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**Homer Mayes**,  
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**Springfield office**

**Larry Richardson**, District Opera-  
tions Supervisor

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**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.

# TVA board approves October rate increase

**O**n Thursday, Aug. 18, the Tennessee Valley Authority board met in Knoxville. During this meeting, direc-

tors approved a \$12 billion budget that includes the completion of the Bellefonte Nuclear Plant in Alabama and a \$234 million wholesale rate increase.

To the average Cumberland Electric Membership Corporation residential member (using 1,500 kilowatt-hours per month), this will result in an average increase of \$1.60 to monthly electric bills.

Wholesale power is the largest expense for CEMC. In

2010, we paid TVA more than \$184 million. On average, 25 percent of our annual revenue is used to maintain the poles, wires and

substations and pay the employees who deliver power to our members. The other 75 percent goes to TVA. So even the smallest change in TVA's rates impacts our co-op in a big way.

TVA is facing real challenges.

More than 50 percent of the energy TVA generates comes from coal. When you consider average age, TVA's 59 coal units are the oldest in the nation and have higher-than-normal maintenance costs.

TVA has spent millions to retrofit its coal fleet to comply with environmen-

tal regulations, but additional upgrades are needed. Recent lawsuits filed by environmental groups have pushed costs even higher.



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

TVA has concluded that the risks and expenses of coal are too great to consider it a long-term solution to the Valley's energy needs.

With the need to replace coal generation and develop new sources, the TVA board approved the completion of the Bellefonte Nuclear Plant near Scottsboro, Ala. While this move reduces our dependence on coal and provides a source of reli-

To the average CEMC residential member using 1,500 kilowatt-hours per month, this will result in an average increase of \$1.60 to monthly electric bills.

able, carbon-free generation, it does bear a hefty price tag — approximately \$4.9 billion.

Despite these challenges, TVA

is making decisions now that will help it provide reliable energy for years to come and is investing more than \$200 million to help homes and businesses in the Valley use energy more efficiently. You can learn more about energy-efficiency programs and rebates on our website, [www.cemc.org](http://www.cemc.org).

Regardless of the changes taking place in our industry and the world around us, you can be confident that CEMC is working to protect the interests of our member-owners.

# Annual financial statement

## *Cumberland EMC maintains healthy financial system*

The following information was distributed to those who attended the annual meeting of Cumberland Electric Membership Corporation held Sept. 24 in Clarksville. It is published here for the benefit of those members who were not in attendance.

### Financial Report

(For fiscal year ended June 30, 2011)

Total Operating Revenue	\$247,491,819.22
Cost of Power from the Tennessee Valley Authority	\$184,751,265.79
General Operating Cost (including payroll)	33,303,945.96
Depreciation	10,949,444.98
Total Operating Expenses	229,004,656.73
Other Deductions (Interest)	5,853,946.64
Total Expenses	\$234,858,603.37
Net Income from Operations	\$12,633,215.85
Other Income	1,001,033.41
Net Income	\$13,634,249.26

During the past fiscal year, we decreased our total liabilities \$15,394,620.66. At the end of the year, CEMC serviced 7,641 miles of line and had 89,757 members.

Our Total Assets are:	
Depreciated Plant	\$235,306,055.71
Other Property and Investments	2,452,781.11
Current and Accrued Assets	35,965,622.40
Deferred Debits	9,383,475.74
Total	\$283,107,934.96

Our total long-term debt is \$125,775,785.41. Of this total, we owe the Rural Utilities Service \$106,387,281.86 and Cooperative Finance Corporation \$10,598,122.52. We also owe CoBank \$8,790,381.03 and the Tennessee Valley Authority \$5,994,629.41 that has been advanced for heat pump loans.

Our Current and Accrued Liabilities are \$19,096,854.88. Members' Equity — or what you, the owners, have — is \$124,424,735.85.

The above statement was prepared in a condensed form from the TVA Annual Report for the fiscal year ended June 30, 2011. A copy of the annual audit report for the fiscal year is available upon request.

# CEMC ventures into landfill gas conversion project

**C**umberland Electric Membership Corporation is being hailed as a friend of the environment for its part in a green energy Generation Partners project at the Bi-County solid waste landfill in Woodlawn.

The project involves converting landfill gas (methane) to electric power, which will be sold to the Tennessee Valley Authority through CEMC. The amount of power generated is 999 kilowatts.

Landfills produce methane as some solid waste naturally decomposes. Methane is 20 times more powerful as a greenhouse gas than carbon dioxide. This project will eliminate about 2,000 tons of methane per year. The annual reduction of greenhouse gases attributable to this project is approximately the same as the annual greenhouse gas emissions from 8,100 passenger vehicles, the carbon dioxide emissions from 98,500 barrels of oil consumed or the carbon sequestered annually by 9,000 acres of pine or fir forests. Not all of the methane produced at Bi-County will be converted to green power. Some of the gas will be burned off through a process called flaring.



*Landfill Director Pete Reed (holding child, center) prepares to cut the ribbon signaling the start-up of the renewable energy project at the Bi-County solid waste landfill in Woodlawn.*

Using landfill gas for energy helps the environment by reducing fossil fuel emissions, helps the economy by providing a stable source of alternative energy and benefits the community by improving local air quality.

At Bi-County, the gas will be collected at 21 wells. The gas is then sent to a treatment station or burned off at a flare station. Next, gas that is not burned goes to an engine where it is converted into power and turned over to CEMC.

The project was developed by Enerdyne Power Systems Inc. The Gas Control and Collection System, flare station and power plant were built by Advance One Development LLC.

CEMC was well represented at a ribbon-cutting at the facility on Aug. 22. Several managers and employees were present along with local, state and federal officials.

*Some of the 21 wells used for capturing the methane gas produced by decomposing solid waste. From here, the gas is either sent to a treatment station where it is prepared to be converted into electric power or burned off at a flare station.*





**Stay in school!** That's the underlying message of the "100% Graduation Project" in the Clarksville-Montgomery County School System. Cumberland Electric Membership Corporation is one of many corporate sponsors of the project, which is showing dramatic progress. The local graduation rate has improved from 78.5 percent in 2006 to 91 percent in 2010. Above, CEMC Energy Advisor Seth Roberts hands out wristbands to Montgomery Central High School freshmen as school Principal Christy Houston announces the students' names.

## October is food drive month

Once again this year, Cumberland Electric Membership Corporation is partnering with elementary schools throughout its service area in a month-long effort to restock the shelves of area food banks.

Elementary school children have demonstrated a remarkable — some might say tenacious — interest in collecting nonperishable food items in recent years. With the national economy still down, that's the kind of dedication it will take to collect enough food for all the people who need help.

Schools that have signed on as partners this year and the dates of their food drives include Pleasant View Elementary: Oct. 3-7; Ashland City Elementary: Oct. 3-7; Gateview Elementary: Oct. 17-31; Coopertown Elementary: Oct. 24-Nov. 4; Clyde Riggs Elementary: Oct. 8-28; and Cumberland Heights Elementary: Sept. 26-Oct. 5.

Another seven schools were working to confirm their schedules as this article was being prepared.

## CEMC to close for employee training

All Cumberland Electric Membership Corporation business offices will be closed on Thursday, Oct. 27. The purpose of the one-day closing is to allow CEMC employees to participate in required wellness training.



In the event of a power outage, crews will be available to respond to calls to our emergency telephone number: 800-987-2362.

We apologize for any inconvenience this may cause our members, and we look forward to serving you when our offices reopen on Friday, Oct. 28, at 7:30 a.m.

# Cooperative celebration

## 2012 designated International Year of Cooperatives

**E**lectric cooperatives and other members of the co-op family take center stage globally in 2012, designated the International Year of Cooperatives. The celebration begins in October when U.S. cooperatives traditionally celebrate National Cooperative Month.

The International Year of Cooperatives theme, “Cooperative Enterprises Build a Better World,” resonates with co-ops in the electric, banking, food, retail, housing and marketing arenas.

“We’re surrounded by a diverse mix of cooperatives,” states Glenn English, CEO of the National Rural Electric Cooperative Association (NRECA), the national service organization for more than 900 not-for-profit electric cooperatives and public power districts. “No matter what kind of co-op you belong to, two things are clear: We put people first, and we are innovators. By getting neighbors and communities to work together, co-op members build a better world.”

### What are co-ops?

Cooperatives are independent, local businesses owned by those they serve.

“We share a common set of principles and values like self-help and democracy,” explains English. “Each co-op exists to meet the needs of its members.”

According to the Washington, D.C.-based National Cooperative Business Association (NCBA), more than 29,200 cooperatives nationally employ 2 million Americans. One in every four Americans is a co-op member, but the scope of the cooperative network doesn’t stop at the border.

“Co-ops are a major economic force in industrialized countries and provide a powerful business model for developing nations,” notes Paul Hazen, NCBA president and CEO.

More than 1 billion co-op members exist worldwide, and co-ops generate 100 million jobs globally. Cooperatives strive for sustainable development of communities through member-driven policies, with co-op leaders elected by members.

“As a member, you have a voice in how your co-op operates. That keeps the co-op’s focus on you and how best to meet your needs,” notes English.

The innovative practices of co-ops provide consumer-focused solutions that can adapt quickly to change. Co-ops cooperate with each other to fashion programs that improve service. For example, food co-ops introduced food nutrition labels long before they were federally required in

1994. Credit unions fought the predatory practices of payday lenders by introducing salary advance loans that double as savings accounts.

Electric cooperatives are leading the way nationally in deploying technologies that enhance service reliability.

“You can find co-ops for all walks of life,” says English. “When people unite with a common goal, the co-op business model comes into play.”

### Lighting the world

Electric cooperatives like Cumberland Electric Membership Corporation are leaders, delivering power and light to 42 million consumers in 47 states covering more than 75 percent of the nation’s landmass. CEMC, founded by members of our community in 1938, serves 89,757 members in portions of Cheatham, Montgomery, Robertson, Stewart and

Sumner counties.

Not only does 2012 mark a global celebration of the cooperative business model, it also marks the 50th anniversary of NRECA International Programs. Working together, more than 300 U.S. electric cooperatives have delivered the benefits of safe and reliable electric service to more than 100 million people in 40-plus countries since November 1962.

In the U.S., co-ops helped electricity evolve from a luxury to an essential part of daily life. Yet more than 2 billion people around the globe still live without power — 64 million in Latin America, 500 million in Africa and more than 1 billion in Asia.

Learn more about how you can help electric co-ops build a better world at [www.NRECAFoundation.coop](http://www.NRECAFoundation.coop). For more information about co-ops, visit [www.go.coop](http://www.go.coop).

### Did You Know?

**Electric cooperatives own and operate more than 2.5 million miles of distribution lines. That’s enough line to circle the equator more than 100 times!**

