Three thousand miles. That’s about the distance it would take to travel from Miami, Florida, to Seattle, Washington. It’s also the amount of electric line that Wiregrass Electric Cooperative powers and maintains each day. Those thousands of miles of wire power our homes, businesses, churches, grocery stores and more.

This year marks our 75th anniversary. Anniversaries provide great opportunities to think about where we began, and to consider just how much hard work and energy it took to bring us to where we are today. Seventy-five years ago, the people of this region lived very different lives than we do today. People chopped wood continuously for the ability to heat their homes and cook their food. There were root cellars and daily milk deliveries in place of refrigerators and freezers.

Sure, there was electricity in the big cities. People around here knew there were a lot of conveniences available away from the rural landscape. But, they loved this region, and, instead of moving, they decided to bring electricity to the place they loved.

No regular, for-profit company would have even considered it. In the larger cities, there were plenty of meters for every mile of electric line strung. Here, things were different. There could be miles between homes and no shareholder profit to be had from stringing electric lines in such a sparse area.

That’s why this community formed Wiregrass Electric Cooperative. People came together and resolved to do the hard work, whatever it took, to bring electricity to their homes and farms.

Since then, electricity has flowed through the Wiregrass, powering homes, farms, small business and industries. Electricity has powered the progress. Today, we can’t imagine our lives without the power of electricity. We owe a great deal of thanks to those founders who helped make our modern way of life possible.

And they did it in the cooperative way. Cooperatives are a special kind of company that provide service for their communities as not-for-profit entities. While some electric companies make a large profit, we operate at cost.

As a cooperative, we have members, not customers. We charge our members the costs of building and maintaining an electric distribution system — the poles, wires, substations and more — and the cost of purchasing electricity from our wholesale energy provider.
Our members also elect the board of trustees and vote each year on any bylaw changes that need to be made. That’s why you receive this packet in the mail each year with a ballot: because you’re not just a customer; you’re a part owner in a 75-year legacy of people coming together and deciding what’s best for their cooperative.

Our mission at WEC is the same now as it was when we were founded: to bring affordable, reliable electricity to our members. In the pages of this report, you will read about how your cooperative is carrying out that mission by upgrading poles and keeping right-of-way clear; by using technology to recover from outages faster and more efficiently; by offering new programs to help our members use less electricity; and by partnering with different organizations to help those in need.

We hope that as you read the pages of this report, you’re proud of all that your cooperative has accomplished over the past 75 years. We also hope you’re excited about what amazing things we can accomplish in the next 75.

Les Moreland, CEO

www.wiregrass.coop/managment

Go further with the 75th Anniversary Annual Report Online

There is so much we wanted to share with you in this year’s Annual Report that we couldn’t fit it all into these pages. Thanks to technology, we don’t have to! We are able to use our website, YouTube channel, Facebook page and more to help showcase all the different things your cooperative has accomplished this year.

Each section of this publication will have a combination of a website address you can visit in your browser as well as a QR code you can scan to watch movies, see photos and more.

If you’ve never used a QR code (short for Quick Response code), it’s easy to get started. You can find several free QR code readers in the iOS App Store or Android Market. Once you’ve installed a reader, open the app and hold it up to the QR code you wish to view. The app will scan the QR code then display the website, photo gallery or video.

No smartphone? No problem! All the extra features can be found on our website, including an interactive online version of this report. Just visit:

www.wiregrass.coop/2014annualreport

Scan To Watch
Economic Development

This video explores the vital role Wiregrass Electric Cooperative plays in the economic viability of the Wiregrass region.

WEC members help make Christmas better for seniors

In December, Wiregrass Electric Cooperative formed a partnership with the Southern Alabama Regional Council On Aging (SARCOA) in order to help gather items for local seniors in need. The response was tremendous. Thanks to the generosity of WEC members, Christmas was a much happier and warmer time for many of the most vulnerable in our community.

Les Moreland, CEO

www.wiregrass.coop/managment

Your Board of Trustees

Seated, left to right:
Donald Ray Wilks - District 7
Debra E. Baxley, Secretary - District 1
Donna Parrish - District 2
Nolan Laird - District 9

Standing, left to right:
Danny McNeil, Vice President - District 4
Tracy Reeder - District 5
Greg McCullough - District 8
Kip Justice, President - District 6
John Clark, Jr. - District 3
When you think of your electric cooperative, you probably think of a lineman and a bucket truck. That’s because the WEC Service and Operations crews are some of the most visible of all our employees. When a storm hits, it’s the linemen we see working to restring wires and upright poles.

Today’s linemen work differently than 75 years ago, but their goal remains the same: get the lights on and keep them on, no matter what. “When electric cooperatives first started,” says Les Moreland, CEO of Wiregrass Electric, “if the power went out, it was not unusual to mail a card in, and a few days later a serviceman would come out and fix the problem. If the lights were back on in a week, you were doing pretty well.”

Response is much faster today. With modern equipment such as advanced dispatch and monitoring systems, power restoration can occur almost instantly, and rarely takes longer than a few hours. “Things were a lot different, even when I started 26 years ago,” says Joey Brown, manager of operations. “The changes we’ve made allow us to work faster and safer.”

Doing a Hazardous Job, Safely

By definition, the lineman works in a hazardous environment. But, thanks to WEC’s commitment to safety for its employees, it doesn’t have to be a dangerous job. By August, the cooperative employees had logged almost 450,000 hours without a single lost-time accident. This marked the fourth year in a row they had finished accident-free.

“The culture of safety is at the front of everything we do, and we do nothing without ‘being safe’ on the top of the list,” says Brown. “Line crews at WEC have the best equipment available to do our job safely. Standards like wearing rubber sleeves and following life-saving protocols keep our workers safe.”

Those standards are also constantly being updated. WEC has regular safety meetings for both indoor and outdoor employees.

“Safety involves every single employee, every single day,” says Jason Grooms, journeyman lineman. “We have the technology, equipment and training to stay 100 percent safe and make it home to our families every night.”
Starting a new tradition: Alabama Lineman Appreciation Day

On June 2, WEC celebrated the first Alabama Lineman Appreciation Day by hosting a fish-fry luncheon for linemen and their families.

In this year’s session of the Alabama Legislature, both houses designated the first Monday in June each year as a time to honor linemen. The joint resolution, HJR 244, was presented to WEC at the reception by our local Wiregrass area’s State Representatives Paul Lee and Donnie Chesteen (shown above with Bill Cobb). Cobb, a lineman for 40 years, also addressed the crowd. “It means a lot to have this recognition,” said Cobb. “I’m very thankful for all the employees at WEC — not just the linemen. We couldn’t do our job if everyone else wasn’t doing theirs. We’re a family.”

Creating reliability through planning

Since its founding, WEC has taken an active role in helping the Wiregrass region grow by providing reliable, affordable energy. To make sure we continue to fulfill that mission, we follow a four-year work plan designed to prepare for future growth before it happens.

“Through our work plan,” says Jason Thrash, director of engineering and operations, “we know where we need to build new infrastructure to meet the needs of our members. We are also able to see where lines need upgrading or changing.

“The plan also allows us to create some redundancy in our power grid,” says Thrash. “Part of our work plan includes the building of ‘tie-lines’ and loop feeds. If a neighborhood is served by a single line of wire, there’s not a lot we can do immediately if the power goes out. We have to fix the wire. If that same neighborhood has a loop feed, however, we can sometimes very quickly reroute the power by utilizing our SCADA system.”

Helping in the wake of winter storm PAX

In mid-February, Winter Storm Pax put more than 200,000 homes out of power across Georgia with heavy snow and ice. WEC crews were there within hours to help restore power.

WEC sent two construction crews, a service crew, three bucket trucks, two digger derrick trucks and two 4-wheel drive crew cab heavy-duty pickup trucks to Southern River Energy in central Georgia to help restore power.

After spending a few days at Southern River, the WEC crews were given the option to either come home or go to another cooperative to help. They packed up and headed to Washington EMC in Sandersville, Georgia, where they spent more time helping restore power.

Keeping the lines safe

Maintaining more than 3,000 miles of line requires diligence. Dead trees and overgrown vegetation can break poles and snap power lines — especially during a storm.

To prevent such damage, Wiregrass Electric Cooperative has a system for keeping the power lines clear from any danger. By removing tree limbs and controlling undergrowth, we lessen the chance of damage to our power lines caused by falling limbs and brush fires. This is an important part of providing reliable service to our members.

Before 2014, WEC had divided its service territory into six sections and tackled one per year. “That system improved our reliability,” says Tim Granger, right-of-way coordinator. “But starting this year, we’ve switched to an even more aggressive four-year cycle.”

With a six-year cycle, a separate crew had to constantly backtrack and cover certain areas that needed urgent upkeep. “With this new program, we won’t need a half-cycle crew, and we can all focus on the same task. That makes our crews more efficient and helps our members by reducing outages.”
Much has changed over the past 75 years, but one thing has remained constant: Wiregrass Electric Cooperative’s dedication to providing world-class service to every one of its members.

Every employee plays a role in meeting this goal — from a lineman restoring power after a storm to an engineer planning where next year’s power lines should be built. But the Member Services department works directly with the member each and every day. They advocate and care for the members they serve every day.

**GETTING RESULTS**

Every two years, WEC surveys random members to find out how our members perceive their cooperative. This year, more than 90 percent of all members surveyed said they were satisfied with WEC’s service. Also, more than 90 percent said the cooperative provided responsive, quality customer service and had friendly and courteous employees.

“These results reflect an attitude of service from every cooperative employee,” says Brad Kimbro, chief operating officer. “Member satisfaction comes down to every employee putting the member first. Our member services representatives are often the face of that effort. They meet our members at the counter or on the phone and convey that we are a professional, dedicated group that wants to help solve whatever problem we can. These results show we’re doing a great job of that, and I think all our employees should be proud.”

**HERE WHEN YOU CALL**

A generation ago, WEC would publish the names and phone numbers of their servicemen and what regions they lived in. If the power went out after hours, you called one of them at their house and explained the situation. Things could quickly get hectic if an outage affected even one neighborhood.

Today, WEC can answer the phone 24 hours a day, 7 days a week. This is possible because of a partnership formed in 2011 with Cooperative Response Center, Inc. (CRC). This cooperatively owned service company operates every hour of every day. Even when WEC employees go home to their families,
this partnership ensures that someone familiar with our operation is there to answer your calls.

WEC also employs an Outage Management System. No matter how many members call during an outage, the OMS is able to respond to each, and can use their member information to help dispatchers locate where the problem is. Even more, we can know where you’re calling from instantly. “The OMS is great for our members,” says Deanna Albritton, member services coordinator at WEC. “Our members know that their call is important and that we are working on the problem.

In the past 75 years, one of the biggest single things that has helped our members is our InControl prepay program,” says Kimbro. To date, more than 1,700 members have joined WEC’s InControl prepay program, which does away with traditional billing by allowing members to purchase electricity before they use it.

This technology was made possible by the conversion to AMI (Advanced Metering Infrastructure) in 2007. “This change opened the door for so many services to our members,” says Les Moreland, CEO. “But, prepay is one of the most important.”

Members who have enrolled in InControl are able to instantly view their accounts and make deposits through WEC’s smartphone app, on the website, in a WEC office or by phone.

“The InControl prepay program is a win-win for our members,” says Kimbro. “The individual member wins because they’re often able to utilize their security deposit immediately to purchase electricity. The cooperative wins because we have basically eliminated any risk of not being paid for electricity we’ve already purchased wholesale. That is a savings we can pass on to all of our members.”

How we stay in touch

Our goal is for every member of WEC to be informed about the direction (where we are going) and activities (what we are doing) of the cooperative, as well as the services we offer, the roles we play in our communities and important energy issues impacting the cooperative and its members. That’s why we have developed a communication plan that involves both print and digital media, as well as apps and more.

Alabama Living - Each month, we produce several pages of material that not only highlight cooperative and industry news, but also feature stories from around the Wiregrass. This magazine is our place for in-depth explanations about larger topics such as energy production, creating an energy-efficient home and more.

My Hometown Power - Every member of WEC receives our monthly newsletter, My Hometown Power. For most, it’s in your electric bill that comes each month. For our InControl prepay or e-bill members, you receive it in your email inbox. This is a single-page insert that helps us communicate important events or dates in the life of your cooperative. Be sure to read this every month so you can stay informed!

wiregrass.coop - We consider our website to be a 24/7 office for the cooperative. Members can pay their bill, sign up or disconnect service, view their energy usage in almost real time and more. At our Outage Central page, members can see live maps of any outages currently happening. This year, our website was recognized as best in its class with a national award from the National Rural Electric Association.

Social Media - For up-to-the-minute news and updates, members should be sure to like WEC on Facebook (www.facebook.com/wiregrasselectric) and follow on Twitter (www.twitter.com/wec2).

Scan To Watch Serving Our Members
This video highlights the many programs Wiregrass Electric has put into place to provide better, faster more convenient service to our members.
Today’s electric distribution system isn’t just poles and wires. It is a complex network of mechanical and electronic equipment, monitored 24/7 by sensors and computer software. It is the job of the engineering department to design and constantly improve this ever-expanding network.

“We are doing things today I couldn’t have imagined even ten years ago,” says Larry Galloway, service manager. “New technologies have changed the way this cooperative operates on many different levels.”

“Proactive, not reactive”

“The biggest change that I have seen,” says Galloway, “is the automated meter system and the valuable information it’s given us.” WEC was one of the first cooperatives in the nation to switch to automated meters in 2007.

“The metering technology gives us opportunity to see when an outage occurs and to respond in a very timely fashion,” says Galloway. “Much faster than before.”

But the real power of the automated meter has been to help stop outages before they even occur. “Now we can run what we call blink reports,” says Jason Thrash, director of engineering and operations. “These reports help us see problems before they turn into major outages. We can see if a transformer is having problems or if voltage on a certain line is too high or too low. A lot of our work has gone from being reactive, where we were waiting for things to happen, to being proactive, where we are actively seeking out potential problems.”

“Responding faster”

Not all problems can be stopped before they happen. When the power does go out, WEC has made strides in the way it responds using advanced technology. “If I had to go back to the way we used to do distribution before our Outage Management System, I’d probably retire,” says Galloway, jokingly.

Before WEC adopted its OMS and Interactive Voice Response (IVR) technology, member calls were handled one at a time by whoever was on call. All the while, the on-call person also had to
coordinate with the service crew in the field trying to repair the problem. “One time during a substation outage,” says Galloway, “the phone receiver did not leave my ear from 10 p.m. until 4 a.m. the next morning. Things today are much different, and that’s a great thing for our members.”

The OMS helps dispatchers communicate with our service crews to know exactly how and where to respond. “Combined with our Supervisory Control and Data Acquisition (SCADA) system,” says Thrash, “we now have the information we need in order to know very quickly what components have failed.”

The OMS can make accurate predictions about what equipment has failed based on where calling members are located. “It cuts out a lot of guesswork,” says Galloway.

“And because we have GPS installed in all our vehicles, we can instantly know which serviceman is closest to the problem. We tell them what to enter into their GPS, and suddenly they have turn-by-turn directions to the equipment. All of this leads to quicker response time.”

Because of the SCADA system, which allows remote control of various substation components from the WEC office, outages are sometimes fixed without even having to roll a truck. “It’s amazing when you think about it,” says Thrash. “I’m sure no one 75 years ago could have imagined that. And, I’m sure we can’t imagine what they’ll be doing in another 75 years. But I know WEC will be at the forefront, using technology to serve our members.”

Members help WEC ‘beat the peak’ this January:

At 6:45 a.m. on January 7, with temperatures across the Wiregrass in the single digits, WEC experienced the greatest demand for energy in its 75-year history. However, thanks to the efforts of Wiregrass Electric Cooperative members, the demand was actually less than it could have been.

Usage was reduced thanks to a “Peak Alert” mini-campaign employed by WEC over the Internet, television and social media. The campaign called on members to save money and energy by following a few simple guidelines. Guidelines included tips such as setting thermostats to 68 degrees from 6 a.m. to 8 a.m., taking showers the night before to avoid heating water in morning peak hours, running dishwashers and washing machines during off-peak hours, and limiting the use of TVs, gaming consoles, computers and unnecessary lighting during these peak hours.

“I think our members heard our pleas, and they did a great job of helping keep our peak as low as possible,” says Thrash. “By helping their cooperative, they are really helping everyone keep the cost of electricity as low as possible.”

Who is PowerSouth?

If you’re a WEC member, your ability to cook dinner or watch TV begins with PowerSouth Energy Cooperative. Before you ever flip a switch to light your nights, the generation facilities owned and operated by PowerSouth do the complicated work of converting natural resources such as coal or natural gas into electricity. PowerSouth then transmits that electricity to the distribution companies which own PowerSouth. This includes WEC. PowerSouth is a cooperative, just like WEC, and that means it is owned by its members.

PowerSouth also provides a larger voice on energy policy coming out of Washington, D.C., that impacts the cost of energy in rural America.

They also help us with energy efficiency programs and economic development activities for our area. WEC could not offer so many programs without the support of the dedicated professionals at PowerSouth Energy.
The energy services department is the newest department of Wiregrass Electric Cooperative. It was formed in 2010 to help members improve their homes or businesses by helping them use less energy.

“WEC believes in partnering with members to help make their homes more efficient,” says Jessie Ingram, manager of the energy services department. “When a homeowner on our system improves the energy efficiency of their home, it accomplishes several important things. It reduces the amount of electricity being wasted. It saves the homeowner money on their power bill, and it helps WEC control its peak demand for electricity.”

WEC offers a comprehensive program to help members identify inefficiencies in their homes, find a trusted contractor and pay for the needed repairs. It all starts with an energy audit, in which WEC sends an energy expert to a member’s home to look for potential problems.

Most problems found during an energy audit do not require any specialized knowledge to fix. But for larger jobs, WEC maintains a list of certified contractors who can be trusted. If a contractor or large expense is required, WEC can help a member find financing through its Energy Efficient Loan Program, or by giving a substantial rebate on the purchase of a new heat pump.

“We’ve seen the continued growth of these programs over the past year,” says Brad Kimbro, COO. “We are proud to offer these innovative programs that help so many people. Our members can now come to us with a high bill complaint, and we can offer them a complete solution to the problem — including finding the money to pay for it.”

We know that by working together, we can achieve great things for the Wiregrass. That’s why in 2011, WEC partnered with Habitat for Humanity to help make cost-effective repairs to the homes in our community that need it most. This year, the project continued with great success.

“Thanks to our partnership with Habitat,” says Kimbro, “we’re able to stretch every dollar spent towards making a home more energy efficient. So, instead of an agency assisting a member in need by paying one month’s electric bill, Habitat is able to fix the
problem at its source — their home."

Last year, the Alabama Department of Economic and Community Affairs (ADECA) became another partner in this innovative program by presenting a $50,000 grant at an event held at our headquarters in Hartford. This year, that money has gone toward repairing more homes. “The cooperative wants to see energy used efficiently,” says Kimbro. “ADECA and Habitat want to see homes repaired. We have been able to marry those interests, and it’s improving lives.”

Energy saved through these repairs benefits every member of the cooperative. “Energy conservation is the challenge of our time,” says Kimbro. “For every penny we don’t have to spend on purchasing energy, all our members save money. And, taking a step back to look at the larger picture, that’s energy that doesn’t have to be produced. The less energy demand we have, the longer it will be until a new generation facility has to be built.”

ENERGY SAVING TREES

In April, WEC became the first electric cooperative in the nation to join the Arbor Day Foundation in its novel program that helps electric utilities distribute trees, free of charge, along with the know-how to turn saplings into major energy savings.

Sometimes, the best solutions are the simplest. “Our great-grandparents knew how to plant a tree and use it to cool their home,” says Ingram. “This program teaches people how to do that.”

WEC ordered eastern redbuds, white flowering dogwoods, black tupelos, tulip trees and more — one hundred trees total. Any member who signed up for WEC’s InControl program, electronic billing or levelized billing was eligible for a free tree.

“We chose April to start our program,” says Deanna Albritton, member services coordinator at WEC, “because we wanted to do something special for Earth Day.”

Each member who was eligible for a tree received a special promotion code to use on WEC’s website (www.arborday.org/wiregrass), where they were led through the process of selecting a tree and learning where to plant it.

“We are so excited WEC reached out to us about joining the program,” says Jared Carson, development manager at the Arbor Day Foundation. “The program is new, and WEC is our first cooperatively owned utility. They are forward-thinking and doing a great thing for their members. We hope others look at WEC as a model program and think, ‘I should do that, too!’ Then we can really watch this program grow.”

WEC Youth Tour 2014 Participants

WEC knows that to build a better community tomorrow, we have to invest in the youth of today. That’s why each year WEC supports local students by offering enriching leadership programs, scholarship opportunities and more.

Youth Tour: Each year, Wiregrass Electric Cooperative sends students from across its service area to participate in the Youth Tour in Montgomery. This March, 10 area students visited the state capital to learn about representative government and the electric utility industry, while meeting new friends and sharing in fun activities. From this group, two students were selected to participate in the Washington Youth Tour in June. This year, Savannah Frederick of Chancelor in Geneva County was also selected as a delegate to the national Youth Leadership Council.

Youth Conference: Every summer, the Youth Conference offers students in grades 9-10 a free chance to learn about leadership and how cooperatives shape our lives, all while making friends and having fun at a summer camp.

Scholarship Program: WEC sponsors a $1,000 scholarship to a local graduating senior. This year, Elizabeth Bush of Providence High School was the recipient.

Lineman Training Program: Wallace Community College helps train the linemen of tomorrow in its Pre-Apprentice Electrical Line Worker Program. WEC supports this mission by donating equipment and other resources.

Scan To Watch
Reliable, Affordable Energy
This video examines the importance of a reliable energy supply, both locally and in the broader picture.
When WEC was founded 75 years ago, it was created as a not-for-profit cooperative with the goal of providing energy to this area at an affordable rate. Seventy-five years later, as we continue fulfilling that mission, we know it takes more than bucket trucks and power lines to truly serve our members — it also takes sound financial planning.

MAKING KEY COMPARISONS

“By constantly monitoring benchmarks, key performance indicators and more, we are able to ensure that we remain on firm financial footing,” says Lisa LeNoir, controller.

Each year, WEC looks at a Key Ratio Trend Analysis (KRTA) to see how it is performing compared to other cooperatives in the nation. This year, the results continued to show a strong financial position for the cooperative.

Despite having more miles of line to maintain than the average cooperative, WEC’s rates meet or beat many cooperatives in the nation. WEC also carries much less debt per member than most cooperatives in the country.

GIVING BACK, THE COOPERATIVE WAY

Like 75 years ago, we are still a not-for-profit utility. WEC provides electric service at cost. Those costs fall into two categories: building and maintaining 3,000 miles of electric infrastructure, and purchasing electricity to distribute to our members (wholesale power).

To accomplish this, WEC has to collect more money than it spends each year. We call these numbers margins, and we pay this money back to our members every year as “capital credits” or “patronage capital.” WEC has assigned and paid more than $50 million in capital credits the past 75 years.

Currently, WEC retires these capital credits on a first-in-first out cycle. We have retired nearly $4 million this way in the past nine years. “Like approximately 850 other electric cooperatives across the nation who operate this way, we do not retire capital credits the year in which a member earns them,” says Les Moreland, CEO. “If we did, it would lower WEC’s equity.
Where does the money go?

The cost of wholesale power, which is purchasing electricity to distribute to our members, is by far the largest expense WEC has. Unfortunately, WEC has little control over the price of this power, which is impacted by market conditions and the availability of resources such as coal, natural gas and renewables.

As the regulatory environment continues to change, wholesale prices are likely to be affected.

One way that WEC can help control price is by working as safely and efficiently as possible. Thanks to WEC’s dedicated employees, we have been able to continue to offer world-class service and reliability while keeping our expenses down. One way we achieve this goal is by providing our employees — our No. 1 asset — with the equipment, training and technology they need to do their jobs.

and make our main lending partner, the Rural Utilities Service (RUS), unable to loan to us. This would force us to turn to the only other source of available income — our members — and dramatically increase our rates.”

WPCA HELPS MEMBERS

Four years ago, we restructured our rates to include a Wholesale Power Cost Adjustment (WPCA). When WEC develops its annual budget, we allocate about 75 percent of our revenue for the purchase of wholesale power from our partner, PowerSouth. This is based on the recent actual cost of power.

Sometimes, that number is lower than estimated. When wholesale power costs are lower than projected, the WPCA gives us the mechanism to return a credit to you on your monthly power bill. Over the past four years, WEC has returned around $5 million to our members through this program.

“WPCA credits allow the cooperative to return the money much faster than if it were retired and returned as capital credits,” says LeNoir. “The WPCA allows us to quickly and accurately respond to monthly and seasonal costs of wholesale power.”

“In the end, every decision made by WEC is for the benefit of our members and our community,” says Moreland. “That’s because our main governing body is a board of trustees who live in the communities they serve — just like all of our employees. When making a big profit is the bottom line, companies can do things that aren’t best for those they serve. We don’t have that problem here.”

Scan To Watch
Energy Efficiency
This video highlights the many ways Wiregrass Electric Cooperative helps its members save on their energy bills.
# Financial Information

## Assets

**Utility Plant:**
- Utility plant: $91,327,766, $86,892,083
- Construction work in progress: 707,286, 1,088,488

Less: Accumulated depreciation
- Net utility plant: 71,683,068, 67,890,424

**Other Assets and Investments:**
- Investments in associated organizations: 17,530,258, 16,154,677
- Economic development notes receivable: 1,681,153, 1,976,577

Total other assets and investments: 17,698,411, 16,352,334

**Current Assets:**
- Cash and cash equivalents: 3,463,999, 4,468,947
- Accounts receivable:
  - Customers, less provision for doubtful accounts of $57,813 in 2014 and $65,144 in 2013: 1,589,550, 1,669,695
  - Unbilled revenue: 2,565,651, 2,200,668
- Other accounts receivable: 89,694, 46,491
- Prepaid power: 4,269,533, 1,712,825
- Materials and supplies: 376,089, 460,624
- Other current and accrued assets: 298,879, 297,979

Total current assets: 12,653,395, 10,857,229

**Deferred Charges:**
- Work plan and preliminary charges: 32,007, 42,738
- Prepaid pension: 1,712,740, 1,908,482

Total deferred charges: 1,744,747, 1,951,220

Total assets: $103,779,621, $97,051,207

## Liabilities and Equities

**Equities:**
- Memberships: $84,736, $83,716
- Patronage capital: 55,928,837, 52,943,245
- Other equities: 2,688,447, 2,254,428

Total equities: 58,702,020, 55,281,389

**Long-Term Liabilities:**
- Mortgage notes: 39,855,665, 36,632,181
- Capital lease obligations: 636,992, 1,005,033
- Less: Current maturities: 1,205,980, 1,326,303

Total long-term debt: 39,286,677, 36,310,911

**Current Liabilities:**
- Current maturities on long-term debt: 1,205,980, 1,326,303
- Accounts payable: 496,442, 177,787
- Customer deposits: 2,008,683, 2,041,110
- Accrued liabilities:
  - Taxes: 1,379,224, 1,272,701
  - Other accrued liabilities: 700,595, 641,006

Total current liabilities: 5,790,924, 5,458,907

Total equities & liabilities: $103,779,621, $97,051,207
STATEMENT OF REVENUE

2014 2013

OPERATING REVENUE $48,065,370 $46,000,084

OPERATING EXPENSES:

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</tr>
<tr>
<td>Accounting and collections</td>
<td>2,733,004</td>
<td>2,449,628</td>
</tr>
<tr>
<td>Administrative and general</td>
<td>2,265,692</td>
<td>2,128,104</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>2,786,214</td>
<td>2,616,021</td>
</tr>
<tr>
<td>Taxes</td>
<td>534,427</td>
<td>435,412</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>44,275,565</td>
<td>41,344,848</td>
</tr>
</tbody>
</table>

OPERATING INCOME 3,789,805 4,655,236

FIXED CHARGES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td>1,729,872</td>
<td>1,972,002</td>
</tr>
</tbody>
</table>

OPERATING MARGINS AFTER FIXED CHARGES 2,059,933 2,683,234

G&T AND OTHER CAPITAL CREDITS 1,493,306 1,617,673

NET OPERATING MARGINS 3,553,239 4,300,907

NON-OPERATING MARGINS:

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>350,227</td>
<td>359,828</td>
</tr>
</tbody>
</table>

NET MARGINS FOR THE YEAR 3,903,466 4,660,735

STATEMENT OF PATRONAGE CAPITAL

2014 figures are from May 2013 to April 2014. 2013 figures are from May 2012 to April 2013. These figures represent the audited financials of Wiregrass Electric Cooperative.

PATRONAGE CAPITAL AT BEGINNING OF YEAR $52,943,245 $47,993,367

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETIREMENT OF CAPITAL CREDITS</td>
<td>(1,177,923)</td>
<td>(215,259)</td>
</tr>
<tr>
<td>UTILITY TAX REFUND</td>
<td>260,049</td>
<td>504,402</td>
</tr>
</tbody>
</table>

PATRONAGE CAPITAL AT END OF YEAR $55,928,837 $52,943,245

How Washington affects your electric bill

Regulations against the coal industry continue to be implemented by our federal government. These regulations have a direct impact on the cost of electricity for WEC members because they affect the price of wholesale power.

If new generation facilities have to be built, or current facilities refitted, that cost will be passed on to WEC by its wholesale power partner, PowerSouth. In turn, WEC will have to pass those costs, which are substantial, onto its members.

"With the technology we have today," says Brad Kimbro, COO, "coal has to be part of our generation if we want to have an affordable flow of electricity. We have been blessed with an abundance of coal, which has helped fuel our economy. To take that completely out of the picture would be devastating for energy prices."

WEC and PowerSouth both pride themselves on being good stewards of the environment. "We do not want dirty air," says Kimbro. "We live here. We also know that all the PowerSouth generation facilities are completely compliant and are not harming our environment."