



CONNECTION

PIEDMONT ELECTRIC MEMBERSHIP CORPORATION MEMBER NEWSLETTER | DECEMBER 2020



'Tis the season for capital credits

Were you a member of Piedmont Electric in 1993? If so, you'll receive some of the \$1.2 million in capital credits Piedmont Electric is returning to members this month. Here's everything you need to know.

What are capital credits and how are they calculated?

Because we're a not-for-profit cooperative, we give profits (known as margins) back to our members in the form of capital credits.

The amount you're owed is based upon the amount of revenue you contribute to the cooperative through payment of your monthly bills during a year in which the co-op collected more than it spent. This year, we're retiring capital credits from 1993.

Our member-elected board of directors determines whether our co-op's financial position permits the return of capital credits and the amount of which will be returned to members. Holding capital credits helps keep our rates low as it lowers the amount of funds we need to borrow in a given year.

How to claim capital credits

If you were a member in 1993, there's nothing you need to do to claim your capital credits. If the amount you're owed is less than \$20, you'll see your capital credits as a credit on your next monthly bill.

If you're owed \$20 or more, you'll receive a check in the mail around Dec. 20 with your full credit. That's all there is to it!

Unclaimed capital credits

Have any of your friends or family members moved out of the Piedmont Electric service area over the last few years?

If a member moves away and we don't have their new address, they could have money waiting for them in the form of capital credits or uncashed checks.

Visit pemc.coop/capitalcredit to search for unclaimed capital credits for your friends and family members who have moved.

We always attempt to contact former members that are owed money, but if capital credits go unclaimed for more than four years, they have to be turned over to the state treasurer's office. That money can be claimed by visiting nccash.com.

Thanks in advance for helping us return money to former members!



+ Use your capital credits to pay it forward

This year has been a difficult one and many in our communities are feeling the financial effects of COVID-19. If you receive a capital credit check in the mail, and you have the means, consider donating it to the Helping Hand Foundation COVID-19 Relief Fund to help members in need. Visit pemc.coop/donate to learn more or call us at 800.222.3107 to donate any amount that you wish.

IMPORTANT DATES

December 24-25

Christmas

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

December 31

Youth Tour

Applications due at midnight.

January 1

New Year's Day

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

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December right-of-way maintenance

CASWELL COUNTY

Stadler Road
Kerr Chapel Road
Whitesell Brothers Road



Cost of service/rate study

At Piedmont Electric, we work hard every day to provide you with the best service possible while also striving to keep rates low.

However, just like a gallon of milk costs more than it did a few years ago, costs to deliver electricity creep up over time as well. That's why every few years we have a consultant conduct a cost of service study to ensure that our co-op's budget reflects the current cost of things like materials, labor and the price of power.

Piedmont Electric has not had to change our general rate structure since 2014, thanks in part to aggressive cost control and your participation in our energy-saving programs such as Beat the Peak. However, periodic review is important, which is why we are currently conducting a cost of service study. Let's discuss some of the common questions.

What is a cost of service study?

A cost of service study is a review of a utility's rates to ensure that the rates the utility charges will continue to provide enough revenue for the utility to cover its expenses and meet our lenders' margin requirements. If your cooperative is unable to cover its expenses, we would have to cut back on things like maintenance to our system, which would lead to more outages.

The cost of service study also ensures that the rates charged are assigned to the source of those expenses. For example, if the cooperative has large expenses to provide service to an industrial member, then the rates that are charged to that member must recover the cost of serving that member.

If the rates charged to the industrial member did not cover the costs, then other members would have to help bear those costs. Piedmont Electric wants to avoid this situation and ensure all members are billed fairly. Therefore, the rate charged to the industrial members is different than that of a residential member to ensure the cost of serving the industrial member is covered.

What does Piedmont Electric do with any revenue they collect above expenses?

Since Piedmont Electric is a not-for-profit cooperative, our rates cover the cost of delivering power to our members. Any additional revenue is eventually returned to our members in the form of capital credits as we are owned by members, not outside investors.

Does a cost of service study mean rates will increase?

Not necessarily. While costs are gradually rising over time, a cost

of service study could show that expenses for some rate classes have grown faster than others. As a result, those rate classes could see a change.

Piedmont Electric has not changed our general rate structure since 2014!

If rates change, when would they take effect?

Any changes would likely take effect with your May 2021 bill and we would notify you in the Carolina Country magazine and on our website. Each year, Piedmont Electric adjusts riders and fees starting in May. These charges pay for additional costs incurred by the cooperative which can change quickly from year-to-year and are outside of the cooperative's control, such as the storm damage rider or the energy efficiency and renewable energy riders.

Be on the lookout for more information about issues impacting rates, how you can help us keep rates low and more in the coming months.

Free public WiFi available

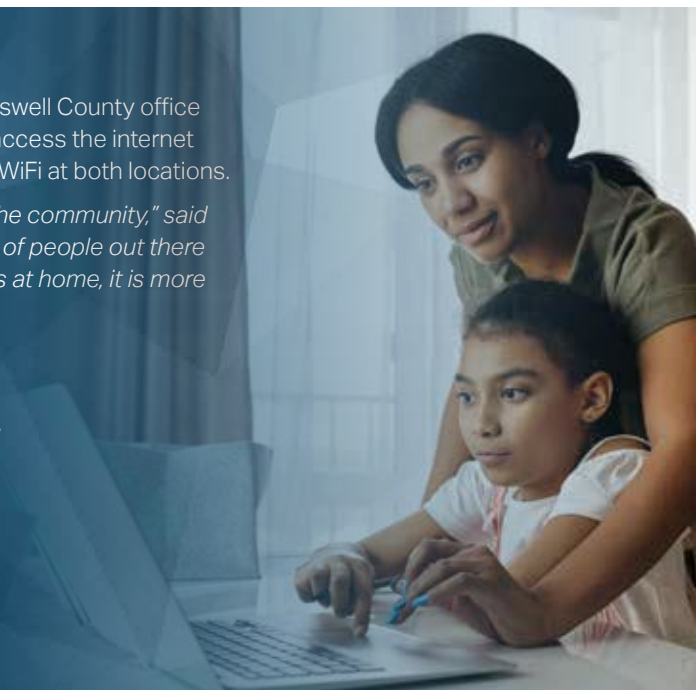
Piedmont Electric is providing free WiFi hotspots at our Person and Caswell County office parking lots, in partnership with RiverStreet Networks. Individuals can access the internet from the safety of their vehicles. The free access name is PEMC-Free-WiFi at both locations.

"We are committed to the well-being of our members, employees and the community," said Steve Hamlin, president and CEO of Piedmont Electric. "There are a lot of people out there without access to reliable internet and with many workers and students at home, it is more important now than ever to have access to good, reliable internet."

Locations for free WiFi access:

- Person County: 1125 Oxford Road, Roxboro, NC 27573
- Caswell County: 64 Rascoe Dameron Road, Burlington, NC 27217

Want more reliable internet access at home as well? Visit [Join.BuildPiedmont.com](https://www.join.buildpiedmont.com) or call us at **800.222.3107** if you do not have internet access.



Hot energy-saving tips for cold winter weather

It's the most wonderful time of the year... but maybe not for your electric bill, unless you take small steps to make energy-conscious choices.

Follow these hot energy-saving tips to keep your days merry and bright for the right price.

Play it smart: Install a smart thermostat that learns your temperature preferences over time and helps you heat your home in the most efficient way possible. As a bonus, if you have a Nest thermostat and home WiFi, you can sign up for our smart thermostat savings program to help you save even more. You'll get a \$50 rebate just for joining, plus bill credits in the summer. Learn more at pemc.coop/thermostat.

Do the prep work: Windows can be a big source of heat loss in your home. Use caulk to seal any gaps around your windows to prevent cold air from coming inside. You can also apply temporary plastic window coverings to help keep your home at a more comfortable temperature.

Go slow and steady: Setting your thermostat very high doesn't heat up your home any faster, but it does cost more money when your heat strips turn on. Instead, adjust your thermostat up by only a few degrees at a time for maximum comfort at an energy-efficient price. We recommend keeping your thermostat at 68 degrees in the winter.

Space it out: Instead of heating your entire home, warm up only the room you're in by using a space heater. Just remember to practice good safety habits and never leave a space heater on when you leave the room. You can see how much it costs to use a space heater by using our free space heater calculator at pemc.coop/tools.

Reverse it: Rotate the direction of your ceiling fans so that the blades rotate clockwise during the winter. This pulls cold air up and helps push warm air back down to you, as warm air naturally rises to the ceiling. The fan should run at the lowest speed.

Close after use: When your fireplace isn't in use, make sure to keep the damper closed. Leaving it open allows cold air to flow into your home almost as if you had a window open. Just remember to open it before lighting your next fire.

Following these simple tips can help you save money during the coldest months of the year. If you're looking for more ways to practice good energy efficiency habits, visit pemc.coop/save for additional resources.

Always supporting each other



STEVE HAMLIN
President & CEO

As we all know, 2020 has been a challenging year. However, when I think back over the last 12 months, I'm reminded of how we've all come together to support each other when times get tough.

Friends have sewn masks for those who couldn't find

them in stores. Neighbors have left groceries on the doorsteps of those who are in high-risk groups and couldn't risk exposure. When we're faced with troubling times, our co-op bands together to help our community weather the "storm".

As your electric cooperative, our goal has been to not only continue delivering excellent, reliable service at a low cost, but also to support our members as we power through this pandemic. I'm proud that throughout these hardships, our focus has always been to keep you, our members, our number one priority.

With more people than ever relying on their home's electricity for work and schoolwork, we temporarily suspended disconnections for nonpayments and waived late fees for our members. As our economy opened back up and the need for disconnections began again, we developed payment plans for those with past due balances so our members could focus on getting back on their feet over time and not worry about keeping the lights on.

We also formed the Helping Hand Foundation COVID-19 Relief Fund to help support members in need in our local communities. Thanks to your generous donations to the fund, we've been able to offer \$70,000 in energy assistance to those who are having trouble making ends meet.

As of October, we have also applied more than \$250,000 in deposits to past due balances for our members to help ease the economic burden of the ongoing health crisis.

We truly are stronger together, and this year has shown that more than ever before. While it's impossible to know what's to come in 2021 and beyond, one thing I know for certain is that we'll continue to keep you, our members, and the safety of our employees our priority, no matter what.



Help those in need in our community

This year has been a difficult one and many in our communities are feeling the financial effects of COVID-19. If you receive a capital credit this year, and you have the means, consider donating it to the Helping Hand Foundation COVID-19 Relief Fund to help members in need. Visit pemc.coop/donate to learn more or call 800.222.3107 to talk to a Member Service Representative.

PIEDMONT ELECTRIC CONNECTION

Published monthly for the members of Piedmont Electric Membership Corporation **Piedmont Electric is an equal opportunity provider and employer.**

Hillsborough and Roxboro

Office Hours:

Monday-Friday, 8 a.m.-5 p.m.

Caswell Office Hours:

Wednesday 8 a.m.-5 p.m.

Report outages, make payments and access account information by phone 24-hours-a-day by calling 800.222.3107.

Voice instructions will direct you through the system.

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IF YOUR POWER GOES OUT, CALL OR TEXT 800.222.3107

Opt in for text alerts by texting "pemc" to 800.222.3107. Once you've opted in, report an outage by texting "#out" to 800.222.3107 or "#status" for an update on your outage.

Our automated outage reporting system uses your phone number to determine your service location. Update the number connected to your account online through SmartHub, by completing the form on your monthly bill or by calling 800.222.3107.

Please note that it may take up to 24 hours for our system to recognize new cell phone numbers in the text outage alert program.