

Watts Working

Rate Adjustment Approved, Effective April 1

by Dale Lambert, CEO

Dear Members,

Your Board of Directors and management team has the fiduciary responsibility to periodically review Randolph Electric's retail rate structure. We do this to ensure that different rate classes—non-commercial, commercial, industrial and lighting—are paying their fair share of the expenses to generate and distribute electric energy to your homes and businesses.

We also have a responsibility to ensure that we continue to deliver the same value in high-quality service and reliability in the future as our member-owners have come to expect from us.

The management team continually evaluates our operations to look for efficiencies to contain and reduce our operating costs as much as possible. In the last few years, we've done some restructuring to reduce our number of employees and have taken steps to reduce benefits costs. We currently operate with the same number of employees we did in the mid 1990s, even though the number of accounts we serve has grown by more than 24 percent.

Changing some of our processes has helped us realize savings as well. Right-of way maintenance is one of the key reasons REMC kept power flowing to members 99.97 percent of the time in 2015 (even with all the storms that came through that year) and is one of our largest expenses. For cost savings in this area, we've streamlined the program and bidding processes while meeting the expected maintenance schedule. In addition, we replaced our billing and accounting computer system to offer more functionality for our members in addition to reducing operating costs in that area.



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Installing advanced meters for two-way communication to devices in the field has helped reduce costs and improved efficiency immensely. With this communication platform, we are able to provide members with FlexPay, our pre-paid electricity option, and the ability to monitor your energy use on a daily basis.

Even through all of these changes, we have not sacrificed the level of service our members have come to expect from us. But operating efficiently is not the only key driver in our strategic decisions. It's also important for us to keep rates as stable as possible for our members, and that takes planning and focus.

With dramatic changes occurring within the electric utility industry, we have placed a great deal of emphasis on preparing Randolph EMC to meet your future needs and expectations. To do this, your cooperative continues to invest heavily in upgrading and improving the electric infrastructure on the system to increase reliability and to meet increasing load requirements. With over 4,200 miles of line, this requires a concentrated effort—and it doesn't come cheap.

As a cooperative, we are fortunate to have access to low-interest funding, but must maintain certain equity levels and other standards to meet our lenders' requirements for borrowing this money. Your Board of Directors has also committed to making substantial capital credit retirements whenever feasible so that you receive one of the monetary benefits of being a cooperative member-owner. It's difficult sometimes trying to hold rates down, retire capital credits and build and maintain a reliable electric system. Rest assured, though, that anything we do is designed to be in the best interest of our members.

ADJUSTING RATES

Earlier this year, we engaged Booth & Associates, LLC, an independent rate consultant, to review our rate structure. The management team worked with the consultant and made recommendations

to the Board of Directors for adjustments.

After reviewing and discussing the findings, the Board of Directors approved a rate adjustment that will become effective on April 1, 2016. The good news is, for the average member, the rate adjustment is very minimal and depending on the amount of energy used, some members may actually see a decrease.

BASIC FACILITIES CHARGE

The Basic Facilities Charge is a component of the power bill that's included in every electric utility's rate schedule and is designed to cover some of the cost of the power delivery system. Many other utilities—such as your home phone, cell phone, cable or satellite TV—include some sort of monthly charge to cover the cost of providing their service, as well.

For Randolph EMC, basically, everything it takes just to deliver the energy to your homes and businesses makes up Basic Facilities. This includes transmission lines, substations, distribution lines, poles, wire and transformers. This charge is also designed to cover any required maintenance on the system and the cost to restore power when the lights go out, as well. In most cases, as with Randolph EMC, utilities also collect a portion of the Basic Facilities costs within the energy charge portion of the bill.

The costs analysis shows the average actual cost for Randolph EMC's non-commercial Basic Facilities is \$56.76, which is significantly higher than our current charge of \$23 per month.

I want to give you an example that will hopefully help you understand why we are making an adjustment to the Basic Facilities Charge. I have two accounts with Randolph EMC. One is for my home and the other is for a shop at my dad's house. The shop doesn't get used very often, so it is a very low usage account—totaling just around 3 kilowatt-hours over the last year.

But my home account is much different. For the last 12 months, we used an average of 1,839 kilowatt-

Electric Service

Asheboro(336) 625-5177
(800) 672-8212
 Robbins:(910) 948-3401
(800) 868-7014
 Power Failures:(877) REMC-OFF
(877) 736-2633
 Bill Payments:(877) 534-2319
 Office Hours: 8:00 am - 5:00 pm, M-F

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www.RandolphEMC.com  



hours per month. I pay the same \$23 Basic Facilities Charge for both accounts; however, my home account is clearly subsidizing the shop account. The shop account is not using enough energy to help pay its “fair share” of what it takes to deliver electricity to the meter, and the higher kilowatt-hour usage at my home is making up for it. Therefore, after much consideration, REMC will increase the Basic Facilities Charge from \$23 to \$25 per month to more fairly reflect the actual cost of providing electric service.

BASE RATE ADJUSTMENT

The base rate component of the electric bill is the energy charge. The base rate adjustment that will go into effect on April 1st will raise REMC’s base rate revenue for the non-commercial rate class by 5.63 percent, which includes the basic facilities charge increase. That does not mean the average residential member will receive this amount of an 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 only a .2 percent increase. Based on kilowatt-hour (kWh) usage data, the average residential member is defined as a member using 1,036 kWh per month. For members who use an annual average of more than 1,201 kilowatt-hours per month, they will actually see a decrease over the current rates.

WHOLESALE POWER COST ADJUSTMENT

The Wholesale Power Cost Adjustment is currently at \$0 per 1,000 kWh. Beginning on April 1, 2016, a credit of \$7 per 1,000 kWh will be reflected in each member’s bill. We project this credit to stay in place through the remainder of 2016, and depending on Wholesale Power Costs, a credit to also apply into 2017.

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

Comparison of Old vs. New Rates for Residential Member Using 1,000 kWh		
	Old Rates	New Rates
Basic Facilities Charge	\$23.00	\$25.00
Monthly Rate	\$0.108	\$0.113
Average kWh Usage	1,000	1,000
WPCA Charge per 1,000 kWh	\$0.00	(\$7.00)
Monthly Bill Total	\$131.10	\$131.40
<i>*Bill total shown here is for illustration only and does not include taxes or other line item charges that may appear on bills</i>		

illustrate the details of this rate adjustment, the chart above 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.

When comparing the change in Basic Facilities Charges, increases in energy charges and the transition to a WPCA credit, you can see that the net impact to the average member is minimal.

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.

At the conclusion of our employee meetings, there’s a quote that I have used for years. “Remember who we work for, the people we look in the eye, are our owners and the reason we’re in business.” This helps us keep our focus on what’s important. 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

**The pathway to
affordable solar energy
exclusively for members
of Randolph EMC**



Earth Day is April 22!

Celebrate by participating in SunPath Community Solar. Full-Term and Monthly Subscriptions are available on a first-come, first-served basis. Learn more at RandolphEMC.com or call us at 800-672-8212 today!

**APPLY
NOW**

Grants Available for Teachers & Nonprofits

*Apply Now for a Chance to
Receive Up to \$2,000 per Project!*



K-12 educators are eligible to apply for grants up to \$2,000 for your creative, innovative projects!

Applications will be accepted April 1 – September 23, 2016.



REMC's People Helping People is accepting applications for its Community Grants program through May 31, 2016. Nonprofits with projects that benefit REMC members are encouraged to apply.

Learn More at RandolphEMC.com!

survey

This spring, REMC will partner with TSE Services and Data Decisions Group to conduct its second quarter member satisfaction survey.

You may be contacted by phone between April and June and asked to participate. The call will likely come from a 919 area code, as the company calling on behalf of Randolph EMC is based out of Raleigh.

The feedback gathered in these surveys helps REMC gauge its performance and improve products and services in the future.

We appreciate your time and thank you for sharing your and thoughts!

SWAP SHOP

For Sale

Simplicity Rear Tine Tiller, 9HP Briggs engine, \$275. Merry Front Tine Tiller, 3HP Briggs engine. Needs tune up, \$75. 336-581-3565.

10 Prom dresses, different sizes & styles, \$50 or less each. 336-460-0774.

Dining room set, oak table w/6 chairs, oval with claw feet, 2 leaves. Golden Oak Collection, \$500. Outdoor patio set, rectangular table with 6 chairs, \$300. Diving board for in-ground pool, \$100. Decorative outdoor fan, \$50. Outdoor crank style umbrella with base, \$50. OBO on all items. 336-498-2967.

Ammco Model 4000 Brake Lathe, turns Disk or Brake Drums. Comes with all attachments, EC. \$2,000. 910-528-5106 or 910-295-2307.

Grass catcher to fit John Deere LT115 riding mower, \$150. 336-381-3175.

Oak coffee table with matching end table \$70. Two oak matching rocking chairs \$40 or \$70 for pair. Two coffee tables \$25 each. Computer desk with hutch, wood laminate \$60. Matching twin bookcases \$30 each or \$50 for pair. Oak dining room table with 6 chairs \$100. Oak dining room hutch \$100. 910-464-3914.

Couch, love seat, & chair. Genuine dark brown leather. EC. Retail \$3,000. Asking \$1800. 336-873-7659.

Casio Keyboard with stand, EC, \$200. 336-301-2365.

Nigerian Dwarf goats, babies, both male & female \$75 - \$125. These are milking goats & make great pets! 336-672-3122 or 336-953-3776.

Four bow back, curved & turned dining room chairs, two have arms two do not, sturdy, \$90. White full size bed, headboard, foot board, & rails with night stand & chest of drawers, 1970's with gold spray detail, \$300. 336-475-5411.

Kubota 900 RTV 4X4 Diesel \$8,000. 336-857-2368.

Very nice baker's rack, metal & wood with two drawers & wood counter shelf, \$90. Also solid wood cheval mirror for \$65. 336-953-9114.

Parts for 1997 Honda Accord Ex-V6. All working parts in great condition or new. Body & interior in EC. New tires. Has bad motor & transmission. 910-464-2617.

Cleaned deer corn, 50 lb. bags, \$6 each. Cleaned Feed Wheat, 50 lb. bags, \$8 each. 336-622-2480 or 336-736-0390.

Red Sex-Link laying hens, 21 - 22 weeks old, \$18 each with volume discounts available. Farm Fresh Brown Eggs for \$3 per dozen or better price if purchased by the 30 dozen case. Seagrove area. 336-964-6277.

Empire cast iron gas fired heater with ceramic logs, \$300. Eden Pure Elite Infrared portable heater, almost new, \$200. Wood fired hot water system, \$500. 910-947-2289.

King size bed with brand new mattresses wrapped in plastic, includes headboard & footboard, \$500. New HP printer, \$100. 910-464-2930 or 910-973-2164.

Dark Gray Camper shell with front sliding windows, side windows, back glass door opens, fits long bed Chevrolet truck, EC, \$500. Rabbit/chicken cage, 10 x 5, four doors, tin roof, \$50. 336-302-6807.

3 BR 1 BA house on Lions Rest Rd, Asheboro. New metal roof & heating system. 336-964-4546.

Myrtle Beach Oceanfront Condo. 2 BR, 2 BA, kitchen, living room, furnished. \$155,000 or trade for equal value land in Randolph County. 336-584-9650.

Golf carts, \$1000 & up, gas & electric, repair service on all makes & models. 336-302-2286.

FREE: Pit Bull Dog to a good home, 13 years old, solid white, male. 336-879-2320.

FOR RENT: 2 BR, 1BA house, central heat & air, no pets, Robbins area. \$500/month + deposit. 910-947-5910.

FOR RENT: New SW MH 3BR, 2BA in a small park. Bear Creek area. 336-906-6612.

Members, email SwapShop items to
General@RandolphEMC.com

Spring Cleaning Delivers Safe, Reliable Power

Spring gives us a chance to thaw out after a chilly winter. Some take advantage of longer daylight hours by doing a little spring cleaning and yard work. But the seasonal shift isn't all good news. The rapid change from harsh, cold air to warmer temperatures can trigger severe weather. To protect our lines and keep power flowing safely to your home, Randolph Electric maintains our rights-of-way. Think of it as spring cleaning for power lines.

Right-of-way (ROW) maintenance keeps tree limbs and other obstacles away from high-voltage power lines. It's an important part of the service we provide to you, our members, for three reasons: safety, reliability, and cost.

SAFETY

Our primary concern is the safety of our workers and members. Properly maintained ROW keeps our crews safe when they are restoring service and maintaining our system. Keeping trees clear of power lines also keeps your family safe. From making sure a child's tree house doesn't hit power lines to creating a safe environment while doing yard work, a well-maintained ROW helps avoid tragedy.

RELIABILITY

If severe spring weather blows through, a well-maintained ROW helps to ensure fewer outages and faster response time. Trees are less of a threat. When trees do fall, crews are able to restore service more quickly than they could with poorly maintained areas.

COST

As a not-for-profit company, Randolph EMC strives to keep costs affordable for you, our members. Maintaining our ROW is an important part of controlling costs. Fewer and shorter outages save money for everyone. When crews work in well-maintained areas, we can reduce risks for employees and equipment too—another way to keep costs low.

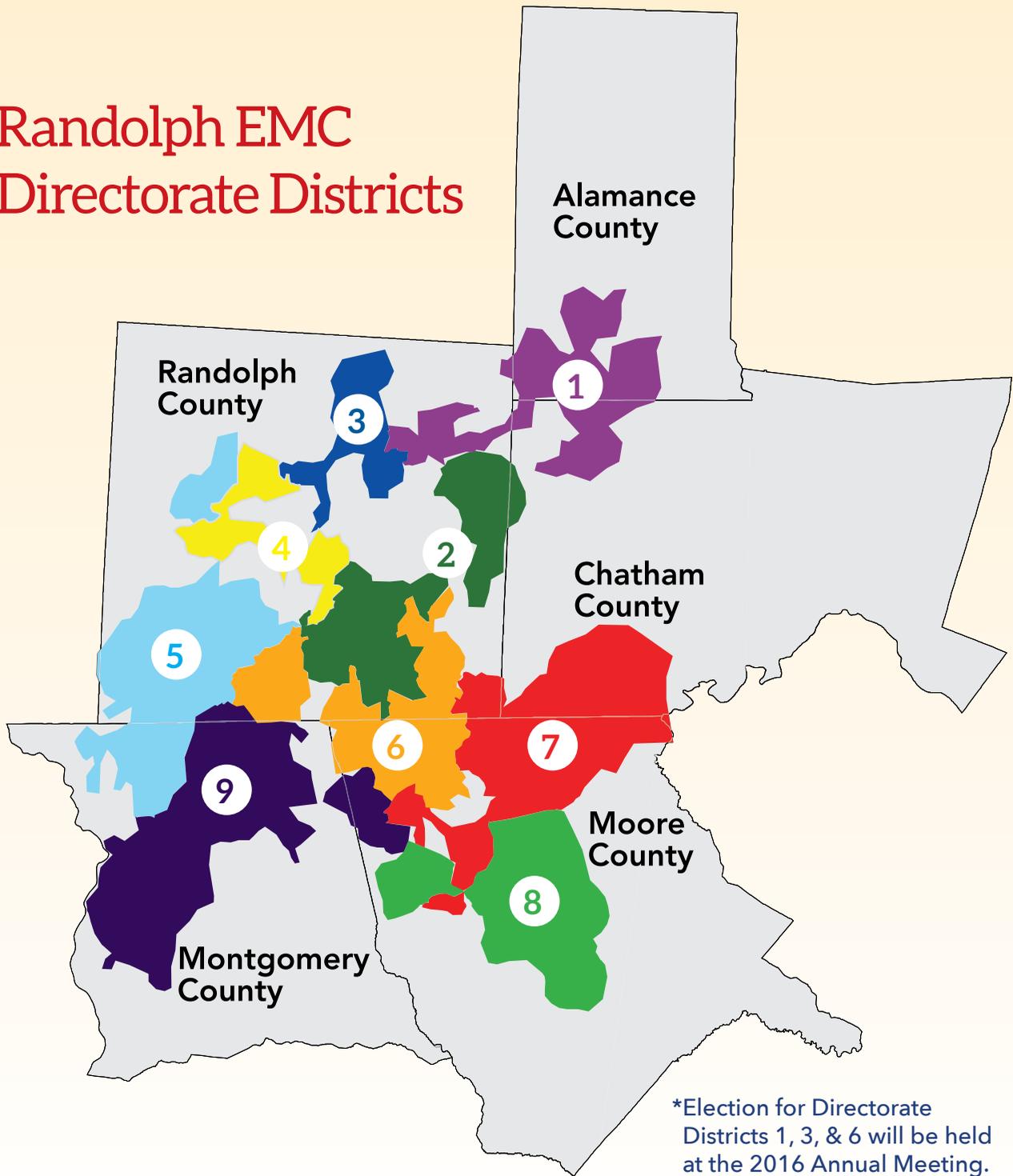
Safety, reliability, and cost: this is why we believe in ROW "spring cleaning." If we compromise on one of these areas, it impacts the others. At REMC, we aren't willing to compromise. Maintaining our ROW is a priority for your safety, comfort, and pocketbook!

Remember Safety First
When Doing Your
Spring Cleaning, Too!

ALWAYS
CALL
BEFORE YOU
DIG



Randolph EMC Directorate Districts



District Nominating Committees, Credentials & Elections 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 25, 2016, 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 Credentials and Elections

Committee, pursuant to Section 2.08. of the Bylaws of the Cooperative, will also meet on Monday, April 25, 2016, at 7:00 p.m. at the office of Randolph EMC in Asheboro, N.C. It is the duty of the Credentials and Elections 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 members listed on the following page make up the 2016 committees.



District 1*
James Andrews



District 2
Bob Wright
President



District 3*
Larry Routh



District 4
Jerry Bowman
Vice President



District 5
Delbert Cranford



District 6*
Sue Spencer
Secretary-Treasurer



District 7
Tammie Phillips
Asst. Secretary-Treasurer



District 8
Steve Harris



District 9
Billy Maness

District 1: Andrews	District 3: Routh	District 6: Spencer	2016 Credentials & Elections Committee		
Eric Cheek	Joseph Capps Sr.	Luanne Deaton	E. Bernard Beck	Yates Hussey	Richard Seawell
Joseph Michael Johnson	Edward J. Coble	Thomas Lawrence	Ledford Brady	Wayne D. Lahmeyer	Russell Seawell
Gary Loy	Jack Fagg	Michael E Macon	Philip R. Brown	Bradley Lanier	Jeffrey Clay Sugg
Larry Matthews	Howard E. Lambert	Uretha Smith	Mary Priscilla Clay	Eric Lee McInnis	Jeff Webb
Jerrold Murchison	Norman R. Pugh	S. Leverette Strider	Sam L. Coble	Beatrice C. Morehead	Barry Wright
			Sue S. Copelan	C. Lowell Russell	

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

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 of 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 Numbers
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, 18, 19, 20, 21, 22, 23, 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

(Electrical circuits may be added or deleted on April 1st of each year for the purpose of assuring equitable representation.)