

# 2014 ANNUAL REPORT

# FOCUS on the FUTURE



Randolph Electric  
Membership Corporation

Your Touchstone Energy® Cooperative 

# Dear Members,

At Randolph EMC, we are constantly focusing on the future of your cooperative. No matter what business you are in, planning is crucial in every facet of the organization. That is why your cooperative's board of directors and management team embarked on the task of strategic planning this year.

We are evaluating each aspect of our business to determine our strengths and weaknesses. We recognize that processes of this type are necessary to keep us accountable to those we serve, and as member-owners of Randolph Electric Membership Corporation, your satisfaction is our top priority. Identifying the areas in which we excel, as well as those that could use improvement, is helping us develop various strategies for advancements and upgrades to better serve you.

At REMC, we have a good track record of success, and we appreciate the confidence that you have placed in us and our employees to represent your interests in operating your cooperative.

Loyal, experienced employees are key to Randolph Electric Membership Corporation's growth and success.

Our dedicated employees have worked in all types of weather, day and night, to make certain

our member-owners have electricity at the flip of a switch. Our employees know that safely providing our membership with superior customer service and reliable electric service is imperative to our continued success.

As you turn the pages of our annual report, you will discover more about how we are focusing on the future to better serve you. If your founding directors and managers were here today, they would see we are dealing with larger issues than they ever imagined. While a lot of things have changed at Randolph Electric over the past 77 years, one important thing has remained the same. Our board, management and employees are dedicated to those we serve, and every decision we make is always based on what is best for our member-owners.

Cooperatively yours,



Bob Wright,  
President, Randolph  
EMC Board of  
Directors

Dale F. Lambert,  
Chief Executive  
Officer



# Randolph EMC Board of Directors



## Officers

(seated, left to right)

**Bob Wright,**  
President

**Tammie Phillips,**  
Assistant  
Secretary-Treasurer

**Sue Spencer,**  
Secretary-Treasurer

**Jerry Bowman,**  
Vice President

## Directors & Staff

(standing, left to right)

**Britt Smith**

**Delbert Cranford**

**James Andrews**

**Larry Routh**

**Steve Harris**

**Billy Maness**

**Dale Lambert**



**\$2.35 Million  
in Capital Credits  
Returned to  
Members  
in 2014**



 **People Helping People**  
Round Up to Give a Hand Up with Randolph EMC

**PHP Supported  
88 Member  
Families with  
\$11,825  
in Donations**

## MEMBER SERVICE & TECHNOLOGY

We've all seen advances in technology in recent years and our industry is no exception. While reliability and safety are priorities for REMC, so are providing superior customer service, improving operating efficiencies and sharing opportunities to save members money. The new technology that has been introduced over the past several years at your cooperative has been installed in a methodical manner to ensure it is utilized most effectively.

Several years back, we completed the first step in improving our service to you by installing our advanced metering infrastructure (AMI). Deploying this two-way communication system has eliminated our need to send personnel to read meters each month, saving thousands of dollars in fuel and labor costs. This system offers remote disconnect capabilities as well, saving time and money on field visits for non-payment and for multi-tenant locations.

### *New Ways to Manage Energy Use*

The AMI system has also allowed us to begin offering valuable member services such as MyUsage.com, a program that allows members to see how much electricity they've used each day, as well as our prepaid electric service, known as FlexPay.

We currently have more than 800 member-owners utilizing our FlexPay service, and nearly 400 more monitoring their electricity use on a daily basis. These services have offered residential members more control in how they use energy in their homes and pay their bills, which has helped them realize how valuable electricity is to everyday life.

Even with the introduction of new technology, our member service representatives are still busy assisting member-owners over the telephone, in person, and through our website.

### *New Technology in the Field*

REMC's Vice President of Engineering and Operations, Dennis Mabe, recently worked with GIS Biz to create the GeoOrganizer iPad app, which has immeasurably improved the co-op's efficiency in field inspections and repairs. The app expedites communication between inspectors, supervisors and field technicians using mobile devices. It helps reduce costs as well, by significantly lowering the amount of errors, miscommunications and lag between each step of the process of a paper-based field inspection process. All of these



benefits translate into faster service and operational savings for our member-owners.

### Member Satisfaction

Advancing technology is not the only reason to offer additional services to our members. We conduct surveys twice every year to ask our members how we're doing and how we can improve.

In the fourth quarter of 2014, REMC earned an 87 on the American Consumer Satisfaction Index. That's a full 12 points above the average investor-owned utility rating of 75, and 5 points above the score of 82 that Touchstone Energy cooperatives earned as a whole. We appreciate the trusting relationships that we have with our members and promise not to lose sight of who we come to work for each day.

The information from these surveys helps the cooperative determine what services and products are important to members. REMC has been working over the past

year on several projects that members will see come to fruition later in 2015.

### Legislative Advocacy

Part of ensuring a reliable, affordable electric system for the future is making sure we have good relationships and communicate frequently with our legislators. Electric cooperatives have cultivated a reputation on Capitol Hill and in Raleigh as "grassroots" organizations that are actively involved in the political process.

Last year our members stepped up to help in our grassroots efforts when we asked for support in contacting the EPA to voice concern about the increased costs that would result from its proposed carbon dioxide emissions regulations on power plants. Across the United States, 1.1 million comments were sent to legislators from cooperative members alone. We appreciate our members' involvement and support!



## \$10,000 in Bright Ideas Grants Given to Local Schools

Member & PHP Participant Rex Brewer of Eagle Springs won the drawing for a 2006 Chevy Colorado truck that was retired from REMC's fleet.



The following employees were recognized with the national Touchstone Energy Power & Hope award for their volunteer efforts in REMC's communities.



Leigh Ann Kirkman & Angie Isom for their work with Relay for Life.



Todd Phillips for his work with the Moore Regional Hospital Foundation Cancer CARE Fund.



Linda Poole & Ravonda Hanes for their work with the U.S. Marine Corps Reserve Toys for Tots Program.

# Financial Report

## What We Took In

Operating Revenue	\$ 62,883,836
Non-Operating Revenue	\$ 173,257
Capital Credits from Associated Organizations	\$ 871,302
<b>Total</b>	<b>\$ 63,928,395</b>

## What We Paid Out

Purchased Power	\$ 37,085,144
Gross Receipts and Property Taxes	\$ 1,722,954
Depreciation of Plant and Equipment	\$ 5,116,069
Interest Expense	\$ 3,418,640
Operation, Maintenance & Other Expenses	\$ 13,175,085
<b>Total</b>	<b>\$ 60,517,892</b>

## What We Had Left

Net Margin for the Year (Patronage Capital)	\$ 3,410,503
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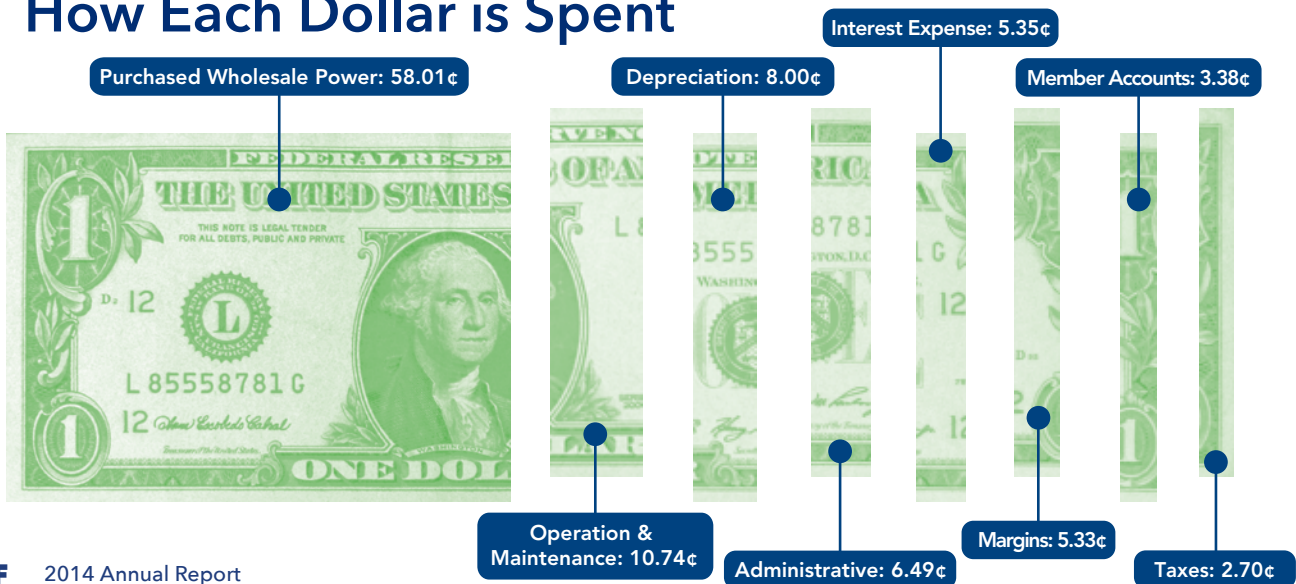
## Assets

Our plant is valued at	\$ 126,377,349
We have other investments worth	\$ 8,914,624
We have cash and temporary investments on hand in the amount of	\$ 1,235,213
We have accounts and notes receivable amounting to	\$ 5,185,442
We have prepayments and other assets amounting to	\$ 7,770,583
Our materials and supplies are worth	\$ 1,265,166
<b>Total Assets</b>	<b>\$ 150,748,377</b>

## Liabilities

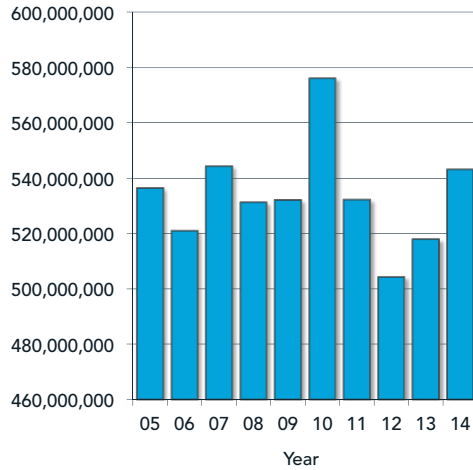
We owe debt on our plant of	\$ 84,938,653
We have patronage capital and unallocated margins amounting to	\$ 52,937,782
We owe accounts payable amounting to	\$ 4,385,014
We are holding deposit fees amounting to	\$ 826,890
We have other current and accrued liabilities amounting to	\$ 4,142,115
We have deferred credits and other liabilities amounting to	\$ 3,517,923
<b>Total Liabilities</b>	<b>\$ 150,748,377</b>

## How Each Dollar is Spent

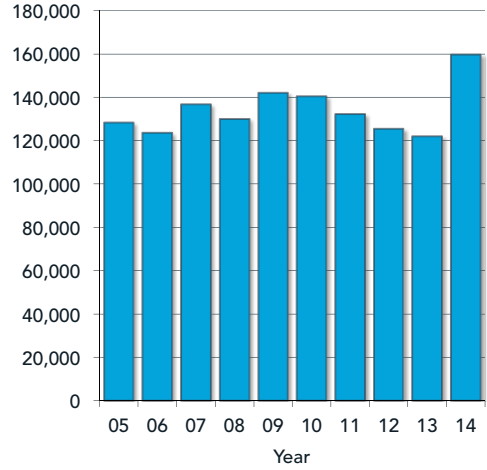


# Power Trends

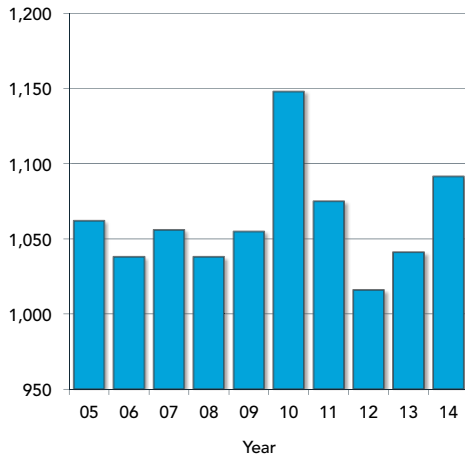
## kWh Purchased



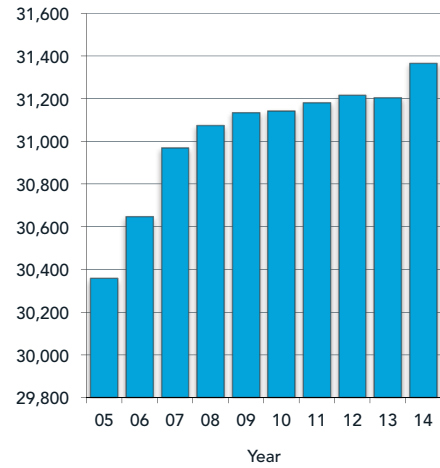
## Annual Peak KW Demand



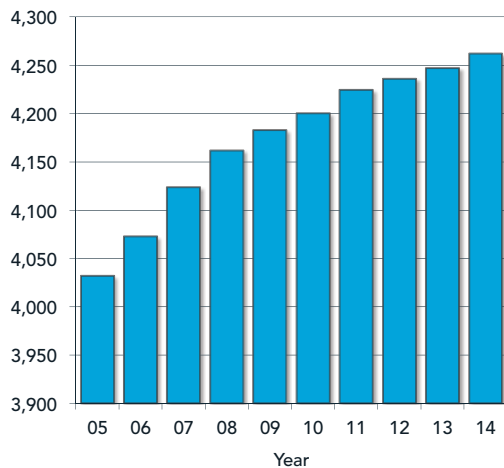
## Average Monthly kWh Use Per Home



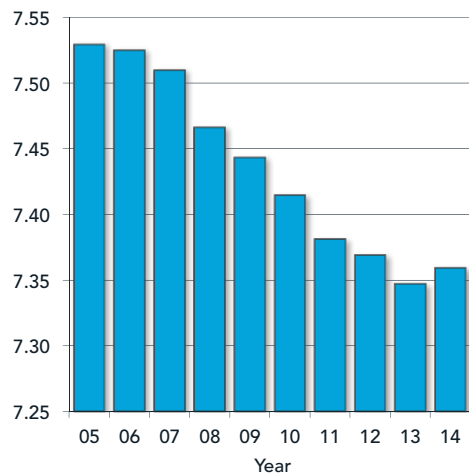
## Number of Meters Served



## Miles of Line



## Meters Per Mile of Line





# Randolph Electric Membership Corporation

Your Touchstone Energy® Cooperative 

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