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THROUGH INNOVATION, SERVICE AND TECHNOLOGY



2012 Annual
Report to
Members &
Official Notice
of 2013 Annual
Meeting



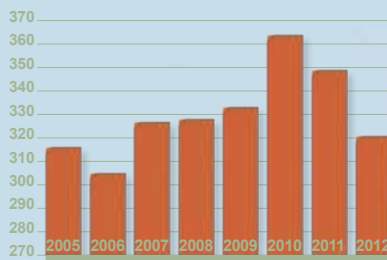
TextPower



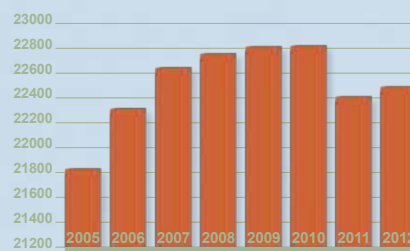
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EMPOWERING OUR MEMBERS WITH
INFORMATION, TECHNOLOGY AND
SAVINGS SOLUTIONS THAT IMPROVE
QUALITY OF LIFE



kWh SALES HISTORY in millions



METERS SERVED HISTORY

EXECUTIVE MESSAGE TO MEMBERS

Each year a polling firm conducts an in-depth survey of Tideland members to rate our performance. In 2012, Tideland EMC's member satisfaction rating was ranked above that for investor-owned utilities and Touchstone Energy cooperatives as a whole based on the American Customer Satisfaction Index (ACSI). We are proud to have outperformed the nation's top-rated, investor-owned electric utility. It was our third highest ACSI score since annual polling began in 2004.

Particularly noteworthy is that our highest-rated attributes were "reliable service" and "outage restoration." If you are a long-time Tideland member you know service reliability has greatly improved over the years and for good reason: we have invested millions of dollars in new infrastructure and state-of-the-art technologies to overcome the unique challenges presented by our rural, coastal environment. Likewise, we've worked hard to improve outage communications via social media, text messaging and an online outage map so you can follow power restoration progress in real time. Reliability and outage response times should continue to improve when we complete our two-year GPS mapping project, which will create a computerized inventory of every piece of

equipment and pole on our system that linemen will then access to identify outage causes much more quickly.

More than a year and a half has passed since Hurricane Irene battered Tideland territory. Many members have since struggled to rebuild damaged homes and lives. Last year I reported to you that of the 598 metered services lost in the immediate aftermath of the storm, 90 had been reconnected nine months after the storm. Another year later, Tideland's metered services have only increased by 76 accounts. Nearly all the growth we experienced between 2006 and 2008 during the height of the building boom has been erased and many Irene victims may never rebuild. Fortunately, there are signs of new residential growth thanks to low mortgage interest rates. Each new service connected reduces the cost each member must pay to support the basic facilities necessary to maintain our electric system. We hope 2013 is a turning point for eastern North Carolina's economy and that steady system growth will resume.

In 2012 we completed our meter conversion project. All Tideland members now have state-of-the-art electric meters that can be remotely read from the co-op office, thus

eliminating costly meter-reading expenses. The new meters enhance service by giving you additional online tools to manage your account. Via the secure member service portal you can now view your daily and hourly meter readings online and overlay that data with temperature, humidity and other climate data. This information not only helps you understand when and how you use energy, it can also help you determine what savings opportunities may exist to reduce your electric bill.

In response to member interest in energy savings, the co-op rolled out new residential rebate programs in 2012 for heat pumps, heat pump water heaters and Energy Star homes. Our Energy Star Manufactured Housing rebate program helped five Hurricane Irene victims replace their destroyed or damaged homes with new, more efficient homes that boast lower energy bills.

With 2013 now well underway, we are optimistic about our ability to control power costs through the end of the year while delivering the reliable service you need.

Paul Spruill



EMPOWERING THE
FUTURE LEADERS OF OUR
COMMUNITY, STATE AND
NATION TODAY.

YOUTH TOUR TO WASHINGTON, D.C. • COLLEGE SCHOLARSHIPS • BASKETBALL CAMP SCHOLARSHIPS

HOW EACH DOLLAR OF
REVENUE WAS SPENT IN 2012

POWER COSTS: 54.45¢
FIXED EXPENSES: 15.96¢
ADMINISTRATIVE & GENERAL: 13.58¢

OPERATIONS & MAINTENANCE: 13.10¢
MEMBER MARGINS: 2.91¢

BOARD OFFICERS & DIRECTORS



Paul Sasnett
President



J. Douglas Brinson
Vice-President



Clifton Paul
Secretary



David Ipock
Treasurer



Rudy Austin



Jimmy Burbage



Leon Bryant



Mark Carawan



Garry Jordan



Wayne Sawyer

You are hereby notified that the 2013 Annual Meeting of Members of Tideland EMC will be held at Beaufort County Community College in Washington, NC, on Thursday, May 30, at 7:00 p.m. to take action upon the following matters:

- 1) the reports of officers, directors and committees;
- 2) the election of three directors of the cooperative to serve three-year terms; and

3) the transaction of such other and further business, which may come before the meeting, or any adjournment thereof.

In accordance with the cooperative's bylaws, the

nominating committee nominated the following members as candidates for seats on the Board of Directors:

- District 1: Rudy Austin
- District 3: Leon Bryant
- District 9: J. Douglas Brinson

There were no nominations by petition thus the nominees will be deemed elected. Meeting registration will begin at 6:30 p.m.

Clifton Paul, Secretary



FINANCIAL REPORT

Cooperative Balance Sheet • Comparative Statement of Income & Expense

ASSETS	2012	2011
Electric Plant	\$108,392,361	\$105,263,694
Less Depreciation	(19,119,040)	(17,462,517)
Net Electric Plant	89,273,321	87,801,177
Cash & Investments	10,818,496	7,747,413
Accounts Receivable	5,791,216	8,192,648
Materials, Supplies & Other Assets	2,847,746	2,840,263
Prepayments	196,563	194,059
TOTAL	\$108,927,342	\$106,775,560

LIABILITIES	2012	2011
Long Term Debt	\$58,323,975	\$56,668,191
Consumer Deposits	1,099,058	1,070,651
Accounts Payable	3,085,470	3,700,187
Other Liabilities & Credits	11,618,364	11,244,137
Patronage Capital & Other Equities	34,800,475	34,092,394
TOTAL	\$108,927,342	\$106,775,560

INCOME	2012	2011
Electric Sales	\$42,127,219	\$43,129,781
Misc. Revenue, Interest & Dividends	1,469,925	791,668
TOTAL	\$43,597,144	\$43,921,449

EXPENSE	2012	2011
Purchased Power	\$23,739,397	\$24,588,033
Operations & Maintenance	5,709,454	4,640,177
Administration & General	5,923,657	5,735,301
Fixed Expenses (taxes, interest & depreciation)	6,956,411	6,919,324
TOTAL	\$42,328,919	\$41,882,835

NET MARGINS	\$1,268,225	\$2,038,614
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2012 IN REVIEW

Completed smart meter conversion systemwide

Making progress on a two-year project to GPS map and inventory the co-op's electric system

Rolled out three new rebate programs to encourage the purchase of energy-efficient homes, water heaters and heat pumps

Donated \$30,000 to charitable organizations to assist with repairs to Hurricane Irene damaged homes

Launched real-time online outage tracking map

Introduced Facebook and TextPower as additional power restoration information tools

July 1 windstorm resulted in 34-hour transmission outage for 16,000 Tideland members

Returned more than \$800,000 in capital credits to members and former members of the co-op