

Wake ElectriConnection

For members of Wake Electric Membership Corporation



"The power to make a difference"

JUNE 2014

How State Tax Law Changes Will Impact Your Electric Bill

Changes to the state tax law enacted by the General Assembly and Governor Pat McCrory to take effect in July will affect taxes paid by families, individuals and businesses, which includes Wake Electric as well.

FRANCHISE TAX

Currently, Wake Electric pays the state a "franchise tax" of 3.22 percent on electricity sales. Because the franchise tax is a cost of doing business, it is incorporated into your electric bill each month even though there is not a specific line item for it displayed on the bill. What does appear on your power bill as a line item is the 3 percent state sales tax.

The new legislation eliminates the franchise tax on electric utilities, including co-ops, and increases the sales tax on electricity to 7 percent, effective July 1, 2014. By eliminating the franchise tax expense, Wake Electric members will see a decrease in kWh cost across-the-board for all electric rates with bills starting in July.

FACILITIES CHARGE CHANGES

A standard residential account holder will experience an increase in the facilities charge from \$10 to \$12 effective with July billing. Yet, the overall cost of service will largely

remain unchanged with the decrease in kWh noted above for a typical member using 1,400 kWh. Likewise, a single-phase small general service account will also experience an increase in facility charge from \$15 to \$17. With this increase in facility

charge coupled with a reduction in kWh, most accounts will experience no change in the amount paid to Wake Electric as a result of the tax law changes being implemented.

The facility charge is designed to recover the

Cooperative's member related costs that vary with the connecting and providing of service. These expenses include the operation and maintenance of the electric distribution system, meter reading and billing and customer service activities.

STATE TAX HOLIDAY

The new tax legislation also eliminated the "state tax holiday" on buying efficient Energy Star-labeled appliances, effective in 2014. For specific information on the state tax law and its impact on you or your business, consult a tax professional.

Please contact us at 919.863.6300 or 800.474.6300 should you have questions related to these rate modifications.



Independence Day HOLIDAY CLOSING

Wake Electric's offices will be closed on Friday, July 4, in honor of Independence Day. For emergencies, please contact us at (919) 863-6300 or 1-800-474-6300.



ENERGY EFFICIENCY TIP

When replacing incandescent bulbs from recessed light fixtures, use energy-efficient bulbs that are rated for that purpose. For example, the heat buildup in downlights will significantly shorten the life of spiral CFLs.

Source: Department of Energy

 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.-6 p.m., 863.6300 or 800.474.6300
Underground locating service: Call 811
Dedicated pay-by-phone number: 866.999.4593

Wake Electric Makes Positive Impact with Trees

This past winter at Wake Electric's new building site in Wake Forest, Wake Electric cut down a large tree on the land and put it to good use. Wake Electric donated three large truck loads of wood to the St. Catherine of Siena Church's firewood mission that helps keep local families warm in the wintertime.

Wake Electric also donated the forked top section to Lumpy's Ice Cream in Wake Forest for a chainsaw carving. Neil "Buck" Buchanan, owner of Lumpy's, used some of the wood from Wake Electric's trees to carve it into three ice cream cones for the front of his store.

Lastly, Wake Electric is also planning to use two large logs cut from the trees for lumber for the new building. It's exciting to see the trees from the new construction site go to multiple causes to help others!



1 The tree before it was cut down.



3 Wake Electric was happy to donate these logs to the local Catholic Church's firewood mission program.



5 You can see Buck Buchanan's wood carving at Lumpy's Ice Cream in downtown Wake Forest.



2 During the tree-cutting process.



4 Buck Buchanan, owner of Lumpy's Ice Cream, was happy to receive this portion for a chainsaw carving to display at his store.

2014 Rural Electric Youth Tour Winners Announced

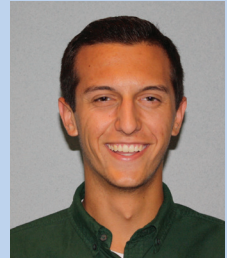
High-school juniors Tyler Bendl of Wake Forest and Dillan Phillips of Louisburg were selected by Wake Electric



Dillan Phillips

to attend the 2014 Rural Electric Youth Tour in Washington, D.C., in June.

Bendl, 16, is a student at Heritage High School. Phillips, 17, attends



Tyler Bendl

Louisburg High School. The two will join nearly 1,500 students from across the United States for a one week, all-expenses-paid trip to the nation's capital.

Both students will also receive a \$1,000 scholarship in their high school senior year upon enrollment in a college or university.

While on the Youth Tour, Bendl and Phillips will learn about electric cooperatives, American history and the United States government. Youth Tour participants will also visit the historic sites of the nation's capital and spend time with their congressional leaders. The trip will be June 14-20, 2014.

For more information on the Rural Electric Youth Tour, visit www.wemc.com/youthtours.aspx.

The Youth Tour is funded through voluntary member and employee donations through the Operation RoundUp program at Wake Electric.



Wake Electric Awards Money to Local Students through Its College Scholarship Program

Wake Electric has awarded 17 college scholarships, equaling a total of \$22,000. The \$2,000 Fred M. Alford Memorial Scholarship was awarded to Catherine Elizabeth Keel of Franklin Academy.



Catherine Keel of Franklin Academy received the \$2,000 Fred M. Alford Memorial Scholarship.

The 2014 Touchstone Energy Scholarship winners (\$1,250 each) are:

1. **Allie Kristin Mobley**, Wake Forest High School
2. **Taylor Erin Williams**, Franklinton High School
3. **Savannah Jane Bower**, Appalachian State University
4. **Christina Miller**, East Wake High School of Health & Science
5. **Scottlin Olivia Davis**, Wake Forest High School
6. **Abby Grace Trotter**, Appalachian State University

7. **Sinclair Donye Lennon**, Heritage High School
8. **Andrew Rather**, NC State University
9. **Brittany Mechel Champion**, Vance Granville Community College
10. **Morgan Bishop Wilder**, East Wake School of Engineering Systems
11. **Tara Elizabeth Williams**, UNC Chapel Hill
12. **Shannon Elizabeth Stephens**, Wake Forest High School
13. **Jala Monique Robinson**, Wake Forest High School
14. **Amanda K Levy**, UNC Pembroke
15. **Cassidy Adele Young**, Franklinton High School
16. **Emily Gordon McGhee**, Franklinton High School

Funding for scholarships is made possible by Wake Electric members and Wake Electric employees through Operation RoundUp, a voluntary program in which members offer to round up their electric bill to the nearest whole dollar. For example, if the bill is \$104.91, the bill will be rounded up 9 cents to \$105.

Congratulations to our winners! This is just another way Wake Electric is committed to education and our youth.



Teachers: Apply for Two Grant Programs, Sponsored by Wake Electric

Area K–12 public school teachers, as well as community college teachers, can now apply for a Classroom Technology Awards grant of up to \$3,000. The grants, to be used during the 2014–2015 school year, will be awarded in any discipline or subject for specific technology such as computers, digital cameras and software. The technology must benefit the students in the classroom. To apply or to find out if your school is eligible, please go to www.wemc.com/classawards.aspx.

Area K–12 public school teachers can also now apply for a Bright Ideas grant that awards up to \$3,000 for hands-on projects in any discipline. To apply or find out if your school is eligible, please visit www.ncbrightideas.com.

Board Member Bill Bailey Honored for 35 Years of Service



Newman I. "Bill" Bailey, who serves on Wake Electric's board of directors, has been recognized for 35 years of service to the electric cooperative.

Bailey resides in Wake Forest. He represents district two in Wake Electric's service territory,

which includes the 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.

The commendable service award was presented at the North Carolina Association of Electric Cooperatives' (NCAEC) annual meeting. NCAEC is the trade association for the

26 electric cooperatives in North Carolina, including Wake Electric.

North Carolina's electric cooperatives provide reliable, safe and affordable electricity to more than 950,000 homes, farms and businesses in North Carolina. The co-ops are not-for-profit organizations that are member owned and overseen by a board of directors elected by the membership.

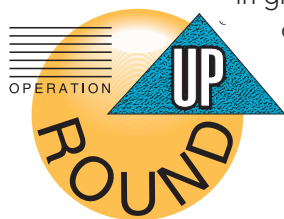
Wake Electric Awards \$7,915 in Operation RoundUp Grant Monies to Local Nonprofits

Wake Electric awarded \$7,915 in grant monies during the 1st quarter of 2014 to deserving nonprofit organizations located in counties served by the co-op. These grants were made available through the Operation RoundUp program.

Nonprofit agencies located in counties that Wake Electric serves, which includes Durham, Franklin, Granville, Johnston, Nash, Vance and Wake counties, are eligible to apply. The agency does not have to be a member of Wake Electric.

Grants are open to all project and subject areas that enhance economic infrastructure and job creation, promote service or charitable organizations, and meet emergency needs of individuals within the service area of Wake Electric.

Each quarter, the board of directors for the program's administrative body, the Wake Electric Foundation board, meets to determine who will be awarded funds.



1ST QUARTER 2014 OPERATION ROUNDUP GRANT WINNERS

Name of Nonprofit Organization	Amount Awarded	County Nonprofit is Located	Info about Grant
Bridges of Hope Outreach Ministry	\$1,500	Franklin	Academic supplies
Care & Share of Franklin County	\$1,000	Franklin	Food supplies
Friends of Franklin County Cancer Center	\$1,500	Franklin	Cost of 10 mammogram tests
Genesis Outreach, Inc.	\$1,000	Franklin	Purchase of transportation gasoline
Hospice of Wake County	\$1,500	Wake	Medical supplies
Make a Wish of Eastern North Carolina	\$1,000	Wake	Wish granting within Wake Electric's service territory
Prevent Blindness NC	\$415	Wake	Photo processing and printing supplies

The funds for the Operation RoundUp grants come from Wake Electric members who agree to round up their electric bill to the nearest whole dollar.

The next deadline for Operation RoundUp grant applications is Friday, June 13, 2014 by 5 p.m. A simple and convenient downloadable application can be found at www.wemc.com/oproundup.aspx

Wake ElectriConnection

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