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ALONG THE LINE

Incumbent Directors Retain Board Seats

The 2014 Annual Meeting of Members drew a large crowd on Saturday, March 15, at the headquarters facility in Tarboro, NC. Registered members in attendance totaled 428, and 49 members registered by proxy. Incumbent director Millie Lilley ran unopposed in the election and retained her seat on the board. Bert Pitt and Floyd Harrell were opposed in the election by Henry Phillips and Dan Grimsley, respectively. Henry Phillips and Dan Grimsley were both nominated by petition and were defeated in the election. Millie Lilley remains the board representative for District P-1, while Floyd Harrell and Bert Pitt will continue to represent districts E-3 and E-4, respectively.

During the business session of the meeting, members received updates on the Cooperative's 2013 preliminary financial results. Members were also informed how the 2011 Revenue Deferral Plan and lower-than-expected wholesale power costs allowed the Cooperative to return approximately \$2.2 million through the WPCA during 2013.

Children enjoyed outside amusements and a children's prize drawing was held at the end of the meeting. Electric bill credits in the amount of \$77 each were also awarded to 25 lucky members in attendance. We thank all the members that attended for making this year's Annual Meeting of Members a success. Please make plans to join us next year on Saturday, March 21, for our 78th Annual Meeting of Members!



(l-r) Millie Lilley, Bert Pitt and Floyd Harrell each retained their seats on the Edgecombe-Martin County EMC board of directors at this year's Annual Meeting of Members.

Sign-Up for a Residential Prepaid Account

**Your Energy
Your Choice**

- No more deposits to pay
- No more monthly electric bills
- No more late payment penalty fees
- Direct control of your energy budget

INNOVATIVE EDUCATORS— SEND US YOUR BRIGHT IDEAS!

It's time for area school teachers to put their thinking caps on because the 2014 Bright Ideas grant program is open. If you have been looking for money to fund your innovative classroom project then visit www.ncbrightideas.com and let us know about your Bright Idea. Bright Ideas grants provide funding for a wide variety of innovative classroom projects that would not otherwise receive funding. Grants up to \$1,500 are awarded to a number of deserving teachers who can impress our panel of judges with their projects each year.

Since 1994, North Carolina's electric cooperatives have awarded \$9.1 million to sponsor 8,800 projects benefiting 1.6 million students across North Carolina. Why not add your name to the list of innovative teachers across the state by implementing a project that your students can use to make learning fun! Teachers in grades K-12 are eligible to apply, and even if you have won before you can still apply every year. The application process is open through September 19, 2014. Simply visit www.ncbrightideas.com to find out more and complete your application online today!

CELEBRATING

20
YEARS OF
BRIGHT IDEAS

North Carolina's
Electric Cooperatives

Your Touchstone Energy® Cooperatives 

Lineman Earn Apprenticeship Certificate

Four linemen at Edgecombe-Martin County EMC recently earned their Electrical Distribution Lineman Apprenticeship Certificate. Wayne Dupree, Will Scott, Donnie Arnold, Jr. and Chris Naccarato completed the necessary hours worked to complete the certificate requirements. Apprenticeship is a voluntary system of employee training. It combines on-the-job training with technical instruction. The programs usually take three to four years to complete and require 8,000 on-the-job hours. Apprenticeship programs are registered with the N.C. Department of Commerce.



(l-r) Wayne Dupree, Will Scott, Donnie Arnold, Jr. and Chris Naccarato display their Electrical Distribution Lineman Apprenticeship Certificates.

HVAC Service Reminder!!!

This is just a friendly reminder that it's a good idea to have your HVAC system serviced before hot summer temperatures arrive. Here are a few things to have a licensed HVAC technician do:

- Clean the condenser and evaporator coils.
- Inspect all ductwork and drain lines and repair any that are damaged.
- Check the liquid and suction refrigerant line temperatures and pressures and compare to manufacture specifications.



HOLIDAY CLOSING

Edgecombe-Martin County EMC will be closed on Monday, May 26, in observance of Memorial Day.

Payments after office hours and on holidays can be made at the kiosk under the drive thru canopy, placed in the night deposit box or you may choose to utilize the convenience of online bill-pay by logging on to www.ememc.com.

To report a loss of power or an emergency after hours, please call 1-800-690-0657.

LINES FROM THE CHIEF EXECUTIVE OFFICER

Sales Tax On Electricity Will Increase On July 2014 Bills

During 2013, the N.C. General Assembly tackled the difficult task of modifying our state's tax code. State Law 2013-316, labeled the "Tax Simplification and Reduction Act," made many changes to various taxes, exemptions and deductions in the existing tax code. One of the major changes involved decreasing the individual income tax from 6%, 7% or 7.75%, dependent upon your personal income tax bracket, to a flat rate of 5.8% in 2014 and 5.75% after 2014. The sole purpose of this provision was to allow all N.C. taxpayers to take home more of their hard-earned dollars they had worked for throughout the year. Other changes made to the existing tax law at the time eliminated many personal exemptions and increased or included taxes on consumption related goods or services.

One of the consumption-related taxes that increased in the new tax provisions was the tax on electricity. The tax on electricity was 3% prior to S.L. 2103-316 being signed into law. Effective July 1, 2014, the tax on electricity will increase to 7%. However, the N.C. General Assembly also eliminated the gross receipts tax on electricity to help offset the increase in the sales tax rate. The gross receipts tax, or franchise tax as it is commonly referred to, has been embedded in Edgecombe-Martin County EMC's retail rates since this tax provision was enacted many years ago. The franchise tax rate on an electric power company in North Carolina was 3.22%, and the funds collected from the franchise tax were paid to the state throughout the year.

Beginning with the July 2014 billings, Edgecombe-Martin County EMC will lower our rates in order to properly adjust for the elimination of the franchise tax. We are currently working with our rate consultant to evaluate and determine the net impact these tax changes will have on each of our rate schedules. Based on our preliminary calculations, our average residential member consuming 1,295 kilowatt-hours will see a 0.36% or \$0.62 increase in their monthly bill, due to the elimination of the franchise tax and increase in the sales tax. Please understand that these changes are necessary solely based on tax law modifications and would not be required otherwise.

We are also currently working with our rate consultant to evaluate the Renewable Energy and Energy Efficiency Riders included on your

monthly bill. These charges are necessary in order to collect the incremental costs incurred by the Cooperative for implementing North Carolina-mandated renewable energy and energy efficiency projects. These mandated provisions were set forth in energy legislation passed by the N.C. General Assembly in 2007. The NC Renewable Charge and NC Energy Efficiency Charge are analyzed and adjusted in July of every year to account for additional REC (Renewable Energy Certificates) purchases and energy efficiency projects required to ensure the Cooperative remains in compliance with the law. Based upon our preliminary review of these two riders, the net impact for our average residential member (consuming 1,295 kilowatt hours per month) will be a decrease of approximately \$0.16 on their monthly electric bill.

Edgecombe-Martin County EMC and a majority of the electric cooperative's in the state formed GreenCo Solutions, Inc. in 2008 to help gain economies of scale in our renewable energy and energy efficiency compliance efforts. By working together as a team, we are able to report our compliance efforts to the NCUC (North Carolina Utilities Commission) as one entity, which saves valuable time and money. We are also able to negotiate more favorable terms on renewable energy projects due to the volume of REC's we require as a group. This is just another example of how we are working to comply with legislative changes in the most cost-effective way for our member-owners.

We will update you with the exact rate changes brought on by the tax code modification in our upcoming newsletters. Updates on our new renewable energy and energy efficiency riders will also be included in this newsletter over the next two months.

Cooperatively Yours,



Bob L. McDuffie



May Is National Electric Safety Month

A world without electricity is hard to imagine. Lights flick on, cell phones ring, television channels flip... it's all because of electricity. Even though we use it every day, most of us don't think about it every day. That's why May is recognized as National Electric Safety Month. This month gives us the opportunity to remind you of some basic precautions to take when dealing with electricity.

Let's start with some general statistics. Every year, according to the Electrical Safety Foundation International (ESFI), electrical failures can cause 43,900 home fires, resulting in 438 deaths, 1,430 injuries and \$1.47 billion in property damage. Follow the guidelines below to avoid becoming a statistic.

Home: Our homes are supposed to be a safe haven — a place to sleep, eat and live.

- If small children are in the house, be sure to child proof your home. Place plastic caps on all unused outlets to prevent small fingers and curious hands from getting shocked.
- Periodically check your home for damaged outlets, wires and plugs. These electrical hazards could start a fire if not maintained.
- Make sure outlets outside, in the kitchen and in bathrooms are GFCI (ground fault circuit interrupter) specific. GFCI outlets constantly monitor electrical current within the circuit, and if the current is altered in anyway, the GFCI quickly interrupts the flow to prevent electrical shock.
- Refrain from using extension cords in your home. If you absolutely have to use them, do not run them under carpet or rugs because you won't be able to see if the cords incur damage.
- Place lamps on even surfaces so they are less likely to tip over. Tipped lamps are a serious fire hazard.
- Never overload an outlet. This means refraining from using a "splitter."

Workplace: Whether you work in an office, at a home or in the field, you are using electricity, and safety precautions should be followed. According to ESFI, during the work day, a worker is hurt every 30 minutes so severely from electricity that it requires time off the job. Don't let that be you.

- If you see an unsafe situation, report it immediately. This keeps you and your coworkers safe.
- Be aware of your surroundings, including the location and conditions of outlets and cords near your workspace.
- Never work with equipment with the assumption that it is unplugged. It is better to be safe than sorry.
- When unplugging something, pull from the base to prevent breaking the cord, which could result in electric shock.

No matter where you are, keep electrical safety in mind. Stay safe this month and every month.

Statement of Non-Discrimination

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