North Carolina Power
Clay	Haywood Electric Membership Corporation Blue Ridge Mountain Electric Membership Corporation Duke Energy
Cleveland	Rutherford Electric Membership Corporation City of Kings Mountain Broad River Electric Cooperative, Inc. Town of Shelby Duke Energy
Columbus	Brunswick Electric Membership Corporation Four County Electric Membership Corporation Duke Energy
Craven	Carteret-Craven Electric Membership Corp. Jones-Onslow Electric Membership Corporation Tideland Electric Membership Corporation Greenville Utilities Commission City of New Bern Duke Energy
Cumberland	Lumbee River Electric Membership Corporation South River Electric Membership Corporation Duke Energy
Currituck	Albemarle Electric Membership Corporation Dominion North Carolina Power
Dare	Cape Hatteras Electric Membership Cooperative Dominion North Carolina Power Tideland Electric Membership Cooperative

Davidson	EnergyUnited Electric Membership Corporation City of High Point City of Lexington Duke Energy
Davie	EnergyUnited Electric Membership Corporation Duke Energy
Duplin	Four County Electric Membership Corporation Jones-Onslow Electric Membership Corporation Tri-County Electric Membership Corporation Duke Energy
Durham	Piedmont Electric Membership Corporation Wake Electric Membership Corporation Duke Energy
Edgecombe	Edgecombe-Martin County Electric Membership Corporation Pitt and Greene Electric Membership Corporation City of Rocky Mount City of Wilson Town of Fountain Town of Fountain Town of Macclesfield Town of Pinetops Town of Sharpsburg Town of Tarboro Duke Energy Dominion North Carolina Power
Forsyth	EnergyUnited Electric Membership Corporation Surry-Yadkin Electric Membership Corporation Duke Energy
Franklin	Wake Electric Membership Corporation Town of Louisburg Duke Energy
Gaston	EnergyUnited Electric Membership Corporation Rutherford Electric Membership Corporation Town of Cherryville Town of Dallas City of Gastonia Duke Energy

Gates	Albemarle Electric Membership Corporation Roanoke Electric Cooperative Dominion North Carolina Power
Graham	Haywood Electric Membership Corporation Duke Energy
Granville	Piedmont Electric Membership Corporation Wake Electric Membership Corporation Mecklenburg Electric Cooperative Duke Energy Dominion North Carolina Power
Greene	Pitt and Greene Electric Membership Corporation Greenville Utilities Commission Town of Hookerton Town of Stantonsburg Town of Walstonburg City of Wilson Duke Energy
Guilford	EnergyUnited Electric Membership Corporation City of High Point Duke Energy UNC - Greensboro
Halifax	Edgecombe-Martin County Electric Membership Corporation Halifax Electric Membership Corporation Roanoke Electric Cooperative Town of Hobgood Town of Scotland Neck Duke Energy Dominion North Carolina Power
Harnett	Central Electric Membership Corporation South River Electric Membership Corporation Duke Energy
Haywood	Haywood Electric Membership Corporation Duke Energy
Henderson	Duke Energy

Hertford	Roanoke Electric Membership Corporation Dominion North Carolina Power
Hoke	Central Electric Membership Corporation Lumbee River Electric Membership Corporation South River Electric Membership Corporation Duke Energy
Hyde	Tideland Electric Membership Corporation Dominion North Carolina Power
Iredell	EnergyUnited Electric Membership Corporation City of Statesville Duke Energy
Jackson	Haywood Electric Membership Corporation Western Carolina University Duke Energy
Johnston	South River Electric Membership Corporation Tri-County Electric Membership Corporation Wake Electric Membership Corporation Town of Benson Town of Clayton Town of Clayton Town of Selma Town of Smithfield Duke Energy
Jones	Carteret-Craven Electric Membership Corporation Jones-Onslow Electric Membership Corporation Tri-County Electric Membership Corporation City of New Bern Duke Energy
Lee	Central Electric Membership Corporation Duke Energy
Lenoir	Jones-Onslow Electric Membership Corporation Pitt and Greene Electric Membership Corporation Tri-County Electric Membership Corporation Town of La Grange City of Kinston Duke Energy

Lincoln	EnergyUnited Electric Membership Corporation Rutherford Electric Membership Corporation City of Lincolnton Duke Energy
McDowell	Rutherford Electric Membership Corporation Mountain Electric Cooperative Duke Energy
Macon	Haywood Electric Membership Corporation Duke Energy Town of Highlands
Madison	French Broad Electric Membership Corporation Haywood Electric Membership Corporation Duke Energy
Martin	Edgecombe-Martin County Electric Membership Corporation Halifax Electric Membership Corporation Greenville Utilities Commission Town of Hamilton Town of Robersonville Town of Washington Dominion North Carolina Power
Mecklenburg	EnergyUnited Electric Membership Corporation Union Power Cooperative Town of Cornelius Town of Huntersville Town of Pineville Duke Energy
Mitchell	French Broad Electric Membership Corporation Rutherford Electric Membership Corporation Duke Energy
Montgomery	EnergyUnited Electric Membership Corporation Pee Dee Electric Membership Corporation Randolph Electric Membership Corporation Duke Energy
Moore	Central Electric Membership Corporation Pee Dee Electric Membership Corporation Randolph Electric Membership Corporation Duke Energy

Nash	Edgecombe-Martin County Electric Membership Corporation Halifax Electric Membership Corporation Wake Electric Membership Corporation City of Rocky Mount Town of Sharpsburg City of Wilson Dominion North Carolina Power Duke Energy
New Hanover	Duke Energy
Northampton	Roanoke Electric Cooperative Dominion North Carolina Power Mecklenburg Electric Membership Corporation
Onslow	Carteret-Craven Electric Membership Corporation Four County Electric Membership Corporation Jones-Onslow Electric Membership Corporation Duke Energy
Orange	Piedmont Electric Membership Corporation Duke Energy UNC – Chapel Hill
Pamlico	Tideland Electric Membership Corporation Duke Energy
Pasquotank	Albemarle Electric Membership Corporation City of Elizabeth City Dominion North Carolina Power Elizabeth City State University
Pender	Four County Electric Membership Corporation Jones-Onslow Electric Membership Corporation Duke Energy
Perquimans	Albemarle Electric Membership Corporation Roanoke Electric Cooperative Town of Hertford Dominion North Carolina Power
Person	Piedmont Electric Membership Corporation Duke Energy Mecklenburg Electric Membership Corporation

Pitt	Edgecombe-Martin County Electric Membership Corporation Pitt and Greene Electric Membership Corporation Town of Ayden Town of Farmville Town of Fountain Town of Fountain Town of Washington Town of Winterville Greenville Utilities Commission Dominion North Carolina Power Duke Energy
Polk	Rutherford Electric Membership Corporation Broad River Electric Membership Corporation Duke Energy
Randolph	Central Electric Membership Corporation EnergyUnited Electric Membership Corporation Randolph Electric Membership Corporation City of High Point Duke Energy
Richmond	Pee Dee Electric Membership Corporation Duke Energy
Robeson	Brunswick Electric Membership Corporation Lumbee River Electric Membership Corporation South River Electric Membership Corporation City of Lumberton Town of Red Springs
Rockingham	EnergyUnited Electric Membership Corporation Duke Energy
Rowan	EnergyUnited Electric Membership Corporation Union Power Cooperative Duke Energy Town of Landis
Rutherford	Rutherford Electric Membership Corporation Town of Bostic Town of Forest City Broad River Electric Cooperative, Inc. Duke Energy

Sampson	Four County Electric Membership Corporation South River Electric Membership Corporation Tri-County Electric Membership Corporation Duke Energy
Scotland	Pee Dee Electric Membership Corporation Lumbee River Electric Membership Corporation Duke Energy
Stanly	Pee Dee Electric Membership Corporation Union Power Cooperative City of Albemarle Duke Energy
Stokes	EnergyUnited Electric Membership Corporation Surry-Yadkin Electric Membership Corporation Duke Energy
Surry	Blue Ridge Electric Membership Corporation Surry-Yadkin Electric Membership Corporation Duke Energy
Swain	Haywood Electric Membership Corporation Duke Energy
Transylvania	Haywood Electric Membership Corporation Duke Energy
Tyrrell	Tideland Electric Membership Corporation Dominion North Carolina Power
Union	Pee Dee Electric Membership Corporation Union Power Cooperative City of Monroe Duke Energy
Vance	Wake Electric Membership Corporation Mecklenburg Electric Cooperative Duke Energy

Wake	Wake Electric Membership Corporation Town of Apex Town of Wake Forest Duke Energy
Warren	Halifax Electric Membership Corporation Mecklenburg Electric Membership Corporation Dominion North Carolina Power
Washington	Tideland Electric Membership Corporation Dominion North Carolina Power
Watauga	Blue Ridge Electric Membership Corporation Mountain Electric Cooperative New River Power and Light Company
Wayne	Pitt and Greene Electric Membership Corporation South River Electric Membership Corporation Tri-County Electric Membership Corporation Town of Fremont Town of Fremont Town of Pikeville Town of Stantonsburg Duke Energy
Wilkes	Blue Ridge Electric Membership Corporation EnergyUnited Electric Membership Corporation Surry-Yadkin Electric Membership Corporation Duke Energy
Wilson	Edgecombe-Martin County Electric Membership Corporation Pitt and Greene Electric Membership Corporation Tri-County Electric Membership Corporation Town of Black Creek Town of Fountain Town of Fountain Town of Lucama Town of Sharpsburg City of Wilson Town of Stantonsburg Duke Energy

Yadkin	EnergyUnited Electric Membership Corporation Surry-Yadkin Electric Membership Corporation Duke Energy
Yancey	French Broad Electric Membership Corporation Duke Energy

THE TELEPHONE MEMBERSHIP CORPORATIONS

Competition and Technology are Driving the Market





Telecommunications Industry Updates

The telephone cooperatives in North Carolina serve approximately 124,000 residence and business landline accounts and the members live and work in twenty-six of the State's one hundred counties. The TMCs are proudly guided by the Seven Cooperative Principles mentioned earlier and the cooperatives insert these principles in the daily operation of their business.

The way people communicate has changed over the years from operators answering and completing calls from switchboards to customers using smartphones and tablets and Ipads. Texting, instant messaging apps, social networking sites and other technologies have replaced voice calling as the dominant means of communication. The communications industry remains a dynamic market with many new products and service options encompassing multiple technologies and platforms.

In early 1945, some rural leaders appeared before the General Assembly and secured the passage of an amendment to allow the establishment of TMCs so they could serve customers in rural areas of North Carolina. The rural areas were so sparsely populated that investor owned companies declined to provide service to those areas since they were viewed as too risky and local citizens organized and formed member owned cooperatives and essentially began to provide service themselves. As a result, these rural areas, which were without service for most of the first half of the 20th century were finally given access to the world. In 1960, a document was prepared that summarized how telephone cooperatives operate and one statement in that document read "The story of Rural Telephony in North Carolina might well be entitled, "Out of Isolation – Into the Mainstream of the United States of America". It is a story filled with vision, courage, and determination". That statement continues to be true in 2017 for the telephone cooperatives. The TMCs bring technology to the most sparsely populated and rural areas of North Carolina and in some situations, the deployment of technology is under the most extreme conditions for rural telephone customers.

Fiber optics is now running to many homes in North Carolina's rural areas and is being deployed by all TMCs which is critical to ensure North Carolina's rural area customers receive many of the same services that the urban counterparts enjoy. The TMCs have installed and maintain approximately 26,000 miles of copper and fiber in the rural areas they serve and are committed to bring the next generation of connectivity to their customers. Their vision, courage and determination has allowed them to make their companies better by being innovative and introducing and offering new services to their members such as Broadband, cable TV, Voice Over Internet Protocol (VOIP), IPTV services along with DVR capability as well as high-definition programming which allows customers to be on the cutting edge of technology and service just as the urban areas in North Carolina enjoy. The TMCs now offer broadband service to 100% of their customers and their rates are comparable to other areas in the State. All of the State's eight TMCs provide voice, video, high speed Internet, security and other state-of-the-art communications services in all or part of twenty-six counties in North Carolina. The areas served are very rural with an average customer density of only five customers per route mile. The cooperatives provide jobs to hundreds of citizens in these rural areas and have an economic impact in all of the communities they serve. Their customers are served with digital technology and high speed internet service is universally available to all of their customers. FCC Chairman, Tom Wheeler,

made a statement in 2015 that "the internet era is history's fourth great network revolution, following the printing press, the railroad, and electronic communications led by the telegraph. Each of these revolutions forever changed the world, but with the combination of ubiquitous, high-speed connectivity and ever-increasing computing power, the internet revolution promises to be the most transformative of all". The internet has brought and will continue to bring wonderful and helpful innovations to our society.

Simply put, a growing number of telecommunications service users prefer to make their phone calls, download data, view entertainment and otherwise access the Internet via smartphones and tablets, not landline phones or PCs plugged into the wall. The TMCs continue to invest in the network that serves their customers and the communities with the best of connected communications and they continue to deploy fiber optics and advanced means of communications daily. Notwithstanding these successes, however, the TMCs continue to face challenges such as loss of access lines, the reduction in long distance service and access charge revenues, the continued push for the implementation of technological innovations and the further deployment of fiber-to-the-home and IPTV services.

The telecommunications industry is in a state of continuous technological and economic flux driven by intense competition and new technologies and is shifting gears to embrace IP (Internet Protocol) platforms for switching and transport and this fundamental technological change will forever alter the landscape of communications. Ushered in with this technological change has been the advent of a myriad of communications platforms which include Skype, Facebook, Vonage, magic jack, Google voice and a host of other services. This is the new age of wired communication via the internet and wireless companies have been extremely successful in the communications marketplace and all of these changes have taken a significant toll on the TMCs which is evidenced by the total reduction in their local access lines.

The TMCs are also active and involved in the communities they serve. They are involved in the education process in North Carolina and they offer scholarships to high school seniors to attend schools located in their serving areas, such as community colleges. They also contribute to economic development in the rural areas they serve. The TMCs are passionate about causes such as the American Cancer Society and the United Way, they contribute to local food drives and they are actively involved with their local chambers of commerce and other community organizations.

The competitive pressures from wireless providers, cable television providers and other local competitors are impacting rural TMCs just as they are impacting more urban telephone companies. The difference is that rural TMCs do not have the large volumes of customers or, with few exceptions, access to wireless spectrum that helps larger companies offset competitive losses. In the intervening years, technology has changed rapidly but the economics of serving rural areas are more challenging than ever. Today, state-of the-art connectivity is defined not by a basic telephone that can access the local operator but by broadband services that connect rural consumers to the Internet at speeds that are equivalent to access provided to consumers that live in urban areas. The TMCs will continue to provide high quality service with the best and most innovative services available because they know that is what their rural customers expect and deserve.

KEY DATA AND ACTIVITIES TRACKED BY THE AUTHORITY

Number/Type of Inquiries, Growth Trends, Revenues, and Loan Applications

INQUIRY TYPE	Year	Year	Year	
	2013-2014	2014-2015	2015-2016	
Cable TV	0	0	0	
Charges	1	3	1	
Delinquent Bill	0	0	0	
Deposit	0	0	0	
Disconnects	1	0	0	
Final Bill	0	0	0	
High Bill	0	0	0	
Insurance Claim	0	0	0	
Internet Service	0	0	1	
Miscellaneous	1	0	2	
Outages	0	0	0	
Capital Credits	0	0	0	
Payment Arrangements	0	0	0	
Right of Way	0	0	1	
Service	5	3	2	
Number Portability	0	1	0	
TOTAL	8	7	7	

Member Inquiries to the Authority

Numbers are listed by fiscal year (July 1st – June 30th)



As the chart above demonstrates, access lines have decreased considerably between 2010 and 2015 and that line loss continues to be a concern for the North Carolina TMCs. Reports show that wireless subscriptions continue to increase and at least some of the decline in TMC residential access lines is attributable to wireless substitution as well as competitive offerings from other local providers. Since the rural areas served by the cooperatives are predominately residential service, this makes these areas particularly vulnerable to landline substitution and it is expected that technology and competitive wireless telephone pricing will continue to erode the need for landline phones in the residential marketplace. The TMCs have experienced a 16% decrease in local access lines between 2010 and 2015.



On the previous chart, the data clearly shows that the local access lines for the TMCs are decreasing each year and as the chart above shows, Broadband subscription for the TMCs has increased for the years 2010 through 2015. Broadband allows the TMCs to recover a small amount of the lost revenue from the local access line loss. The largest increase for Broadband is coming from customers who desire higher speeds due to improved technology and the customers have the need for more devices in their homes and these devices provide better results at a higher speed. As this chart shows, there has been an increase of 35% for TMC broadband subscription from 2010 to 2015.

INDIVIDUAL CORPORATION STATISTICS

ACCESS LINE DATA BY CORPORATION

СОМРАНУ	TOTAL ROUTE MILES	SUBSCRIBERS PER MILE	OPERATING REVENUES PER SUBSCRIBER	NET INCOME PER SUBSCRIBER
ATMC-ATLANTIC TELEPHONE MEMBERSHIP CORPORATION	4,240.70	6.83	1,014.00	235.05
RANDOLPH COMMUNICATIONS	2,441	4.67	947.96	247.07
SKYLINE TELEPHONE MEMBERSHIP CORPORATION D/B/A SKYLINE MEMBERSHIP CORPORATION	3,799	7.45	886.70	400.850
STAR COMMUNICATIONS	4,789	3	(1,190)	(107)
SURRY TELEPHONE MEMBERSHIP CORPORATION	3,673.98	3.59	826.89	376.23
TRI-COUNTY TELEPHONE MEMBERSHIP CORPORATION D/B/A TRICOUNTY BROADBAND	946	2.87	952.69	11.38
WILKES TELEPHONE MEMBERSHIP CORPORATION D/B/A WILKES COMMUNICATIONS/RIVERSTREET NETWORKS	2,578.77	3.42	1,886.09	666.28
YADKIN VALLEY TELEPHONE MEMBERSHIP CORPORATION D/B/A YADTEL	1,681	10.29	1,011.95	136.95

*Data extracted from RUS Form 479 for year ending 2015

REVENUE DATA BY CORPORATION

COMPANY	LOCAL SERVICE REVENUES	NETWORK ACCESS AND LONG DISTANCE REVENUES	NET OPERATING REVENUES	RUS FUNDS ADVANCED	NET WORTH PERCENT OF TOTAL ASSETS
	\$	\$	\$	\$	%
ATMC-ATLANTIC TELEPHONE MEMBERSHIP CORPORATION	6,964,689	18,052,797	29,094,756	0	78.83
RANDOLPH	2 020 277 21	C 014 202 C5	11 107 222 72	0	02.25
COMMUNICATIONS	3,939,367.21	6,814,323.65	11,107,233.72	0	82.35
SKYLINE TELEPHONE MEMBERSHIP CORPORATION D/B/A SKYLINE MEMBERSHIP CORPORATION	7,513,973	14,141,997	25,092,723	0	82.57
STAR COMMUNICATIONS	3,632,633	6,883,668	(1,447,076)	0	76
SURRY TELEPHONE MEMBERSHIP CORPORATION	2,836,839	6,515,153	10,904,226	0	88.10
TRI-COUNTY TELEPHONE MEMBERSHIP CORPORATION D/B/A TRICOUNTY BROADBAND	903,406	1,507,375	2,587,495	10,703	26.01
WILKES TELEHONE MEMBERSHIP CORPORATION D/B/A WILKES COMMUNICATIONS/ RIVERSTREET NETWORKS	3,582,749	11,085,234	15,515,003	0	66.17
YADKIN VALLEY TELEPHONE MEMBERSHIP CORPORATION D/B/A YADTEL	5,327,000	204,688	2,770,444	0	.743

*Data extracted from RUS Form 479 for Year Ending 2015

RURAL UTILITIES SERVICE

An Agency of the US Department of Agriculture Providing Loans for Telecommunication Infrastructure

Purpose of Rural Utilities Service

Utility services are the foundation of rural infrastructure. Reliable and affordable telecommunications, electric, water and waste treatment services can help rural areas expand economic opportunities and improve the quality of life for rural residents. The Rural Utilities Service (RUS) is a policy, planning and lending agency with the USDA who has been an advocate for rural consumers, as well as a lender that supports the construction and deployment of modern utility infrastructure throughout rural America for over 75 years. The RUS, USDA and the Federal Communications Commission (FCC) have a shared mission to ensure that all Americans enjoy the benefits of modern telecommunications technologies and a history of working together to advance that goal.

Rural utilities programs provide a variety of loans and grants to build and expand broadband networks and deliver service to rural households and businesses, provide capital for rural telecommunications companies, broadband providers, wireless companies and fiber-to-the-home providers. Grants are reserved for communities with the highest need. Telecommunications programs that are offered are Community Connect Grants, Distance Learning and Telemedicine Grants; Farm Bill Broadband Loans and Loan Guarantees and Telecommunications Infrastructure Loans and Guarantees. Eligible applicants include for-profit and non-profit entities, tribes, municipalities and cooperatives. USDA particularly encourages investments in tribal and economically disadvantaged areas. Once funds are awarded, Rural Development monitors the projects to make sure they are completed, meet all program requirements and are making efficient use of Federal resources. Access to broadband has become essential for the social and economic benefits it provides to American residents, businesses, governments and communities. Broadband is crucial for increased health, education and economic opportunities, as well as for job and business creation and growth. Broadband can help close the digital divide between rural and urban communities. RUS grant and loan programs are among the few sources of affordable financing available to small, rural independent providers and tribally-owned entities. The RUS maintains a strong technology neutral policy across its telecommunications and broadband loan and grant programs and encourages all borrowers to build the most efficient systems needed to meet consumer demand. The RUS Telecommunications Infrastructure and Broadband Loan programs have financed telecommunications and broadband network construction to some of the most remote and economically distressed regions of the country. In telecommunications, RUS financing is dependent on sufficient, specific, and predictable revenues. Universal Service Fund (USF) support and Intercarrier Compensation (ICC) revenues are among the factors evaluated in virtually every RUS loan.



RURAL UTILITIES SERVICE TELECOMMUNICATIONS

U. S. Department of Agriculture 1400 Independence Avenue, SW Washington, D. C. 20250-1599

Keith Adams, Assistant Administrator Telecommunications Program (202) 720-9556

Peter Aimable Deputy Asst. Administrator Portfolio Management & Risk Assessment Division (202) 720-1025

Richard E. Jenkins General Field Representative P.O Box 1233 Lewisburg, WV 24901 (681) 318-3236 Shawn Arner Deputy Asst. Administrator Loan Origination & Approval Division (202) 720-0800

Farwa Naqvi Deputy Asst. Administrator Policy and Outreach Division (202) 720-0667

TELEPHONE MEMBERSHIP CORPORATIONS

With Telecommunication Systems in North Carolina

Telephone Membership Corporation

Atlantic Telephone Membership Corporation

Mailing Address

P. O. Box 3198 Shallotte, NC 28459

www.atmc.com

Phone

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Key Staff

Douglas H. Hawes, Board President M. O'Neal Miller, Jr, Chief Executive Officer Kim Edwards, Vice President – Accounting & Finance Jody Heustess, Vice President – Marketing & Customer Service Russell Green, Vice President – Human Resources Clint Berry, Vice President – Network Operations John Lerch, Vice President – Plant Operations Keith Holden, Vice President – Information Services

Annual Meeting: October

County Served: Brunswick

Current and Future Plans

ATMC is a leader in the deployment of broadband services with internet speeds of 200 megabits per second or faster available to over 80% of its customers. The cooperative was one of the first broadband providers in North Carolina to offer 1 Gig Internet service over a 100% fiber optic network with availability to approximately 20% of its members.

Located in a coastal community that is home to a diverse array of small businesses, ATMC is committed to supporting the needs of its business customers through a variety of offerings including: business-class broadband, managed and hosted services, Ethernet services and IT Support.

ATMC's focus is to provide its members with excellent value and technology backed by awardwinning customer service. Four key services make up its product portfolio: digital cable television, high speed Internet, home security and automation and telephone service. ATMC is also an authorized retailer of wireless service from AT&T. Current plans are for customer acquisition through expansion of its fiber to the home network into neighboring towns and communities while also enhancing and upgrading its offerings within its traditional serving area to support a broader range of business and residential services. With over 60 years of history behind it, ATMC is a company that is focused on the future.

Randolph Telephone Membership Corporation <u>d/b/a Randolph Communications</u>

Mailing Address

317 East Dixie Drive Asheboro, N.C. 27203

Phone (336) 879-5684

Fax (336) 879-2100

Key Staff

Frankie L. Cagle, CEO & General Manager Kim Garner, Assistant Manager Wm. Joe Allen, President Dee Lowe, Accounting Manager Glenn Garner, Business Services Manager Allen Shaw, Plant Manager Daniel Nicodemus, COE Manager Anita Wright, Customer Care Manager Stephanie Gee, Marketing Director

Annual Meeting: Second Saturday in August

Counties Served: Randolph, Chatham, Moore, Davidson, Montgomery, Alamance, Guilford

Current and Future Plans

Locally owned and operated, Randolph Telephone is proud of its more than 60 years of providing services to exchanges in Badin Lake, Bennett, Coleridge, Famer, High Falls, Jackson Creek, Liberty and Pisgah.

After launching IPTV in August 2008, Randolph Telephone recently launched its own Local Channel, available to only RTMC IPTV subscribers, on September 4, 2013. On May 13, 2014, our rural Cooperative celebrated 60 years of service to the rural communities it serves.

Randolph Telephone is committed to providing the most advanced communications technology and services to meet the growing demands of our customers-faster broadband services, better quality phone service and digital television entertainment services. While we are working furiously to deploy fiber to as many as we can within our cooperative footprint, we are also working tirelessly to meet the high-speed internet demands to areas outside our boundaries. Our goal is to be 100% fiber-fed in the future.
Skyline Telephone Membership Corporation <u>d/b/a Skyline Membership Corporation</u>

Mailing Address:

P.O. Box 759 West Jefferson, NC 28694

www.skyline.org

Phone	Fax
336-877-3111	336-877-2020

Key Staff

Jimmy Blevins, Chief Executive Officer Kim Shepherd, Chief Management Officer Robbie Farmer, Executive Director of Engineering Cindy Rothstein, Executive Director of Finance Edward Hinson, Executive Director of Competitive Operations

Annual Meeting: Last Saturday in September

Counties Served: Ashe, Avery, Alleghany, Watauga

Current and Future Plans

SkyLine marked its 65th year as a member-owned cooperative in 2016 and continues to fulfill its mission 'to provide state-of-the-art communications and technology solutions, enabled by a culture of excellence in customer service.'

One of the company's most important initiatives that will have a far-reaching impact across the region is its fiber-to-the-premise overbuild, or FTTP, started 12 years ago. The decision to extend fiber connections all the way to customer locations throughout our five-county, cooperative footprint has been an ambitious undertaking--one that is now more than 98-percent complete. With the engineering and construction plan phases already completed, what primarily remains to be done are last-mile connections in conjunction with the Department of Transportation (DOT) road expansion of U.S. Highway 221 in Ashe County.

Last year, SkyLine introduced GIG-level services and was among the first companies nationwide to make this available to customers. Gig service is equal to 1,000 megabits, which is 100 times faster than what's currently available in many U.S. households. NTCA—the Broadband Association, now counts SkyLine among a growing number of rural-based companies as a "Certified GIG-Capable Provider."

Before year-end, SkyLine will move its Seven Devils Customer Center operations to a new location on Wilson Drive in Boone to make it more convenient for our Watauga County customers

who frequent Boone. The move to this more central location will complement the expanding service footprint of our wholly-owned subsidiary, SkyBest Communications, Inc., to the Boone business area along Highway 105 and Business 321 as well as the Lenoir business community in Caldwell County.

Star Communications

Mailing Address

P.O. Box 348 Clinton, NC 28329

Phone (910) 564-4194

Fax (910) 564-4199

Key Staff

Lyman M. Horne, Executive Vice-President & General Manager Jeff Nethercutt, Vice President - Corporate Operations Clark D. Honeycutt, Vice President-Operations (Plant and Engineering) Phoebe McGavock, Vice President-Human Resources M. Suzan Daly, Vice President-Customer Service Operations Kyle W. Randleman, Vice President-Sales and Business Operations Jeffrey A. Shipp, Vice President-Competitive and Subsidiary Operations

Annual Meeting: Second Saturday in November

Counties Served: Bladen, Columbus, Cumberland, Duplin, Sampson

Current and Future Plans

Star Telephone is in the developing stages of overbuilding our current outside facilities to fiber. This project, better known as Fiber to the Home (FTTH), will provide the future needs of our fast-growing technological industry. In its infancy, this project is providing fiber-to-the-home in limited areas. This is an ongoing long-term project that will eventually replace copper to the home; therefore, providing broader bandwidth for high-speed Internet and IPTV with high definition capabilities.

As a good neighbor, Star Telephone is a corporate sponsor of the American Cancer Society's Relay for Life, the United Way and our local chamber of commerce. We also support community recreation leagues and various school-related projects. Through its scholarship program, Star Telephone provides scholarships to deserving students who reside in its service area and attend Sampson Community College or Bladen Community College. Nothing makes the Star family of companies shine brighter than its employees and board members. Even with the most modern equipment available, the real "backbone" of the company remains the men and women who give their very best. Star's employees live in the communities they serve, which makes Star proud of its motto, "Neighbors Serving Neighbors".

Surry Telephone Membership Corporation

Mailing Address

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Phone

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Key Staff

Curtis R. Taylor, Chief Executive Officer Amy R. Hanson, Chief Operating Officer Richie Parker, Chief Technical Officer Brenda Goad, Commercial Manager Melanie Senter, Marketing Manager Sunny Chrismon, Accounting Manager Mike Lawson, Plant Manager Scott Mosley, Network Manager Andy Hull, Engineer Manager

Annual Meeting: Third Saturday in March

Counties Served: Surry, Stokes & Davidson

Current and Future Plans

Today, with 50 plus employees, Surry TMC serves over 29,000 members and customers with Traditional Landline, High Speed Internet, IPTV, Wireless, Home Networking, Fiber to the Home (FTTH), Home Security and Medical Alert. A top priority at Surry TMC is the focus on Information Technology. Through acquiring personnel with IT backgrounds and experience and retraining their current staff in these areas, Surry plans to have the best-of-the-best serving their customers. In addition to serving customers with superior service, Surry TMC is committed to the communities they serve through involvement by their management and staff and sponsorships that help assist communities. Surry TMC has worked to collect and distribute school supplies, canned food, and toys during annual events. Additionally, Surry TMC partners with our local Electric Coop to host two Blood Drives each year. Surry TMC is proud to be a part of the communities they serve and hope to better these areas through their involvement and the technology they offer.

As growth in the rural areas and towns continues to be modest short-term and in efforts to remain profitable, Surry TMC has adjusted the work force to compensate for declining access lines. Demand for cutting-edge services is anticipated and the Cooperative plans to meet those demands by providing the services where sound economics prove feasible and financing resources are available.

Through the years, Surry has continued to grow their market area and increase their service options.

As the pace of technological advancements continues to hasten, the management team and staff at Surry Telephone are committed to remaining at the forefront of the marketplace. For more information on Surry Telephone, please visit online at www.surry.net.

<u>TriCounty Telephone Membership Corporation</u> <u>d/b/a TriCounty Broadband</u>

Mailing Address

P.O. Box 520 Belhaven, N.C. 27810

Phone (252)-964-8000

Fax (252) 964-2211

Key Staff

Gregory S. Coltrain, Chief Operating Officer Teresa E. Whitney, Accounting Manager Teresa Raupe, Marketing and Media Relations Manager Melinda Jackson, Commercial Manager Martha Neal, Customer Care Supervisor Fred Smith, IV, Plant Manager

Annual Meeting: Second Thursday in May

Counties Served: Beaufort, Hyde, Washington

Current and Future Plans

Like most telephone companies, TriCounty has experienced declined access line growth during recent years, partly due to DSL broadband technology which allows voice and data to travel on the same line. However, new residential subdivisions are under development in the area, and TriCounty anticipates new growth in those areas. TriCounty continues to expand wireless broadband service to unserved and underserved areas.

With the transition of broadcast television from analog to digital transmissions and the demand for more video services by consumers, TriCounty began to look at the ways the cable television system could meet these demands. As a company with limited bandwidth, TriCounty could continue to operate as usual based upon the FCC exemptions granted to small operators. However, TriCounty has always tried to offer its rural customers the same services enjoyed by residents of more populated areas. With this ideal in mind, TriCounty launched an upgrade to the cable television system, converting to an all-digital headend. The more efficient use of bandwidth allows for added channels, including High Definition channels, an interactive on-screen program guide and DVR service. In keeping with serving our rural customers with the latest in technology, TriCounty sought and received a \$14.1 million grant/loan to provide an all fiber network to deliver affordable, reliable high-speed internet and video services to parts of Beaufort, Hyde and Washington Counties. Funding for this grant was issued by the US Department of Agriculture Rural Utilities Service (USDA-RUS) in conjunction with the American Recovery and Reinvestment Act's Broadband Stimulus Program. Today, TriCounty provides voice, video and high speed broadband over a FTTP network.

Being knowledgeable and prepared for change is very important for TriCounty's future, so its management, board of directors and employees actively participate in telecommunications seminars and state and national organizations to stay informed of advances and changes that are shaping the industry.

Wilkes Telephone Membership Corporation d/b/a Wilkes Communications/Riverstreet Networks

Mailing Address

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 Phone
 Fax

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 (336) 973-9041

Key Staff

Jimmie Church - Board Chairman Eric Cramer - CEO Kimberley Johnson - Director of Accounting and Finance Brett Yates - Director of Sales and Marketing Jody Call - Network Operations Manager Jody Souther – Director of Network Engineering Debbie Johnson - Executive Assistant/HR Generalist

Annual Meeting: September or October

Counties Served: Wilkes, Alleghany, Watauga, Polk, Henderson, Buncombe, Robeson, Columbus, Forsyth, Alexander, Catawba, Caldwell and Stokes

Current and Future Plans

Today, the co-op serves more than 8,800 residential and business access lines, has one NOC, five central offices and 43 remote switches. Wilkes Communications was created as a subsidiary of Wilkes Telephone Membership Corporation in 2004 to better reflect the wide range of services now offered. In 2014, the RiverStreet Networks initiative began to expand services outside of the core market and create a local television channel for Wilkes County. Wilkes Communications is continuously working to stay on top of the latest technologies and upgrades, to better serve its communities. Wilkes offers a variety of services, including local and long distance voice, high speed Internet, digital television with high definition channels and DVR, security and fire monitoring, business phone systems, VoIP, directory advertising and wireless networking. Wilkes has finished a complete over build of its existing ILEC service area with a Fiber-To The-Home (FTTH) deployment, allowing for Internet speeds of up to 1-Gig to each subscriber. Wilkes also operates an all fiber optic CLEC expansion into the remainder of Wilkes County currently serving over 2,400 access lines.

Wilkes Communications' goal is to continue growth in and out of its core market. In 2015 Wilkes created RiverStreet Networks and shortly thereafter acquired three other North Carolina ILECs – Saluda Mountain Telephone Company, Barnardsville Telephone Company and Service Telephone Company. Wilkes / RiverStreet has already started a complete FTTH overbuild of these properties as well and plans to pass over 5,000 customers. Also in 2015 Wilkes / RiverStreet entered into a

public private partnership with Stokes County Government to build and expand an all Fiber Optic network to serve over 5,000 residents in unserved and underserved areas of the county.

Wilkes Communications was awarded the Excellence in Business Award by the Chamber of Commerce for 2005, and the Duke Energy Citizenship and Service Award in 2010.

Yadkin Valley Telephone Membership Corporation <u>d/b/a Yadtel</u>

Mailing Address P.O. Box 368 Yadkinville, N.C. 27055

Phone

(336) 463-5022

Fax (336) 463-5005

Key Staff

Michael R. Morton, President Mitzie S. Branon, Chief Executive Officer Scott G. Rudolph, Chief Technical Officer David Williams, Controller Jenny Dwiggins, Customer Service and Sales Manager Mark Campbell, Engineering Manager Kay Dunn, Human Resources and Administration Manager Kyle Martin, Product Development Manager Dusty Ball, Marketing Manager Paul Jones, Information Systems Manager

Annual Meeting: Determined annually by Board of Directors

Counties Served: Alexander, Davie, Iredell, Rowan, Wilkes, Yadkin

Current and Future Plans

Since 1950 when Yadkin Valley Telephone Membership was incorporated, the Cooperative has seen many changes. It evolved from being only a voice provider for regulated services to also a provider of deregulated services. A subsidiary company was established to provide non-regulated services to both Yadkin Valley Members and customers who are not members. It provides residential telephones and in-house wiring as an ILEC and a CLEC, Internet access, wireless service, voicemail, long distance, Internet Protocol Television (IPTV) and security systems. Another subsidiary was established whose primary business is directory publishing. Currently about 20 books are published annually through the Yadtel Publishing division.

In 2006, the Cooperative ordered the materials to begin a Fiber-to-the-Home build out project. By July 2008, the first customers were serviced by fiber. The goal of the cooperative is to eventually provide Fiber-to-the-Home to the entire serving area. As of year-end 2016, approximately 66% of the total structures in the serving area have fiber available. Service provided over fiber includes high-speed Internet up to 100 Mbps, voice services, home security and Internet Protocol Television. In 2016, a huge project began to update and replace the core network for transmission and access.

Currently, the Cooperative is branded as Yadtel. Yadtel now has its own production division named North Valley Media which produces content for its local channel YVTV7. This content includes cooking shows, painting shows, home decorating, gardening, community and school events. Some events are streamed live on the Yadtel website. North Valley Media is also available to produce corporate videos for customers.

STATEWIDE ORGANIZATIONS

Strength in Numbers

Carolina-Virginia Telephone Membership Association, Inc.

The Carolina-Virginias Telephone Membership Association, Inc. (CVTMA) was incorporated on May 27, 1957 as a non-profit, tri-state, trade association for the rural telephone companies in North Carolina, Virginia and West Virginia. The mission of the CVTMA is to provide education and dissemination of information to managers and directors of member companies. The Association is comprised of the rural telephone cooperatives in North Carolina, Virginia and West Virginia, as well as businesses (associate members) that provide goods and services to the telecommunications industry. The Secretary of the State of North Carolina chartered the Association on May 27, 1957. The website address is <u>www.cvtma.org</u>.

Carolina-Virginias Telephone Membership Association, Inc.

OFFICERS - 2015-2017

Lyman M. Horne, President	William Joe Allen, Vice President
Star communications	Randolph Communications
Clinton, North Carolina	Asheboro, North Carolina
Scott Sherman, Secretary-Treasurer Hardy Telecommunications Lost River, West Virginia	Greg Sapp, Assistant Secretary-Treasurer Citizens Telephone Cooperative Floyd, Virginia
Carole M. McLamb, Executive Vice-President CVTMA, Inc. Raleigh, North Carolina	Jimmie M. Church, Past President Wilkes Telephone Membership Corporation d/b/a Wilkes Communications/Riverstreet Networks Wilkesboro, North Carolina

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North Carolina Telephone Cooperative Coalition

CarolinaLink, the trade name for the North Carolina Telephone Cooperative Coalition, Inc. was organized in 2000 to bring more public awareness to the efforts made by North Carolina's TMCs who serve all or part of twenty-six rural North Carolina counties to provide modern communications services to rural areas. Those services include voice, high speed Internet, video, web hosting, alarm and other state-of-the-art services. CarolinaLink also assists member companies in advocating public policy goals that will assure the rural areas continue to have the same state-of-the-art communications services available in urban areas at reasonably comparable prices. Each member of CarolinaLink is organized as a member owned, not for profit cooperative; however, some member companies operate under different names to reflect the changing nature of their businesses.

Address: 1514 Glenwood Avenue Suite 200 Raleigh, NC 27608 info@carolink.org – (919)838-0529

Web Site: www.CarolinaLink.org

The members of CarolinaLink providing these state of the art services and the locations of their headquarters are listed below:

- ATMC-Atlantic Telephone Membership Corporation, Shallotte
- Randolph Communications, Asheboro
- SkyLine Telephone Membership Corporation d/b/a Skyline Membership Corporation, West Jefferson
- Star Communications, Clinton
- Surry Telephone Membership Corporation, Dobson
- Tri-County Telephone Membership Corporation d/b/a TriCounty Broadband, Belhaven
- Wilkes Telephone Membership Corporation d/b/a
 Wilkes Communications/Riverstreet Networks, Wilkesboro
- Yadkin Valley Telephone Membership Corporation d/b/a Yadtel, Yadkinville