

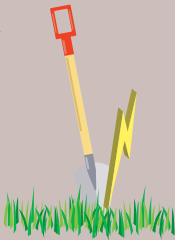


April 2009

Serving 12,000 members of Albemarle Electric Membership Corporation

Dial Before Digging

You never really know what's below the surface when you dig. You may chop right into underground power lines. In addition to causing outages, this is very dangerous. Before digging in your yard, have the underground electric lines located. Please give us three days notice before you dig. Call us at (252) 426-5735.



Capital Credits Distribution Method Changed

The Albemarle Electric Membership Board of Directors recently approved changing the method in which capital credits are returned to members.

For a number of years, capital credits have been given back to members, as a credit on their December bill. Beginning in 2009, members will begin receiving a check for the amount of their capital credit.

Because Albemarle EMC members are all part owners of the co-op, they are entitled to share in any margins left over at the end of the year. Margins are any funds left over after all operating expenses have been paid for the year. Capital credits are returned to members in an amount that is determined by how much electricity the member used during the year. However, if any money is owed the co-op, the credit will be kept and applied to that balance. Those who qualify for the refund, but are no longer receiving the co-op's service, will receive a check in the mail at their last know address.

Happy Easter!



Albemarle EMC will be closed April 10th for Good Friday

Albemarle Sounds

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Visit our Web site at:
www.albemarle-emc.com

For outages, call
1-800-274-2072

New Substation Comes Online



The Morgan's Corner Substation is powered up and distributing electricity.

For the past several months, the 12-mile stretch of 115,000-volt line connecting the Tanglewood Substation to the Morgan's Corner Substation, located in Pasquotank County, has been under construction. The transmission line was recently completed, which cleared the way for the Morgan's Corner Substation to begin receiving and distributing electricity to the northern portion of Albemarle EMC's service area.

Having reached capacity, the old Morgan's Corner metering point was modernized with a new substation. The new transmission line and substation will provide far more reliable service to parts of northern Pasquotank, because the new infrastructure will carry enough load to supply both existing consumers and future consumers for many years to come. In addition, the Morgan's Corner substation will be fed by Albemarle EMC's Tanglewood substation, located near Elizabeth City. This means that Albemarle EMC will be able to restore outages faster and provide more reliable service.

"This is going to mean far better reliability and capacity for that area," said Brad Furr, general manager of Albemarle EMC.

Your Touchstone Energy® Cooperative 
The power of human connections®



Habitat for Humanity Receives ACT Grant

The Chowan-Perquimans Habitat for Humanity is a big step closer to being able to construct another home, thanks to a grant from the Albemarle Community Trust.

The \$5,000 grant will be used to purchase building materials for a house that will be built in Perquimans County in late 2009, said John Sams, president of Chowan Perquimans Habitat for Humanity.

“Our goal is to build one habitat home per year,” Sams said.

Habitat for Humanity is a nonprofit Christian housing ministry that seeks to build houses for low-income families. The families are required to work a certain number of hours on the home they will be living in.

The grant came from the Albemarle Community Trust, a fund established by Albemarle EMC to assist nonprofit organizations. ACT is funded by co-op members who voluntarily have their bills rounded up to the nearest dollar each month. The amount by which the bills are rounded up is then put into the fund.

Since its inception in 2001, ACT has granted more than \$260,000.

Albemarle EMC Assists Kentucky Co-op

Albemarle EMC was able to offer assistance to a Kentucky co-op, after an ice storm knocked out power to hundreds of thousands of homes and businesses.

Roy O’Neal, Bobby Upton, Matt Byrum, Kevin Bailey and Robbie Stallings spent ten days assisting Western Kentucky rural Electric Cooperative Corporation.

The linemen spent their time near the town of Murray, changing out poles that had snapped in half due to ice accumulation, said Crew Leader Roy O’Neal

The ice storm knocked out power to more than 700,000 homes and businesses, most of them in Kentucky.

E-Checks No Longer Accepted

Albemarle EMC will no longer accept E-Checks as a form of payment. The decision was made to protect members from potential identity theft. The E-Check payment system is vulnerable to identify theft because people must recite their checking account number over the phone, without the security measures that credit and debit cards have.

Grant Used for Classroom Technology

A grant from Albemarle EMC has enabled a teacher to bring exciting new technology into her classroom.

Jessica Prayer, a teacher at Northside Elementary School, was able to use an \$825.05 Bright Ideas grant to purchase equipment for her project “Discovering One’s Voice through Digital Storytelling.” Using the grant, Prayer was able to purchase a bookbinding machine, software, digital USB microphone, scanner, copier, a digital camera and



Students at Northside Elementary watch digital stories produced by their classmates.

other supplies. The project involves the 4th-grade children creating a fictional digital story. Using digital images, they narrate their stories with voice-overs, then display the stories on a screen for their other classmates. Story topics included encounters with tornadoes, wilderness walks and going to a restaurant.

“It really allows them to be creative,” Prayer said.

Seal Air Leaks

The typical home has enough air leaks to equal two open windows year round.

These air leaks include plumbing and wiring penetrations, fireplace dampers, chimneys, attic access hatches, recessed lights, windows, doors, baseboard moldings, dropped ceilings and knee walls in finished attics. Another important place to seal is around duct vents in ceilings and floors. As conditioned air enters a room from ductwork, it will pull air through gaps around the vents. Those can be sealed with caulk or mastic.

Caulk is best for cracks up to one-quarter inch. You should select a high-quality caulk that will remain flexible; use expanding foam for larger gaps; eatherstrip windows and doors.

Most experts agree that caulking and weather stripping any gaps will pay for itself in energy savings within one year.





Albemarle Electric Membership Corporation

A Touchstone Energy® Cooperative



At Your Service

A bi-monthly look at how Albemarle EMC works to provide high-quality service to its co-op members.

Why Electricity Prices Are Up and Some Fuel Prices Are Down

You have likely noticed that electricity rates are higher than a year ago, while other fuel costs, including gasoline, are lower.

Why don't electricity prices mirror the cost of fuels?

Joe Brannan, senior vice president of power supply for NCEMC, said that the complex nature of generating electricity from multiple fuels and the fuel procurement process cause a price delay. For example, your electricity is produced from generating facilities that use water (hydroelectric dams) coal, natural gas and nuclear as fuel. The electricity rate represents the cost and mix of each of these fuels. Also, the procurement of some fuels, such as nuclear or coal, must be contracted for periods of three to five-year (or longer) which causes a delay in price movement. So what your newspaper may report as the price of a particular fuel doesn't reflect the price that was contracted for years in the past.

Albemarle EMC purchases wholesale electricity through the N.C. Electric Membership Corporation. By negotiating the purchase of wholesale electricity for many North Carolina cooperatives at one time, NCEMC can command a better arrangement and cost than if individual co-ops tried to purchase wholesale electricity on the open markets. The NCEMC wholesale rates have increased by about 7 percent between 2008 and 2009 and about 9.45 percent between 2006 and 2009. Comparatively, several of our neighboring electric utility companies are experiencing a rate increase of more than 10 percent in one year.

Currently, the mix of fuels used to

produce your electricity is 51 percent nuclear, 38 percent coal, 8 percent natural gas and 3 percent other sources such as hydroelectric. Due to overseas demand, the cost of coal has continued to put upward pressure on electricity rates. More than 80 percent of the current increase in electricity rates is due to increases in coal prices. Between 2006 and 2009, the cost of coal has increased by 60 percent, and the consumption of coal has remained relatively steady over that period.

So, why do coal prices remain high when other fuel prices are lower? Overseas demand has remained strong, especially for China. During 2008, China constructed new coal-fired electricity generation plants at an average of one per week. Between 2007 and 2008, China increased its total installed power generation capacity by more than 63,000 megawatts.

To lessen some of the volatility in fuel prices and increase the fuel mix toward less volatile fuels, Brannan said that NCEMC has purchased additional nuclear generation, which has displaced some natural gas and coal consumption and revised its fuel procurement

Much of the recent increases in electricity rates is due to the rise in the price of coal. Between 2006 and 2009, the cost of coal has increased by 60 percent, while the consumption of coal has remained steady over that period.

practice. Though low in price now, natural gas has been a significant driver of higher electric rates in the past.

Albemarle EMC has little control over fuel costs. As you can see, that is an enormously complicated undertaking that is global in scope. But there are other ways we help control costs at the cooperative and for your homes and businesses. For example, whenever possible we employ the latest technology to make our operations more efficient. We also spend considerable time maintaining the electric system, keeping our rights of way clear of encroaching vegetation as well as inspecting poles and equipment regularly to keep them in good working condition. And to help you manage your electric costs, we offer a free energy audit program.

Though you may notice your cost for electricity is rising, rest assured that your co-op team is working hard for you. Through efficiency, reduced operating expenses and political advocacy, we will continue to provide you with the most affordable, reliable electricity possible.

