

Wake ElectriConnection

For members of Wake Electric Membership Corporation



"The power to make a difference"

JANUARY 2009

Wake Electric awards technology grants to area teachers

Today's economy rewards workers who have the skills and knowledge gained through classroom technology. Traditionally, the definition of literacy has been the ability to read and write. With the rapid development of new technologies, however, the nature of literacy has changed dramatically. In addition to reading and writing, the current definition of literacy also includes the ability to learn, comprehend and interact with technology in a meaningful way.

Unfortunately, today's economy also makes it difficult for schools to afford the never-ending array of new technology available for students and teachers.

Wake Electric recognizes this need in area schools and has awarded Classroom Technology grants to 21 teachers to help purchase one piece of technology. From laptop computers to LED projectors to Smartboards, teachers will be able to guide their students in new and creative ways that suit today's wired generation.

More funding is clearly needed for student access to laptops and similar devices, according to a recent study by U.S. Department of Education. "Although public schools are improving in giving students access to technology," said Angela Perez, PR Coordinator for Wake Electric, "we feel that through our grant giving, we can really help move our schools forward. Forward in the sense of taking technology in the classroom past word-processing. Extra funding can ensure access to mind tools that really suit the needs of our youth."

The WPCA increase begins in January

Effective January, Wake Electric plans to increase the wholesale power cost adjustment (WPCA) by one penny—from 1.5 cents per kWh to 2.5 cents per kWh. The WPCA is an amount that is added to a member's bill each month reflecting increases and decreases in the cost of purchased power from the cooperative's wholesale power supplier.

The increase is part of our larger effort to prepare for our energy future, which

includes new sources of power, reduced emissions at power plants that generate our power and increased investment in renewable energy and energy efficiency. Increases are also necessary given today's volatile fuel costs.

The average household (that uses about 1,000 kWh per month) can expect to see about a \$10 per month increase on its electric bill. This charge applies to all residential and street lighting rates and will be

CLASSROOM TECH GRANT AWARDS

Susan Szep, Apex High School, Wake County, \$210
Shianysisimi Ogede, Neal Middle School, Durham County, \$1,800
Lindsey Hughes Davis, Adams Year-Round Elementary, Wake County, \$246
Tommy Kemp, Franklinton High School, Franklin County, \$1,483
Cyndi Keller, Wildwood Forest Elementary, Wake County, \$140
David Hooper, Root Elementary, Wake County, \$155
Courtney Rudder, Morrisville Elementary, Wake County, \$300
Heather Blasco, Holly Springs Year-Round Elementary, Wake County, \$540
Eboni Dubose, Cedar Creek Middle School, Franklin County, \$1,494
Lori Munroe, Wakefield High School, Wake County, \$212
Donna Graham, Merrick-Moore Elementary, Durham County, \$525
Scott Johnson, Wake Tech, Wake County, \$1,509
Paula Rosen, Wake Tech, Wake County, \$1,562
Lee Witman, Wake Tech, Wake County, \$1,440
Dee Dee Allen, Wake Tech, Wake County, \$750
Ellen Ennis, Smithfield Selma High School, Johnston County, \$1,275
Marilyn Bushey, Wakefield High School, Wake County, \$1,510
Monty Favret, Johnston Community College, Johnston County, \$2,070
Emily Scott, Apex High School, Wake County, \$728
Thomas Morris, Franklinton High School, Franklin County, \$1,200
Tom Murphy, Durham Tech, Durham County, \$1,000
Sheon Little, Durham Lowe's Grove Middle School, Durham County, \$290

The funds for these Classroom Technology grants come from WEMC members who agree to round up their light bill to the nearest whole dollar. For example, if the bill is \$100.91—the bill will be rounded up 9 cents to \$101.

effective January 1, 2009. The average street lighting rate will increase from \$8.25 to \$10 monthly, though the cost differences will vary by lighting type.

Wake Electric last changed retail electric rates in June 1997. Under the new retail rates, WPCA charges were zero until late 2000. A WPCA charge of 1.5 cents per kWh has been applied since July 2006. Instead of actually raising rates, Wake Electric has decided to recover additional fuel costs through the WPCA.

The primary advantages to this approach are to avoid base rate changes until 1) there is hopefully some stability in coal prices, and 2) federal energy legislation is approved in 2009 giving the industry a better sense of the direction and structure of potentially significant changes such as renewable energy mandates, carbon dioxide constraints and/or taxes.

To learn more, visit our Web site at www.wemc.com.



Wake Electric
Membership Corporation

A Touchstone Energy® Cooperative

Call to report outages: 919.863.6499 or 800.743.3155
Regular office hours: M–F, 8 a.m.–5 p.m.
Telephone hours: M–F, 7 a.m.–9 p.m., 863.6300 or 800.474.6300
Underground locating service: Call 811

Our Town

Selma's Atkinson's Mill of Johnston County



Wake Electric is proud to serve the historic and well-known Atkinson's Mill, located in Selma in Johnston County. Today, the mill produces a well-known and much-loved line of frozen corn sticks, hush puppies and pastry strips, which are sold to seafood and barbecue restaurants up and down the East Coast. What some of these folks who love Atkinson's Mill products may not know, is that the mill has a long and rich history...

Located on the picturesque banks of the Little River, Atkinson's Mill and its original earthen dam were built by John Richardson on the family's 2,400-acre plantation when North Carolina was still a colony during the mid-1700s. The mill provided a generous supply of cornmeal or "pone" to the Richardson plantation, as well as to area farmers who brought their shelled corn to the mill for "grist milling"—a method of grinding grain into meal by crushing the grain between two stones. Aside from the necessary business of the mill, a trip to Atkinson's Mill offered a convenient excuse to spend a few hours fishing in the mill's pond.

The mill changed hands several times over the next 100 years, but remained in the hands of descendants of John Richardson for more than two centuries. After the death of original owner John Richardson in 1822, the mill passed to his son, Dr. Joseph Richardson (d. 1840). One of Joseph's children, Lunsford Richardson II would operate a drugstore in nearby Selma and become the famed inventor of Vick's Vapor Rub and several other products—eventually forming the Vick Chemical Company. Another of Joseph's children, daughter Martha Richardson, would inherit the

mill and marry a wealthy local landowner, Thomas Atkinson, the mill's namesake. At the time of their marriage, the prosperous Richardson plantation had expanded to include a cotton gin, general store, sawmill, blacksmith shop and a wheat mill.

Later owned by Dr. Wade Atkinson, grandson of Lunsford Richardson, the mill was managed by his widow, Mary, until a fire destroyed the original structure in 1950. Though the turbines survived, the original stones and millhouse were lost in the fire. Dr. Atkinson's three nieces—Jean, Cora and Ruth McLean, who grew up near the mill—approached Mary Atkinson in 1951 about forming a corporation in order to rebuild the mill. Later that year, the four women succeeded with their plans, with Mary Atkinson serving as a member of the corporation until her death in 1968. The McLean sisters continued to operate the mill until 1971, agreeing to sell the operation to long-time employees Betty and Ray Wheeler, ending Atkinson's Mill's legacy of 214 years of single-family ownership.

Employees since 1958, the Wheelers had long dreamed of operating the mill, and later bought franchises from other N.C. milling companies. These additional brand names were added to the product line of the mill.

In 1952, the current millhouse was constructed. Atkinson's Mill operates with three sets of grind stones powered by the original 1906 water turbines, and one set of stones that were added in 1959 that powered by electric motors.

Today, human hands never touch the corn meal. Corn is cleaned a minimum of three times prior to grinding, leaving only the whole grains, and is moved by forced air from one processing area to another before being packaged by semi-automatic machinery.

Farmers now load their corn for processing onto trucks instead of strapping it to the backs of mules. But one thing that hasn't changed since 1757 is the sound of the wheels turning at Atkinson's Mill.

Story and history courtesy of Johnston County Visitor's Center.

"Our Town" is dedicated to local events, people and places in our service territory, which includes Durham, Franklin, Nash, Johnston, Vance, Granville and Wake counties. Suggestions for events, businesses, people, or points of interest for "Our Town" should be e-mailed to Angela Perez, Public Relations Specialist, at angela.perez@wemc.com or call at 919.863.6376 or 1.800.474.6300.

Straight Talk about Rising Energy Prices



Question 1

How does increasing electricity demand affect increasing electricity costs?

Today, our nation's demand for electricity is at an all-time high. Our homes generally are larger and we have more appliances and electronic equipment than ever before. And while most modern electric products are more energy efficient than their older counterparts, we continue to consume an ever-increasing amount of electricity. For example, in 2006, the electric utility industry supplied the power for more than 175 million computers and a national network of more than 200 million cellular phones.

Wake Electric customers are using an increasing amount of electricity in a period of unstable and unpredictable fuel costs. And member demand for electricity is only expected to grow for the foreseeable future.

Electricity consumption is expected to increase 45 percent by 2030, according to the U.S. Department of Energy's Energy Information Administration (EIA), even after accounting for substantial savings from energy efficiency and conservation. For example, Wake Electric purchased 164 million kWh in 1985. Just 20 years later, in 2005, that need quadrupled to 561 million kWh. Wake projects that number will grow to 1 billion kWh by 2015.

This growing demand is part of an overall trend of population growth seen in both the South and West—areas of the country that demand more electricity for air conditioning, as opposed to natural gas or petroleum for heating. By 2030, EIA projects nearly 65 percent of the population will live in the South and West Census regions. Our growing economy also contributes to the projected growth in electricity demand, as consumers demand more services from businesses—such as hotels, restaurants, and stores—that have become more electricity-based.

To meet this rising demand, electric utilities must invest in a new generation of base load power plants, those that run continuously to meet the country's minimum demand. EIA estimates that 347 GW of new generation capacity—both electric power sector capacity and customer-owned distributed generation—will be needed by 2030. Based on EIA assumptions, if all of this new capacity is built, costs would be in excess of \$300 billion, in 2005 dollars.

For decades, Americans believed that coal, one of our nation's most abundant natural resources, would easily meet the nation's rising demand for electricity. After all, it's cheap, and there's plenty of it in the United States to power the country for an estimated 250 years. Most electric utility co-ops in North Carolina receive about 40 percent of their energy from burning coal.

But a combination of rising construction costs for coal-fired power-plants and uncertainty over whether Congress will regulate emissions of carbon dioxide (a byproduct of burning coal and one of the main gasses behind global warming) has put plans for many new plants on hold. With the nation's demand for power expected to surge 50 percent over the next 30 years, the result may be higher electricity costs for everyone.

Wake Electric continues to make efficiency improvements and works to contain costs and keep electricity prices as low as possible. In fact, for many years the price of electricity has remained relatively stable compared to other commodities. However, as utilities face increasing costs, rising demand for electricity from consumers, and unprecedented volatility in the coal market rising electricity prices are becoming inevitable throughout the United States.

This new section in your monthly newsletter—Straight Talk About Rising Energy Prices—is designed to help answer your questions about today's rising electricity prices by closely examining the factors driving up the costs of electricity.

Straight Talk will also describe steps that Wake Electric and electric-co-ops nationwide are taking to help control these rising costs, and offers ways for members to manage their energy bills.



Touchstone Energy Sports Camp Scholarships: Apply in January!

Wake Electric, along with other North Carolina Touchstone Energy cooperatives, are providing all-expense paid scholarships for two deserving young women to attend the Kay Yow Basketball Camp in Raleigh and one young men to attend the Roy Williams Basketball Camp in Chapel Hill this summer. Both camps will work closely with each camper to develop fundamental skills that will help the young athletes excel both on and off the court.

Rising sixth through eighth graders are eligible to apply and the cooperatives will begin accepting applications on Jan. 5, 2009. The deadline to apply is March 27, 2009. Applicants will be judged on their academics, extra-curricular activities and accompanying essay. Students can download an application at www.ncelectriccooperatives.com.

For more information on the Kay Yow Basketball Camp visit www.kayowcamps.com. For more information on the Roy Williams Basketball Camp visit www.roywilliamsbasketballcamp.com.

The Touchstone Energy Sports Camps program provides a unique educational and athletic opportunity for outstanding students across our state and is yet another way Wake Electric demonstrates its commitment to the communities it serves in Durham, Wake, Franklin, Vance, Granville, Johnston, and Nash counties.

High-School Juniors: Apply to win college scholarship and a trip to D.C.

Washington, D.C., has never been a more exciting place to be than right now! You can visit this thrilling center of change and power this summer and visit congressional leaders face-to-face to talk about the issues that matter to you. And you can win a \$1,000 scholarship for college as an added bonus.

That's right. \$1,000.

Wake Electric seeks applicants for the \$1,000 scholarship plus a one-week all-expenses-paid trip to D.C. on the 2009 Rural Electric Youth Tour from June 13–19, 2009.

Students who attend the Youth Tour will join 1,500 high school students from across the country to learn up-close and personal about the inner workings of American government and politics, and to see, taste and feel all of the history, culture, arts and fun that the city offers. You'll also learn about electric cooperatives and participate in the "Soda Pop Co-op."

Applicants must currently be high school juniors in Wake, Durham, Johnston, Vance, Granville, Nash or Franklin counties.

For more information on the Youth Tour, visit www.youthtour.coop. To download an application beginning December 2008, visit Wake Electric's Web site at www.wemc.com. The deadline to submit applications is Friday, February 6, 2009.

For additional information, call Angela Perez, Public Relations Specialist, at 919.863.6376 or send an e-mail to angela.perez@wemc.com.

The youth tour is funded through voluntary member and employee donations to Operation Round and the Wake Electric Foundation.



Wake ElectriConnection

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Wake Electric's Annual Meeting Requirements

Excerpts from Wake Electric's bylaws relating to voting, proxies, director qualifications, districts and nominations are listed below for the Annual Meeting scheduled for March 27, 2009. A complete copy of the bylaws is available upon request.

Article IV-Section 4.01

Number and General Powers.

The business and affairs of the Cooperative shall be managed by a Board consisting of nine (9) directors, which shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Certificate of Incorporation or Bylaws conferred upon or reserved to the members.

Article III-Section 3.06 Voting.

Each member who is not in a status of suspension...shall be entitled to one vote. Voting by members other than members who are natural persons shall be allowed upon the presentation...of satisfactory evidence entitling the person to vote. A person entitled to cast the vote of such an entity, who is also himself a member, may vote his own membership as well as that of the entity here presents. At all meetings of the members at which a quorum is present, all questions shall be decided by a majority of the members voting there-on in person or by proxy, except as otherwise provided.

Article III-Section 3.07 Proxies.

At any meeting of the members any member may vote by proxy if such proxy (a) is registered before or at the time of the meeting (b) is executed by the member in writing and designates the holder thereof...which holder(s) shall be the member's spouse, an adult close relative (18 years or older) residing in the same household as the member, or another member and (c) specifies the particular meeting...no person shall vote as proxy for more than five (5) members...Whenever a member is absent from a meeting...but whose spouse attends such meeting, such spouse shall be deemed to hold, and may exercise and vote unless such member has given a written proxy to some other person.

Article IV-Section 4.02 Qualifications.

Any member shall be eligible to become or remain a director of the Cooperative save and except those who: (a) While serving on the Board or during the ten (10) years preceding his or her nomination thereto shall have been finally adjudged to be guilty of a felony; or (b) Are or become a close relative of an incumbent director or of an employee of the Cooperative, PROVIDED, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if he or she becomes a close relative of another incumbent director or of a Cooperative employee because of marriage to which he or she was not a party; or (c) Have not continuously been, for at least two (2) years prior to his or her nomination, or who have ceased after his or her election to be, a member in good standing of the Cooperative, receiving service there from at his or her primary residential abode in the Directorate District from which he or she is

electd, PROVIDED, that the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or his or her designee, shall, notwithstanding that he or she does not receive service from the Cooperative at his or her primary residential abode, be eligible to become a director, from the Directorate District in which such member is located, if he (or she) or such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the Cooperative, and (2) is a permanent and year-round resident within or in close proximity to an area served by the Cooperative, BUT PROVIDED FURTHER, that no more than one (1) person may serve on the Board of Directors at the same time; or (d) Are removed by a majority vote of the remaining directors, in accordance with the procedures hereinafter set forth; or (e) Are not at least eighteen (18) years old; or (f) Are or within the past ten years have been employed by the Cooperative; (g) Are or within the past ten years have been employed by any subsidiary of the Cooperative; (h) Are or within the past five years have been employed by any cooperative, corporation, limited liability company or other organization or legal entity in which the Cooperative is a member; (i) Are or within the past five years have been employed by any cooperative, corporation, limited liability company or other organization or legal entity in which the Cooperative is a stockholder owning or in control of two percent or more of the outstanding interest in such entity; or (j) Are or within the past ten years have been in any way: (1) employed by or hold a substantial financial interest in a competing enterprise, or (2) a vendor selling supplies to the Cooperative; (k) Are or within the past ten years have been in any way employed by or hold a substantial financial interest in a business selling electric energy to the Cooperative or a business substantially engaged in selling electrical or plumbing appliances, fixtures, supplies or wiring primarily to the members of the Cooperative. (l) Are or within the past five years have been employed by, or worked primarily as a consultant to, any other electric, telephone, natural gas or other utility company, including generation companies and power marketers, or any trade association or governmental agency or entity which deals with utility services including, but not limited to, other electric membership corporations, investor-owned utilities or municipally-owned utilities.

Article IV-Section 4.05 Directorate Districts.

District One is an at-large district that includes the Cooperative's entire service area.

District Two is that portion of the Cooperative's service area located in Wake County east of N.C. Highway 50; north of the Neuse River; west of U.S. Highway 1 until it intersects with U.S. Highway 1-A south of Wake Forest, then west of U.S. 1-A.

District Three is that portion of the Cooperative's service area located in Franklin, Granville and Vance and Counties north of N.C. Highway 56.

District Four is that portion of the Cooperative's

service area located in Durham, Granville and Wake Counties south of N.C. Highway 56; west of N.C. Highway 50.

District Five is an at-large district that includes the Cooperative's entire service area.

District Six is that portion of the Cooperative's service area located in Wake and Franklin Counties east of U.S. Highway 1 until it intersects with U.S. Highway 1-A south of Wake Forest and then east of U.S. Highway 1-A; south of SR 1100; west of U.S. Highway 401; and north of the Neuse River.

District Seven is that portion of the Cooperative's service area located in Granville and Franklin Counties east of N.C. Highway 50; south of N.C. Highway 56; and west of Highway 1-A; north of N.C. State Road 1100; and north of N.C. Highway 98.

District Eight is that portion of the Cooperative's service area located in Wake and Franklin Counties north of the Neuse River; east of U.S. Highway 401; south of N.C. State Road 1100; and south of N.C. Highway 98.

District Nine is that portion of the Cooperative's service area located in Johnston and Nash Counties.

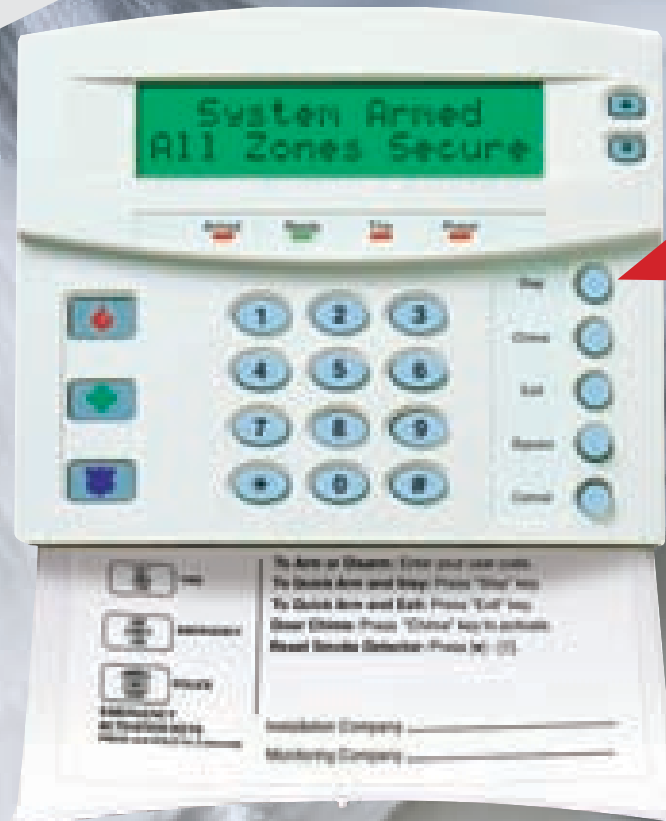
Section 4.06 Nominations

The Board of Directors shall appoint the Committee on Nominations and resolutions at least 90 days prior to the Annual Meeting. The Committee on Nominations, consisting of nine (9) members of the Cooperative, who are not existing Cooperative employees, agents, officers, directors or known candidates for director, who are not close relatives (as hereinafter defined) or members of the same household, thereof. The General Manager shall convene the Committee and it shall be the duty of the Committee to meet and prepare and post at the principal office of the cooperative not less than forty-five (45) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) with respect to each Directorate District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. The Committee may include as many nominees for any director to be elected with respect to any Directorate District as it deems desirable...Any fifteen (15) or more members of the cooperative, acting together, may make additional nominations in writing over their signatures, listing their nominee(s) in like manner, not less than thirty-five (35) days prior to the meeting, and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted.

Section 4.07. Voting for Directors.

In the election of directors, each member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the total number of directors to be elected, but no member may vote for more nominees than the number of directors that are to be elected from or with respect to any particular Directorate District.

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