

Cumberland Electric Membership Corporation

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Todd Hesson,
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Springfield office

Nicky Roberts,
District Operations Supervisor

CEMC Board of Directors

Tommy G. Whittaker,

Sumner Co., President

Wesley H. Aymett,
Cheatham Co., Vice President

Shela K. Williams,
At Large, Secretary-Treasurer

K. Jean Beauchamp, Robertson Co.,
Assistant Secretary-Treasurer

Stephen E. Douglass, Stewart Co.

Charles R. Hancock, Stewart Co.

Michael A. Mason, Robertson Co.

C. David Morgan, Montgomery Co.

Edward L. Oliver, Montgomery Co.

Joe H. Whitaker, Sumner Co.

Mission Statement

Cumberland Electric Membership Corporation is committed to providing dependable, affordable electric service through the expertise and dedication of competent leadership and a well-trained and responsive workforce.

AS I SEE IT

Manager's Viewpoint

General manager addresses membership

These are the remarks made by Jim Coode, general manager of Cumberland Electric Membership Corporation, at the cooperative's annual meeting Sept. 26 at White House Heritage High School.

By attending the annual meeting of Cumberland Electric

Membership Corporation, you are participating in one of the most important aspects of cooperative membership — the democratic process of electing directors. In most municipal utilities, the board members are appointed by a mayor or some other official. But as a cooperative member, you have a say in the election process, and you've done a great job by re-electing our three incumbent directors: Steven E. Douglass, South Stewart County; Michael A. Mason, North Robertson County; and Tommy G. Whittaker, North Sumner County. CEMC's directors attend meetings and training sessions, spending a lot of time away from their families, to stay abreast of the changing technology and information in this industry, and they serve you well.

Now I would like to briefly touch on some of the highlights from this last fiscal year, beginning with system improvements. We rebuilt our Adams substation last year at a cost of \$1.7 million. We now have more capacity and greater reliability for members served by that substation. I would like to say a special thank you to members in the Adams/Cedar Hill area. You all are some of the most patient and understanding people I've ever run across. You endured three different four-hour scheduled outages in this process, and we did not hear one single complaint. We did have some questions

but not one complaint, and I do appreciate that.



*Jim Coode,
General Manager,
Cumberland
Electric Membership
Corporation*

Our right-of-way program is not always a pleasant topic to discuss. I have trees in my yard, too, so I understand, but we do have to cut trees to maintain our right of way. We have more outages due to trees in Middle Tennessee than anything else. Last year we spent about \$3.2 million on maintaining the right of way, so you can see how important it is to us.

We did have some ice this year, mostly in Sumner County and a little bit in Robertson and Cheatham counties, but we were able to manage it in-house. Volunteer Energy Cooperative, our neighbor in the east, was not as fortunate. Its system was hit hard by winter storms this past February, with more than 800 poles down at one time. Fortunately, we were able to send some crews up there to help, and I know they appreciated it. The word among fellow co-op managers that "we would rather send you some help than to ask for it" certainly rang true in this situation.

We began a process of stringing fiber optic lines last year. We are building a fiber backbone, mostly for our own use at this time, but we are allowed to lease fiber, and we do have a contract. It will be a three-year project, and we spent about \$1.5 million on it this past year.

OSHA (Occupational Safety and Health Administration) mandated this past year that all utilities that have

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Incumbents retain seats on CEMC board

Three seats on Cumberland Electric Membership Corporation's board of directors were filled by incumbents during the co-op's 2015 annual meeting Sept. 26 at White House Heritage High School in Robertson County. Each director ran unopposed and was re-elected by voice acclamation during the business session of the meeting.

Stephen E. Douglass of Dover will serve his third term as director for South Stewart County; Michael A. Mason of Springfield will serve his seventh term as director for North Robertson County; and Tommy G. Whittaker of Portland will serve his fourth term as director for North Sumner County. Whittaker serves as president of the board.



Stephen Douglass



Michael Mason



Tommy Whittaker

19 awarded electric bill credits

Nineteen lucky co-op members were awarded bill credits valued between \$50 and \$250 by simply participating in Cumberland Electric Membership Corporation's annual meeting. The winners were:

\$250 winners

Kenneth Birdwell, Springfield, and Gwendolyn Lundy, Clarksville.

\$100 winners

Douglas Head, Springfield; Charles Schultz, Portland; Elige McLevain, Portland; Nell Jett, Springfield; and Danny Green, Portland.



Annual meeting attendees register their attendance, which automatically entered them in electronic drawings for bill credits and the grand prize!

\$50 winners

Jackie Hunley, Portland; Larry Templeton, Springfield; George Hale, Portland; Jerry Swift, Dover; and Jimmy Wright, Springfield.

Bill credits of \$100 were also awarded to these members who participated in early registration Sept. 25 at CEMC's district business offices: Ray Jones, Clarksville; Aubrey Suiter, Springfield; James

Walter, Portland; Jerry Conyer, Gallatin; Edgar Green, Ashland City; Phillip Wallace, Dover; and Magdalene Donahoe, White House.

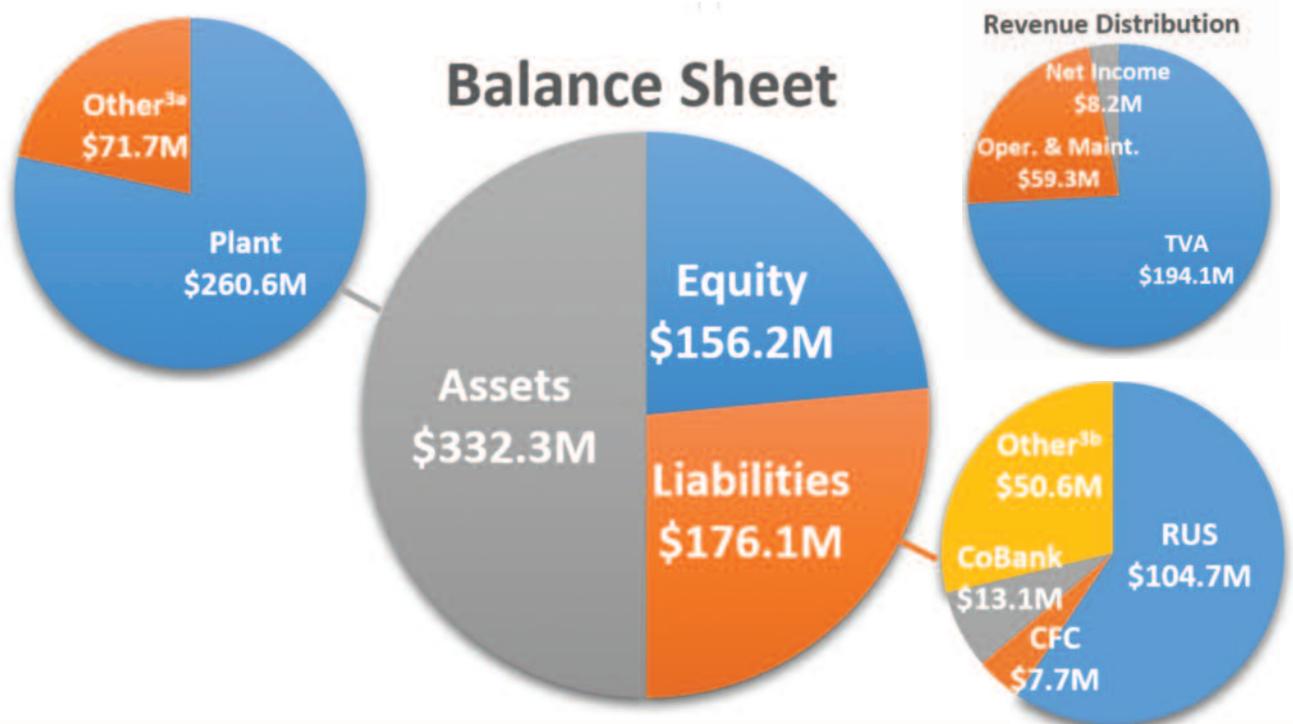
Annual financial statement

Cumberland Electric Membership Corporation maintains healthy financial condition

The following information was distributed to those who attended the annual meeting of Cumberland Electric Membership Corporation Sept. 26 in White House. It is published here for the benefit of those members who were not in attendance.

In millions

Operating Revenue	\$260.6
TVA Power Cost	(\$194.1)
Operating Income¹	\$66.5
Operations	(\$29.7)
Maintenance	(\$9.3)
Depreciation	(\$14.9)
Interest	(\$5.1)
Other	(\$0.3)
Total Operations and Maintenance	(\$59.3)
Other Income	\$1.0
Net Income²	\$8.2



¹ Operating Revenue includes electric sales revenue, late payment revenue, pole attachment rentals and service charge revenue.
² CEMC is a 501(c)(12), not-for-profit organization. Net income received is thereby reinvested in the electric system to improve and maintain reliability.
³ Other:
^{3a} Other Assets — Other assets primarily consist of amounts due us, cash on hand, inventory and prepayments.
^{3b} Other Liabilities — Other liabilities primarily consist of our amounts due others, member deposits and postretirement benefits.

General manager's address

linemen climbing poles use a different kind of fall restraint. This particular item will keep linemen from falling more than 2 feet. Any time OSHA issues a mandate, it's because someone has been hurt very badly. We appreciate it; we want to take care of our employees.

We would be remiss if we didn't talk a little about solar, green energy and renewables. You hear about it all the time, daily even. We have about 55 solar installations, mostly rooftop solar, on our system right now, and it is growing. People in California are leading the way, as they usually do on green issues, but they've run across an interesting phenomenon. I've learned that the peak time in California used to be around 6 p.m., and now it is 9 p.m. It has shifted three hours but has increased the peak demand as well. So there are challenges related to energy storage. I think we'll get there. Out of the 50 states, Tennessee has the least solar penetration. I would like to think that is because it's not as economically feasible here — our power is much cheaper here, much cheaper than California.

TVA is both our regulator and our power provider. We buy 100 percent of our power from TVA. There's a phrase that was coined a few years ago by one of my colleagues relating to the relationship between the utilities and TVA, and it goes like this: "We're all in this together, except

when we're not." Well, the "except when we're not" part is going away. We're more connected now with TVA than any other time in my 38-year career. The communications are much better, and we do feel like TVA listens to us. I think I can speak for almost all the local power companies that TVA serves by saying we feel much more connected, and we feel like we have a voice.

TVA reduced nonfuel operation and maintenance expenses this year by \$500 million, and it plans to continue this trend; \$200 million more in deductions is the goal for next year. It is vital to Cumberland Electric for TVA to be successful. Seventy-seven cents out of every dollar that CEMC makes goes to TVA to pay our power bill. That means we are operating on 23 cents of every dollar, and I hope you are proud of that. That is pretty lean; there is no fat in our budget.

I want to close with this thought: I don't measure success at Cumberland Electric by the money you've heard us talk about. Our employees are our wealth. I've been here 38 years, and I have to say that this is a wonderful place to work. If you have children who want to get into this utility business, encourage them to go to school or learn to be a lineman and come to work for a co-op. It's a wonderful experience.

Thank you.

Join us in decorating the Trees of Giving

This holiday season, the lobbies of Cumberland Electric Membership Corporation will be decorated with Christmas trees bearing various winter clothing items rather than the tinsel and bows you might expect. These trees, known as the Trees of Giving, are designed to bring warmth to those in need right here in our local communities.

We invite everyone — employees and members alike — to help decorate our trees by donating cold-weather clothing such as coats, gloves, scarves, warm socks and hats. Donations of



Students from Station Camp High School in Sumner County help decorate the Tree of Giving in CEMC's Gallatin District office last year.

nonperishable food items are also welcome and appreciated. As in the past, area high school students involved in clubs and organizations have pledged their support in helping to cover the trees in donated items.

Donations will be accepted through Friday, Dec. 18, from 7:30 a.m. until 4:30 p.m. and will be delivered to local charitable organizations for distribution before Christmas.

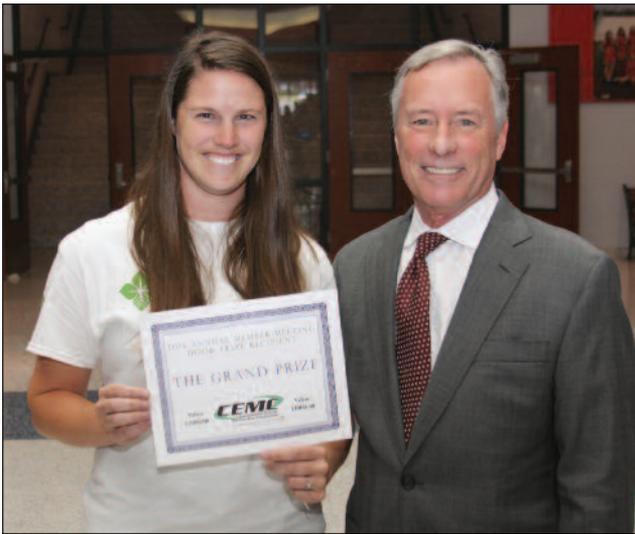
Thank you in advance for your participation in this community-outreach program.

These members won big at

Congratulations to all the Cumberland Electric Membership Corporation members who won prizes at this year's annual meeting! CEMC extends a special thank you to all who attended the meeting. Your attendance and participation are greatly appreciated. We hope you enjoyed your annual meeting and look forward to seeing you next year!



Winners of \$500 scholarships were, in no particular order, George Tucker, Cedar Hill; Joan Farmer, Clarksville; Karen Houser, White House; Henry Maupin Jr., Springfield; and Cynthia Dabalos, Palmyra. Not pictured is Nancy Keen, Portland.



GRAND PRIZE — CEMC General Manager Jim Coode presents Mrs. Darrin Alcorn of Springfield with the grand prize certificate. The Alcorns were the recipients of a \$1,000 Lowe's gift card intended to purchase new energy-efficient appliances for the home.



Norman McGaw of Cumberland Furnace won the Backyard Family Fun Package.



The Gatlinburg Retreat was awarded to Mrs. Chester Cole of Greenbrier.



Nell Jett of Greenbrier claimed the Home Entertainment Package.

CEMC's annual meeting



The Nashville Tourist Package went to Janice Rider of Cottontown.



Bettina Jones of Springfield took home the Outdoor Package.



Winner of the Pick Tennessee Products Package was Tommy Sprouse of Springfield.

Youth Corner prize winners

- Seth Keetarle • Cozy Coupe
- Brianna Dooge • Radio Flyer tricycle
- Elizabeth Niedermeir • 18-inch bicycle
- Cameron Franklin • 20-inch bicycle
- Mackenzie Bennett • AE gift card
- Jackson Long • AE gift card
- Sarah Stewart • Selection of gift cards
- Allison Borkowski • "Paddington" movie
- Sam Mullinay • Home movie

Energy Efficiency Tip of the Month



Remember to close your fireplace damper (unless a fire is burning). Keeping the damper open is like leaving a window wide open during the winter, allowing warm air to escape through the chimney.

Source: energy.gov

The offices of Cumberland Electric Membership Corporation will be closed for the Christmas and New Year's holidays on Thursday and Friday, Dec. 24 and Dec. 25, and Friday, Jan. 1. CEMC personnel will be available in the event of an emergency by calling 1-800-987-2362.

Merry Christmas and Happy New Year from your friends at CEMC.

Do you qualify for CEMC's Supplemental Residential Rate?

The Supplemental Residential Rate (SRS) is a rate class available to any single-phase noncommercial meter that meets this criteria:

1. The electric service is for a separately metered application on the same parcel of property as an existing single-family dwelling.
2. The use of such meter is for domestic purposes such as lighting, household appliances and the personal comfort and convenience of those residing in the single-family dwelling.

Some common examples of meters that may be eligible for this rate include, but are not limited to:

- Detached garage
- Personal shop
- Pool house/pool pump
- Electric gate
- Storage shed

Types of services that do not qualify for the SRS rate include temporary services, barns and greenhouses.

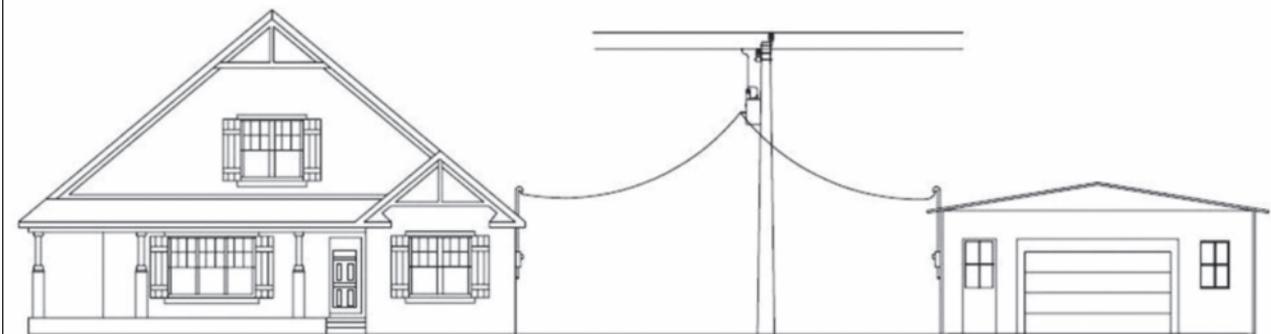
The Supplemental Residential Rate class includes parts A and B, explained below. The determination for which part of the rate applies (A or B) will be made based on the existing engineering setup in the field. (See images for examples of A and B.)

- Part A — Service provided by the same transformer as home service (customer charge: \$ 21.10)
- Part B — Service provided by a second transformer (customer charge: \$31.10)

The SRS rate provides a cost savings in terms of the monthly customer charge and energy charge when compared to the current General Service -1 rate.

Additional information about the SRS rate is available on CEMC's website, www.cemc.org/rates. If you have service that meets the above criteria or questions pertaining to the rate, please contact CEMC at 1-800-987-2362 or come by your local CEMC office.

Part A



Part B

