



AUGUST ■ 2009



REAL PEOPLE. REAL POWER. Tideland Topics

A NEWSLETTER FOR THE MEMBER-OWNERS OF TIDELAND ELECTRIC MEMBERSHIP CORPORATION

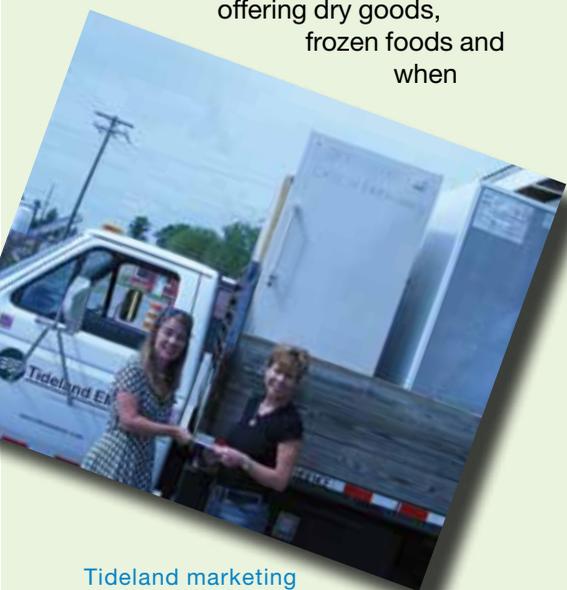
COOL SAVINGS: Local food bank benefits from turn-in program

Eagle's Wings, a Beaufort County non-profit agency, provides assistance to impoverished families. The organization operates the county's largest food pantry offering dry goods, frozen foods and when

available, fresh produce. Eagle's Wings also provides utility bill assistance one time a year for qualifying households in a crisis situation.

In recent months, need has skyrocketed as unemployment and poverty rates rise. Nearly 20% of Beaufort County households now live below the poverty line and the city of Washington has the 2nd highest poverty rate in the state.

While Eagle's Wings diligently works to increase funding through charitable contributions and other sources, executive director Debbie Adams also looks for ways to cut expenses. To assist in the effort, Tideland EMC conducted a free energy audit of the non-profit's facility, looking for ways to economize and improve energy efficiency. One glaring observation



Tideland marketing manager Heidi Smith (left) presents a \$900 check to Eagle's Wings executive director Debbie Adams

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REAL SAFETY:



Not a good place for a stick up

Although seemingly innocent enough, putting signs or other items on utility poles creates serious safety hazards. Staples, nails, and tacks used to hang signs—as well as the signs themselves—pose dangers to utility lineworkers who must climb poles when either restoring power following storms or while performing routine maintenance to ensure system reliability.

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POLE SAFETY

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Posters or other objects (bird-houses, balloons, flags, and even basketball goals) can create dangerous hazards and compromise pole integrity. Nails and tacks left behind from signs can snag utility workers' boots or puncture safety clothing, making lineworkers vulnerable to falls or even electrocution.

In addition to being hazardous, tampering with utility poles can be costly. Posting signs or attaching other objects to utility poles in North Carolina is also a Class 3 Misdemeanor. Fortunately, the culprits are not too hard to track down. They often include a phone number on their sign.

Message to our Member-Owners: Utility bill tug-of-war

By Cecil O. Smith, Jr.
General Manager & CEO

While Tideland EMC continues to pay close attention to the debate over federal energy legislation, the North Carolina Senate made an eleventh hour proposal in June that, if enacted, would increase electric bills by as much as 3.75%. At stake in this utility bill tug-of-war is one of our country's greatest achievements: affordable and reliable electric service.

The Federal Scene

On June 24, the US House narrowly passed major energy legislation by a vote of 219 to 212. The 1,201-page American Clean Energy and Security Act sets carbon dioxide emissions for 2012 at 3 percent below 2005 levels, with subsequent reductions of 17 percent by 2020 and 83 percent by 2050.

Eighty-five percent of the proposed carbon allowances would be given away. The remaining 15 percent would be auctioned and the proceeds used to defray higher energy costs for low income individuals. This represented a major compromise with utility companies, especially rural electric cooperatives who worried that an auction free-for-all would lead to uncontrolled energy price increases for consumers.

The final bill also contained concessions to satisfy farm-state lawmakers, ethanol producers, hydroelectric advocates, the

nuclear industry and others, some of them so late that they were not made public until 3 a.m. on the day of the vote.

Supporters and opponents of the final House version agreed the result would be higher energy costs but largely disagreed on the impact to consumers. Proponents pointed to two reports — one from the nonpartisan Congressional Budget Office (CBO) and the other from the Environmental Protection Agency (EPA) — that suggested average increases would be limited after tax credits and rebates were taken into account.

But opponents questioned the validity of the CBO study and said it did not factor in the accumulated consumer costs for higher priced goods and services as a result of increased energy expenses.

In a statement issued by the National Rural Electric Cooperative Association (NRECA), chief executive officer Glenn English said, "We appreciate the improvements that have been made by the House to make the bill more affordable and fair than the initial versions of the bill. NRECA continues to have significant concerns about the bill. We look forward to working with the members of the U.S. Senate to make significant improvements to this bill to make it even more workable and fair."

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ENTRY DEADLINE: SEPTEMBER 18

Motivation for Classroom Innovation

Sponsored by Tideland EMC and the state's electric cooperatives, Bright Ideas grants provide funding for a variety of hands-on educational projects. Awards up to \$2,000 are made to K-12 teachers to improve classroom instruction and encourage innovative teaching methods.

Since 1994, the state's electric co-ops have awarded \$6.5 million to fund 5,900 Bright Ideas projects reaching more than 1 million students. Tideland applications may be submitted online at www.ncbrightideas.com. Deadline for entries is September 18. Winners will be honored at a dinner in November. For more information call program coordinator Heidi Smith at 252.944.2410 or 1.800.637.1079, ext. 1140.



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Utility bill tug-of-war

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Bottom line: Electric cooperatives remain committed to working with Congress to develop legislation that achieves the nation's energy, environmental and climate change objectives in the most affordable manner possible.

The State Scene

While we've had to contend with numerous state proposals related to the utility industry, one item we didn't foresee was an eleventh hour attempt to increase electric consumer costs by 3.75%. In the wake of the state's continuing budget woes and a legislative dash for cash, the state Senate proposed increasing the electricity sales tax rate from 3% to 6.75% which would generate over \$350 million in additional revenue for the state treasury. Tideland EMC strongly opposes the proposed increase for the following reasons:

- The increase will hit the lowest incomes the hardest, particularly those residents who live in poorly insulated, inefficient homes
- Electricity prices are already increasing due to fuel costs and state mandates for renewable energy. Future federal energy legislation will also increase rates. Now is not the time to add additional costs to electric bills
- Electricity sales tax increases are passed to consumers in their electricity bills and in the costs of all goods purchased.

At press time there was strong House opposition to the proposal and Governor Perdue's budget did not include an increase in the electricity sales and use tax.

The Home Front

Tideland recently concluded a routine cost of service study which categorizes expenses associated with providing electric service for each of our rate service categories. The study, along with wholesale power buying forecasts, forms the basis for determining our published rates.

For several years now we have largely relied on the electricity fuels surcharge to collect for increased generating expenses. Clearly we hoped that higher generating expenses would be short lived, resulting in a lower electricity fuels surcharge. While the surcharge per kilowatt hour decreased slightly in May, it is apparent that historically high prices will prevail for the immediate future.

As we move towards revising our published rates, the electricity fuels surcharge will likely be zeroed out and those expenses will be rolled into our published rates. However, we anticipate a minimal bottom line increase in the price you pay for power. New rate schedules will be provided to you upon final review and approval.

made by energy auditor Larry Johnson was the use of 22 residential style freezers. Most had been donated over time by caring contributors who no longer needed the units in their own homes.

However, many of the units were so far past their useful life that they were velcroed shut to compensate for leaky, deteriorating door seals. Some were even labeled "Emergency Use Only" and put into service only when large food shipments arrived forcing the use of the least efficient units. Making matters worse, the freezers were located in a largely uninsulated warehouse where temperatures soar during summer.

Fortunately, Eagle's Wings was able to locate two walk-in freezers that had been retired by a national grocery chain.

Knowing that older model refrigerator/freezers qualify for energy efficiency credits under the North Carolina Renewable Energy and Energy Efficiency Portfolio Standards program, Tideland was able to strike a win-win deal with Eagle's Wings.



Maggie Kelly and Corina Columbus prepare food boxes for distribution.

The cooperative collected nine of the food pantry's worst energy-offending freezers. Tideland EMC is able to count the freezer turn-ins towards compliance with the NC energy efficiency mandate. In return, Eagles Wings was presented with a \$900 donation that will go towards assisting poor families. The freezers, now permanently removed from the state's electric grid, were taken to a local recycler who disposed of each unit in an environmentally friendly way.

Tideland is now opening up the refrigerator/freezer turn-in program to all Tideland EMC members. For details see this month's magazine cover wrap.

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Tideland Topics

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DID YOU KNOW? THE AVERAGE TIDELAND MEMBER USES 1,018 KWH PER MONTH

Tideland EMC's 3rd Annual "Change a Light" Contest

1 entry per bulb & a \$400 grand prize

Mail in your receipt showing a compact fluorescent bulb purchased after May 1, 2009 and you're entered in our drawing for a \$400 credit on your electric bill. New for 2009: You receive one entry for every compact fluorescent lightbulb (CFL) purchased! Remember to write your name, account number and daytime phone number on the receipt along with the number of bulbs purchased and mail to:

Tideland EMC
PO Box 159
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The deadline to enter is Dec. 1, 2009.



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