



FEATURE ARTICLE

LOOKING BACK ON 2017

Dear Members,

Season's greetings and thank you for another great year! Being part of a cooperative means being part of something special. Our goals this past year were designed to improve service reliability, our community involvement and our members' quality of life, all while working to keep costs low and provide our service at a good value to you.

One step toward ensuring reliable service was the completion of our Mebane Oaks Substation. This substation was recently energized, and its increased capacity supports the continued growth in Mebane, Efland and southwest Hillsborough.

We also foresaw a need to improve our data transfer capacity and provide better backup capabilities for our IT systems. Installation of high-speed, fiber optic cable between our offices is underway and phase one is complete.

While we might not always know the future, we do know that we are stronger when we work together. In September, Hurricane Irma downed miles of power lines in western North Carolina. After ensuring our grid was secure, we upheld the cooperative value of "Cooperation Among Cooperatives" and sent 16 linemen to Haywood Electric to assist in restoration efforts.

Helping communities thrive both near and far is the cooperative way, and it has never been as apparent as it has been this year in our local community.

This past October, we began the operation of the Piedmont Electric Helping Hand Foundation to better

support our community. Commonly called a "Round-up" program, the spare change that members donate is combined to support grants for local educators, youth programs, emergency preparedness efforts and to help pay electric bills for families in need.

While you can always opt out, we appreciate the 99 percent of our members who have remained in the program and are donating these extra pennies to their local communities. This level of community support is not possible without strong member commitment, so I want to thank you for your dedication.

We continue to have positive results by our members participating in energy saving programs like Load Management, Time of Day rates and Beat the Peak. Since 2013, Piedmont Electric members have helped the co-op save more than \$7.5 million, which we've returned to you.

On a more somber note, we anticipate higher wholesale power costs next year as a result of Duke Energy's coal ash compliance efforts. We continue to monitor the actions of the North Carolina Utilities Commission

IMPORTANT DATES

DEC 25-26

Christmas

Piedmont Electric offices will be closed and employees will be on call.

DEC 31

Youth Tour Application Due

Apply for this once-in-a-lifetime opportunity available to high school students.

JAN 01

New Year's Day

Piedmont Electric offices will be closed and employees will be on call. Happy New Year!

Q&A WITH LISA KENNEDY

Capital credits retirement

PAGE 22

SAVE MONEY DURING HOLIDAY FESTIVITIES

PAGE 23

2017 CAPITAL CREDITS RETIREMENT

Returning \$1.38 million to members

PAGE 24

regarding Duke's rate hike requests but hope other previously mentioned power cost-saving programs will at least partially offset these added expenses.

As we look forward to another year, know that your local co-op will continue to keep your best interests at heart. We will stay true to our mission of enhancing the quality of life in the communities we serve by providing you with affordable, reliable and environmentally responsible energy.

As the year comes to a close, I thank you for being a member of Piedmont Electric. We again wish you a joyous holiday season and a safe and prosperous New Year. It is our honor to serve you!



Q&A ON CAPITAL CREDITS

Lisa Kennedy
VP of Financial Services

Since 1975, Piedmont Electric has returned more than \$23 million in capital credits to members. To learn more about capital credits, we spoke with Lisa Kennedy, VP of Financial Services.

What are capital credits?

Since Piedmont Electric is a nonprofit cooperative owned by our members, we do not earn profits like investor-owned utilities. Instead, any money remaining after our expenses are paid is returned to our members and are called capital credits.

How are capital credits calculated?

Capital credits are allocated on the pro-rata share of member's purchases from the cooperative – the cost of the power the member used.

What happens with the capital credits before they are returned to members?

Capital credits are used to help pay the expenses of the co-op such as new equipment to better serve members, repairs and upgrades to poles and lines, and to repay debt. Capital credits help keep rates lower by reducing the amount of funds that must be borrowed.

Putting money back in your wallet

What are estate retirements?

Piedmont Electric also allows for the early distribution of capital credits to the estates of deceased members on a discounted basis.

When will I receive my Capital Credits?

In order to be financially responsible, our Board of Directors will decide when to return, or retire, each year's capital credits back to our members. Every December, we will notify you if you will receive a capital credit that year.

How will I receive my share?

Current members will receive a bill credit for capital credits of less than \$20.00 and a check for \$20.00 or more. Former members will receive a check in the mail once their capital credit total reaches \$20.00.

What if I have moved?

If you move or no longer have electric service with Piedmont Electric, it

is important that you inform the cooperative of your current address so that future retirements can be mailed to you. If you purchased electricity during the years being retired, then you are entitled to a capital credit.

What happens if you cannot find a former member?

We try to return money to former members for three years. At that point, we are required by law to send their money to the North Carolina Treasurer's office who enters it into their unclaimed property database. The money will remain there until the rightful owner files a claim and receives a refund.

If you know any former Piedmont Electric members, look for their names on our website at pemc.coop/capitalcredit. A former member whose name is on the list is owed capital credits and can submit the form on the page to request their credit be sent to them!

For more information on this year's capital credits return, please see our official notice on page 24.

Unclaimed CAPITAL CREDITS



Former members may have unclaimed capital credits. To check if anyone you know is owed capital credits, visit pemc.coop/capitalcredit



Roast chestnuts, not wallets.

All the holiday decorating and festivities have officially started, so don't let your energy-saving efforts fall by the wayside amid all the fun!

DECORATING SAVINGS TIPS

Turn off decorative lights before you go to bed or leave home. You can put your lights on a timer to automate this task!

Holiday lights using light-emitting diodes (LEDs) use one-tenth the energy of traditional mini-lights and are cooler to the touch, reducing the risk of fire.

Turn off room lights when your tree is lit to see the holiday glisten and lower your lighting use.

IN THE KITCHEN SAVINGS TIPS

Cook with the lids on your pots to trap heat and shorten cooking times. To save even more energy, match the pan size to the stove burner to better capture and distribute heat.

Don't open the oven door to take a peek at what's cooking inside. Instead, turn on the oven light and look through the oven window.

Don't overlook the other cooking appliances during the holidays. Fast and efficient microwave ovens use around 50 percent less energy than conventional ovens, and they don't over-heat your kitchen.

Open refrigerator doors as little as possible and allow leftover food to cool down before storing it to keep your fridge from working harder than needed.

If you have leftover food on the plate, scrape it off instead of rinsing to save water. If you do rinse dishes, use cold water to cut down on water heating costs.



CAPITAL CREDITS

A Valuable Benefit for
Members of Piedmont Electric

OFFICIAL NOTICE

We are retiring capital credits for the year 1990 and the remaining portion (50 percent) for the year 1989 to active and former members of Piedmont Electric.

Piedmont Electric will return approximately \$1.38 million to members this year as capital credits. In addition, over \$300,000 was returned to the estates of deceased members this year.

One of the major benefits of being a member of Piedmont Electric is that you are allocated any money left over after all our bills have been paid. This allocated amount remains in an account with your name on it until a decision is made by Piedmont Electric's Board of Directors to return it to you. The allocation you receive is based on the amount of electricity you used and paid for during that year.

General retirement checks will be mailed to eligible members with owed retirements of \$20 or higher. Those who have capital credit accounts of \$20 or less will see a credit on their

energy bill. Inactive accounts will receive a check providing there is a current mailing address on file. Inactive members with less than \$20 in their capital credits account will have their payments held until the \$20 minimum is met in a future year.

Your cooperative membership entitles you to this capital credit retirement whenever Piedmont Electric is financially able to approve these refunds and receives approval by the board of directors. Until a specific year is "retired" the funds are used for maintenance of the electrical grid and to allow Piedmont Electric to meet the financial requirements of our lenders. Piedmont Electric has returned more than \$23 million, inclusive of estate retirements, in capital credits to members since 1975.

NOTE If you change electric providers, please be sure to leave a forwarding address and other contact information so we can reach you concerning your future capital credit disbursements. For any questions regarding capital credits, call 800.222.3107.

YOUTH PROGRAM DEADLINES

YOUTH TOUR
DECEMBER 31, 2017



BASKETBALL CAMPS
MARCH 31, 2018



COLLEGE SCHOLARSHIPS
MARCH 31, 2018



FOR MORE INFO, VISIT
PEMC.COOP/COMMUNITY
OR CALL
800.222.3107



HELPING HAND FOUNDATION

Piedmont Electric members round their monthly electric bills to the next dollar to help fund this program which assists members in need and supports our local community outreach.

If you'd like to opt out of this program, please call our office at 800.222.3107 or visit pemc.coop/helping-hand-info

PIEDMONT ELECTRIC CONNECTION

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OFFICE HOURS

Monday–Friday, 8 a.m.–5 p.m.
800.222.3107

Piedmont Electric is an
equal opportunity provider
and employer.

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IF YOUR POWER GOES OUT, CALL US AT 800.449.2667

Our automated outage reporting system uses your phone number to determine your service location.

That's why it's important to update the number connected to your account. If your number has changed, let us know by completing the form that comes with your monthly bill or by calling 800.222.3107.

Pay account and access account information by phone 24 hours a day by calling 877.999.3394. Voice instructions will direct you through the system.