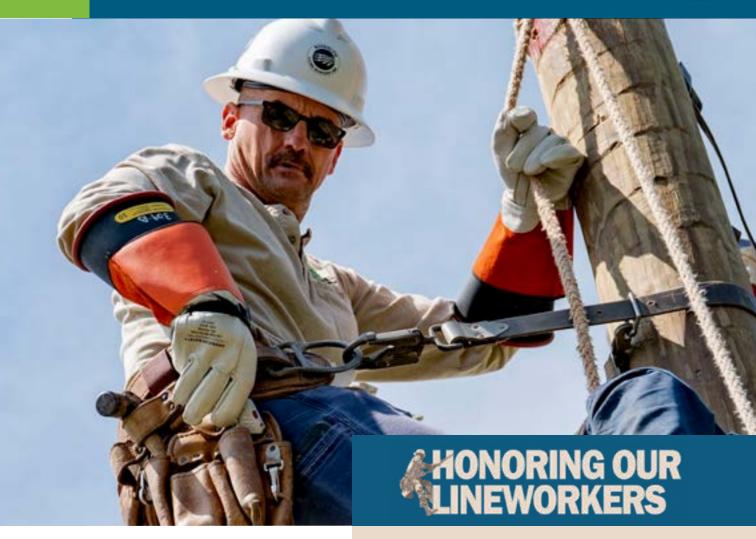
Honoring Our Lineworkers

Call 811 Before You Dig Save the Date for **Annual Meeting**

Call for Bright Ideas

A Word About Randolph Electric

Watts Working



Heroes in the Sky

This issue of Watts Working features four of our employees who work every day in all weather conditions to power our members' lives.

Continued on page B

KELLY RITTER JOURNEYMAN FOREMAN 23 YEARS WITH REMC

"The best part of being a lineman is being able to help our members with everything from new lines to trouble calls to outages."



Continued from page A

The Danger of the Job

Most folks understand that the job itself is perilous since lineworkers operate near high-voltage electricity. If an employee moves the wrong way or loses focus for a split second, his actions could be deadly.

Lineworkers must be aware of their surroundings and must safeguard the safety of the rest of the crew at all times. The job requires concentration and allows no margin for error.

The environment compounds the pressure because when members need power most, the weather is usually at its worst. Linemen work in storms with rain, wind, extreme heat and cold, in the dark or on the side of the road next to fast-moving traffic. The job is dangerous, but it is what our line personnel are trained to do.

Linemen undergo continuous training throughout their career. They typically start as a groundperson, helping crews with tools and keeping job sites safe, then transition to apprentice status, which can span four years. After an apprenticeship with more than 7,000 hours of training under their belts, they are promoted to journeyman lineworker status and are considered officially trained in the field.

HONORING OUR LINEWORKERS

SKIP JOBE LINE SUPERINTENDENT 30 YEARS WITH REMC

"Repairing power is important. But as I have gained experience over the years, I find that my favorite part of the job is helping young linemen coming into the program to have successful careers, to work safe and to help the co-op's members and community."



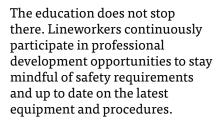
SHANNON FESMIRE

JOURNEYMAN LINEMAN

28 YEARS WITH REMC

"My job as a lineman is rewarding for a few reasons. It has allowed me to build camaraderie with my co-workers and lifelong friendships.

The job also provides an essential service to our member-owners on a daily basis and in times of need due to storm trouble or unforeseen incidences."



The Physical Demand

The job comes with high expectations of daily physical exertion, requiring strenuous effort from each employee. Lineworkers load heavy materials, climb poles and are constantly in and out of buckets. Often the workers go places that the trucks cannot access. REMC employees may hike through the Uwharrie Forest while loaded down with 40 pounds of personal protective equipment. But that's the job, and instead of complaining, Randolph EMC's lineworkers are glad to be outside.

HONORING OUR LINEWORKERS



The Sacrifices

The job demands sacrifices from our line crews. They are often the first on the scene of an emergency and often see devastating things like car accidents, structure fires and damage from severe storms. Our line personnel walk bravely into the unknown, grappling with each reality as they face it. The work itself can occur at inconvenient times. Randolph EMC receives calls at all hours including the middle of the night. This means that our line crew have had to miss their children's baseball games, celebratory family dinners and even holidays.

Their Randolph EMC family, however, understands this sacrifice and works to support them. Our cooperative employs outstanding workers who prioritize helping their friends and neighbors get back to a

normal life after an outage. These employees let nothing stand in the way of power restoration.

It's Worth It

One thing that makes this job worthwhile is the camaraderie. The co-op is the lineworker's second family, and our line crews are very tight teams. In this work, each team member must depend on the person beside him in life-or-death circumstances. It's a culture of trust, teamwork and service. It's all about keeping the teammate beside you safe and the lights on for everybody else.

Randolph EMC's lineworkers take immense pride in their work. Even when it's cold and wet, they know they are working to keep people warm. They take a lot of satisfaction from members who say "thank you" after their lights

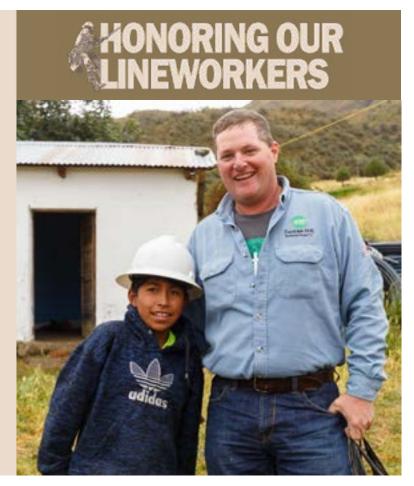
Continued on page D

TIMOTHY WILLIAMSON

JOURNEYMAN LINEMAN

21 YEARS WITH REMC

"Being a lineman gives me a platform to **help** and **serve people**."



come back on or from seeing people flipping the light switches on their porches after an outage is restored. Despite the long hours and the exhausting effort, our lineworkers experience a feeling of pride after every storm. They know that their hard work not only restores electricity, but it also brings back a sense of stability

and comfort to our members.

Randolph EMC's lineworkers are members of the communities we serve. Our crews provide power to the neighborhoods, stores and schools that you and your family frequent every day. If your lights are off, there is a good chance our lineworkers'

families are out of power, too. So, you can trust that our Randolph EMC lineworkers are doing their utmost to get the lights back on as quickly and safely as possible.

Randolph EMC would like to thank each of our lineworkers for their sacrifice, service to the community and their attention to safety.

Did You Know?

An underground utility line is damaged once every 9 minutes because someone didn't call 811.



Apply now through Sept. 15 for a Bright Ideas Grant

Randolph EMC is partnering with outstanding educators to bring their creative lesson plans to life! On April 1, teachers can apply for a Bright Ideas education grant of up to \$2,000 to fund projects that enhance student success in the classroom. Applications and more information about the program can be found at ncbrightideas.com.

The 2024–25 school year marks the 30th year that North Carolina's electric

cooperatives have funded educators' innovative projects. During that time, Randolph EMC has issued more than \$300,000 for critical projects that have benefited students in our five-county area. Grants are available in all curriculum areas including art, science, history, music and mathematics.

Bright Ideas grant applications will be accepted through Sept. 15, but teachers are encouraged to apply early.

Teachers, it's time! Applications are now open.





Supported by all 26 electric cooperatives in North Carolina, Bright Ideas grants have contributed nearly \$16 million to N.C. classrooms, funding more than 14,700 projects benefiting close to four million students statewide since 1994.

Support for youth and education is part of our continued commitment to building a brighter future for the communities we serve. To learn more, visit RandolphEMC.com.



A Word About Randolph Electric

From CEO Dale Lambert

PROVIDING AFFORDABILITY AND STABILITY IN CHALLENGING TIMES

Dear Members,

Randolph EMC is an electric cooperative. This simply means we are member-owned, operate on an at-cost basis and are not-for-profit.

As I have noted before, we strive to provide you with safe, reliable and affordable energy, along with an exceptional service experience. There are no outside groups or other parties we're beholden to, only our member/owners. Profits are not the driving force behind our operations.

In the last few years, we all have felt the pitch in our families' budgets when it seemed the costs for almost everything, from groceries to fast food to vehicles, have increased. And unfortunately, most of these prices have continued to remain at elevated levels. However, some good news during this period was that electricity provided to you by Randolph EMC remained very stable.

But your cooperative is currently experiencing significant cost pressures from mainly two areas: 1) materials and costs related to power line construction; and 2) the generation and delivery of wholesale power.

Cost Increases for Power Line Materials

In the February 2024 AWARE column, I informed you of the significant cost impacts to power line materials used on Randolph EMC's electrical system. The picture there demonstrated the price increase of each item on a three-phase pole compared to what we paid for that same item in 2020.

The graphic showed the cost of a pole was up almost 25%; a primary conductor was up 116%; crossarms +106%; transformers +77%; anchor rods +116%; ground rods +50%; conduit +90% and insulators +20%. The bottom line is this: the material we use every day to construct, maintain and upgrade your cooperative's



transmission and distribution system is now a lot more expensive. Because we could no longer absorb these costs, we announced the increase of the monthly Grid Access Charge by \$5.00, from \$30.00 to \$35.00, beginning on April 1st. Please refer to the February AWARE column for additional details about this adjustment.

Cost Increases for Wholesale Power

This month, I want to explain the increased cost for the generation and delivery of wholesale power. Randolph EMC, along with the other North Carolina electric cooperatives, have worked together for decades through our cooperatively owned wholesale power supplier, North Carolina Electric Membership Corporation (NCEMC), for economies of scale for wholesale power.

Through NCEMC, we own nuclear generation at the Catawba Nuclear Power Plant, which provides tremendous

price stability. We also own natural gas generation at multiple power plants.
Additionally, NCEMC has wholesale contracts in place for the remainder of our generation needs. But even with this beneficial arrangement, we have experienced increased wholesale power costs. In fact, the entire electric utility industry is experiencing cost increases.

Having stated that reality, I am pleased that Randolph EMC, working with NCEMC, has maintained stable rates for several years. And since we strive to keep our members' rates as low as possible, you have enjoyed the benefit of this rate stability.

Understanding the WPCA

Itemized on your monthly bills is a line item labeled WPCA. This stands for Wholesale Power Cost Adjustment. The WPCA is a direct reflection of the cost of our wholesale power, so when the cost of generating electricity fluctuates, the WPCA increases or decreases. Only wholesale power costs are included in this line item.

Even though we have had general rate adjustments during that time, I am pleased that since April 2013, the WPCA line item has either been at zero or has represented a credit on members' bills. This will give you some perspective. During the 131 months through February 2024, 116 of those months saw a credit that reduced members' power bills,

and for the other 15 months the WPCA was at zero. Even though NCEMC has been able to provide us tremendous value, the reality is that our wholesale cost of power has continued to increase.

When comparing what Randolph EMC paid for wholesale power in 2021 to our budget for wholesale power in 2024, the cost is up 12.46%. Part of this increase has already been built into our retail rate base, but unfortunately, our current retail rates are not collecting the full cost of our current wholesale power charge per kilowatt-hour.

Let me get to the numbers that will impact our power bills; I'm a member, too. As I noted earlier, a WPCA credit has been applied to members' bills for a very long time. However, beginning in March 2024, a WPCA charge of \$1.00 per 1,000 kilowatt-hours applies to all bills. If a member uses 2,000 kilowatt-hours, the WPCA will be \$2.00; at 3,000 kilowatt-hours, it will be \$3.00. Even after applying this charge, to keep your electric rates as low as we can, we still set to under-collect \$692,209 of wholesale power cost that members would normally be expected to pay in 2024.

The Impact to Bills

To give you the full picture of these rate adjustments, with the increase in the Grid Access Charge along with the WPCA

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Corporation provides safe and reliable power with exceptional value to more than 33,000 member accounts in Randolph, Moore, Montgomery, Chatham and Alamance counties.

This institution is an equal opportunity provider and employer.

Electric Service

| Asheboro | | | |
|-------------------------------|-------|-------|------|
| Robbins: | | | |
| Report Outage (8 | | | |
| Account Info & Bill Payments: | (877) | 534-2 | 2319 |
| Business Hours:8 | am - | 5 pm, | M-F |

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Visit Randolph EMC Online

RandolphEMC.com

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charge, I will use an even 1,000 kilowatt-hours per month. When comparing 2023 to 2024, these changes represent an increase of 6.82%. For low usage accounts, like my shop that I referenced in a previous column, the increase will be more. For higher kilowatt-hour usage accounts, the overall impact will be less.

The bottom line is that costs in multiple areas of our operations have increased. Your Board of Directors and management team have worked hard to contain costs and operate efficiently, absorbing costs when possible while striving to maintain an electrical system that provides safe and reliable power. From feedback I have received from friends with electric service on neighboring utilities, I can tell you that our members are not seeing the retail rate increases that some others are currently experiencing.

Capital Credits

Lastly, I need to speak to you about capital credits. Capital credits are the margins, or revenues, remaining after all expenses are paid in any given year. These capital credits are then allocated to members based on their dollar amount of electricity purchases for that year. Randolph EMC also returns capital credits to the estates of deceased members. When economically feasible, your Board of Directors authorizes

what's known as a general retirement of capital credits.

Because of higher costs and lower sales due to milder weather for the year, our margins for 2023 were lower than projected. To ensure your cooperative remains strong financially, we will not be able to distribute a general retirement of capital credits this year. However, we will continue to retire capital credits to members' estates as requested. For 2024, we estimate that around \$800,000 will be retired to members' estates.

Your Board of Directors and senior management team take this decision very seriously. I'll give you some perspective on how we have focused on this important cooperative difference historically.

Prior to becoming your CEO in 2000, Randolph EMC had retired a total of \$7,334,282 in capital credits to our members over the previous 62 years. In the last 22 years, from 2001 through 2023, your Board of Directors has authorized a total of \$52,011,018 in capital credit retirement dollars flowing back to the members. That clearly indicates how important we take retiring these dollars to you.

It's a balance to keep rates as low as possible, maintain an adequate equity level and retire capital credits. For a general retirement of capital credits in 2024, Randolph EMC would have had to increase

rates substantially in 2023, well in advance of the rate changes this year. Instead, we chose to keep rates stable and hold the rate adjustment off as long as possible.

Challenging times have always come and gone. We have been through a lot of them together over the years. But even in these difficult times, I am proud to be a part of a member/owned and member/driven organization that's working diligently to reduce the cost burden as much as possible. After all, you're the only reason we exist. I consider it an honor to serve you.

Cooperatively Yours,

Dale

Dale F. Lambert Chief Executive Officer

