

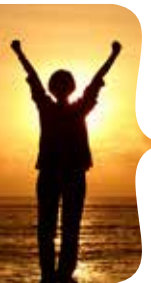
CO-OP YEAR IN Review



WHAT HAVE WE DONE FOR YOU LATELY?

Online member portal, mobile apps, a history making rate reduction, over \$2 million in credits issued and The Power of 10

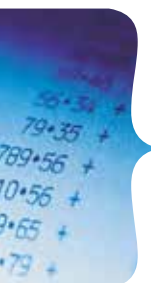
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THE POWER TO CHANGE LIVES

We work with transformers everyday. Is it possible we have the power to transform lives? Meet Amiee.

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FINANCIAL REPORT

Results of the 2014 audit including the co-op's balance sheet and comparative statement of income & expenses.

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Real People. Real Challenges.

Executive Message to Members

Paul Spruill, General Manager & Chief Executive Officer

To say that 2014 was a whirlwind of a year may be putting it mildly. In fact, the year included two tornadoes, a coastal ice storm and a category 1 hurricane. Such were the challenges faced by your cooperative during 2014 and I am proud to report that Tideland EMC employees excelled above and beyond in the face of these three seasonal crises.

Clearly hurricanes lend themselves to advance planning and preparation, yet each present their own unique set of obstacles to overcome. In the case of Hurricane Arthur, we had to respond to damages on the mainland as well as Hatteras and Ocracoke islands. By the



end of the first day, all mainland members had power restored. Despite more than 45 broken poles along Highway 12, power restoration to Ocracoke was complete the following night.

Impossible to plan for however were the two tornadoes that impacted Beaufort County in April just 18 days apart. The second tornado, which tracked 21 miles across the county, broke five subtransmission poles and left more

than 3,200 members without power in its wake. Within 17 hours co-op crews had fully restored power to all members



Helicopter loaded with crossarms lifts off following Hurricane Arthur

capable of receiving electric service, far exceeding restoration times of neighboring utilities.

An even more rare weather phenomenon occurred at Ocracoke in February 2014 when more than a quarter inch of ice formed on power lines was met with strong coastal winds, resulting in galloping power lines. Numerous crossarms proceeded to snap one after the other along Highway 12.

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Crews literally battled the elements to restore power by manually beating ice off power lines and replacing a multitude of crossarms to restore power to a majority of islanders shortly after dark.



January brought galloping lines to Ocracoke due to ice build up

Fortunately, the final five months of 2014 saw no major weather events, allowing us to devote our full attention to rolling out new member services and continue work on system improvements designed to boost service reliability year round. We even found time to get out feet wet with renewable energy with construction of our very first solar project. The half-acre array is located on Highway 32 in Pinetown.



April saw back-to-back tornados just 18 days apart

Looking ahead we will have big projects to tackle in the next two years with the construction of new substations in Hyde and Craven counties. And if Mother Nature throws us a curve we'll be ready to respond once again.



July's Arthur from the International Space Station

What have we done for you lately?

Member satisfaction is a moving target in today's rapidly changing marketplace. And at Tideland EMC we aim to please. We are committed to meeting and exceeding your service expectations. In fact, in 2014 we introduced services you probably didn't even imagine were possible.

The building block that most of our new member services are built on is automated metering infrastructure or what is more commonly referred to as "smart meter" technology.

Now all co-op members have online access to detailed energy use information, including hourly and daily kilowatt-hour consumption via the member portal. You can overlay that information with a variety of weather variables, including temperature, heating and cooling degree days, humidity, wind speed, and even percent cloud cover.

Next, we took the portal experience mobile with the introduction of Android and Apple apps so you can access your account information on the go.

Building on that portability we rolled out what we call

"The Power of 10" with new email and text alert options to push out important account reminders.

In July, the cooperative's board of directors authorized the first electric electric rate reduction since 1997 and only the second such decrease in the past 48 years. The rate reduction helped minimize the effects of the state's decision to more than double the sales tax rate on electricity.

In addition to the rate reduction, we also issued credits in 2014 in excess of \$2 million. Of that total, \$1.4 million represented wholesale power cost adjustment credits. The remaining \$676,000 was in the form of capital credit refunds.

credit

THE POWER OF 10

ALERTS THAT PUT THE POWER IN YOUR HANDS

1. Account profile change
2. Returned check alert
3. Payment confirmation
4. High-use alert
5. Service connected*
6. Service disconnected*
7. Service reconnected*
8. Low balance threshold*
9. Pending disconnect*
10. Balance & use alert*



*FlexPay member service





BOARD OF DIRECTORS (L to R): President Paul Sasnett, Wayne Sawyer, Charles Slade, Mark Carawan, Rudy Austin, Garry Jordan, Dawson Pugh, Secretary Clifton Paul, Vice President Doug Brinson and Treasurer David Ipock.

Good Governance: **looking out for you**

Cooperatives represent “economic democracy in action.” Guided by the principle of “one member, one vote,” Tideland members elect their governing board from within the membership. Directors set cooperative policy, ensure compliance with complex legal and regulatory rules, authorize system work plans, and guide all financial and rate making decisions. Because they are co-op members, each Tideland director has “skin in the game.” The decisions they make impact not only your electric service, they equally affect our governing board, their families and the businesses they operate. Who’s looking out for you? One of you.

ANNUAL MEETING: official notice

You are hereby notified that the 2015 Annual Meeting of Members of Tideland Electric Membership Corporation will be held at Beaufort County Community College in Washington, NC, on Thursday, May 28, at 7:00 p.m. to take action upon the following matters:

- 1) the reports of officers, directors and committees;
- 2) the election of four (4) directors of the cooperative to serve three years terms; and
- 3) the transaction of such other and further business which may come before the meeting, or any adjournment thereof.

In accordance with the Cooperative’s bylaws, the nominating committee nominated the following members as candidates for seats on the Board of Directors:

- District 4: Charles Slade
- District 5: Paul Sasnett
- District 6: Wayne Sawyer
- District 8: Clifton Paul

There were no nominations by petition. Meeting registration will begin at 6:30 p.m.

Clifton Paul
Secretary

The Power to Change Lives



A Prepaid Energy Solution From Tideland EMC

We had high hopes for our prepaid energy program, FlexPay, when we rolled it out last fall. Among our goals were to:

1. reduce writeoffs of uncollected debt,
2. provide a security-deposit-less service option for credit impaired members, and
3. avoid the high bill pitfalls that can occur with post-paid accounts if the member fails to monitor energy use on a regular basis.

Little did we imagine the program could help change lives. Meet Tideland member Amiee Dunn.

Amiee has had her share of ups and downs. She readily admits to having made some poor life choices and as a result, in November 2012, her electric service was disconnected for non-

payment. The uncollected debt was headed for writeoff.

On November 20, 2014, Amiee walked into the co-op office and made Tideland history. Amiee became the very first member to enroll in FlexPay. Amiee told us that day she was committed to getting her life back on track and wanted the opportunity to settle her debt with Tideland while ensuring that she and her children had adequate electric service.

FlexPay put Amiee fully in control of her own electric service destiny and we have simply been blown away by her success. She fully paid off her outstanding debt to Tideland in nine weeks through the FlexPay debt management option which required that 30% of her

payments go toward paying down the previously uncollected balance. The remaining 70% went to active electric service.

Amiee has embraced all of the co-op’s energy conservation advice and account management tools to ensure program success. Since resuming service she has not been disconnected and she keeps a tight rein on her daily energy consumption.

Amiee has come to inspire all of us at Tideland and recently we told her so. Amiee got teary eyed and said, “You just don’t know how much it means to get that kind of support from people that don’t even have to care about you.”

Tideland EMC:
Every Member Counts

FINANCIAL REPORT

- COOPERATIVE BALANCE SHEET
- COMPARATIVE STATEMENT OF INCOME & EXPENSE

ASSETS	2014	2013
Electric Plant	\$116,685,686	\$110,503,745
Less Depreciation	(21,717,047)	(20,070,234)
Net Electric Plant	94,968,640	90,433,514
Cash & Investments	11,704,241	12,021,478
Accounts Receivable	5,833,066	6,087,434
Materials, Supplies & Other Assets	4,003,224	4,842,210
Prepayments	388,060	228,125
TOTAL	\$116,897,231	\$113,612,761

LIABILITIES	2014	2013
Long Term Debt	\$59,963,692	\$60,645,168
Consumer Deposits	1,156,542	1,133,345
Accounts Payable	2,836,575	2,527,983
Other Liabilities & Credits	9,329,483	12,821,264
Patronage Capital & Other Equities	43,610,940	36,485,001
TOTAL	\$116,897,231	\$113,612,761

INCOME	2014	2013
Electric Sales	\$44,075,332	\$43,204,639
Misc. Revenue, Interest & Dividends	1,836,816	1,720,708
TOTAL	\$45,912,148	\$44,925,347

EXPENSE	2014	2013
Purchased Power	\$25,449,473	\$24,184,976
Operations & Maintenance	5,399,984	5,808,411
Administration & General	5,354,002	5,560,313
Fixed Expenses (taxes, interest & depreciation)	6,536,757	7,069,315
TOTAL	\$42,740,216	\$42,623,045

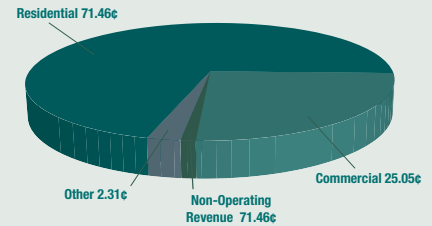
NET MARGINS	\$3,171,932	\$2,302,332
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ALLOCATION OF 2014 MEMBER MARGINS

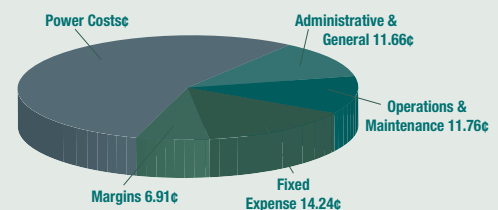
(5.9109¢ per \$1.00 of revenue paid to the cooperative)

If you paid this much for power in 2014:	\$1200	\$1800	\$2400
Your share of 2014 member margins is:	\$70.83	\$106.40	\$141.86

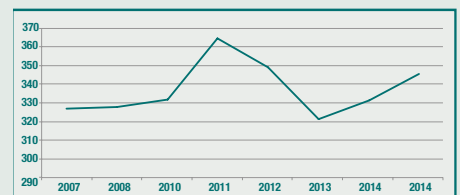
where each \$ came from



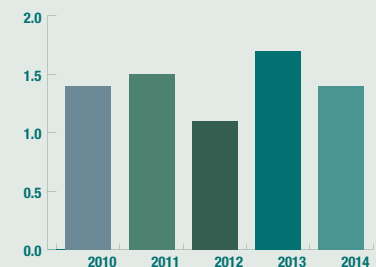
where each \$ went



annual kWh sales (in millions of kWh)



WPCA credits to members (in millions of \$s)



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