

General manager's report to the membership

These are the remarks made by Jim Coode, general manager of Cumberland Electric Membership Corporation, at the annual member meeting on Sept. 18, 2010, at Portland High School.

Good morning, and thank you for attending the 72nd annual meeting of Cumberland Electric Membership Corporation.

I'd like to express my appreciation to Bob Gideon, principal of Portland High School, and his staff for making us feel welcome here. This is our second annual membership meeting at Portland High

School in four years; the facilities here are perfect for our needs and, I hope, yours, too.

I just want to say what a privilege it is for me to work as the general manager of your cooperative — not just because I enjoy the work but because I have an opportunity to see up close the many ways CEMC people impact their communities. You just heard Mr. (Joe) Whitaker mention a few ways CEMC employees and members are making a difference, but there are many others.

Cooperative people have always worked together to get things done, and I believe that is worth recognizing and celebrating.

I'd like to congratulate our re-elected board members who, thanks to your votes yesterday and today, will continue in service to the membership. I'll ask them to stand: Wes Aymett from Cheatham County, Gene Cook from Robertson County and David Morgan from Montgomery County. Let's give them a round of applause. They really do an outstanding job on our board of

directors, and I appreciate the opportunity to work with them.

Cumberland Electric Membership Corporation is a multimillion-dollar business serving almost 90,000 mem-

bers in a five-county area. At present we have 227 full-time employees who do a good job performing a myriad of functions, all of which are designed to provide reliable and affordable electric power to your home and business.

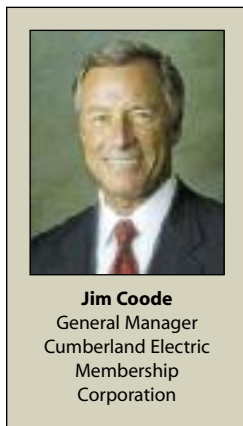
During the past fiscal year, several improvements were made across our electric system that you should

know about.

For years, our construction crew shared space at our Springfield District office because it was the most centrally located, available space. Now, the construction crew operates out of a facility adjacent to our Coopertown substation. The advantages are that it provides them more storage space for their equipment, and it is even more centrally located than the Springfield office. By reducing their driving time, they are able to respond to transmission issues more rapidly and efficiently. Also, it is a benefit to have employees at the substation, providing protection for that very sizable investment.

We are very excited to have purchased a new, state-of-the-art Outage Management System that is going to help us restore electrical service faster when there is a power outage. Here's how it works: When you call in to report an outage, a light will appear on a map showing us exactly where you

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Jim Coode
General Manager
Cumberland Electric
Membership
Corporation

CEMC Management and Staff

Jim Coode, General Manager
Randy Holt, Operations Division Manager
Lynne Wilson, Admin. Services Div. Manager
Chris Davis, Engineering Division Manager
Michael Batson, Financial Services Manager
Barbara Harper, Member Services Manager
Howard Whitaker, District Operations Manager

CEMC Co-op News Editor
Scott Shelton
P.O. Box 3300
Clarksville, TN 37043

Open Monday–Friday, 7:30 a.m.–4:30 p.m.
800-987-2362

Ashland City office
Nicky Roberts, District Operations Supervisor

Clarksville office
J.D. Bumpus, District Operations Supervisor

Dover office
Terry Odom, District Operations Supervisor

Gallatin office
Allan Cook, District Operations Supervisor

Portland/White House offices
Homer Mayes, District Operations Supervisor

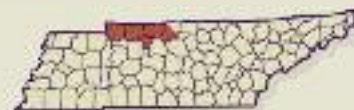
Springfield office
Larry Richardson, District Operations Supervisor

CEMC Board of Directors

Joe H. Whitaker, Sumner County,
President
Wesley H. Aymett, Cheatham County,
Vice President
Shela K. Williams, At Large,
Secretary-Treasurer
Jerry T. Peacher, Stewart County,
Assistant Secretary-Treasurer
Gene E. Cook, Robertson County
Stephen E. Douglass, Stewart County
Michael A. Mason, Robertson County
C. David Morgan, Montgomery County
Carrol O. Poole, Montgomery County
Tommy G. Whittaker, Sumner County

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.



Cumberland Electric Membership Corporation

Serving Cheatham, Montgomery, Robertson, Stewart and Sumner counties.

These found a way to lower their electric bills

By participating in annual meeting, they won valuable electric bill credits

\$100 winners

The following “early voters” won \$100 electric bill credits from CEMC:
 Ashland City District - Larry Glau
 Clarksville District - Joshua Johnson
 Dover District - Ken McGhee
 Gallatin District - Lawrence Jones
 Portland District - Herbert Tucker
 Springfield District - C.H. Gamble Jr.
 White House - Willard Dickens

\$250 winners

Two lucky members won \$250 electric bill credits from CEMC:
 David Hayes and Kenneth Wilber, both of the Portland District.

For more prize winners, see page 19.

\$100 winners

These members heard their names called as winners of \$100 electric bill credits from CEMC:
 Bruce Norris, Thomas High, Paul Wolf, Jonie Johnson and Clifton Suddarth of the Portland District;
 Susan Anderson and Rodney McCarver of the Ashland City District;
 Frances Faro of the Gallatin District;
 Brenda Morrison and Charles Black of the Clarksville District.



It was easy to win. By registering your attendance at the annual member meeting, you were automatically entered in the drawings!

\$50 winners

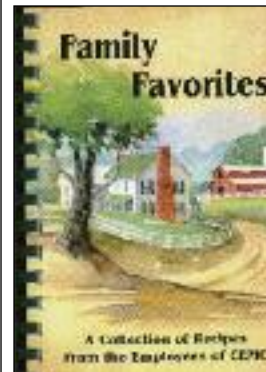
The following members won \$50 electric bill credits for filling out and returning surveys that were handed out at the annual member meeting:
 Alice Birdwell - Springfield
 James Robert Jenkins Jr. - Ashland City
 Jennifer Morgan - Pleasant View
 Donnie Levantino - Portland

Holiday closing

CEMC offices will be closed for the Thanksgiving holiday on Thursday, Nov. 25, and Friday, Nov. 26. If you should need emergency electrical service on those dates, please call **1-800-987-2362**.



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Holiday cookbook special

Now through Jan. 3, 2011, pick up a copy of the CEMC “Family Favorites” cookbook for only \$10.

Everyone has a favorite holiday food tradition, and this collection includes dozens that you and your family are sure to enjoy sampling.

All proceeds benefit Project Help, which assists local citizens with payment of their utility bills.

Available at all CEMC district business offices, “Family Favorites” also makes for great gift-giving.

- Including:
- Appetizers
 - Beverages
 - Breads
 - Meats, main dishes
 - Side dishes
 - Soups and salads
 - Desserts
 - Cookies, candies
 - Miscellaneous

More than 200 pages!

Scenes from the 2010 annual member meeting



Hailey Keith, a student at Greenbrier High School, spoke about her experiences as a participant in this year's Washington Youth Tour.



Re-elected to new terms on the board of directors were, from left, Wesley H. Aymett of Cheatham County, Gene E. Cook of Robertson County and David Morgan Sr. of Montgomery County.



There's nothing like a free breakfast to start the day on a happy note! And it was gooo-oo-ood!



These children went home with brand new bicycles, which they won in the Youth Corner.



The Portland High School choir performed several numbers.



The Bluegrass Volunteers really had the crowd going with their expert pickin' and singin'.

CEMC congratulates its prize winners

Each member received a bucketful of favors and a great breakfast.
The 2010 annual member meeting rocked! Thanks to everyone who attended!



Vetta Helms of Cottontown was this year's Grand Prize winner. She received a new Energy Star washer and dryer by Samsung.



Ben Tidwell of Pleasant View won the Pick Tennessee Products Package chock full of items produced in the Volunteer State.



Pamela Wilson of Cedar Hill was the winner of the Front Porch Retreat, designed to maximize outdoor leisure.



William Castello of White House will see the Vols play the Ole Miss Rebels as winner of the UT Football Tailgate Package.



Suzanne Bormann of Dover will be grilling and relaxing outdoors with her new Backyard Family Fun Package.



Gordon Hodges of Portland is making plans to visit the Great Smoky Mountains as winner of the Gatlinburg Retreat.



Jan Weller of Hendersonville looks forward to going shopping on a Cool Springs Getaway.



\$500 scholarship winners were, from left, Jane Harned, Hendersonville; Kay Keen, Portland; Becky Francis, Pleasant View; Pamela Heintzman, Joelton; Paul Horton, Goodlettsville; and Larry Shehane, Portland.



James Cowheard of Millersville claimed the Home Entertainment Package, which included some great home electronics.

General manager's remarks

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are. This slide will give you an idea what it looks like in our control center. It will also show us whether this is an isolated outage or if there are many other homes out in the same area.



This next slide (at left) homes in on the trouble area. A red line indicates a large outage. A blue circle with a red outline indicates a single customer outage. From a dispatching standpoint, this will be a tremendous timesaver because we'll be able to tell our crews exactly how

to get to your location and what protective device has de-energized the line. It eliminates guesswork. And, again, the bottom line is your lights will be back on sooner.

Our new Mansker substation, which was energized (in August), is the 32nd substation for CEMC. Located on Centerpoint Road in Sumner County, this sub will feed the Mansker Farm subdivision in Hendersonville consisting of approximately 750 lots. It is being sourced off of the existing 69-kV system, and we were able to relocate existing transformers. This new substation allows us to shift some of the load off of the Hendersonville substation, also giving us additional capacity at that location.

This has been a remarkable year unlike anything most of us have ever seen before. Back in January, we set a record for the amount of electricity sold — 265 million kilowatt-hours for the month. It was the coldest January weather since 2003 and was 8 percent colder than what is considered "normal." But I'm happy to say our system handled the additional demand in excellent fashion.

The extreme heat of this past summer presented similar challenges. Summer 2010 was 34 percent hotter than normal and 46 percent hotter than 2009, based on May 1-Aug. 25 temperatures.

The flood last May presented some unique challenges for us to maintain service everywhere and restore service quickly where needed. In Ashland City, we had to de-energize a substation because of high water, but by shifting that load to another substation, our members were only briefly out of electric service. And in the Clarksville District, our crews had to float out to recover a downed line for a somewhat tricky repair job. I'm proud of the work these men did under trying circumstances.

Believe it or not, the No. 1 cause of power outages is not ice storms or floods or extreme heat. The No. 1 cause of power outages is tree limbs falling onto power lines. We spend about \$3 million a year trying to maintain our right of way to keep trees and bushes from growing too close to the lines. This year, our right-of-way staff will be implementing a new computer program that was designed in-house and will help them better track where our contract crews are cutting, where they're spraying defoliant and how much time they're spending on each job. It will make for a much more efficient operation. I know right-of-way management can be controversial sometimes, but it is vital to the integrity of our system and necessary for keeping the lights on.

As always, we have been keeping a close watch on Congress to see if there will be a new national energy bill. The Obama administration apparently still favors some sort of cap and trade legislation, which co-ops oppose. But the president has said that if no new energy bill is enacted, the Environmental Protection Agency will enforce limits on greenhouse gas emissions, primarily carbon dioxide (which is produced by burning coal.) In 2009, the EPA ruled CO₂ as hazardous to human health in accordance with the Clean Air Act. We would prefer to see this issue handled legislatively. But members of Congress are finding it hard to agree on this subject, so we wait.

Because of rising fuel costs, rates have been edging upward over the past few months. Still, ratepayers in Tennessee pay

lower electric bills than most other citizens in the seven-state TVA region, and CEMC members pay less than the state average.

As you can see from this chart (at right),

only Kentucky residents pay less per kilowatt-hour than Tennessee residents among the TVA states. And please note the national average, which is almost 30 percent more than what you pay.

All in all, we feel that fiscal year 2010 was a period of progress and innovation at Cumberland Electric. We appreciate your business, and we look forward to continuing to offer you courteous and professional service in the years ahead.

