

REAL PEOPLE. REAL POWER.



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

EVERYONE'S A WINNER: Recap of co-op annual meeting of members

On May 18, Tideland's annual meeting of members convened at Beaufort County Community College. Incumbent directors Mark Carawan, Garry Jordan and David Ipock were re-elected to additional three-year terms.

In his message to members, board president Paul Sasnett emphasized that members can count on the co-op to be honest

and transparent about business operations. He also touched on increased member engagement via co-op communications.

Chief executive officer Paul Spruill provided an update on capital investments to improve service reliability including the construction of new substations in Hyde and Craven counties.



Operation Round Up Grand Prize Winner

It's pretty fun to call a Tideland member and tell them they won a \$500 electric bill credit.

That's precisely what happened on May 19 when we phoned Michael and Brandy Arthur of Ernul to give them the good news. In fact, Brandy got a little choked up upon hearing the news. As contributors to Tideland EMC's Operation Round Up program they were entered into the prize drawing which was conducted during our annual meeting.

While they contribute to the program expecting nothing in return, they were mighty grateful for the surprise. Congratulations!





Message to our Member-Owners:

Consumption vs. rates

By Paul Spruill
General Manager & CEO

Help us reduce tree trimming expenses

Each month we identify areas where contract crews will be conducting tree trimming operations. It takes approximately 5 years to trim the entire system at a cost of nearly \$4 million.

We could realize cost savings if members would be mindful of electric utility lines when planting trees. Today's seedling can grow up to an electric system hazard that requires routine cutting. Help us help you and reduce future operating costs by planting the right tree in the right place.

On the following page, we discuss the reasons Tideland members will pay more per kilowatt hour this summer than they did in 2016. Fortunately, Tideland members can count on the cooperative to assist in finding ways to reduce energy consumption to negate the impact of rising costs.

A good place to start is to read the article below about controlling indoor humidity. If you want to know how humid conditions impact your energy consumption, you can log into the member portal and overlay your kWh consumption with outdoor humidity readings.

While logged into the portal, take a moment to set up a high-use energy alert. We really can't stress this free service enough and it is a feature few electric utility customers have in North Carolina. A malfunctioning heat pump, water heater leak, or disconnected ductwork could take weeks to manifest itself in the form of a high electric bill. High-use alerts serve as an early warning detection system. Please note that when setting up a high-use alert you need to enter a DAILY dollar amount, not monthly. For example, if you want to avoid having an electric bill in excess

of \$180, you would need to enter \$6 in the alert field based on a 30-day month. You shouldn't worry about receiving one or two alert notices, especially if they are on the hottest days of the month. On the other hand, multiple alerts several days in a row could indicate a potential problem.

If you are building a new home, considering renovations or just can't seem to get to the bottom of high energy consumption, you can call Tideland to request a free energy audit. The auditor will schedule a visit during which he will review with you the features of the member portal before conducting an energy inspection. At the conclusion of the visit you will receive an audit report that can serve as an energy improvement checklist.

Co-op staff are also available to conduct local energy workshops. If your civic club or homeowners association would like to schedule a workshop give us a call. Some of the most cost-effective energy saving strategies cost little to nothing at all to implement.

Don't hesitate to reach out to us should you have any questions about your bill. We're always here to help.

It's not the heat. It's the humidity.

While much attention is paid to thermostat settings as a way to lower summer energy costs, managing indoor humidity could reap even greater savings. High indoor humidity creates discomfort which often results in lowering the thermostat to combat that muggy feeling. Properly managing humidity increases comfort, improves indoor air quality, reduces the opportunity for mold and mildew growth, protects building materials from excessive moisture and allows for higher thermostat settings that save energy.

Rarely is the air conditioning system adequate to dehumidify homes because most systems are oversized. In fact, solely



relying on the HVAC system to dehumidify your home could become a vicious cycle of unfiltered, unconditioned outdoor air intrusion followed by frequent short-cycling of the central air conditioner.

Before tackling indoor humidity invest a few dollars in a hygrometer to gauge your home's moisture levels. You can find one at any hardware store. The American

Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) recommends a range of 45% to 55% indoor humidity to manage health effects and illnesses.

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WPCA charge to remain in place through end of 2017

Tideland EMC implemented its last rate increase on January 1, 2013. Eighteen months later, we reduced rates and coupled that with an unprecedented 52-month run of wholesale power cost adjustment (WPCA) credits. We've routinely touted those credits to make sure you are aware of our operating distinction as a not-for-profit utility that strives day in and day out to deliver reliable electric service at the lowest possible cost.

Starting in fall 2016, we began laying the groundwork in Tideland Topics for the eventual decline of those WPCA credits and the probability that the WPCA would revert to a charge. That eventuality became reality starting with all electric bills rendered after April 1, 2017. The WPCA charge at that time was \$3.90 per 1,000 kilowatt hours (kWh).

On June 1, the WPCA charge increased to \$7.49 per 1,000 kWh. This WPCA charge will remain in effect through the end of the year. During the ensuing months we will conduct an extensive rate study with the goal of zeroing out the WPCA charge by increasing our published rates in the first half of 2018.

Depending on weather and other factors that greatly influence individual electric bills, you may not feel the pinch of this WPCA charge. But if you study your electric bill in great detail you may find the comparison graphs a bit perplexing in the event you use less electricity than the previous billing period or the same period last year but see the cost per day increase. The explanation lies in the change in the WPCA.

Why have we seen such a wide swing in the WPCA and why will there be an increase to published rates in 2018? The answer is three-fold.

On the distribution operations side of the equation, Tideland has a four-year work plan that defines and guides our capital investments in utility plant and infrastructure. We are in the final year of the current plan, during which time we built a new substation in Engelhard, installed a submerged power cable below Pantego creek, and

replaced nearly 100 primary poles feeding Ocracoke village due to hurricane and ice storm damage. We also started replacing first generation underground primary conductor beginning with the Pamlico Plantation subdivision in Washington. The frequency of these expensive underground replacements will increase as lines reach the end of their useful life.

Our largest project in the current work plan is construction of the new Fairfield Harbour substation. On June 10, we broke ground on this \$5 million project with an expected completion date of January 2018. This project is vital to reducing load on two existing substations. Those of you served by the Silver Hill substation may recall the morning of February 19, 2015, when we experienced an outage due to excessive demand as temperatures dipped near single digits. The new substation will allow us to reallocate load, freeing up capacity on both the Silver Hill and Edward substations to the benefit of all members south of the Pamlico River. Furthermore, the addition of another transmission delivery point in Craven County provides greater operational flexibility.

Yes, we've accomplished a great deal in the past four years, while operating in a climate of lower rates and a generous WPCA credit. However, continuing improvements will require additional member capital to meet financial obligations.

Secondly, and more briefly, we noted in last month's newsletter, that wholesale power costs have ticked up year-over-year, particularly in the natural gas market. Fortunately, our exposure to fuel market fluctuations is more limited than other parts of the country due to our utilization of nuclear power which accounts for 56% of our wholesale power purchases.

Along with the aforementioned capital investments in improving electric system reliability and fuel market fluctuations, a third factor dictates the current WPCA charge and an eventual base rate increase next year.

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1
Close drapes and interior shutters during the day to reduce solar heat gain

2
Reduce indoor humidity (see story that starts on page 22)

3
Make sure fireplace dampers are closed

4
Switch out remaining incandescent lights to CFLs or LEDs. Incandescent bulbs create a great deal of heat

5
Raise the thermostat a few degrees and utilize fans to keep cool. Remember to cut fans off when you leave the room. Fans cool people...they do not drop the room temperature.

6
Hang clothes out to dry. Want to soften the fabric before folding and putting away? Toss the clothes in the dryer for about 5 minutes with a dryer sheet.

7
Make sure storm windows are closed. Our energy auditors often find windows that haven't been fully lowered.

Starting January 2018, Tideland will begin paying a portion of costs associated with Duke Energy's coal ash remediation efforts. North Carolina Electric Membership Corporation, our wholesale energy supplier, has power purchase agreements with Duke Energy, formerly Progress Energy, and it is through these contracts that we will incur coal ash remediation costs. In 2008, 37% of our energy was generated at coal fired power plants. Today coal accounts for just 13% of our energy purchases.

Increased concern over coal ash storage following two coal ash spills in 2008 and 2014 prompted both federal and state action to guard against future incidents. North Carolina took strong action that results in much of the coal ash being excavated and relocated away from waterfront sites. As wholesale customers

and end-users we are required to bear some of the regulatory compliance costs.

For clarification, Tideland has no responsibility for cleanup costs and fines levied against Duke Energy specifically related to the 2014 Dan River spill. Those costs are borne by Duke Energy shareholders and will not be passed along to co-op members.

Knowing that the rate for our wholesale power purchases will increase in January 2018 due to coal ash cleanup costs, we have taken the preemptive step of setting aside a portion of 2017 revenues to cushion the impact to members. Those set-asides are derived from the existing WPCA charge. By taking these steps we will minimize the severity of the 2018 base rate increase, our first in five years.

Tideland Topics

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**VACATIONING? GIVE YOUR ELECTRIC METER A BREAK TOO
TURN A/C TO 85°F, CUT OFF WATER HEATER BREAKER & UNPLUG ELECTRONICS**

Humidity

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The first line of defense is to ensure your home is properly insulated and air sealed to keep outdoor heat and humidity from entering. Leaky ducts, windows and doors should be addressed, as well as open fireplace dampers. Seal all plumbing and wiring penetrations with either caulk or expanding foam.

Further reduce humidity by keeping lids on pots and pans while cooking, and if necessary, use the range hood exhaust fan. Use bathroom exhaust fans while bathing to prevent steam buildup. Make sure all dryer vents and exhaust fans vent to the outdoors. They should not vent into the attic, crawlspace or any interior space.



Mathematically speaking, it only takes between four and six pints of water to raise the humidity level inside of 1,000 square feet from a mere 15% to 60%. Therefore, having a large number of houseplants can considerably boost indoor humidity.

While we all love open window weather, raising windows during humid outdoor conditions will allow large volumes of moist air into the home impacting both comfort and cooling costs.

Air conditioner drain lines and drip pans need to be kept clean and unobstructed. Failure to do so can result in water damage and allow harmful contaminants to breed. That's why routine HVAC maintenance is so important.

Finally, it is important to ensure a dry foundation and crawlspace. Downspout extenders may be needed to help carry

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rainwater away from the foundation. A continuous vapor barrier in the crawlspace is also imperative. While the prospect of inspecting your crawlspace may not seem very appealing, it can often be the birthplace of a home's most onerous moisture problems that ultimately damage building materials and deteriorate floor insulation.

If, after addressing these issues, your indoor humidity remains high you may need to use a dehumidifier to initially remove additional moisture. But continuous use of a dehumidifier is never recommended. It is always better to prevent moisture intrusion rather than mitigate it long term.