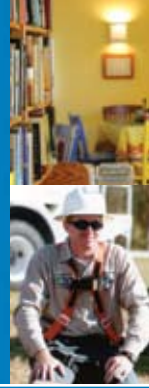


MARCH ■ 2009



REAL PEOPLE. REAL POWER. Tideland Topics

A NEWSLETTER FOR THE MEMBER-OWNERS OF TIDELAND ELECTRIC MEMBERSHIP CORPORATION

NEW PEAK: Low temperatures result in co-op system record

On Saturday, January 17, 2009, Tideland EMC set a new system demand record of 93 megawatt hours. The peak occurred between 7:00 and 8:00 a.m. as Tideland members woke to 17° F temperatures in most locations.

It is particularly unusual for the cooperative to reach a new system peak during the weekend when schools and other large facilities are generally closed.

The previous system record of 88.63 megawatts was set on August 9, 2007, at 3:10 p.m. The cooperative's total system capacity is 125 megawatts.

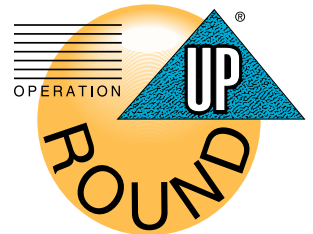
While Tideland has historically peaked during summer, that trend is shifting as members increasingly turn to heat pumps to meet

home heating needs. The trend could also be linked to increased member use of inefficient space heaters which worries co-op officials. While space heaters are inexpensive to purchase they are very costly to operate. A 1,500 watt space heater costs about 18¢ an hour to operate.

To put the new peak record in solar energy terms it would take 93 of the QVC solar farms to meet the needs of Tideland members the morning of January 17. That equates to 465 acres of solar panels. Of course it would also require a very bright early morning sun!

To understand what 93 megawatts equates to in terms of common consumer goods please see the sidebar on page 19.

REAL CHANGE:



A hand up in troubled times

Tideland EMC's Operation Round Up® program will soon celebrate its 20th year of giving. The program has been highly successful in providing relief to Tideland EMC members in a crisis situation.

Operation Round Up® has historically made 50 to 70 energy assistance grants annually. Each grant is limited to \$100. Grants are often accompanied by a free home energy audit so the cooperative can help the member find ways to reduce future expenses.

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Sometimes the audit includes retrofitting light bulbs with energy saving CFLs or wrapping a water heater with an insulating jacket.

Applications to the program have increased in the past two years and we funded 87 grants in 2007 and a record 91 in 2008. With the short-term economic outlook not expected to improve, it is important that we increase funding to ensure basic electric service for struggling individuals and families.

Please contribute by mailing the postage paid card found on the cover of this month's magazine.

Message to our Member-Owners: The touchstone of accountability

Editor's Note: This is the second installment of a four-part series by Tideland EMC's board officers discussing the unifying principles of Touchstone Energy cooperatives.

The ancient Romans had a tradition: when an engineer constructed an arch, he assumed accountability for his work by standing underneath the arch while the capstone was hoisted into place.

Accountability is one of the governing strengths of cooperatives. It begins with member ownership and control. Tideland EMC's board of directors is solely comprised of your fellow member-owners. When policies are implemented, rate schedules adopted and long range work plans approved, the board of directors knows each and every decision will affect not only their own household but those of friends and neighbors, as well as businesses

that operate in the local community. By design we stand beneath the arches we construct.

How firmly have our cooperative arches held? Consider the following: On average, electric cooperatives serve 7 consumers per mile of line; revenues are less than \$11,000 per mile of line. The numbers for investor-owned utilities are 35 consumers and \$62,500 in revenues per mile of line. And for municipally owned utilities the numbers are even higher with 46 consumers and \$86,300 in revenues per mile. Through sound, member focused business practices cooperatives deliver reliable power to more than 40 million consumers at rates



Paul Sasnett
Treasurer

that are affordable for working families as well as industry and business. We do so without forfeiting workplace safety. We do so without exposing our member-owners' assets to unnecessary risk. We do so without sacrificing personal service.

Corporate failures to embrace accountability permeate today's national headlines. Each bad news story is met with a call for increased transparency and accountability. Wall Street would be wise to look to electric cooperatives for a model of success; after all, our arches have stood the test of time.

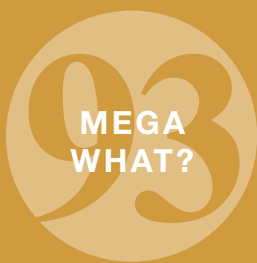


ENERGY STAR Home Energy Yardstick WHAT'S YOUR SCORE?

Compare your household's energy use to others across the country and get recommendations for improvement.

Visit www.EnergyStar.gov

Power production costs remain historically high

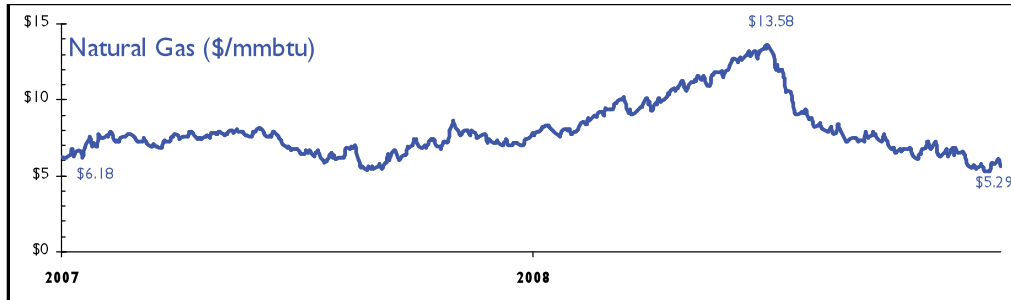


In May 1974 a new line item appeared on Tideland EMC electric bills as the result of our nation's first energy crisis. At the time, U.S. utility rates were

the "wholesale power cost adjustment" (WPCA).

Such an adjustment allows Tideland EMC to reflect energy trends as

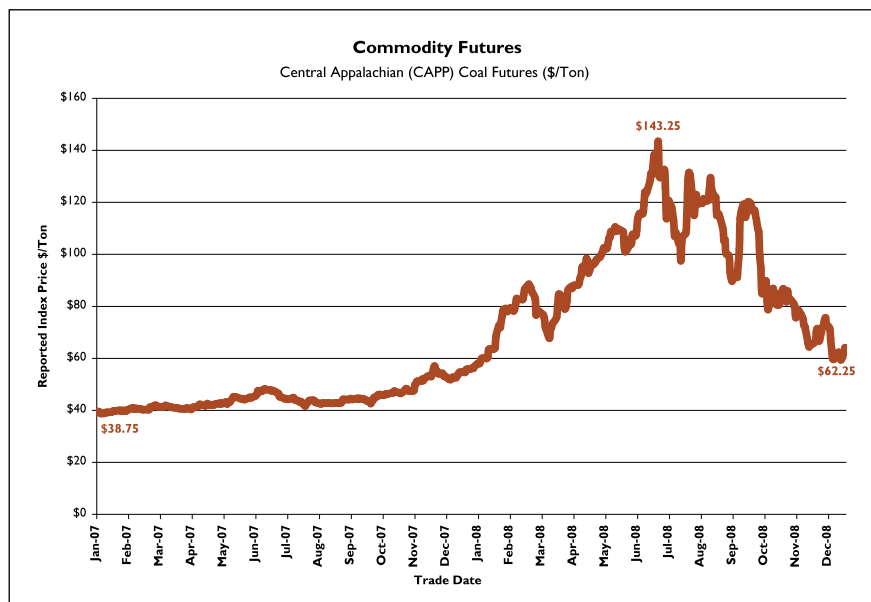
cents per kilowatt hour by August. In September 2008, we advised you that the WPCA would increase due to a dramatic summer spike in coal prices that



subject to skyrocketing prices for fossil fuels and soon after by cost overruns for new nuclear power plants. To navigate such turbulent times Tideland, like most electric utilities, introduced a fuel adjustment clause to reflect

they occur so we do not substantially over collect or under collect revenues from our member-owners. In fact, during the 1990s Tideland members frequently received a fuel credit to reflect an energy outlook better than

peaked at \$143 per ton in July 2008. Prices in January 2007 were \$39 per ton. The current price remains over \$60 per ton. Natural gas prices followed a similar curve. We decided to collect the increased coal and natural gas expenses over



several months to minimize the impact on member budgets.

As the WPCA rose members increasingly called Tideland to ask for an explanation of the line item.

the rise and fall of market prices in relation to published rate schedules. For many years Tideland referred to the charge as

forecasted. In March 2008, we reported to you a steady decline of the WPCA. In fact it dipped to 0.802

We felt the term itself might be confusing and subsequently changed it

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HOW MANY HAIR DRYERS COULD YOU POWER WITH 93 MEGAWATTS OF POWER? HERE'S THE ANSWER ALONG WITH OTHER COMMON HOUSEHOLD EXAMPLES.

74,400 HAIR DRYERS

1,860,000 LAPTOP COMPUTERS

116,250 COFFEE MAKERS

20,667 CLOTHES DRYERS

547,058 LARGE SCREEN TELEVISIONS

930,000 ELECTRIC BLANKETS

1,500,000 60-WATT INCANDESCENT LIGHT BULBS

7,153,846 13-WATT COMPACT FLUORESCENT LIGHT BULBS

No crystal ball? Try leveled billing

Tideland EMC is phasing out its current budget billing program. In its place, the cooperative is pleased to introduce leveled billing.

What is leveled billing?

Leveled billing provides you with a way to guard against large fluctuations in your monthly electric bills. Program participants pay a rolling average of their previous 12 months electric use. While you can expect fluctuations in the amount due every month, the changes should be minimal. If your usage is trending up the leveled amount will increase. If it trends down the leveled amount will decrease. Tideland's budget billing program often left large end of year balances that resulted in significant billing adjustments. Leveled billing will help members with month to month budgeting while at the same time alerting members to increased kilowatt hour (kWh)



consumption. Significant increases in kWh consumption can be an indicator of heating or cooling equipment failure. Budget billing members were often not aware of such problems until their annual bill was recalculated.

What are the terms of the program?

The leveled billing program is a free service to Tideland members. The only requirement is that you keep your electric account current. Failure to pay the current bill by the due date will result in the loss of leveled billing privileges.

Can I still contribute to Operation Round Up?

Yes. Operation Round Up contributions will be based on your actual monthly charges and not the leveled amount.

To enroll in leveled billing call Tideland EMC at 1-800-637-1079.

REAL PEOPLE.
REAL POWER.

Tideland Topics

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Power Costs

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to read "generation fuels expense. "When calls continued we changed the line item to read "electricity fuel surcharge" with an explanation at the bottom of the bill to note that the primary fuels used in generating electricity are uranium, coal and natural gas. We regret any confusion caused by the change. However, we believe it is important to reflect the ups and downs of generating expenses so you understand the price for power is not arbitrarily set by Tideland.

North Carolina's electric cooperatives, including Tideland, recently purchased an increased share of Catawba Nuclear Power Plant to reduce our dependence on coal and natural gas.

We hope this leads to greater rate stability.

On a final note, when the WPCA first appeared in 1974 we also introduced free energy audits. Last year nearly 100 Tideland members utilized the service. In 2008, we eliminated interest on new weatherization loans to encourage increased member efficiency.

This year Tideland will offer additional programs to help our members navigate these difficult economic times through reduced energy consumption. We will also strive to do a better job of communicating the real world pressures that ultimately determine electricity prices. Please call us if you have questions.

ALWAYS
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BEFORE YOU
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