



Roanoke Electric **FLASHES**

Roanoke EC announces rate increase

By Curtis Wynn, *President and CEO*

On October 1, Roanoke Electric will implement our first rate adjustment since 2007. We value you as a customer and place a strong emphasis on providing you with exceptional service. To maintain the quality, reliability and integrity of the services we provide, it is necessary for us to adjust our pricing structure.

While virtually all aspects of today's cost of living continue to rise, we pride ourselves on avoiding routine price adjustments. Despite skyrocketing fuel costs, Roanoke Electric and its members have maintained rate stability. We only consider an adjustment when we really have to. We believe that reliable electric service at a reasonable price is something that you can count on and that we deliver on a daily basis. This increase is based on numerous factors, the largest of which is purchased power. Energy and power generation costs have been escalating over the past few years.

As our member-consumers, we must ask you to share in these costs. Maintaining dependable service at the most affordable price possible remains the cornerstone of our business. To accomplish the goal, we must

also protect the integrity and financial stability of our organization.

You have probably noticed that your electric bill includes a "Fuel Adjustment Cost." This charge is not to pay for gas that goes in our company trucks and other vehicles. This charge was implemented to allow us to pay for energy to transmit to you. We will remove this charge in October and calculate it into your regular rate and increase it by up to 10 percent.

To meet your needs, we join other electric cooperatives in North Carolina to purchase power for you. By doing this, we are able to gain economies of scale that otherwise may not be available. This allows us to keep your increase to a minimum.

We want to reassure you that Roanoke Electric will remain proactive in planning for your future energy needs. We work hard to anticipate any potential issues that could escalate the costs of energy. Whenever possible, we work to minimize the impact those issues could have on your energy bill. There are times unforeseen circumstances cause change or have the potential to change the stability of our cooperative. This is one of those times.

As the economy recovers in our service territory, Roanoke Electric has invested millions of dollars in infrastructure to update our power supplies and to provide new lines to new businesses and residences. We have made strides to save you money as well through investing in technologies to serve you better.



Curtis Wynn

We are committed to providing you with reliable, affordable and environmentally responsible electric service. If you have any questions or concerns about this rate adjustment, we encourage you to call us at (252) 209-2236 or visit www.roanokeelectric.com to learn more. We will do our best to answer your questions and we look forward to working with you on ways that you may be able to reduce your monthly bill. One strategy may be to implement energy efficiency programs into your home or to calculate your energy use and to budget it. We are here to help and to deliver the reliable power you have come to know and expect.

Roanoke EC annual meeting looks at how a changing industry affects costs

Roanoke EC hosted its 74th Annual Meeting and Member Appreciation Day on Saturday, August 25, at Hertford County High School in Ahoskie. This year's theme, "The Year of the Cooperative—Building a Better World," acknowledges that cooperatives drive the economy, respond to social change, are resilient to the global economic crisis and are serious, successful businesses creating jobs in all sectors," said Curtis Wynn, President and CEO.

Despite the rain, more than 1,000 members, spouses, guests, community organizations, friends and employees gathered for one of the cooperative's biggest events of the year. To add to the excitement, registered members received a goody bag with a commemorative DVD to kick off REC's 75th Anniversary Celebration in 2013. It is a stunning and comprehensive presentation of your cooperative's history.

Gardner's Caterers from Rocky Mount served a delicious turkey barbecue and fried chicken lunch. More than 30 area organizations showcased their specialties, and the "Kidz Carnival," an annual meeting staple, was enjoyed by our future members. Other special guests in attendance were Brittney Melton, 2012 REC Scholarship winner, and Montrel Wilson, 2012 NRECA Youth Tourist.

The cooperative's general counsel, Attorney Everette Winslow of Winslow-Wetsch of Raleigh, presided over the program. Brittney Melton gave the invocation and Dr. Michael D. Perry, Superintendent of Hertford County Schools, welcomed everyone to the school site. Allen Speller, chair of the board of directors, also welcomed all.

In his "State of the Co-op" address, Curtis Wynn stated his remarks would focus on electricity costs, specifically:

- ◆ What is causing our costs and your rates to increase
- ◆ What we, your co-op, are doing to manage these costs and maintain the quality level of service that you deserve
- ◆ What we all can do about rising costs.

"It seems like the cost of everything from gasoline to groceries is going up and unfortunately, our



Despite rain, more than 1,000 people attended Roanoke Electric's annual meeting. The event kicked off the cooperative's upcoming 75th anniversary celebration, to be held in 2013.

industry is not immuned. The cost of doing business and supplying electricity to our members is rising as well," said Wynn. Further, stated Wynn, "It is our mission to deliver reliable, safe and affordable electricity to our members and to do so at the lowest possible cost. Roanoke Electric is working hard to keep these costs down, but there are several issues far beyond our control that are having a direct impact on your electric bills; now and for years to come."

Wynn said that these following factors are the reasons for cost increases in our industry.

Aging Infrastructure: "Although the utility infrastructure has served us well for many decades, nothing lasts forever. The electric cooperative has done a good job of keeping our part of the grid—the electric distribution system—well maintained and up-to-date. But other parts of the grid—namely transmission systems and generating plants—need to be modernized or replaced along with the need to use renewable sources of power to protect the environment is an important part of this scenario as well," said Wynn.

He went on to say that the infrastructure built decades ago was adequate at the time, but we now live in an age of "more information instantaneously." This increased demand on the



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electric system has pushed utilities to add new infrastructure and software on top of basic infrastructure changes.

Further, said Wynn by 2030, the electric industry will need to make a total investment in the neighborhood of \$1.5 trillion, which includes all generation, transmission and distribution companies. These investments will be made to:

- ◆ Replace aging material and equipment
- ◆ Respond to environmental regulations
- ◆ Improve reliability
- ◆ Include renewable energy as another source of power, and
- ◆ Meet new customer expectations.

New Regulations: Government regulations have gotten tighter and the timeframe to comply has gotten shorter, forcing electric companies to replace or add facilities and equipment on an accelerated schedule, which increases costs. As new laws and regulations are enacted, we are being told to quickly upgrade an electrical system that it has taken us 74 years to build.

Changing Consumer Needs & Expectations:

“Cooperatives are making investments in technology that will better meet members’ needs for, and expectations of, instantaneous information,” Wynn said. Meeting these challenges is complicated by the short timeframe to implement the necessary changes as well as doing it at the same time that countries like China and India are growing and demanding more of the commodities we need. Wynn commented that prices for construction materials and utility



equipment are rising swiftly and asked attendees to consider these statistics:

- ◆ From 2010–2011, steel prices continued to rise 31 percent from the prior year.
- ◆ Copper prices topped record highs of \$4.50 per pound in early 2011, only recently showing relief. Copper wire prices have jumped 16 percent in a year.

- ◆ Overall costs for new generating plants jumped as much as 28 percent from the year before.
- ◆ Prices for utility poles, towers, fixtures and transformers have remained high for several years.

Bottom line, said Wynn, upgrading the electric utility infrastructure is much more expensive today than it has ever been.



Wynn said, “Clearly we can see that rising costs are a reality, the question is what can we do to soften the blow. Roanoke—through our non-profit subsidiary organization The Roanoke Center—has implemented a major effort to help as many of us as possible start the process of making your homes more energy efficient, which will lower your kilowatt hour consumption and lessen the impact of higher electric rates.”

“To date, we have held 15 forums that have been attended by 635 individuals,” Wynn continued. “We’ve conducted 314 energy audits and assisted with 44 home improvements projects to make our members’ homes more energy efficient, causing them to use less electricity. Simple behavioral changes can also result in significant savings within the home.”

Wynn ended by stating the cooperative is here for the members and reaffirmed the unwavering commitment to provide safe, reliable and affordable electricity while enhancing the quality of life in communities we serve.

Other business matters included the fact that board members Carolyn J. Bradley, Robert “Nat” Riddick, and Darnell E. Lee are retaining their seats, serving three-year terms for districts 3, 4, and 7 respectively.

The official meeting adjourned and the day ended with the door prize segment and a delicious lunch. The cooperative thanks its vendors for providing prizes won by lucky ticket holders.

RCPP2 - Where opportunities meet

Roanoke Chowan Partners for Progress (RCPP2) is creating a trail that's resourceful, captivating, and building pathways to fruitful partnerships. RCPP holds quarterly meetings and its recent summer event proved successful and generated a real buzz among participants 1175-001.

RCPP2's summer workshop theme, Blazing New Trails, brought in industry leaders that offered products and ideas to uplift our standard of living and quality of life. Presenters included:

Robyn Fehrman: Executive Director, Teach for America – Eastern NC

Jack Justice, Jr.: Chief Financial Officer, Roanoke Chowan Community Health Center

George "Ed" Timberlake: Small Business Lending Manager, The Support Center.

RCPP2 sessions have been focusing on four critical areas: education, healthcare, economic development, and capacity building. These categories were selected by partners to be opportunity areas of improvement and competition.

Roanoke Electric and The Roanoke Center have not been passive observers regarding the pace of economic growth. "We like to see the glass as half full rather than half empty," stated Marshall Cherry, Vice-President of Member Services and Marketing. "It is during difficult and challenging times that the true spirit of enterprise and innovation is revealed. We have to take advantage of the economic crisis to promote innovation and creativity. It's about new realities and old virtues."



RCPP events are among regional strategies to build partnerships and prosperity.

The Roanoke Center has fine-tuned its advocacies to address some of these crucial matters. The center serves the five-county region through a multitude of programs, services, and partnerships. It embraces opportunities to nurture and generate value-added measures to mend and move the region to greater heights of economic prosperity. Events like RCPP workshops are among strategies to bridge the gap between the local government, institutions of lending and higher learning, and the private sector. The Center is a testament to what a strong business sector can do by acting in unity. We hope the Center's efforts equip you with resources and tools that are remembered and help you long after our team delivers.

We strongly urge you to use RCPP2 to network and forge a working relationship to build a rewarding partnership. For more information and date of its next quarterly meeting, please call (252) 539-4601.

Energy efficiency tip

Replacing old windows with ENERGY STAR qualified windows lowers household energy bills by 7-15 percent. Lower energy 8625-002 consumption also reduces greenhouse gas emissions from power plants and shrinks a house's carbon footprint.



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