

# General Manager's Report

Gary Ray

As the general manager of Albemarle EMC, it is an honor and a privilege to be able to address you at such a historic time for your electric cooperative. This year we celebrate three-quarters of a century of service to our area. For 75 years, we have remained committed to our mission of safely delivering reliable, affordable power. The corps elements of safety, reliability and affordability all combine to form the operating principle that permeates all we do.

Foremost is our dedication to safety. I am proud to say that Albemarle EMC employees have now exceeded 2,500 days without a lost-time accident. Since 2013, we have not had an injury that prevented an employee from returning to work the next day. We have worked hard to develop a culture of safety. Each week, our outside employees participate in safety meetings, where any close-call situations are discussed. Prior to working, our linemen conduct tailgate meetings so every crew member knows what work will be done, how it will be accomplished and what their role will be. Vehicle inspections are conducted to check equipment readiness that includes first aid kits and fire extinguishers. Our employees participate in regular safety meetings, where they receive training on topics such as CPR, office safety and much more. This year Albemarle EMC underwent a surprise safety inspection and received the highest marks ever as part of the Rural Electric Safety Achievement Program.

By keeping a healthy, highly trained workforce at the ready, Albemarle EMC has been able to provide power that our members can rely on. Recently, our employees responded to

4,197 outages caused by [Hurricane Isaias](#). These outages were caused by six broken utility poles, three damaged transformers and numerous faults caused by trees and limbs blown into power lines. Our employees coordinated a restoration effort that spanned all five counties in our service area and were able to restore power in less than 24 hours. The ability for us to quickly recover from these large-scale outages is also attributable to our right-of-way maintenance and steady push for more robust infrastructure. The new West Albemarle Substation, in Chowan County, should be ready for service in 2021. The substation will be a transmission facility that will feed the existing Edenton Substation as well as the future Bethel Substation. The addition of the West Albemarle Substation will significantly improve power reliability for Perquimans and Chowan members.

The employees and directors of Albemarle EMC are committed to doing all we can to keep electricity affordable. We have not had a rate increase since 2012, and for several years we were able to give back money to the members through Wholesale Power Cost Adjustments. Recently, however, wholesale rates have risen, and the Wholesale Power Costs Adjustments are needed to recoup revenue. We are currently conducting a cost of service study to ensure equitable rates for all classes.

As a member and owner of Albemarle EMC, you are entitled to financial margins, called capital credits. Your cooperative strives to return capital credits back to its members annually, as our financial position allows. I am proud to say that in April of this year, we returned to our members the largest capital credit refund in the history of the cooperative - \$606,525.92.

Beginning in March, your cooperative began responding to the COVID-19 outbreak. We closed our lobby, and employees began to productively work from home on a rotating basis to reduce the

possibility of exposure. We have also put safety measures in place for employees, when working in the office. We appreciate members' willingness to utilize our drive-through window and conduct more transactions remotely. We are deeply disappointed that we will not be able to meet with you in person this year to celebrate our 75<sup>th</sup> anniversary together. Annual Meetings, to us, are like family reunions, and we miss all of you. We look forward to seeing you next year at the 2021 Annual Meeting.