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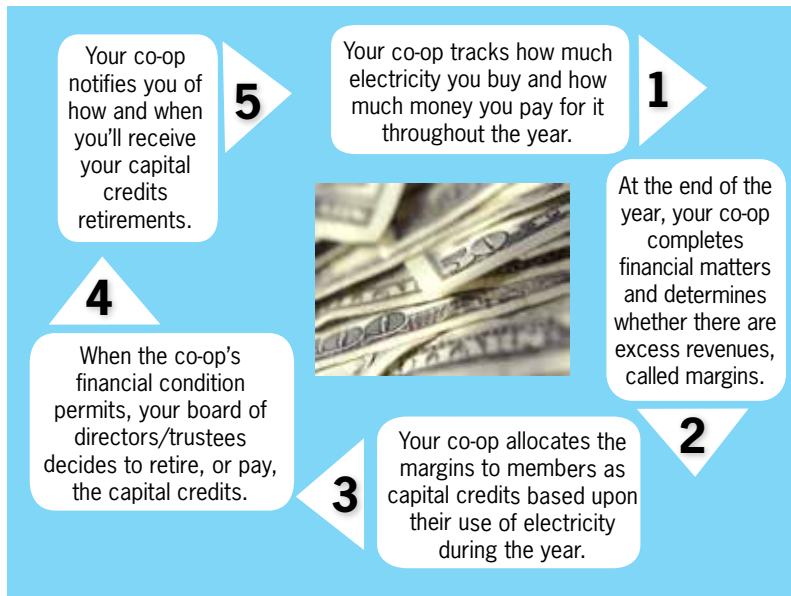
Monthly newsletter from Central Electric Membership Corp.

Capital credit checks coming your way

When you signed up to receive electric service from Central Electric, you became a member-owner of an electric utility.

While investor-owned utilities return their profits back to shareholders, electric co-ops operate as close to at-cost as possible and return any margins back to the members. When the co-op's financial condition permits, capital credits are returned in the form of checks or bill credits.

At this year's Annual Meeting of the Members, CEO and General Manager Morris McClellion announced



Since your co-op operates at-cost, any excess revenues, called margins, are returned to members in the form of capital credits. These credits are returned over time based on the co-op's financial condition.

a retirement of capital credits approved by the Board of Directors. This year will mark the ninth year in a row that capital credits have been retired. During this time frame, over \$10 million will have been returned to members.

This year, the co-op is giving back \$1.1 million and members who received service from the

cooperative during 1998 will be receiving a capital credit retirement check. Retirement amounts greater than \$50 will be issued a check, all others will be applied as a bill credit. Look out for your retirement check to arrive by the first week of December.



- ▶ Applications for Operation Round Up® grant requests are due Nov. 1. For more information, visit the "Community" tab at CEMCPower.com.
- ▶ The CEMC office will be closed Thursday, Nov. 23, and Friday, Nov. 24, for the Thanksgiving holiday. Crews will be on-call.

POINT OF VIEW

Coal ash compliance update

From the desk of CEO & General Manager Morris McClellion



You may recall a few months back, we began discussing the evolving issue of coal ash management and compliance. Following a spill at Duke Energy's coal-fired generation facility in Rockingham County, a flurry of state regulations aimed at regulating the disposal of coal ash ensued. The N.C. Coal Ash Management Act of 2014 introduced more stringent disposal and storage requirements for Duke Energy, who owns 33 coal ash basins across the state.

Although Central Electric does not own any coal-fired power plants, we have been an indirect participant in the discussions. A portion of the electricity we continually provide to our members comes from wholesale power agreements that our power provider, North Carolina Electric Membership Corporation (NCEMC), has with Duke Energy. Throughout this process, we have been actively communicating with NCEMC to determine the exact impact of the future costs on our cooperative.

As you are probably aware, on June 1, Duke Energy filed for a residential rate increase with the N.C. Utilities Commission. The average increase they are seeking for their residential customers is 16.7 percent; however, the exact increase has yet to be approved by the commission.

While this rate request does not directly affect Central Electric,

” The cooperative is very conscious of the fact that any increase in your energy cost directly impacts your family’s budget. That’s why we are continuing to work hard to find the best solution that minimizes the impact to our members. ”

a subsequent Duke Energy wholesale rate filing with the Federal Energy Regulatory Commission (FERC) on Sept. 5 does have a direct impact on our members. This filing followed a long period of negotiating with Duke Energy officials on the costs to be borne by N.C.’s electric cooperatives.

So what does this mean?

While the co-op does not directly own any coal-fired generation facilities, our members have benefited for many decades from the affordable and reliable production of coal-fired electricity through our purchased power agreements.

Therefore, costs incurred by Duke Energy for compliance with coal ash regulations will affect our wholesale power costs beginning Jan. 1.

Since the cooperative is not-for-profit, any costs incurred by the co-op ultimately must be passed on to the membership. Coal ash compliance costs are being allocated to each of N.C.’s electric cooperatives, and the total cost to be paid by Central Electric over the next 10 years is approximately \$6.9 million.

The cooperative is very conscious of the fact that any increase in your energy cost directly impacts your family’s budget. That’s why we are continuing to work hard to find the best solution that minimizes the impact to our members. Over the coming weeks we will be finalizing our wholesale power cost budget for 2018, so please stay tuned next month for more information regarding your monthly electricity cost.

Until next time,

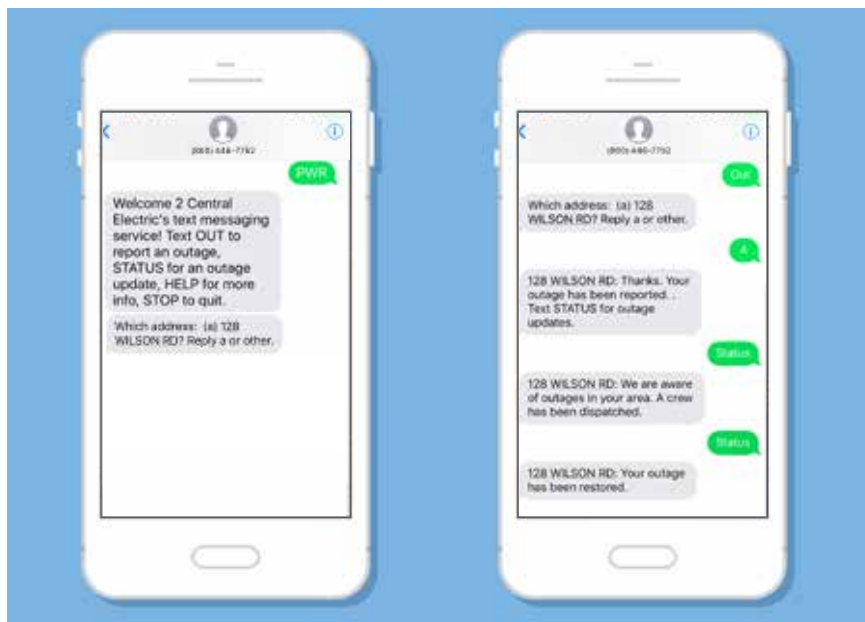
Morris McClellion

Stay connected with new texting service

Your cooperative takes pride in maintaining a reliable service to its members, keeping you and your family connected. However, there are times when Mother Nature disrupts even the best plans. Severe storms happen and sometimes they cause power outages, putting our members in the dark.

When Mother Nature rears her head, losing power can be frustrating. That's why the cooperative is continually looking for ways to keep you connected, even when the lights go out. Since today's consumers are more mobile than ever, the co-op is excited to introduce a new outage texting resource to its members.

To opt-in to the texting service, text "PWR" to 800-446-7752. Once you are opted-in, simply text "OUT" if you experience a power outage and then follow the prompts. This will report your outage to the cooperative, and better yet, when you text "STATUS," you will receive restoration updates specific to your outage. You can find out if a crew has been dispatched and you can also see if your power has been restored.



Before you take advantage of this service, it is essential to log in to the Member Services Portal at CEMCPower.com and make sure the co-op has your most up-to-date mobile number. The service will not work if the mobile number is not attached to your account.

By utilizing this new service, members can stay connected throughout the outage restoration process. You can also continue to report outages by calling 877-766-6769 and track outage restoration progress through the co-op's website.



We'll keep the light on

As winter draws ever closer, the days continue to get shorter, and we have less time to spend outside.

Maybe you want to play an extra game of basketball. Perhaps you have guests coming over who need to see how to get to your door. Outdoor lighting can add security to your home and also extend the time you have to spend outside.

Central Electric offers several lighting options to meet your needs, including the standard LED model, floodlights, street lighting and the more decorative town and country fixture.

For more information, or to find out how you can add security lighting on your property, visit the "Member Services" tab at CEMCPower.com or call 800-446-7752 today.

Apply now for the 2017 Youth Tour to D.C.

Central Electric is seeking applications from high school students willing to participate in the leadership opportunity of a lifetime: The Electric Cooperative Youth Tour to Washington, D.C. Step out of your comfort zone, and join North Carolina's future leaders as they explore the nation's capital.

The Youth Tour allows students to experience Washington, D.C., and learn more about how they can make a difference as young adults. Tourists will visit the Washington Monument, pay their respects at Arlington National



Ever wonder what it's like to walk the halls of the Capitol with members of Congress? Apply now for a spot on the 2018 Electric Cooperative Youth Tour to Washington, D.C to find out.

Cemetery, meet elected officials and tour Smithsonian museums, all while building connections with peers and future leaders from across the nation.

The cooperative will sponsor two local students to join the June 9-15, 2018 Youth Tour. The all-expense-paid, weeklong

Tour is hosted by electric cooperatives nationwide and is a tradition more than 50 years strong. About 1,800 students from more than 40 states are expected to participate in 2018, and North Carolina's electric cooperatives will send a delegation of nearly 45 students.

Students entering their junior or senior year in fall 2018 are eligible to attend and are encouraged to apply. Applications are due by Jan. 26. Visit CEMCPower.com to download the application or to find out more information on this incredible opportunity.



Central Electric
Membership Corporation

A Touchstone Energy® Cooperative

Morris McClellion
CEO & General Manager

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James Taylor, *Editor*

This institution is an equal
opportunity provider and employer.

Always call before you dig!

Fall is a great time to tackle outdoor projects. Plants get a head start at establishing roots in the season's cool, moist soil, or perhaps you're planning to build a new deck to enjoy those cool autumn evenings.



**Know what's below.
Call before you dig.**

Underground utilities, such as buried gas, water and electric lines, can be a shovel scoop away from turning a fall project into a disaster. Play it safe by dialing 811 to find out where utility lines run on your property. Your call will be routed to the

local "one call" center. Tell the operator where you're planning to dig and what type of work you will be doing, and affected local utilities will be notified. In a few days, a locator will arrive to designate the approximate location of any underground lines, pipes and cables.

Never assume the location or depth of underground utility lines. There's no need: the 811 service is free, prevents the inconvenience of having utilities interrupted and can help you avoid serious injury. For more information visit Call811.com.