

Welcome to your hometown co-op

Our community has changed over the years. You may remember as a kid buying groceries and hardware at mom-and-pop stores — most are now long gone, driven out by national retailers.

It seems everything today has become a bit generic, focused more on profits than people. Yet it's nice to know we still have locally owned and controlled businesses we can count on — such as Cumberland Electric Membership Corporation.

By receiving electricity from the co-op, you're a member — an owner, really — of the business. You have a say in how the co-op is run. Your voice rings loud and clear every year at the CEMC annual meeting. That's where you join hundreds of other members to elect folks like you to represent your concerns on a daily basis.

They're members, just like you, and elected by you to form your board of directors. Your co-op is managed by farmers, bankers, business owners, etc., who live near you. They want what you want — affordable energy bills and the comfort of knowing lights will turn on when you flip a switch.

With those goals in mind, they work throughout the year to invest in our electric system and keep power reliable. They focus on educating

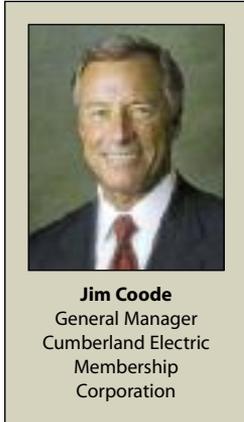
members on how to use energy efficiently. They talk to you in the grocery store and on the street, listening to your concerns and ideas.

The board's role is a simple one — directors look out for your interests because, quite frankly, they share them. They are elected to represent you at the co-op.

And the best part about our co-op is simple: Anyone can be a member. We're founded on a set of seven principles, including voluntary and open membership. Anyone who needs electricity within our service territory, regardless of race, religion, sex or economic

circumstances, can become an owner of this hometown co-op.

We're looking forward to seeing you the next time our community joins voices to guide the co-op. This year's annual meeting was a great experience, and no doubt next year's will be, too. I hope you will be a part of it as we recognize your ownership of CEMC.



Jim Coode
General Manager
Cumberland Electric
Membership
Corporation



Energy Efficiency

Tip of the Month

It may be time to replace your refrigerator. A fridge made before 1993 could cost more than \$100 each year to operate. A new Energy Star-qualified model could cut your related energy costs in half. In addition, newer models keep food fresher longer.

Source: U.S. Department of Energy

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
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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

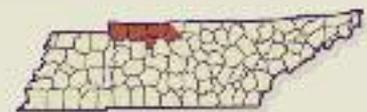
Springfield office
Larry Richardson, District Operations Supervisor

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.

Annual financial statement

Balance sheet shows CEMC is in strong financial condition

The following information was distributed to the membership of Cumberland Electric Membership Corporation at the cooperative's 2010 annual meeting in Portland. It is published here for the benefit of those members who were not in attendance.

Financial Report (For Fiscal Year ended June 30, 2010)

Total Operating Revenue	\$219,057,784.97
Cost of Power from the Tennessee Valley Authority	\$164,834,667.32
General Operating Cost (Including Payroll)	30,615,109.22
Depreciation	10,276,115.83
Total Operating Expenses	205,725,892.37
Other Deductions (Interest)	5,860,334.97
Total Expenses	\$211,586,227.34
Net Income from Operations	\$7,471,557.63
Other Income	748,422.69
Net Income	\$8,219,980.32

During the past fiscal year, we increased the value of our total assets by \$29,692,377.58. At the end of the year, CEMC serviced 7,610 miles of line and had 89,496 members.

Our Total Assets are:

Depreciated Plant	\$223,715,939.64
Other Property and Investments	2,457,114.98
Current and Accrued Assets	49,586,415.80
Deferred Debits	8,393,377.28
Total	\$284,152,847.70

Our total long-term debt is \$130,113,507.35. Of this total, we owe the Rural Utilities Service \$118,837,844.58 and Cooperative Finance Corporation \$11,275,662.77. We also owe TVA \$5,138,093.43 that has been advanced for heat pump loans.

Our Current and Accrued Liabilities are \$32,051,498.03. Members' Equity — or what you, the owners, have — is \$111,398,889.90.

The above statement was prepared in a condensed form from the TVA Annual Report for the fiscal year ended June 30, 2010. A copy of the annual audit report for the fiscal year is available upon request.

Student artwork graces 2011 calendar



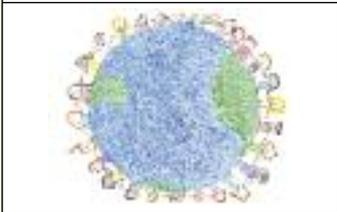
**January - Logan Morris,
Krisle Elementary**



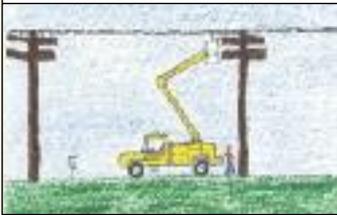
**February - Rayna Richardson,
Montgomery Central Elem.**



**March - Elijah Evetts,
Greenbrier Elementary**



**April - Hailey Krantz,
East Cheatham Elementary**



**May - Kyle Greene,
Cumberland Heights Elem.**



**June - Makenzie Roth,
Sycamore Middle**



The "cover shot" for CEMC's 2011 calendar was created by Nick Huddleston, a senior at White House Heritage High School.



**July - Marcella Marrier,
Greenbrier Middle**



**August - Samantha Naza-
renko, Stewart County Middle**



**September - Victoria Main-
hardt, Rossvie Middle**



**October - Isabella Bragg,
Stewart County High**



**November - Elizabeth Sensing,
Clarksville High**



**December - Amy Duncan,
Cheatham County Central High**

Pick up your free copy at all CEMC business offices Nov. 1

Recognizing student achievements is one of our proudest duties at Cumberland Electric Membership Corporation. That is why we take particular pride in presenting our 2011 wall calendar created entirely by student artists throughout the CEMC service area.

"It is really a pleasure not only to recognize the students for their talent but to celebrate the fact that they are willing to share their gifts with our members," says Barbara Harper, CEMC member services manager.

Students in grades K-11 are allowed to submit artwork for a particular month of the year. Senior students compete to see who will design the cover. All entries vie for first-place honors and the coveted "Best Overall" designation. This year's winner is Victoria Mainhardt, an eighth-grader at Rossvie Middle School. Victoria's design represents the month of September.

In appreciation for their work, CEMC awarded cash prizes to the winning artists. Students in kindergarten through fifth grade received \$25, sixth- through eighth-graders received \$50, ninth- through 12th-graders received \$75 and the top prize is \$100.

Honorable Mention recognition goes to Lindsey Chester, Sango Elementary; Kiefer Dyer, East Robertson Elementary; Ryan Childs, Richview Middle; Savannah Douglas, Clarksville High; Dylan Derossett, Cheatham County Central High; and Jamison Bagwell, Clarksville High.

"We want to thank everyone who participated in this year's calendar art contest and especially the teachers who encouraged their students to submit entries," Harper says.

CEMC members are invited to pick up a free copy of the calendar at their local district business offices.

Food drive kicks off Cooperative Month

October is Cooperative Month, and what better way to demonstrate the cooperative principle “Concern for Community” than by feeding the hungry?

Collecting groceries for area food banks has become a tradition at Cumberland Electric Membership Corporation. Each fall, CEMC employees join with members and their children to collect thousands of cans, bags and boxes of nonperishable foods, which are then distributed to needy families/individuals through local food banks and churches.

As in the past couple of years, elementary schools throughout CEMC’s five-county service area are the primary drop-off points for food donations.

“This year’s food drive will take place from Oct. 18 through Oct. 29,” says Barbara Harper, CEMC member services manager. “CEMC employees will visit the schools during



Children from Pleasant View Elementary School were enthusiastic participants in last year’s CEMC food drive.

the first week in November to pick up the donations and deliver them to the various distribution agencies.”

Participating agencies include Urban Ministries (Clarksville), The Bethesda Center (Ashland City), Good Samaritans (Dover), Hendersonville Samaritan Association, Portland Cares, White House HOPE Center, Robertson County Food Bank and United Ministries (Springfield.)

At the same time children are bringing food items to their schools, CEMC employees and members are encouraged to bring items to their local district offices.

“With the economy the way it is and many people still looking for work, plus the lingering effects of the May flood, the need is definitely there,” Harper says. “We’re hopeful that everyone will get behind this relief effort and make this the most successful food drive we’ve ever had!”

Graduation from high school leads to success



Ninth-graders at Montgomery Central High School are encouraged to stay in school until they graduate. It’s part of the Clarksville-Montgomery County School System’s “100% Graduation” campaign. Local businesses, such as Cumberland Electric Membership Corporation, attend a ceremony at the beginning of the school year to show support for the program and the students. At left, CEMC’s Stephanie Lobdell greets incoming freshmen at MCHS.

Time is running out for claiming energy efficiency tax credits

By Magen Howard

Only three months remain to tackle home improvement projects if you want to take advantage of energy efficiency tax credits authorized under the federal stimulus bill. Measures that qualify include replacing windows, doors or roofs with materials that reduce your home's heat loss or gain; adding insulation; replacing certain air conditioners; and installing air-source heat pumps, hot-water boilers and biomass stoves.

"We want to make sure our members know about these tax credits and can take advantage of them before they expire on Dec. 31, 2010," stresses Jim Coode, Cumberland Electric Membership Corporation general manager. "This is an incredible opportunity for folks to invest in residential energy efficiency and see energy bill savings right away."

You can recover 30 percent — up to \$1,500 — of costs associated with buying and installing heating, ventilation and air-conditioning systems and biomass stoves. Installation costs are not covered for windows, doors, roofing and insulation.

Energy Star, a joint program of the U.S. Department of Energy (DOE) and the U.S. Environmental Protection Agency, provides guidelines on what qualifies for the tax credit at www.energystar.gov/taxcredits. Tax credits are especially beneficial as they directly reduce, dollar for dollar, any taxes you owe.

"These are tough times, and we know it's important for our members to keep their monthly electric bills as low as possible," explains Coode. "Making home energy efficiency upgrades offers a great way to save energy and money, and these tax credits can help make that a reality."

If you're interested in renewable energy, the government also offers a renewable energy tax credit that expires Dec. 31, 2016. That credit covers 30 percent of the costs of materials and installation for solar panels, solar water heaters and geothermal heat pumps, for both new and existing homes. But check with CEMC for advice on what system makes sense for your home.

Be sure to keep your receipts and your Manufacturer's Certification Statement (a signed statement from the manufacturer certifying that the product or component qualifies for the tax credit) for your records. Then claim the credit on your 2010 taxes using IRS Form 5695.

Some electric cooperatives and state government offices offer additional subsidies or rebates to consumers who want to make their homes more energy efficient. For a list of state and local energy efficiency assistance available, visit the Database for State Incentives for Renewables & Efficiency, a project funded by DOE, at www.dsireusa.org.

Sources: Energy Star, Database for State Incentives for Renewables and Efficiency

Magen Howard writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association, the Arlington, Va.-based service arm of the nation's 900-plus consumer-owned, not-for-profit electric cooperatives. Megan McKoy-Noe contributed to this article.

Time's Running Out to Heat and Cool Your Home More Efficiently with Federal Tax Credits

Heating and cooling accounts for almost half of your home's energy bill. Until **Dec. 31, 2010**, there are federal incentives to help you make energy efficiency improvements to lower this expense. Receive a tax credit for 30 percent of the cost of materials and installation for qualifying improvements—up to \$1,500 over 2009 and 2010 for most upgrades. Guidelines are at www.energystar.gov/taxcredits. Here are a few examples of what qualifies:



Saving with the
STIMULUS

Heating, Ventilating, and Air Conditioning (HVAC)	
Central Air Conditioning	For split systems, must have an energy efficiency ratio (EER) greater than or equal to 13 and a Seasonal EER greater than or equal to 16. For package systems, must have an EER greater than or equal to 12 and a SEER greater than or equal to 14.
Air-Source Heat Pump	For split systems, must have a Heating Seasonal Performance Factor (HSPF) greater than or equal to 8.5, an EER greater than or equal to 12.5, and a SEER greater than or equal to 15. For package systems, must have a HSPF greater than or equal to 8, an EER greater than or equal to 12, and a SEER greater than or equal to 14.
Geothermal Heat Pump	All ENERGY STAR geothermal heat pumps qualify for a tax credit. Unlike other HVAC systems, there is no limit to the tax credit amount for geothermal heat pumps and the credit may be used longer ; the pump must be placed into service before Dec. 31, 2016.
Advanced Main Air Circulating Fan	No more than 2 percent of furnace total energy use.

For tax purposes, the Manufacturer's Certification Statement and receipt are generally required. Use IRS Form 5695 to claim the credit.

 Source: ENERGY STAR, a joint program of the U.S. Department of Energy and U.S. Environmental Protection Agency. For details visit www.energystar.gov.