

Wake ElectriConnection

For members of Wake Electric Membership Corporation



"The power to make a difference"

JANUARY 2010

Members to See *Decrease in WPCA Charge*

Effective January 2010, Wake Electric plans to decrease the wholesale power cost adjustment (WPCA) from 2.5 cents per kWh to 2.0 cents per kWh. The WPCA is an adjustment to the kWh charge reflecting changes in the Cooperative's wholesale power costs. The decrease is due to the reduction in cost of the coal used to generate electricity.

The average household (which uses 1,000 kWh per month) can expect

to see a \$5 per month decrease on its electric bill. This charge applies to all published rates and will be effective January 1, 2010 billing.

The 100 watt high pressure sodium lighting rate will decrease from \$9.40 per monthly to \$9.17 monthly, though the cost differences will vary by lighting type.

Wake Electric last changed retail electric rates in June 1997. Wake Electric has decided to use the WPCA to adjust for changes in

wholesale power costs until there is more stability in wholesale costs. The primary advantages to this approach are to avoid base rate changes until **1)** there is stability in coal and other generating fuel prices, and **2)** federal energy legislation is approved 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

New Renewable Energy Charge Represents Compliance Costs

Wake Electric members will see a new line on their bill representing money your co-op is required to spend to meet mandates of the state's Renewable Energy and Energy Efficiency Portfolio Standard (REPS). This amount—called the NC REPS Compliance Charge—will appear on your bill every month, beginning this month, January 2010.

The law, adopted on August 20, 2007, requires electric cooperatives to meet up to 10 percent of their energy sales through renewable energy resources or energy efficiency measures by 2018. The mandate requires the standards to be met, but only if it can be achieved under maximum spending caps as follows:

	Annual Cap Per Residential Account	Annual Cap Per Commercial Account
2008-11	\$10	\$50
2012-14	\$12	\$150
2015 on	\$34	\$150

	Renewable & Energy Efficiency Timeline
2012	3%
2015	6%
2018	10%

	Wake Electric 2010 Renewable & EE Monthly Charge
Residential	\$0.83
Commercial	\$4.16

This means that in the January billing cycle, residential members will see \$0.83 added to their bill each month. Commercial members will see \$4.16 each month. The charge applies to all cooperative members on a per meter basis for the recovery of the cooperative's costs associated with meeting the REPS, up to the cap. Wake has adopted the current monthly rate schedule to meet the standard, based on \$300,000 in costs anticipated this year.

We can comply with the REPS requirement in a number of ways, including the implementation of energy efficiency measures, the use of renewable fuels in existing electric generating facilities, the generation of power at new renewable energy facilities, the purchase of power from renewable energy facilities or the purchase of renewable energy certificates. It is important to remember, however, that renewable energy resources are more expensive than traditional generation facilities.

MEETING THE REPS MANDATE

A good part of Wake Electric's plan to meet the state Renewable Energy & Energy Efficiency Portfolio Standard (REPS) focuses on energy efficiency, the more economical and easily attainable goals in the mandate. Helping you learn to use energy more wisely not only works toward meeting the REPS mandate, it saves money.

Some ways we are achieving our REPS goals include:

- ★ Providing energy saving compact fluorescent lights (CFLs) to members;
- ★ Offering information on no-cost and low-cost energy efficiency measures in this newsletter and at www.wemc.com;
- ★ Working with our member businesses to help them find energy efficiency solutions;
- ★ Joining GreenCo Solutions, a not-for-profit company formed by a majority of N.C. cooperatives to focus on energy efficiency initiatives and and renewable resources such as solar and wind power; and
- ★ Conducting a pilot project to test the effectiveness of a Smart Grid project that allows participants to manage their energy use on-line.

For more information on any of Wake's energy efficiency programs, visit www.wemc.com.

Wake Electric Offers Scholarships to College Students



Wake Electric is offering two scholarships for college students: the Fred Alford Scholarship for \$2,000 and eight Touchstone Energy Scholarships of \$1,000–\$1,500.

The Fred Alford \$2,000 scholarship will be awarded to the top candidate selected by an independent judging panel. Requirements for this scholarship include the following criteria:

- ★ Must be a child of a Wake Electric member or live in a home served by Wake Electric
- ★ Must be a high school graduating senior

- ★ Must pursue a regular four-year undergraduate course leading to a baccalaureate degree
- ★ Must plan to attend an accredited four-year institution in North Carolina

Eight Touchstone Energy Scholarships of \$1,000 or more will also be awarded. The eight Touchstone Energy Scholarships of \$1,000 or more are not limited to recent high school graduates, and may be used at one of the state's community colleges, vocational or technical schools, as well as at a four-year college.

The requirements for these scholarships are:

- ★ Must be a child of a Wake Electric member or live in a home served by Wake Electric
- ★ Must use these funds at a N.C. college or university, community college, vocational or technical school.

To apply for any of the scholarships, go to www.wemc.com to download an application. The deadline is Friday, March 12, 2010. The scholarships are funded through voluntary contributions to Operation RoundUp.

Wake Electric Seeks Applicants for Scholarship and D.C. Trip

Wake Electric seeks applicants for a \$1,000 scholarship, plus a one-week all-expenses-paid trip to Washington, D.C., for the 2010 Rural Electric Youth Tour. The trip will be from June 12–June 18.

Students who attend the Youth Tour will join 1,500 high school students from across the U.S. to learn about electric cooperatives, American history and the U.S. government. Students also visit the historic sights of the nation's capital.

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, visit Wake Electric's Web site at www.wemc.com beginning early this month. The deadline to submit applications is Friday, February 12. To learn more, call Angela Perez, Public Relations Coordinator, at (919) 863-6376 or email angela.perez@wemc.com. The youth tour is funded through voluntary member and employee donations to Operation RoundUp and the Wake Electric Foundation.





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TOGETHERWESAVE.COM

Member Advisory Meetings Scheduled for February

Want to discuss recent energy legislation and electric-utility issues that matter to you? Then join Wake Electric at one of its Member Advisory meetings in the winter of 2010. Members are invited to meet and talk with members of the management team.

This meeting is open to all Wake Electric members. As an incentive, we will have a drawing for \$25 credit on your next electric bill. You can increase your odds of winning by inviting and bringing another Wake Electric member who has never attended a Member Advisory Meeting. If your guest's name is drawn for the \$25 credit, you will receive a \$25 credit, too. Dinner is included as well as free gifts to increase energy efficiency in your home.

Meetings are relaxed and casual. Members hear about the latest issues facing Wake Electric and are encouraged to engage in open discussion and ask questions.

Members may choose from ONE of two meetings, either Monday, February 1 or Tuesday, February 2. Both meetings begin at 6:30 p.m. and will be held at Wake Electric, 228 Park Avenue in Youngsville. Members must RSVP by January 26.

If you have any questions or would like to attend, please contact Angela Perez, Public Relations/ Communications Specialist, at (919) 863-6376 or (800) 474.6300, or send an email to angela.perez@wemc.com by January 27th, 2010.

Member Advisory Meetings

Mon., Feb. 1 or
Tues., Feb. 2

6:30 p.m.

Wake Electric
228 Park Avenue
Youngsville



Touchstone Energy Sports Camp Scholarships: Apply Now!

Wake Electric, along with other North Carolina Touchstone Energy cooperatives, are providing all-expenses-paid scholarships for 27 deserving young women to attend the Kellie Harper Basketball Camp in Raleigh and 27 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 early this month. The deadline to apply is Friday, March 12. Applicants will be judged on their academics, extra-curricular activities and accompanying essay. Students can download an application at www.ncelectriccooperatives.com.

To learn more about the Kellie Harper Basketball Camp, visit www.gopack.com/camps. To find out more about the Roy Williams Basketball Camp, go to 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.

Wake Electric 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 26, 2010. A complete copy of the bylaws is available upon request.

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 4.01 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 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 elected, 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.

Wake ElectriConnection

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Wake Forest, NC 27588, www.wemc.com

BOARD OF DIRECTORS

Roy Ed Jones, Jr.
President

Reuben Matthews
Vice President

Joe Eddins
Secretary

Howard Conyers
Treasurer

Bill Bailey
Mike Dickerson
Joe Hilburn, Jr.
Suzy Morgan
Allen Nelson

PERSONNEL

Jim Mangum
General Manager & CEO

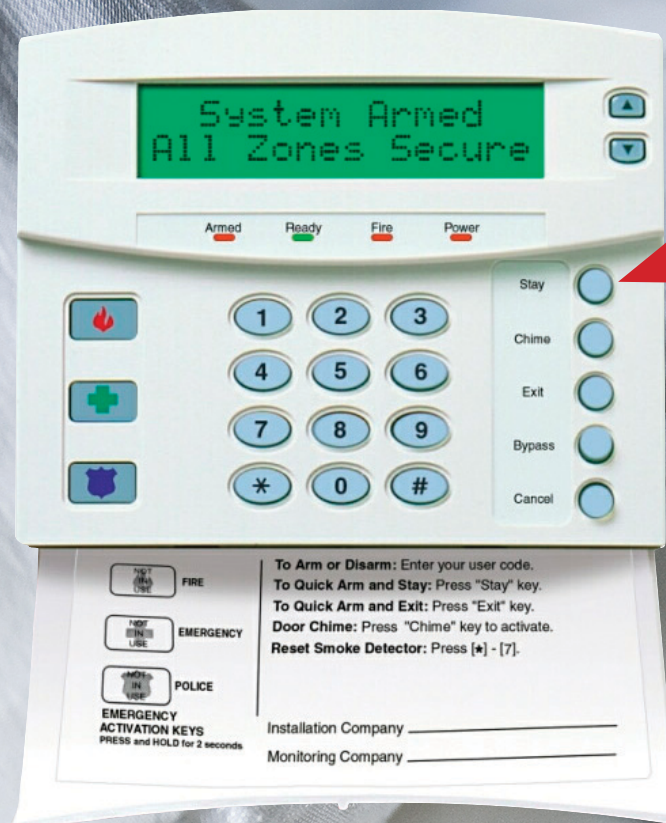
Phil Price
Chief Operating Officer &
Ass't. General Manager

David Williams
Manager of Community & Economic
Development

Fred Keller
Manager, Customer Service

Don King
Manager, Operations

Angela Rae Perez
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