

Piedmont Electric CONNECTION

A Touchstone Energy® Cooperative 

Hillsborough, N.C.

www.pemc.coop

June 2012

Members Hear about Progress, New Programs

“Today, not only are we faced with the need for new generation to meet future growth, but we are also seeing the need to retire and replace an aging generation fleet,” Chief Executive Officer R.G. Brecheisen told members of Piedmont Electric at the Cooperative’s Annual Meeting.

“Based on our forecast, we expect to see energy costs under our wholesale contracts with Progress and Duke increase by as much as 20% over the next five years,” he explained.

Mr. Brecheisen noted the Cooperative is also concerned about the rising cost of electric power.

He enumerated the programs and services Piedmont Electric offers its members to help them use electricity more efficiently while helping control the increase in the cost of power the Cooperative buys.

In discussing the way wholesale power is bought, Mr. Brecheisen explained that power is purchased from power suppliers based on two factors: actual kilowatt-hours used and the demand for electricity (peak demand).

Peak demand is measured by



About 900 people, including 408 registered members, attended the 2012 Annual Meeting.

the total amount of electricity being used by all Piedmont EMC consumers during any 60-minute period.

Member-consumers are able to control their individual electricity use, and can help manage the Cooperative’s demand charges by changing their use patterns, according to the CEO.

“We are forecasting in our budget approximately \$35 million for power supply costs for 2012,” Mr. Brecheisen told the members in his report, explaining that more than \$17 million will go to pay for peak demand charges.

Piedmont Electric already has a load management program in place with about 7,000 participating member-consumers. The program alters the use time of connected electric heat pumps and water heaters during peak use periods.

In addition to talking about the load management program, Mr.

Brecheisen told members about the “Beat the Peak” program which can also help control peak loads.

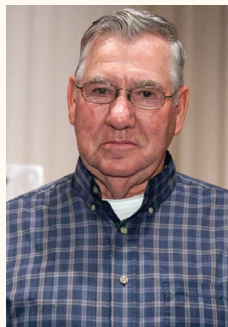
The Beat the Peak program notifies participating members by text and email when the need to reduce electricity use occurs.

“To the extent that we can reduce our load at the time of our peak, the Cooperative is able to save on demand-related charges to our suppliers. These benefits will flow to all our members through our wholesale power cost adjustment charge,” Mr. Brecheisen said.

“By controlling our electrical use such as air conditions and heating systems and other appliances at the time of peak, we can reduce or save to help offset some of the rising cost of power in the future,” he added.

“We also plan to test a new pilot program this summer using our current advanced metering system to allow us to reduce system voltage on specific circuits while continuing to maintain satisfactory

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Robert Watkins of Hillsborough \$500 Cash Grand Prize Winner



From Your President...

Planning for Generation Needs

R. G. Brecheisen

President & Chief Executive Officer

Those of you who attended this year's Annual Meeting of the Members heard me talk about the need for new generation to meet future growth by retiring and replacing an aging generation fleet.

Electric co-ops have important energy choices to make. We can't stall or wait for a magic "electricity" bullet.

Tighter government regulations—and the high cost to comply with new rules—may signal lights-out for many of the nation's older coal-fired power plants at a time when forecasters predict energy demand will eventually outpace supply.

We're approaching crunch time on our ability to keep the lights on—we need to build new power plants.

The recent economic turmoil provided some breathing room on addressing our growing energy needs. But as the economy rebounds, so will our nation's hunger for electricity.

We've encouraged you to be energy efficient both for your sake (lower electric bills) and to help mitigate the need to build new generation sources. But with an

ever-expanding population, these measures are not enough to completely offset escalating energy demand.

The North American Electric Reliability Corporation (NERC), the nation's bulk power grid watchdog, estimates we need to build 135,000 MW of new generation by 2017 to meet demand.

Compounding this issue, some of our current power plants may soon be shut down by federal regulations.

One NERC-commissioned report claims new government rules could force utilities to retire or retrofit 33,000 MW to 70,000 MW of generating capacity by 2015.

Then there's the concern that every year we delay building new plants drives up construction costs—and could also result in power shortages.

Traditional power plants like coal, natural gas and nuclear, take between three years and a decade to build—not leaving much wiggle room before shortages could be-

come a reality.

Renewable energy resources, notably wind farms, can be built more quickly, but they're not perfect options. The wind doesn't always blow and the power produced can come at a high price than more traditional sources.

At Piedmont Electric, we're focused on affordability.

Our nation needs to build new power plants before the need for electricity outstrips current generation resources.

Although Piedmont Electric doesn't build and operate power plants, we're working with wholesale power suppliers like Duke Energy and Progress Energy to find the best fuel mix solution for your future.

Balancing your energy needs with electricity reliability and affordability is just one of the ways we're looking out for you.

This month begins the start of the summer air conditioning period and the potential for high demands on the electric system.

The Cooperative already has a load management system in place with 7,000 members allowing Piedmont Electric to cycle off electric water heaters and air conditioners when peak demand nears.

We have also started a new program, "Beat the Peak," in which participating members are notified when a peak is eminent.

When notified by the Cooperative, members are asked to adjust
(Continued on page 23)

Balancing your energy needs with electricity reliability and affordability is just one of the ways we're looking out for you.

If Your Power Goes Out, Call Us...

If your power goes out, call Piedmont Electric's outage reporting number —800.449.2667—to report the outage.

The Cooperative uses your phone number to determine your service location when you use the automated outage reporting system to report a service outage. If, like some folks—you no longer have a land line and use a cellular phone, please make sure to let the Cooperative know. Unless we have your correct phone number(s), we may not be able to pinpoint your outage location as quickly.

Please complete and return the form on your monthly billing statement if your telephone number has changed.



President's Report

(Continued from page 22)

the thermostat of their cooling systems by three degrees and delay other tasks involving electric appliances.

This summer we will have a pilot program in place which will allow the Cooperative to reduce voltage on specific circuits while continuing to maintain satisfactory voltage levels. This will help to reduce demand—and demand charges—on Piedmont Electric's system. To learn more about these and other programs, contact Piedmont Electric at 800.222.3107.

R.A. Archibald

Beat the Peak!

It's YOUR time to "Help Beat the Peak!" Volunteer to limit electricity use between 1 p.m. and 6 p.m. on hot summer days. Text **BTPEAK** to **85700** to enroll for text alerts, or email **BeatThePeak@pemc.coop** to sign up for email alerts. Be sure to check out the information on the outside cover wrap of this magazine.



Ruth Burch of Roxboro (left) and Geraldine Fuqua who represented Union Methodist Church of Yanceyville, each won a \$250 cash prize.

2012 Annual Meeting • (Continued from page 21)

voltage levels," he explained, adding for each volt reduction we can save approximately 1% of the electric load while causing members no inconvenience.

During the business session three members were elected to the Cooperative's Board of Directors. They include J. Douglas Simmons of Elon, District 3; Bill R. Barber of Rougemont, District 7, and Richard C. Roberts of Hillsborough, District 8.

Approximately 900 people, including 408 registered members,

attended the meeting, which was held at Orange High School in Hillsborough.

In the drawing for door prizes, Robert Watkins of Hillsborough won the \$500 cash grand prize; Ruth D. Burch of Roxboro and Geraldine Fuqua, representing the Union Methodist Church of Yanceyville, each won \$250 cash, and Iris Pendergrass of Hillsborough won a 37-inch flat screen TV.

Entertainment for the evening was provided by Dove Brothers Band.



Members elected three directors to the Cooperative's Board.

By the Numbers...

- 1,984 members have signed up for the use monitoring portion of www.MyUsage.com
- 750 members are participating in the FlexPay Program
- 455 members have turned in receipts for 4,438 CFLs, representing a total of 1,522,234 kWhs saved toward our Senate Bill 3 Mandate
- 34 solar water heater rebates given to members
- 869 electric water heater wraps sold
- 559 residential members on Time-of-Day Rates
- 800 visits to TogetherWeSave.com for a total calculated savings with the home savings calculator tool of \$287,749.51
- 200 members have signed up to participate in the "Beat the Peak" program

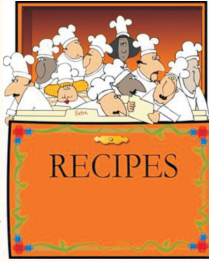
IS AN ELECTRIC CAR IN YOUR FUTURE?

Please contact the Cooperative if you plan to buy an electric vehicle that will be charged at your home or business served by Piedmont Electric. We need to ensure the distribution transformer and conductors are adequately sized to serve this added load and that no safety issues exist.



Pass It On...

Dianne Dickerson of Mebane, N.C. passed on this recipe for "Apple Dumplings." She will receive



a copy of a cookbook from the Cooperative Council of N.C. for having her recipe printed.

If you have a favorite recipe you want to share with other Piedmont Electric members, please send it to: Pass It On, c/o Piedmont Connection, P.O. Drawer 1179, Hillsborough, NC 27278, or you may include it with your monthly payment.

Please remember to check all ingredients and cooking directions.

Apple Dumplings

- 2 Granny Smith apples (or any kind of hard apple, such as Gala or Macintosh)
- 2 (8-count) packages crescent rolls
- 1 cup butter
- 1-1/2 to 2 cups sugar (depending on tartness of apples)
- 1 teaspoon vanilla
- Cinnamon, to taste
- 1-1/4 cups Mountain Dew soda

Peel and slice apples into 16 slices (8 per apple). Roll one apple slice into each crescent roll and place in a 9 X 13-inch baking dish.

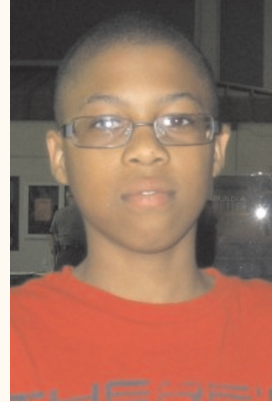
Melt butter, sugar and vanilla in a saucepan. Heat only enough to melt sugar: do not caramelize.

Pour mixture over rolls. Sprinkle with cinnamon and pour Mountain Dew over the top of the rolls.

Bake for 30 minutes at 350 degrees. Cover with foil and bake an additional 10 minutes. Let cool before serving.



Students Chosen for Summer Adventures



Te'Shon Clayton



Maddison Teasley

Two local young people have been selected by Piedmont Electric to participate in summer adventure programs.

Te'Shon Clayton will attend the week-long Roy Williams Carolina Basketball Camp in Chapel Hill June 16-20.

The son of Antoinette Villines of Roxboro, Te'Shon is a rising seventh grader at Roxboro Community School.

The basketball camp is sponsored by North Carolina's Touchstone Energy cooperatives for students entering sixth, seventh and eighth grades.

Maddison Teasley will attend the Youth Tour to Washington, DC, June 16-22 for a week-long visit to see some of our nation's most historic sites.

The daughter of Jennifer and

Randy Teasley of Timberlake, Maddison is a rising junior at Roxboro Community School.

The two young people were chosen for the adventures based on their applications and written essays by an independent panel of judges.

Piedmont Electric CONNECTION

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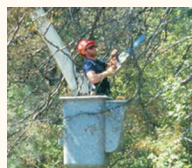
*Voice instructions will direct you through the system.

Call **BEFORE** You Dig:

800.632.4949 or **811**

A Touchstone Energy® Cooperative

Cathy J. Johnson, CCC, Editor



June Right-of-Way Maintenance

Orange County

NC Highway 86
New Hope Church Road
Arthur Minnis Road
Borland Road
Joppa Oaks Subdivision

Person County:

McGhee's Mill Road
City Lake Road

Locations subject to change due to uncontrollable circumstances