

Roanoke Electric FLASHES

Serving 14,400 Members

"Owned by those we serve"

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Big Railroad Blues

By Curtis Wynn

Executive Vice President and CEO

America's monopoly railroads, once an engine of economic growth and symbol of indomitable American spirit, have become a drag on our national economy and an impediment to your co-op's ability to deliver affordable and reliable electric service.

In 1980, Congress deregulated the railroads, reasoning that – free of burdensome regulation and exposed to market forces – the industry would reform itself, becoming a more competitive and efficient transportation option. In the last 25 years, however, free of any meaningful oversight, the industry has consolidated rather than reformed, becoming both less competitive and less efficient. Today, a handful of powerful railroads are free to impose unreasonable rates and provide inferior service to customers who, by virtue of geography and anti-competitive practices, have no alternate service provider. These customers are known as captive shippers.

Your local co-op or the power plant it depends on for electricity may be a captive shipper. Imagine having to take a toll road to work each day and having no idea what the toll would be or whether the highway would be passable. That

is the situation in which electric utilities find themselves. Having negotiated on the open market for fuel and material to fire and maintain their generators, co-ops are held hostage by monopoly railroads for delivery. These unregulated, sole-service rail barons are free to set a tariff one, two, or three times the competitive market rate. To challenge the tariff, a rate case must be opened before the Surface Transportation Board, a legal proceeding that can cost more than \$3 million. The cost is high and the odds are bad – every captive shipper rate case has been decided in favor of the railroads.

So the co-op pays, and still there is no guarantee that the goods will arrive on time. Freight shipments from the Powder River Basin, a major coal-exporting region of Wyoming, have been brought to a crashing halt by the erosion of poorly maintained rail bed and track. A few co-ops have even been forced to purchase coal from overseas markets. Imagine – our nation's most abundant and affordable energy resource chocked off by avarice and greed.

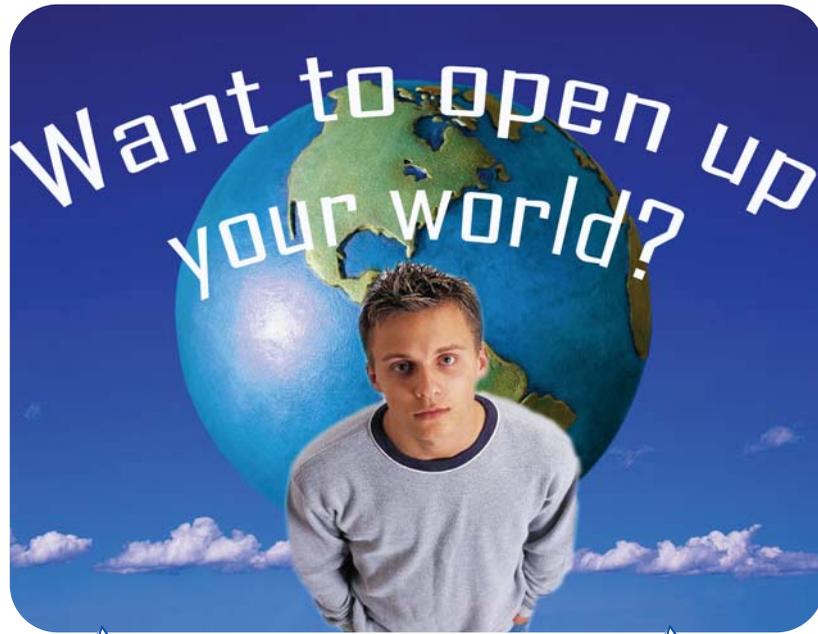
It may be that the federal government wants to subsidize the American railroads at the expense of electric consumers. The rail industry has certainly done an admirable job of lobbying its



position, pleading poverty to legislators and regulators, while promoting its fiscal health and solid financial future to Wall Street analysts and rating agencies – in effect having its cake and eating it too. If so, then Congress should be on the record endorsing such a backdoor transportation tax.

America's electric cooperatives support two bills: H.R. 3318 The Railroad Antitrust and Competition Act of 2005 and S. 919 Railroad Competition Act of 2005. Without the passage of consumer friendly rail legislation three things are certain; rail service will continue to decline, tariffs will increase and your electric co-op's costs will rise.

Curtis Wynn is chief executive officer of Roanoke Electric Cooperative. REC is a not-for-profit, member-owned electric utility serving 14,500 members in Hertford, Bertie, Gates, Halifax, Northampton, Perquimans, and Chowan counties.



Summer Opportunities for Students

Looking for an achievement that will look great on a college application? Want a chance to make new friends and learn lots of new and exciting stuff?

Then check out what Roanoke Electric has to offer you this summer!

All program applications may be downloaded at www.roanokeelectric.com. You can also talk to your school's guidance counselor about these exciting opportunities.



Roanoke Electric Cooperative Youth Leadership Conference

June 18-22 is the week of this year's Co-op Youth Leadership Conference. Rising sophomores, juniors or seniors ages 15 to 18 can apply, if your parents or legal guardian is a member of Roanoke Electric Cooperative. The conference will be held at beautiful White Lake, N.C.

You'll meet lots of great students and have an opportunity to start your own cooperative business. You'll develop leadership qualities as well as build a better understanding and appreciation for the co-op way of doing business.

Application deadline is 5 p.m. Friday, April 6. Applications may be obtained from the REC web site www.roanokeelectric.com or visit your guidance counselor.



The Roanoke Electric Cooperative Scholarship for seniors



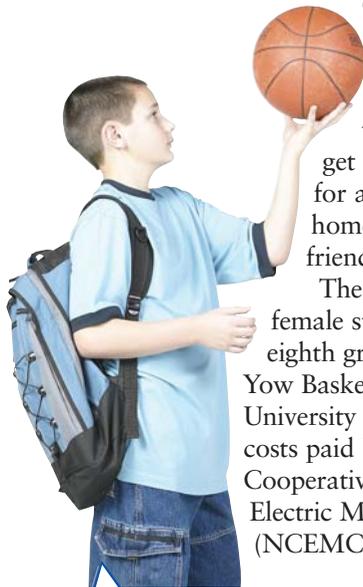
Roanoke Electric will award a \$1,000 scholarship to a high-school senior whose parent(s) or legal guardian(s) are members of Roanoke Electric Cooperative.

Established in 1985, this scholarship is awarded to a student demonstrating an understanding of the co-op way of doing business and who can show financial need. Scholarship criteria are 50% need, 25% scholastic achievement and 25% extracurricular activities (school, civic, community) and essay question.

You must show proof of acceptance to a four-year college or university to be eligible. Application deadline is 5 p.m. Friday, April 27. For more information, visit www.roanokeelectric.com or visit your guidance counselor.

Roanoke EC offers the Touchstone Energy Kay Yow & Roy Williams Basketball Camps Scholarship program for middle/junior high students

Touchstone Energy Basketball Camp Scholarship winners will learn fundamental basketball skills and teamwork. Camp graduates learn new skills that will



enable them to excel on and off the basketball court. You'll also get a chance to meet other talented players and even get to pose with the COACH for a picture that you can take home to show off to your friends.

The Kay Yow program enables female students in sixth through eighth grades to attend the Kay Yow Basketball Camp at N.C. State University in Raleigh, with all camp costs paid by Roanoke Electric Cooperative and North Carolina Electric Membership Corporation (NCEMC).

Coach Roy Williams' Basketball Camp for boys, held at UNC-Chapel Hill allows male students in sixth through eighth grades to attend the Roy Williams Basketball camp at UNC-Chapel Hill in Chapel Hill, with all camp costs paid by Roanoke Electric Cooperative and NCEMC.



The Touchstone Energy Basketball Camp Scholarship program is an expression of the electric cooperatives' historic commitment to the community on behalf of its 2.4 million North Carolina consumers.

Application deadlines for either camp is 5 p.m. Friday, March 30. Visit www.roanokeelectric.com for more information and to download applications.

Calling All High School Juniors, this Trip's for You:

Rural Electric Youth Tour to Washington, D.C.



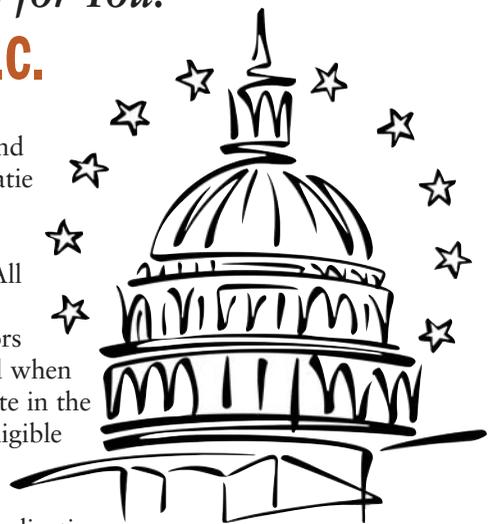
The 2007 Rural Electric Youth Tour is scheduled for June 9-15. All juniors in Bertie, Hertford, Halifax, Gates and Northampton counties are eligible to apply. This exciting one-week, expenses-paid trip is a whirlwind tour of the nation's capital where you'll see our government in action, visit famous and historical sites, take a boat cruise, create your own pod-cast, take your own "creative"

snapshots, and so much more.

Additionally, there are two scholarships that will be awarded to Youth Tourists, the \$2,500 Gwyn B. Price

Youth Tour Scholarship and the \$2,000 Katie Bunch Memorial Scholarship. All youth tourists who are juniors in high school when they participate in the tour will be eligible for the awards. They will receive application forms during their senior year and a panel of judges will select the winners. The scholarship must be used to attend an accredited four-year college or university in North Carolina.

The deadline for applications for the 2007 Rural Electric Youth Tour is 5 p.m. Wednesday, March 7. Visit www.roanokeelectric.com for more information.



IRS-Trained Volunteers Will Prepare Tax Forms Free TRC coordinates effort to help Roanoke-Chowan area citizens

It's time to file your taxes again! From February 1 through April 15, IRS-trained volunteers will be on hand at various sites throughout the Roanoke EC region to prepare your 2006 income tax returns at no cost to you, providing your annual income did not exceed \$50,000.

Last year, volunteers at the sites saved taxpayers approximately \$22,000 in preparation fees.

"Year after year more people are seeing the value of this free service," said Shirley White, a program coordinator at The Roanoke Center (TRC), which is one of the sponsors for the tax prep program.

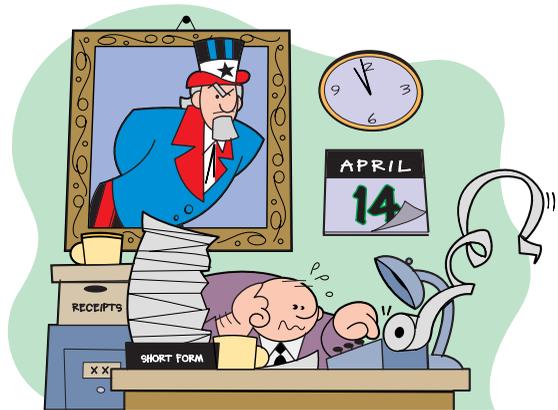
White also handles coordination of the VITA-EITC (Volunteer Income Tax Assistance – Earned Income Tax Credit) sites.

The 2005 VITA-EITC sites saw taxpayers receive \$88,238 in federal refunds, \$17,938 in state refunds, \$34,323 in earned income credit and \$15,737 in child tax credits.

"The more people talk, the more the word gets around about the incredible service the volunteers are providing," White said.

The program was so successful in 2006 that two more sites have been added. The 2007 VITA-EITC sites are:

- The Roanoke Center, 409 N. Main Street, Rich Square, N.C. 27869 (252) 539-2236 ext., 270
- Halifax Community College, 100 College Drive, Weldon, N.C. 27890 (252) 536-7274
- Families Supporting Families, 1322 Roanoke Ave., Roanoke Rapids, N.C. 27870 (252) 535-4000



• Katherine Elizabeth Chavers Adult Day Care Center, 106 East Main St., Powellsville, N.C. 27967 (252) 209-0749

• Mount Sinai Center for Advancement, 913 W. Main St., Murfreesboro, N.C. 27855 (252) 398-9369

Anyone interested in having their taxes prepared at these sites is asked to call for an appointment. For churches, small community organizations and/or civic groups interested in arranging onsite tax preparation, please contact Shirley White to make arrangements at (252) 539-2236, ext. 270.

About The Roanoke Center: The Roanoke Center, located in Rich Square, fosters sustainable economic and community development in northeastern North Carolina by addressing the needs of individual citizens and businesses. It was founded in 2003.

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Insulate your home (and your bank account)

Looking for one of the most cost-effective ways to lower your home energy bills year-round? Look to insulation. Insulation keeps warm air inside in the winter but outside in the summer.

"Start with your attic," advised Marshall Cherry, VP of Member Services and Marketing at Roanoke EC. "If you have less than six or seven inches of insulation, you save energy and money by adding more."

Insulation works best when air doesn't move around it, so seal leaks and cracks as well.

Add weather stripping to doors and seal windows and cracks around the home's foundation. Add storm windows to your single-pane windows to keep heat in. Or replace them with double-pane windows, which can cut heat loss by up to 50 percent.

According to Cherry, a great place to learn more about insulation is through The U.S. Department of Energy Web site, www.energystar.gov/homesealing. Homeowners can find guidelines for insulation and learn what's optimal for their homes.

You also can learn more about how to make your home more energy efficient at www.roanokeelectric.com.