

watts working

The Monthly Newsletter for Members of Randolph Electric Membership Corporation

Rate Adjustment Approved, Effective April 1

Dear Members,



Dale F. Lambert, CEO

Over the last couple of years, I have written extensively about the transition currently under way in the electric utility industry. The theme of my message has centered on the rising cost of generating and delivering electric energy in the wholesale market.

Electricity generation has been undergoing a major shift that we have not seen since the 1970s and 1980s. The industry has entered a building cycle for new electric generating plants, which are needed to meet the thirst for electric energy that has steadily increased as the population has grown and new electric devices and conveniences have been added in our homes.

In addition to meeting new load growth, some of these new generating plants are replacing older plants that were constructed in the 1940s and 1950s. Due to new and more stringent environmental regulations, it is sometimes more economical to shut down these plants and build new ones than to install costly emissions controls. When new plants and facilities are constructed, their costs go into the rate base and electric bills go up for all consumers. This has been occurring across the United States over the last few years.

This increase in generation and transmission delivery has increased Randolph EMC's wholesale power cost by 19 percent from 2007 to our budgeted numbers for 2013. Even though I consider this increase significant, it is less than the projected 23 percent increase from a few years ago.

As I've mentioned in previous AWARE columns, your Board of Directors and management team have been working to prepare for this increase and lessen the impact to our members as much as possible. We have taken steps to reduce our internal operating costs, offered members tools

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**Randolph Electric
Membership Corporation**

Your Touchstone Energy® Cooperative



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and resources to help manage their energy costs, and implemented new technology that enhances the services we provide.

Randolph EMC has also been deferring revenue to lessen the impact from the annual increases we have been experiencing. This deferral has helped offset—to some extent—the increased cost of wholesale power for that year. Using deferred revenue has also allowed us to delay a retail rate adjustment for two years.

As I reported a few months ago, Randolph EMC engaged an independent consultant (Bellwether Management Solutions), to perform a Cost-of-Service and Rate Study of the rate classes we serve: non-commercial, commercial, industrial and lighting. The purpose of the study is to determine if the revenues we receive are reflective of the cost for providing service to those members. We have a responsibility to members to ensure that each rate class is treated fairly and that no one rate class of members is subsidizing another rate class.

After much deliberation on the report's findings, the Randolph EMC Board of Directors approved a rate adjustment that will be effective on April 1, 2013. The details of this rate change are as follows.

BASIC FACILITIES CHARGE ADJUSTMENT

One major change in the rate adjustment is an increase in the Basic Facilities Charge for non-commercial (residential) members. This component of the bill is included in every utility's rate schedule and is designed to cover the cost of our power delivery system. This includes transmission lines, substations, distribution lines, poles, wire and transformers. Everything it takes just to deliver the energy to your homes and businesses makes up the Basic Facilities. In most cases, utilities collect a portion of the Basic Facilities cost within the energy charge portion of the bill.

The analysis from the Cost-of-Service Study determined that the actual cost for Randolph EMC's non-commercial Basic Facilities is significantly higher—\$57.76— than our current charge of \$15.80 per month. Therefore, after much consideration, the new Basic Facilities Charge will be increased to \$23.00 per month to more fairly reflect the actual cost of providing electric service to those members.

BASE RATE ADJUSTMENT

The base rate component of the members' bill is basically the energy charge. Our last base rate adjustment was in 2007. The base rate adjustment that will go into effect on April 1 will raise REMC's base rate revenue for all classes by 12.59 percent. That does not mean the average residential member will receive a 12.59 percent increase. The change in our Wholesale Power Cost Adjustment (explained in the next section) will negate most of the increase and, in the case of the average residential member, will actually result in a slight decrease. Based on kilowatt-hour (kWh) usage data, the average residential member is defined as a member using about 1,000 kWh per month.

WHOLESALE POWER COST ADJUSTMENT CREDIT

In January of 2012, REMC set the Wholesale Power Cost Adjustment charge that is on each member's bill at \$12.50 per 1,000 kWh to prepare for higher wholesale power costs. The good news is that our wholesale power costs are, in fact, lower than we had projected. As a result, Randolph EMC will be removing the \$12.50 per 1,000 kWh charge and applying a WPCA credit to each member's bill in the amount of \$6.00 per 1,000 kWh. We project this credit to stay in place through June 2014. At that time, we expect the credit to go away and the WPCA to be at zero.

CONTACT US

Electric Service:

Asheboro(336) 625-5177

.....(800) 672-8212

Robbins Area:(910) 948-3401

.....(800) 868-7014

Power Failures:(877) REMC-OFF

.....(1-877-736-2633)

Bill Payments:(877) 534-2319

Board of Directors:

Bob WrightPresident

Jerry BowmanVice President

Sue SpencerSec.-Treasurer

Tammie PhillipsAssist. Sec.-Treasurer

James Andrews Billy Maness

Delbert Cranford Larry Routh

Steve Harris

Senior Staff:

Dale F. LambertChief Executive Officer

Bob Phillips Senior Vice President &
Chief Operating Officer

Jay Albright District Vice President

Ron Gunnell Vice President of Engineering

Adam HargettVice President of Finance

Dennis MabeVice President of Operations

Fred SmithVice President of Member
& Public Relations

Jill Vanness Director of Communications, Editor

Office Hours:

8:00 am – 5:00 pm | Monday–Friday

An Equal Opportunity Employer | M/F/V/H

THE BOTTOM LINE

Now, let's get to the bottom line and answer the question most of you are asking— "How much will I be paying after the rate adjustment?" To help illustrate the details of this rate adjustment, the following chart compares the old and new rates. To keep it simple, we'll look at a residential account that uses an average of 1,000 kWh per month. This comparison also takes into account both the summer and winter rate schedules.

Comparison of Old vs. New Rates for Residential Member Using 1,000 kWh		
	Old Rates	New Rates
Basic Facilities Charge	\$15.80	\$23.00
Monthly Rate	\$0.10	\$0.11
Average kWh Usage	1000	1000
WPCA Charge per 1,000 kWh	\$12.50	(\$6.00)
Monthly Bill Total	\$131.85	\$129.50

*Bill total shown here is for illustration only and does not include taxes or other line-item charges that may appear on bills.

When comparing the change in Basic Facilities Charges, increases in energy charges and the transition from a charge in the WPCA to a credit, you can see that the average member will actually

see a *decrease* on their bill. The key to this decrease is largely because of the \$6.00 WPCA credit. When the credit is removed from the bill in the future, the member will see a slight increase.

I have tried to simplify the specifics of this rate adjustment to show you, as members, how it will impact your monthly bill. The new rate schedules are available on our website at www.RandolphEMC.com or you can always contact one of our offices with questions.

We work for you, our member-owners. Your Board of Directors and employee team strive to keep costs as low as possible and provide you with exceptional service. Implementing a rate adjustment is never an easy thing to do, but I am pleased with all the work that has been accomplished the last few years to lessen the impact to you as much as possible.

Cooperatively Yours,

Dale F. Lambert
Chief Executive Officer

Show Your Card and SAVE at These Local Businesses!

Randolph Electric is always looking for ways to add value to your membership. We'd like to welcome the following local businesses as new participants in the Co-op Connections Card program! These businesses are offering discounts to Randolph Electric Members. Visit www.RandolphEMC.com to view more details about their offers and view all local and national businesses participating in the program.

Burge Flower Shop

625 S. Fayetteville Street, Asheboro
(336) 625-3466
www.burgeflowershop.com
Discount: 10% off cash and carry

Brew Bakes Coffee & Cake

323 Hwy 49 S Suite H, Asheboro
(336) 629-2253
www.facebook.com/brewbakes
Discount: 10% off, eat-in only

S & L Natural Foods

1528- D Zoo Parkway, Asheboro
(336) 625-8300
**Discount: 20% off supplements;
10% off all grocery items**

Something Different Restaurant

1512 Zoo Parkway, Asheboro
(336) 626-5707
Discount: 10% off \$25 and over

Subway #4703

323 Hwy 49 S Suite Q, Asheboro
(336) 625-4446
www.subway.com
**Discount: \$1.00 off 12",
50 cents off 6" — any sub**



Are you a business owner who would like to reward people for shopping locally? The Co-op Connections Card program is free for businesses to participate in and free for all members of Randolph Electric. Give us a call and get connected!

BYLAWS Relevant to the Qualifications, Nominations and Elections of Members to the Board of Directors

SECTION 2.04. QUORUM

Attendance in person of one hundred (100) members, or at least one per centum (1%) of the total members of the Cooperative, which ever is smaller, shall be required for the transaction of business at any meeting of the members, provided, however, where statute requires a specific quorum for transacting business on a specific matter, said statute will take precedence over the provisions of this section. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date at least twenty (20) days later and to any place within one of the counties named in Section 2.01; PROVIDED, that the Secretary shall notify any absent members of the new time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 2.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the minutes a list of those who were present in person.

SECTION 3.02. QUALIFICATIONS

The persons named as directors in the Articles of Incorporation of the Cooperative shall compose the board of Directors until the first Annual Meeting or until their successors shall have been elected and shall have qualified. No person shall be eligible to become or remain a director of, or to hold any position of trust, in the Cooperative, who: (a) does not have the legal capacity to enter into a binding contract under the laws of the State of North Carolina; or (b) does not have the mental and physical capacity to exercise the corporate standard for business judgment in discharging his/her duties in a manner to be in the best interests of the Cooperative under the laws of the State of North Carolina; or (c) has not been a member of the Cooperative in the Directorate District for which such person seeks election and has received electric service there as his/her primary residential abode in such person's own name for at least one hundred eighty (180) consecutive days next preceding the date of the election; or (d) has, during the ten (10) years preceding the date of nomination, been a regular employee of the Cooperative or of a competing enterprise; or (e) is in any way employed by or financially interested in a competing enterprise; or (f) is engaged in the business of selling electric energy.

A director or director's company may be allowed to sell materials, supplies, equipment, or vehicles to the Cooperative only if at least three bids are submitted to the Cooperative for any such sale, and only if the director or his/her business has submitted

the lowest bid. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding a directorship or other position of trust in the Cooperative, lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause such person to be removed therefrom, as the case may be.

Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

When a membership is held jointly by a husband and wife, either one, but not both may be elected a director; provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth.

SECTION 3.03. NOMINATIONS

It shall be the duty of the Board of Directors to appoint, not less than sixty (60) days nor more than ninety (90) days before the date of the meeting of the members at which directors are to be elected a district nominating committee for each directorate district in which directors are to be elected. Such district nominating committees shall consist of not less than three (3) nor more than five (5) members who shall be selected from the directorate district from which a director is to be nominated. No officer or member of the Board of Directors or close relative thereof shall be appointed a member of such Committee/ Committees.

The Committees shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting a list of nominations for directors, but any fifteen (15) or more members may make other nominations in writing over their signatures not less than fifteen (15) days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the Committees is posted. The Secretary shall mail with the Notice of the Meeting a statement of the number of directors to be elected and showing separately the nominations made by the

District Nominating Committees and the nominations made by petition if any. The members may at any meeting at which a director or directors shall be removed, as hereinbefore provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

SECTION 3.04. ELECTION & TENURE

At each annual meeting of the members, directors shall be elected by secret written ballot by the members and, from among those members who are natural persons; PROVIDED, that when the number of nominees does not exceed the number of directors to be elected and if there is no objection, secret written balloting may be dispensed with in respect of that particular election and voting may be conducted in any other proper manner. Directors shall, unless the members determine otherwise in advance of the initial balloting, be elected by a plurality vote of the members. Drawing by a lot shall resolve, where necessary, any tie votes.

Directors shall be so nominated and elected that, beginning with the Annual Meeting of the members of 1996, directors from directorate districts 2,4, and 7 shall be elected for three (3) year terms; at the annual meeting of the members of 1997, directors from directorate districts 5,8, and 9 shall be elected for three (3) year terms; and at the annual meeting of the members of 1998, directors from directorate districts 1, 3, and 6 shall be elected for three (3) year terms.

Beginning with the next succeeding Annual Meeting of the members, and at each such meeting thereafter, the same number of directors that corresponds to the number whose terms are expiring shall be elected to serve a term of three (3) consecutive years; PROVIDED, that a year as used in this section shall mean the period beginning with one Annual Meeting of the members and ending at the next; and PROVIDED FURTHER, that notwithstanding the terms for which they are elected, directors shall serve until their successors shall have been elected and qualified.

SECTION 3.05. DIRECTORATE DISTRICTS

Directors shall// be so nominated and elected that the board shall be comprised of nine (9) directorate districts. A director of a directorate district must be a resident of, and make his/her primary residential abode, on a premises served by an electrical circuit

provided by the cooperative. All the cooperative's electrical circuits, as identified by circuit numbers on the cooperative's maps and records, shall be divided into nine (9) directorate districts. For the purpose of assuring equitable representation, additional circuit numbers may be added to or deleted from a directorate district. It shall be the duty of the board of directors to make such additions to and deletions from, the various directorate districts no later than April 1st of each year. Such additions and deletions, along with the existing directorate district circuit numbers, will be provided to the members. Each of the nine (9) directorate districts is:

District Number	Circuit Number
1	1, 2, 3, 4, 5, 8, 68
2	6, 7, 24, 25, 27, 30, 71, 73
3	9, 13, 14, 16, 67, 69, 70
4	10, 11, 15, 26, 75, 76, 77
5	17, 19, 20, 21, 22, 23, 29, 60, 78
6	28, 31, 55, 72, 87, 88
7	33, 34, 36, 37, 38, 46, 47, 48, 49, 56, 80, 81, 83, 84
8	39, 40, 50, 51, 52, 53, 82, 85, 86
9	42, 43, 44, 61, 62, 63, 64, 89, 90

SWAP SHOP

For Sale

Two custom cedar gun cabinets, can deliver in Randolph/Chatham area. \$1500 each OBO. 336-824-2184.

Step van with Grumman Body. Rebuilt 350 Chevy engine and rebuilt transmission. Has a 6010 built in Honda Generator. Two heavy duty drop cords on reels, sink, water heater, and other options, great for food truck or camper. Runs great. \$3500 OBO. 336-653-1594.

White Frigidaire side-by-side \$300. Full size antique bed \$75. French Provincial full size bed with night stand, dresser, etc. \$100. Duncan Phye sofa \$300. Solid wood coffee table with 2 end tables & sofa table \$200. Chair with foot stool \$50. 910-571-2940.

Rare Model Tractor 1936 Oliver 70 Hart Parr-Row Crop, overhauled & painted in early 1990's. Sheltered \$5,000 neg. 336-381-4566

Whirlpool clothes dryer, GC, \$100. 910-464-5508.

Organic fescue mix square bales of horse quality hay. Contact Pat at 336-317-4105 to be placed on contact list for out of field pick up. Price out of field is \$2.75 & up.

3,000 Red Sex Link pullets (16 - 18 week old chickens) laying age, brown eggs, vaccinated & de-beaked, \$6.50 & up, Liberty area. 336-708-2998.

50 lb bag feed wheat \$9 per bag. 336-622-2480.

Ten prom dresses; new & used, \$15-\$30, sizes are 6 -14 & Sm.-Med. 336-460-9078.

Wanted: Used awnings. 910-464-3459

For Rent

Nice 2/3 bedroom, 1 bath house in Coleridge area, central heat/air, no inside pets. \$500 per month. 336-629-2752.

Members email Swap Shop items to General@RandolphEMC.com

District Nominating Committees, Elections & Credentials Committees Appointed

Pursuant to Section 3.03. of the Bylaws of the Cooperative, the Nominating Committees for Districts 1, 3, and 6, from which Directors will be elected at the Annual Meeting, have been appointed. The members that have been appointed to serve on those respective Nominating Committees will meet at the Asheboro headquarters office of Randolph EMC, located in Asheboro, N.C., at 6:00 p.m. on Monday, April 29, 2013, to nominate a candidate who will run for the Board of Directors from each district. All three District Nominating Committee meetings will be held on the same evening. The Elections and Credentials Committee, pursuant to Section

2.08. of the Bylaws of the Cooperative, will also meet on Monday, April 29, 2013, at 7:00 p.m. at the office of Randolph EMC in Asheboro, N.C. It is the duty of the Elections & Credentials Committee to establish and approve the manner of conducting member registration and voting, to pass upon all questions that may arise with respect to the registration of members, count all ballots cast in any election, rule on the validity of any ballots cast, and to rule upon any other questions, protests or objections affecting the results of the election. The following members make up the 2013 committees.

DISTRICT 1: ANDREWS	DISTRICT 3: ROUTH	DISTRICT 6: SPENCER	2013 ELECTIONS & CREDENTIALS COMMITTEE	
Gary Loy	Jack Fagg	LuAnn Deaton	E. Bernard Beck	Wayne Lahmeyer
Eric Cheek	John Coble	W. Thomas Lawrence	Mike Hunter	Foy Gann
Jerrold Murchison	Steve H. Trogdon	David Harold Strider	Craig Bray	Harold Cagle
Larry Matthews	Walter Etheridge	Shelton L. Strider	Ledford Brady	Robert Callicutt
Simon Teague	George Joyce	Donna Vaughn	Vergil Shamberger	Jeff Sugg
	Joseph Capps, Sr. (Alt.)		Russell Seawell	Mary Priscilla Clay

Randolph EMC Service Territory

Directorate Districts

Larry Routh
District 3*



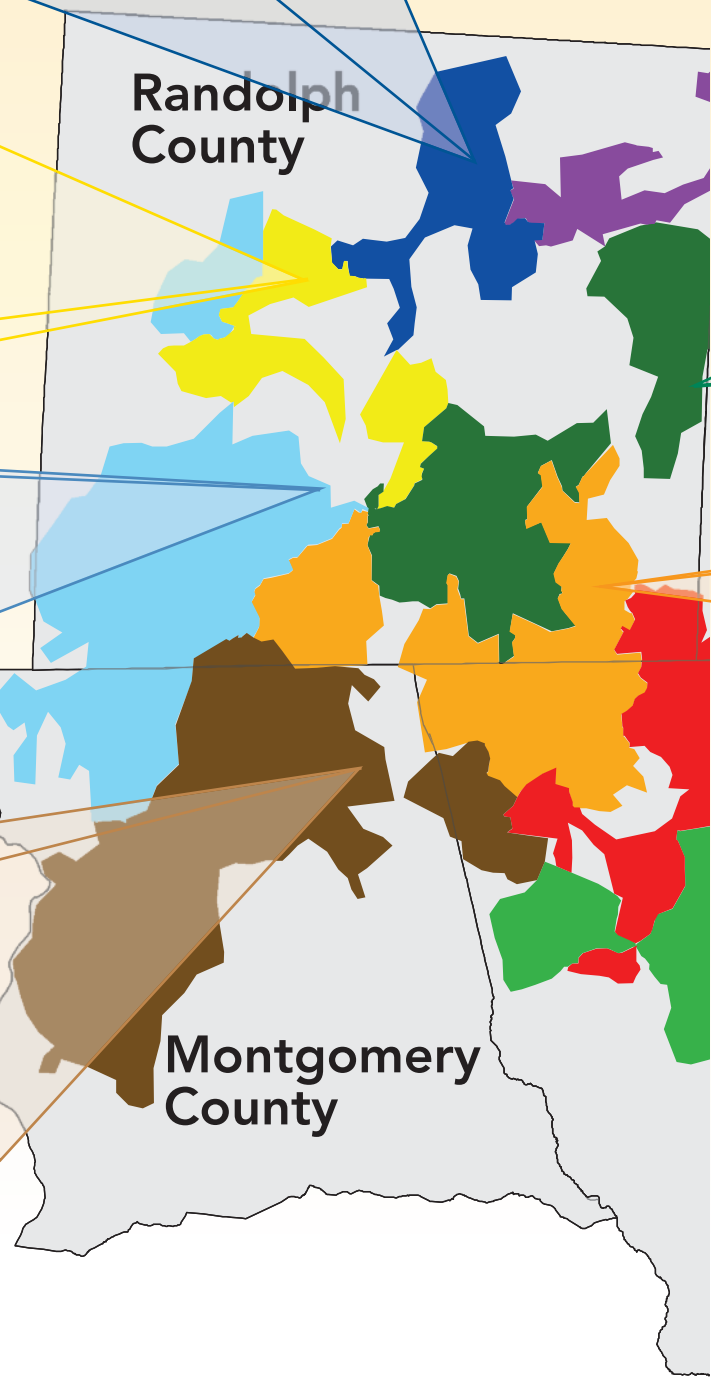
Jerry Bowman
Vice President
District 4



Delbert Cranford
District 5



Billy Maness
District 9



* Election for Directorate Districts 1, 3, and 6 will be held at the 2013 Annual Meeting.

**Alamance
County**



James Andrews
District 1*



Bob Wright
President
District 2

**Chatham
County**



Sue Spencer
Secretary-Treasurer
District 6*

**Moore
County**



Steve Harris
District 8



Tammie Phillips
Assistant Secretary-Treasurer
District 7



Calling All Teachers: Now is the Time to Apply for Bright Ideas Educational Grants

Since 1994, educators statewide have received more than \$8.5 million in Bright Ideas grant funding, and well over 1.5 million N.C. students have participated in approximately 8,300 Bright Ideas projects. North Carolina's electric cooperatives, including Randolph Electric, are accepting applications for Bright Ideas education grants for the 2013-14 school year.

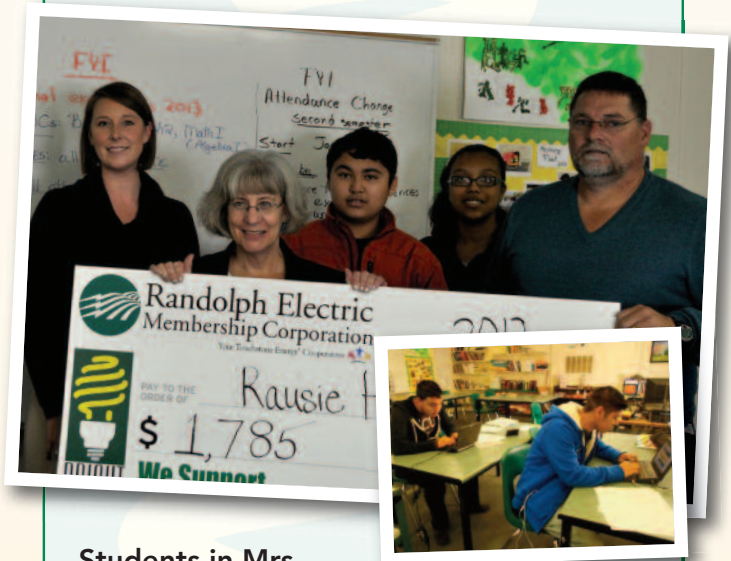
Certified teachers in Randolph, Moore and Montgomery counties are eligible to apply for grants of up to \$2,000. Each year, applications are accepted from teachers in a variety of disciplines including music, art, history, reading, science, career-planning and information technology. Interested educators must have a truly creative project for their classrooms to be considered for the grant.

"Last year, Randolph Electric awarded \$10,000 in Bright Ideas funding directly to local teachers," notes Jill Vanness, Director of Communications at Randolph Electric. "We are committed to the local communities we serve, and we believe there's no better way to contribute than by investing in the education of our youth."

Grant applications will be accepted April 1 through September 20. It could pay to apply early: all teachers who submit their applications by the early-bird deadline of Aug. 16 will be entered into a drawing for a \$500 gift card.

Teachers can learn about the program and apply online beginning Monday, April 1, at www.ncbrightideas.com. For specific questions, please call Lauren Ingold, Public Relations Coordinator, at 336.625.5177, ext. 2338, or email her at Lauren.Ingold@RandolphEMC.com.

Making an Impact!



Students in Mrs.

Rausie Hobson's

English as a Second Language (ESL)
classes are using Netbooks purchased
with Bright Ideas Grant funding.

Having access to this technology is
making a positive impact by allowing
students to plan, compose and edit
their own writing to improve their
English language skills.