



FEATURE ARTICLE

NEW RATE DESIGN: EFFECTIVE NOVEMBER 1, 2014

Why are rates changing?

In response to the changing energy landscape and various other trends and surveys, you will see changes to the rates you pay for electricity beginning November 1, 2014. These new rates are designed to better reflect the actual costs Piedmont Electric Membership Corporation incurs and to promote fairness for all members when purchasing electricity. This change in rate design is revenue-neutral.

What is a "Revenue-Neutral" rate change?

This new rate design is "revenue-neutral," which means that overall Piedmont EMC's rates are not increasing, but we are decoupling costs to make sure our power is priced fairly. The purpose of this new rate design is not to increase total revenue for Piedmont EMC; the new rate design is meant to separate (decouple) fixed costs (such as system maintenance, upgrades and administrative costs) and variable costs (the power we buy from suppliers).

Members who average 1,000 kWhs per month will not see a change in their electric bill. Members who use less than 1,000 kWhs will notice a slight increase in their electric bill and members who use more will see a slight decrease.

How does this new rate design affect those installing renewable generation or purchasing high energy efficient equipment?

This new rate design helps our members who are considering purchasing energy efficient equipment and renewable generation equipment see the true cost savings of their purchase.

Are there other changes to my bill?

In November, you will see a credit to the WPCA (Wholesale Power Cost Adjustment). Thanks to members enrolled in our Load Management programs (Load Control, Time-of-Day and Beat the Peak), we were able to lower our wholesale power costs by \$2 million! As a result, you will see a WPCA credit on your bill.

New Net Metering Rate Schedule

Our Net Metering Rate Schedule now pays for REC (Renewable Energy Credit) generation at \$10 per REC (1000 kWhs) once receipt of REC has been transferred to our reporting entity, GreenCo Solutions. Excess generation from renewable generation continues to receive \$0.0556 per kWh.

[SEE MORE RATE CHANGES ON PAGE 27](#)

NOV
27-28

Piedmont EMC will be closed for Thanksgiving.

Employees will be on call. Enjoy your holiday!



Piedmont EMC's

Annual Food & Toy Drive

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Section 4.06 Bylaw Requirements Listed for Nominations of Directors

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NEW OUTDOOR LED SECURITY LIGHTS ARE NOW AVAILABLE!

As part of the new rate design, Piedmont EMC will offer new LED Security Lights for your home. These new LED bulbs are not only more energy efficient, but give off a crisp white light. Call us at **800.222.3107** to learn more.

PRESIDENT'S LETTER

Changing rate structures have been a part of Piedmont Electric Membership Corporation's strategic plan for a number of years. In 2011, we first began separating our fixed costs, such as system maintenance, upgrades and administrative costs, from the energy charge and placing them into the service availability charge. Since then, Piedmont EMC has been moving closer to a truly "decoupled" rate. With the new rates effective on November 1, 2014, Piedmont EMC's rates will be decoupled.

As members and owners of Piedmont EMC, it is important that you understand this rate change and how it affects both the cooperative and your energy bills.

The idea of decoupling rates comes from basic math. When fixed costs are part of the energy charge, consumers who use more electricity pay a larger share of fixed costs than those who use less. By moving larger percentages of fixed costs into the service availability charge and the lower energy blocks, the cooperative will not be dependent on highly variable kWh sales, which



R.G. Brecheisen
President & CEO of Piedmont EMC

Questions About Our New Rate Design?

are largely driven by the weather. It is also a more fair way of recovering fixed costs.

A "Cost of Service Study" was conducted in 2013. Over the course of this study, we confirmed that members with higher usage were covering a larger part of the cooperative's fixed costs than those who used less. The results of this study also helped us design our new rates.

A number of benefits result from this rate design, both for you and the cooperative. The new rates allow you to see more accurately how energy savings affect your monthly energy bill and also promote fair pricing across our cooperative.

The rate structure also helps your cooperative remain financially stable as our fixed revenues are not susceptible to swings in the weather. This new structure will allow us to predict our income and plan for new equipment, maintenance and programs.

I would once again like to thank you for helping us achieve a \$2 million savings through our Load Management programs. As a result, you will see a credit over several months to the "Wholesale Power Cost Adjustment" line item on your bill.

A complete listing of our new rates can be found on pemc.coop under "About My Co-op."

CO-OP CONNECTIONS® CARD DISCOUNTS

RECENTLY ADDED BUSINESSES



HOOF BEAT FARM

Hillsborough, NC

10% OFF FARM-RAISED BEEF ON SATURDAYS

SAVE 10%
HANDY ANDY'S
 Rougemont, NC
 10% OFF \$20 OR MORE ON HARDWARE (EXCLUDES POWER TOOLS)

SAVE 10%
CIAO PIZZA
 Mebane, NC
 10% OFF TOTAL BILL, (EXCLUDES ALCOHOL)

SAVE 10%
BROOKLAND EATS
 Roxboro, NC
 10% OFF TOTAL BILL, (EXCLUDES ALCOHOL)



FREE TEA
HUSHPUPIES RESTAURANT
 Yanceyville, NC
 FREE TEA WITH PURCHASE OF A MEAL

Visit Piedmont EMC's website, www.pemc.coop, and click on the Co-op Connections® Card for discount details and a complete list of participating local businesses, national businesses, dentists, chiropractors, vision care and pharmacies.

NEW RATE DESIGN CONT'D FROM PAGE 25

Residential Service Rate Schedule			
		OCT 2014	NOV 2014
Service Availability Charge		\$29.03	\$35.00
Winter	First 250 kWh	10.58¢/kWh	12.75¢/kWh
	Next 550 kWh	10.58¢/kWh	11.07¢/kWh
	All kWhs over 800	8.47¢/kWh	7.97¢/kWh
Summer	First 250 kWh	10.58¢/kWh	12.75¢/kWh
	Next 550 kWh	10.58¢/kWh	11.07¢/kWh
	All kWhs over 800	10.58¢/kWh	9.74¢/kWh

Residential Service Energy Efficient Rate Schedule			
		OCT 2014	NOV 2014
Service Availability Charge		\$29.03	\$35.00
Winter	First 250 kWh	10.58¢/kWh	12.75¢/kWh
	Next 550 kWh	7.80¢/kWh	11.07¢/kWh
	All kWhs over 800	7.80¢/kWh	7.33¢/kWh
Summer	First 250 kWh	10.58¢/kWh	12.75¢/kWh
	Next 550 kWh	10.58¢/kWh	11.07¢/kWh
	All kWhs over 800	10.35¢/kWh	9.52¢/kWh

For a complete list of the rate changes effective November 1, 2014 visit www.pemc.coop/about-my-co-op/rate-schedules

DONATE TO PIEDMONT EMC'S ANNUAL FOOD AND TOY DRIVE

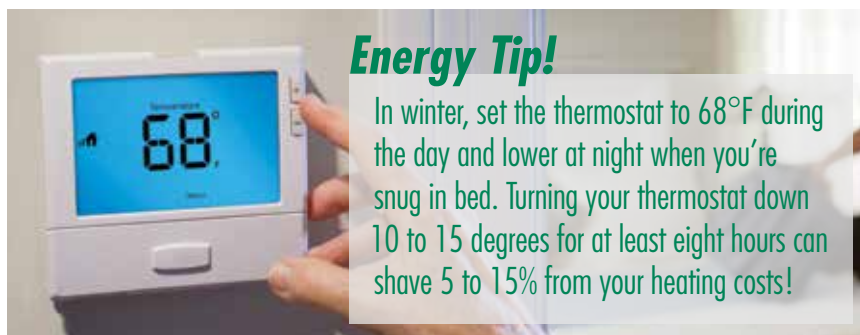
Help your community by donating to Piedmont Electric Membership Corporation's annual Holiday Food and Toy Drive this holiday season. Proceeds will help the less fortunate in Caswell, Orange, and Person counties.

The drive collects new toys for children (infants to 12 years of age), and new clothes and electronics for teenagers (13–18 years of age) who are often left out of toy drives.

We also accept non-perishable food items for the holiday season, including canned or evaporated milk, cake mixes, dried fruit, jelly, candy, etc.

Cash donations are accepted and will go toward the purchase of additional food and toys. You can make donations at each of the Cooperative's offices until Friday, December 12.

Piedmont EMC is committed to serving our community and spreading holiday cheer this season. Last year alone, Piedmont EMC members and employees raised more than \$2,300 in cash, and donated 1,500 pounds of food, 115 toys and 110 fleece blankets during the drive. For more information on the program, including office locations visit pemc.coop.



Energy Tip!

In winter, set the thermostat to 68°F during the day and lower at night when you're snug in bed. Turning your thermostat down 10 to 15 degrees for at least eight hours can shave 5 to 15% from your heating costs!

BY THE NUMBERS

6,133 MEMBERS ↑ 88 MEMBERS are participating in the A/C Load Control Program

4,679 MEMBERS ↑ 66 MEMBERS are participating in the Electric Water Heater Load Control Program

996 MEMBERS ↑ 58 MEMBERS are participating in the FlexPay Program

10 MEMBERS ↑ 6 MEMBERS have turned in receipts for 71 LED bulbs, representing a total of 41,606 kWhs saved toward our Senate Bill 3 Mandate

43 MEMBERS received solar water heater rebates

930 MEMBERS have installed electric water heater wrap kits

608 RESIDENTIAL MEMBERS ↑ 2 MEMBERS have signed up for Time-of-Day Rates

1,022 VISITS ↑ 5 VISITS made to TogetherWeSave.com, where you can learn more about the power of your electric cooperative membership

624 MEMBERS ↑ 22 MEMBERS have signed up to participate in the "Beat the Peak" program

1,360 MEMBERS are participating in Project Helping Hand

THIS MONTH'S RIGHT-OF-WAY ACTIVITY

ORANGE COUNTY

- Buckhorn Rd
- Yarborough Rd
- West Ten Rd
- Hebron Church Rd
- Whitaker Rd
- Ben Wilson Rd
- Old Hillsborough Rd

(and surrounding areas)

Locations are SUBJECT TO CHANGE due to uncontrollable circumstances.

BYLAW REQUIREMENTS LISTED FOR NOMINATIONS OF DIRECTORS

The following is an excerpt from the bylaws pertaining to nominations.

SECTION 4.06. Nominations.

(A) NOMINATIONS COMMITTEE

It shall be the duty of the Board to appoint a Nominations Committee consisting of ten (10) persons who are members but are not directors or close relatives of directors, and who are so selected that each of the Cooperative's Directorate Districts and the at large directorate shall have one representative thereon. The Committee shall meet and nominate candidates for each of the Cooperative's Directorate Districts to be elected at the next annual meeting and the at large director if that directorate is to be elected at the next annual meeting. The Committee shall nominate at least one (1) nominee for each such District and may nominate more than one (1) nominee for each such District. The Committee shall show clearly each nominee(s) and the Directorate District for which they are nominated. In addition, the Committee shall nominate each three (3) years at least one (1) candidate and may nominate more than one (1) candidate for the "at large" position. The Committee shall insure that all members nominated meet the qualifications to serve as a director set forth in section 4.02. The Committee shall meet as necessary in order to complete its nominations no later than thirty days preceding the deadline for nomination by petition as is set forth in the following subsection to provide the opportunity for any qualified member who desires to be placed on the ballot at the upcoming annual meeting but not nominated by the Committee, to seek nomination by petition as set forth in the following subsection.

(B) NOMINATIONS BY PETITION

Any fifty (50) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures, in like manner listing the nominees separately with respect to the Directorate Districts from which they are nominated, on or before February 14 preceding the annual meeting at which such directors are to be elected. Any member nominated by petition as a candidate for any Directorate must meet the qualifications to serve as a director set forth in section 4.02 before the nominee's name may be placed on the ballot for election at the annual meeting.

(C) MAILING OF NOTICE OF ELECTIONS

The Secretary shall mail to the members with the notice of the meeting, or separately, or through any publication routinely used by the Cooperative for communication with the membership on a monthly basis at least seven (7) days and not more than forty-five (45) days prior to the meeting, the names of all nominees for each such district, showing separately those nominated by the Committee and those nominated by petition, if any.

(D) POSTING OF NOMINATIONS

Once the signatures of the members on any petition and the qualifications to serve of the nominees are verified, the names of all nominees for each directorate district and the names of each nominee for the at large directorate, if it is to be elected at the upcoming annual meeting, shall be posted at the principal office of the Cooperative. The Posted Notice of all nominees shall show the directorate for which each nominee seeks election as director and may indicate those nominated by the nominations committee and those nominated by petition.

PIEDMONT ELECTRIC CONNECTION

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2500 NC Highway 86 South
PO Drawer 1179
Hillsborough, NC 27278

R.G. Brecheisen
President and CEO

DIRECTORS

Bill R. Barber, Chairman
Paul L. Bailey, Vice Chairman
Sam T. Woods, Secretary
Richal Vanhook, Treasurer
J. Randy Kinley, Stephen C. Long,
David Poythress, Richard Roberts,
Cyrus Vernon & Talmadge W. Yancey

OFFICE HOURS

Monday-Friday, 8am-5pm
Hillsborough 919.732.2123
Caswell County 336.421.1296
Roxboro 336.599.0151
Elsewhere in North Carolina
800.222.3107

IF YOUR POWER GOES OUT, CALL US...

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, or if you no longer have a land line, let us know by completing the form that comes in your monthly billing statement or calling 800.222.3107.

To report an outage 24 hours a day
800.449.2667*

To pay account and access account
information by phone 24 hours a day
877.999.3394*

*Voice instructions will direct you through the system.

Call 811 BEFORE you dig

A Touchstone Energy® Cooperative