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Proudly serving the members of Albemarle Electric Membership Corporation

## Albemarle Sounds

is published monthly by  
**Albemarle Electric Membership Corporation**

Your Touchstone Energy® Cooperative   
*The power of human connections®*

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**1-800-274-2072**  
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**(252) 426-4419**

*Albemarle EMC is an equal opportunity provider and employer.*

## Help Support Toy Drive

**Before Nov. 1, members can help support our Christmas toy drive by dropping off monetary donations or new unwrapped toys at our office, 125 Cooperative Way, Hertford, NC.**

## Important Message Regarding Rates



**Kevin Heath**  
General Manager

The electric cooperatives across the country and the power industry in its entirety have seen many changes and encountered financial headwinds in recent years. In this message, I want to explain the co-op's need to increase revenue.

Albemarle EMC is a not-for-profit, member-owned distribution cooperative. Our wholesale power provider is the North Carolina Electric Membership Corporation (NCEMC), which works through power marketers to make sure that its member cooperatives receive adequate power. NCEMC is a member-owned cooperative, with Albemarle EMC as one of its member-owners. Through NCEMC we make investments in generation, but the bulk of the power is obtained through power-purchase agreements on the wholesale market. We tap the power from the transmission grid of a large Investor Owned Utility (IOU), Dominion Power, and distribute it to our members' homes and businesses through our own electric system of poles and lines.

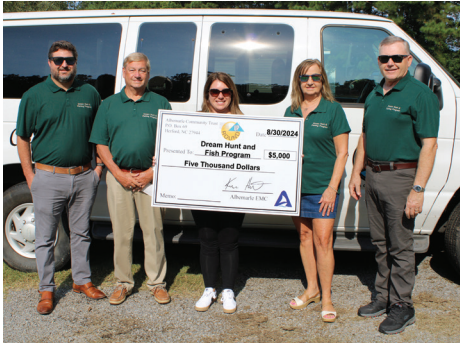
Since 2012, the year of our last rate increase, wholesale power costs have risen more than 20 percent on average, annually, and as high as 32 percent in a single month. Wholesale power costs are the co-op's largest expense, accounting for about 59 percent of AEMC's total expenses. This percentage likely will continue to rise in the near future. One of the main reasons for this is the increasing costs in power generation, specifically regulations regarding power generation. Regulations have already reduced much of our cheaper sources of power generation such as coal-fired power plants. Load growth across the region and state is also putting upward pressure on rates as more generation and transmission must be constructed to accommodate the increased demand in energy.

In addition, inflation has driven up the costs of practically all of our operating costs such as new line trucks, power line and transformers. Because of all of these increases, the Albemarle EMC Board of Directors unanimously approved increases across our rate structure, effective Nov. 1. The majority of our members are on our Residential Service rate. That rate will increase from 11.43 cents per kWh to 12.69 cents per kWh. The monthly single-phase service Basic Charge, which the majority of our members also are on, will increase from \$22.50 to \$29.50. The current 1 cent per kWh wholesale power cost adjustment will drop to zero. Residential-rate members who use 1,250 kWhs will pay about \$188.14, which is an increase of \$10.25 or 5.76 percent from what members are currently paying. The complete schedule of rates will be available on the co-op's website [www.aemc.coop](http://www.aemc.coop) or by calling our office.

We offer programs to help members better manage their power use. They include FlexPay, leveled billing, a Time of Day rate as well as home energy audits at no charge. I encourage you to call our office at 252-426-5735 for more information.

Rising wholesale power costs and inflation are major challenges, but we will continue to supply you with safe, reliable power at the best value possible. We will also continue to give our members the excellent service that each of you deserves.

# Local Organization Awarded ACT Grant



The Dream Hunt and Fish Program was recently awarded a grant from the Albemarle Community Trust.

The \$5,000 grant will be used to support educational events, dream hunting and fishing trips, outdoor adventure camps and woodland youth camps.

“Our programs are geared to youth ages two to 18, specifically youth with medical conditions, disabilities or those identified as at-risk,” said Terry Boyce, director of the Dream Hunt and Fish program.”

The camps focus on at-risk youth. They learn team-building activities through individual mentorship with school personnel, church leaders, youth club leaders and community representatives.

# Finch Earns Certification



*Albemarle EMC Board Director Thelma Finch-Copeland receives a Director Gold certification plaque from AEMC President John Spence.*

Albemarle EMC Board Director Thelma Finch-Copeland recently earned the Director Gold Credential certification from the National Rural Electric Cooperative Association.

The Director Gold Credential recognizes directors who have already earned their Credentialed Cooperative Director and Board Leadership certificates and who wish to continue to learn throughout their service on the board.

An ever-changing business environment has imposed new demands on electric cooperative directors, requiring increased knowledge of changes in the electric utility business, new governance skills and a solid knowledge of the cooperative principles and business model.

# Energy Audits Available



*Making sure you have adequate insulation in your attic is one of the best ways to lower your electricity bill.*

One of the many benefits of being an Albemarle EMC member is that you can have an energy audit conducted at your home at no charge.

What is an energy audit you ask? An energy audit is a thorough review of your home to determine what measures can be implemented to reduce electricity usage.

The energy audit will include a review of your water heater temperature, insulation levels, heat pump, lighting and more.

Please note that an energy audit is no magic cure-all for high bills. If your home is heated by an electric furnace, has leaky duct work and poor insulation, an energy audit may provide recommendations that will lower your bill, but it will still be high.

It is also important to understand that in order for an energy audit to have the most affect, you must spend a little money to make the suggested upgrades. We rarely recommend expensive purchases such as new heating and air systems or energy-efficient windows because most simply will not pay for themselves within a reasonable amount of time.

Instead, we recommend cheap fixes such as wrapping your water heater, sealing around doors and windows and adding insulation where necessary. These changes will result in energy savings that will pay for themselves within a year or two.

If you would like to schedule an energy audit for your house, call Chris Powell, at 252-426-2586. You can also e-mail energy efficiency questions to [chris.powell@aemc.coop](mailto:chris.powell@aemc.coop).

# Co-op Leaders Meet with Legislator



*Representatives from Albemarle EMC, Roanoke Cooperative and Cape Hatteras Electric Cooperative recently met with Sen. Bobby Hanig (fourth from left) to stress the importance of legislation that supports affordable, reliable electricity.*



# Albemarle EMC is at Your Service

## The Costs We Can Control

by Chris Powell, director of public relations

Albemarle EMC functions by purchasing wholesale power, adding enough to cover operating expenses, then selling it to its members. Wholesale power comprises 59 percent of the co-op’s overall budget. If the cost of wholesale power increases, then the cost of electricity sold to members must increase. One of the more challenging aspects of wholesale power is the co-op has little control over the cost of purchased power. Wholesale rates are driven by international markets and politics.

Albemarle Electric Membership Corporation is a not-for-profit business that exists to provide reliable electricity at the lowest price possible. Unlike investor-owned utilities, your co-op is not concerned with turning a profit. All margins the cooperative makes are returned to members in the form of capital credits. If the co-op brings in too little money, then wholesale power costs adjustments are passed through or rates are increased.

### Wholesale Power

As a co-op member, you reap the benefits associated with a large group of cooperatives jointly purchasing electricity. The N.C. Electric Membership Corporation (NCEMC), which Albemarle EMC is a member of, exists to keep wholesale electricity prices as low as possible for co-ops. NCEMC accomplishes that by using the leverage of North Carolina cooperatives that by using the leverage of North Carolina cooperatives to negotiate the most favorable wholesale power contracts.

Cooperatives are also represented by the North Carolina Association of Electric Cooperatives. NCAEC spends considerable time lobbying at the state and national levels to prevent or change laws that would add unnecessary costs to providing your electricity. For example, electric cooperatives are currently advocating for the expansion of natural gas generation and the infrastructure that supports it. Natural gas generation is

affordable, reliable and one of the cleanest fuel sources.

### Beat the Peak

Albemarle EMC’s Beat the Peak program notifies members of extreme hot and cold temperatures when power use is at its highest. The notifications go out through text and social media. Because wholesale power is the most expensive during these times of peak demand, members can help the co-op lower its power bill by delaying cooking or using hot water during the few hours that peak power use is occurring.

### Operating Expenses

Albemarle EMC currently has 40 employees. The cooperative prefers to keep the payroll as lean as possible. We accomplish this by using contractors and personnel at NCEMC to provide temporary help when needed. For example, when widespread outages occur, such as following a hurricane, Albemarle EMC utilizes electrical crews from other cooperatives as well as independent electrical contractors. This enables the workforce to temporarily be scaled up to meet excessive workloads, then scaled back when no longer necessary. The co-op’s workforce is also kept lean by cross-training employees so that job tasks can be maintained even when open positions are being filled.

Technology is also a hidden workforce that enables us to do more with less. Our automated meters allow us to perform tasks remotely that used to have to be done by dispatching service technicians. We recently added an online new-service application that promises to increase productivity without adding new employees. Our member portal (available at [www.aemc.coop](http://www.aemc.coop)) empowers members to easily access information without having to ask a member service representative.

Less obvious, but just as important is the maintaining of a well-kept electrical system. Operations personnel ensure that right of ways are kept clear of trees; poles are inspected; equipment is kept in good working order. It’s cheaper to regularly cut back tree limbs than to have to replace miles of damaged lines following a storm. The same goes for the regular maintenance of substation equipment. Just like any other piece of gear, it’s much cheaper to perform periodic maintenance than to allow the equipment to fail and have to be replaced.

### Looking Out for You

Though you may notice the cost for electricity is rising, rest assured that your co-op team is working hard to find every way that rates can be kept as low as possible. Through efficiency, political advocacy, and hard bargaining in the wholesale power markets, we will continue to provide you with the most affordable, reliable electricity we can.

### Albemarle EMC’s Cost of Wholesale Power and Operating Expenses

