

Cumberland Electric Membership Corporation

CEMC Management and Staff

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Lynne Wilson,
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Kenny Davis,
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 Co., President

Wesley H. Aymett,
Cheatham Co., Vice President

Shela K. Williams,
At Large, Secretary-Treasurer

Jerry T. Peacher, Stewart Co.,
Assistant Secretary-Treasurer

Jeannie Beauchamp, Robertson Co.

Stephen E. Douglass, Stewart Co.

Michael A. Mason, Robertson Co.

C. David Morgan, Montgomery Co.

Carrol O. Poole, Montgomery Co.

Tommy G. Whittaker, 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

Celebrating the cooperative difference

Every October since 1930, not-for-profit cooperatives of all types have celebrated Cooperative Month.

During this time co-ops are recognized for the qualities that make the business model unique: local democratic control, commitment to supporting the communities they serve and improving quality of life.

For starters, electric co-ops are owned by those they serve. That's why those who receive electric service from us are called members, not customers. Our members are the real power in the communities we serve. Without members, there would be no Cumberland Electric Membership Corporation.

Because you and the other members maintain democratic control of our co-op, each year at our annual meeting you elect fellow members to represent you on the board of directors. CEMC's board is composed of farmers, bankers, business owners, etc., who live in your com-

munity and share your desire to receive reliable, affordable and safe electricity.

One principle that sets us apart from

other businesses is our concern for community. As a cooperative, we have a special responsibility to support the areas in which our members live and work. From sponsoring a local school's baseball team to collecting food and clothing for those in need, we stand as a driving force in our community.

Of course, co-ops span all industries, including credit unions, dairy operations,

health care, housing and much more.

There are more than 29,000 co-ops across the nation. And not all are small or rural. Just look at nationally known co-ops like Sunkist, Ace Hardware and Land O' Lakes.

Overall, co-ops are more accessible than other types of businesses. We give our members a voice, and we are local — living and working alongside those we serve.

That's the cooperative difference.



Jim Coode,
General Manager,
Cumberland Electric
Membership
Corporation



Energy Efficiency

Tip of the Month

Two degrees can make a big difference on your electric bill. Setting your thermostat 2 degrees higher in summer and lower in the winter results in major energy savings.

Investing in a programmable thermostat that automatically lowers and raises your home's temperature can save even more. Set it and forget it! Find more ways to save at TogetherWeSave.com.

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. 29 in White House. It is published here for the benefit of those members who were not in attendance.

Financial Report

(for fiscal year ended June 30, 2012)

Total Operating Revenue	\$235,005,836.94
Cost of Power from the Tennessee Valley Authority	\$176,669,482.79
General Operating Cost (including payroll)	\$36,359,406.58
Depreciation	\$11,707,141.65
Total Operating Expenses	\$224,736,031.02
Other Deductions (interest)	\$5,801,541.66
Total Expenses	\$230,537,572.68
Net Income from Operations	\$4,468,264.26
Other Income	\$1,004,845.50
Net Income	\$5,473,109.76

During the past fiscal year, we increased the value of our total assets by \$31,846,101.07. At the end of the year, CEMC serviced 7,656 miles of line and had 90,221 members.

Our total assets are:

Plant (less depreciation)	\$242,340,285.35
Other Property and Investments	\$33,632,363.12
Current and Accrued Assets	\$29,712,746.63
Deferred Debits	\$9,268,640.93
Total	\$314,954,036.03

Our total long-term debt is \$141,182,520.34. Of this total, we owe the Rural Utilities Service \$123,601,846.83, Co-operative Finance Corporation \$9,901,568.21 and CoBank \$7,679,105.30. We also owe the Tennessee Valley Authority \$6,332,958.30 that has been advanced for heat pump loans.

Our Current and Accrued Liabilities are \$29,262,042.27. Members' Equity — or what you, the owners, have — is \$130,011,746.25.

The above statement was prepared in a condensed form from the TVA Annual Report for the fiscal year ended June 30, 2012. A copy of the annual audit report for the fiscal year is available upon request.

SmartHub introduced

By Bruce Anderson, CEMC information systems specialist

Since 2002, Cumberland Electric Membership Corporation's members have been able to pay their bills online. Ten years later, members want to do more online than just pay their bills. They want to see their daily use, view an image of their bill and update their contact information, too. With the release of SmartHub, CEMC members will be able to do all of this quickly and easily.

At CEMC's 74th Annual Member Meeting, it was announced that SmartHub will replace the current online bill payment system, known as E-Bill. In SmartHub, members will be able to:

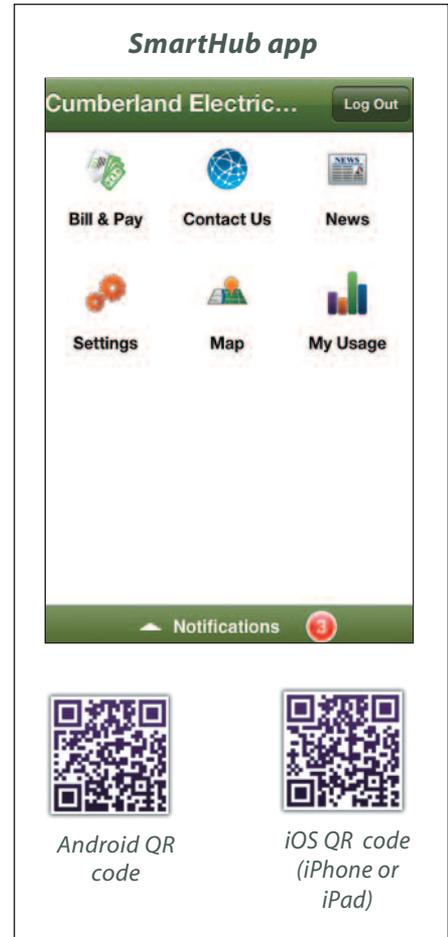
- Pay their bills online
- Sign up for recurring credit card payments
- View an image of their bill
- See more detailed prepaid information
- View billing history
- Start a chat session
- Update contact information
- View daily use
- Sign up for email, text and mobile notifications

For the first time, members will be able to accomplish all of this on the go through a smartphone or tablet. The SmartHub app is available free in the iTunes App Store or the Google Play Store. Download the SmartHub app and then search for Cumberland Electric Membership Corporation. Members must have signed up for an online account before gaining access to the SmartHub app.

"We are always looking for ways to improve customer service and upgrade our current system," said Jeff Bryant, supervisor of general accounting and information systems. "SmartHub accomplishes both, and that was our main goal. We hope everyone likes the new look and the added features."

According to Bryant, the new communication options and the mobile apps are some of SmartHub's best features.

SmartHub is available now by visiting our website, www.cemc.org, and clicking on My Account or by scanning the appropriate QR code at right to download the app.



Beware of utility scam

Cumberland Electric Membership Corporation wants to alert its members of a scam in which customers of various utility companies across the country are being told that their bills will be paid by the federal government under a grant authorized by President Barack Obama. There are various versions, but all have one thing in common: They are all scams.

The following tips from the Better Business Bureau will help you avoid becoming a victim of this scam:

- Never provide your Social Security number, credit card number or banking information to anyone who calls you, regardless of whom they claim to be representing.
- If you receive a call claiming to be your utility company and feel pressured for immediate payment or personal information, hang up the phone and call the customer service number on your utility bill.
- Never allow anyone into your home to check electrical wiring or appliances unless you have scheduled an appointment or have reported a utility problem. Also, ask utility employees for proper identification.
- Always think safety first. Do not give in to high-pressure tactics over the phone for information or in person to gain access to your home.

Annual food drive kicks off Cooperative Month

Concern for Community is one of the guiding principles by which Cumberland Electric Membership Corporation operates. What better way to illustrate the cooperative spirit than by providing food for the hungry?

Each October, CEMC employees join forces with members and local elementary school children to collect nonperishable food items that are distributed to those in need through local food banks.

“The kids really enjoy participating in the food drive, and it gives them a sense of pride to know they have been able to help those less fortunate,”

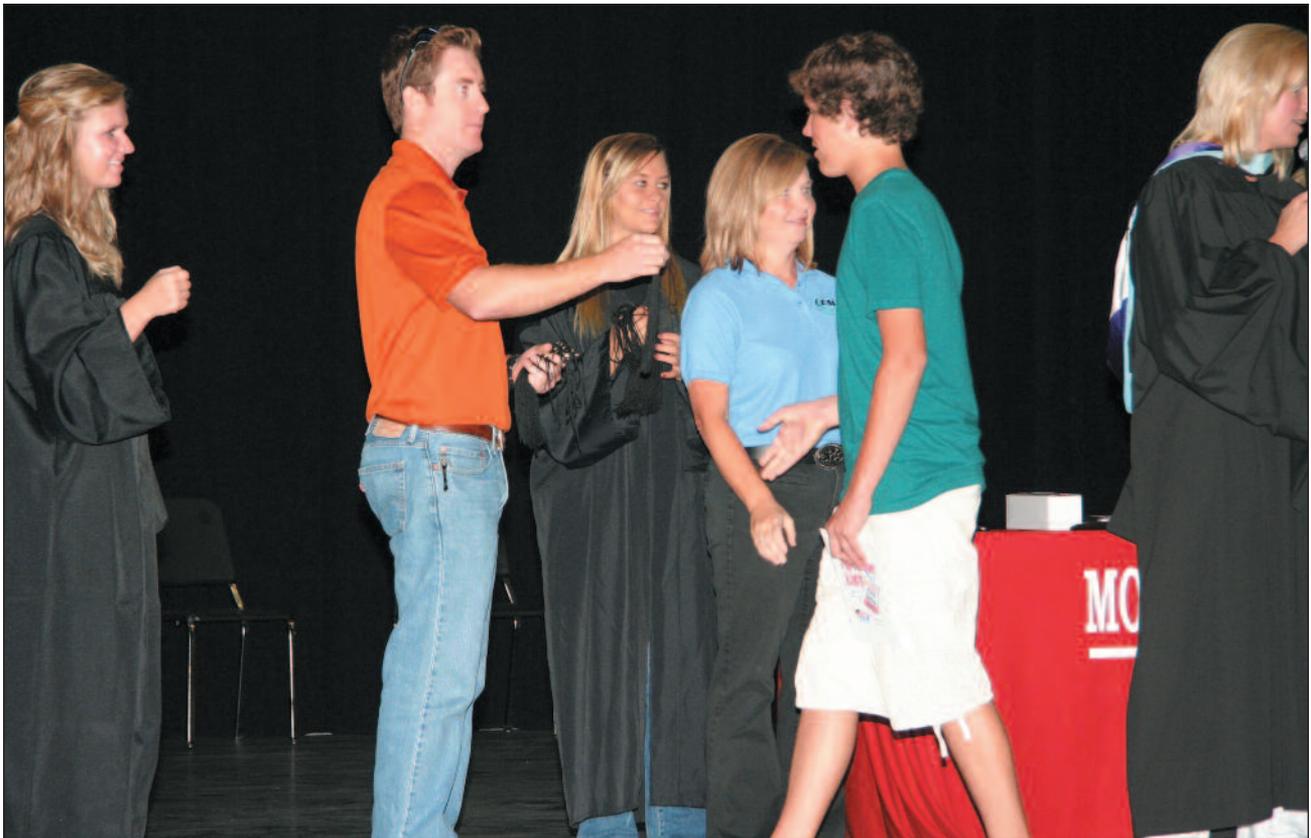


Pleasant View Elementary students and CEMC employees eagerly show off the fruits of their labor during last year's food drive.

says Barbara Harper, CEMC member services manager.

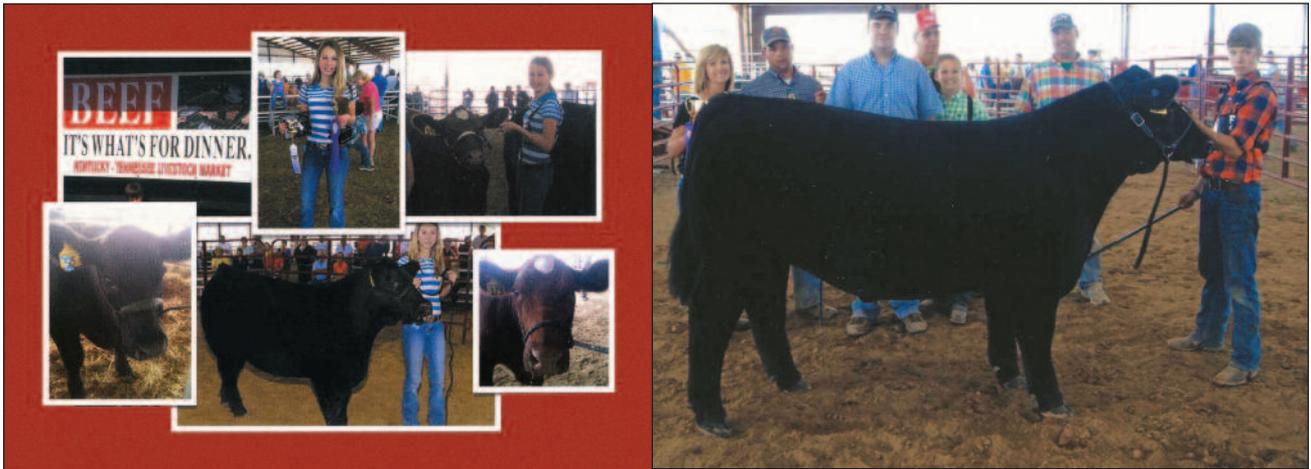
Cumberland Heights Elementary, Sango Elementary, Pleasant View Elementary, Portland Gateview Elementary, North Stewart Elementary, Watt Hardison Elementary and Clyde Riggs Elementary have already committed to participate in this year's food drive, and several others are expected to join them.

In addition to the individual food drives taking place in the schools, CEMC employees will be participating in a company-wide food drive of their own throughout the month of October.



Cumberland Electric Membership Corporation is proud to support the 100% Graduation Project in the Clarksville-Montgomery County School System. CEMC is one of many corporate sponsors of the project, which stresses the importance of staying in school and graduating. The project's success is evident given that local graduation rates have risen from 78.5 percent in 2006 to 93.5 percent in 2011. On Aug. 6, CEMC Public Relations Coordinator Stephanie Lobdell and Energy Consultant Seth Roberts participated in a mock graduation for incoming freshmen at Montgomery Central High School. Above, Lobdell, in blue shirt, welcomes students, and Roberts hands each a tassel as Principal Christy Houston, far right, announces the students' names.

CEMC cares for communities



THERE'S THE BEEF – Cumberland Electric Membership Corporation was a proud sponsor of the 2012 Clarksville Area Better Beef Show and Sale. Above are participants Clarie Barnett, left, and Peyton Hix, right, with their prize steers.



Robertson County 4-H students were treated to an electrical safety demonstration by Chad Corlew, CEMC energy programs inspector, left, and Seth Roberts, CEMC energy consultant, right, during the July 17 Energy Camp. The demonstration illustrates the dangers of coming in contact with high-voltage power lines in situations such as downed power lines, digging into underground lines and flying kites and climbing trees around power lines. At right, Allen Powell, Springfield District engineer, center, and lineman Lon Roach, right, demonstrate the use of safety equipment when working around electricity.

