

2016 ANNUAL REPORT

2017 NOTICE OF ANNUAL MEETING OF MEMBERS

# Still Making History



## We've seen fire & we've seen rain

FORTUNATELY, WE ALSO FOUND PLENTY OF SUNNY DAYS AND FRIENDS ALONG THE WAY.

DESPITE THE CHALLENGES OF SERVING A REGION CONSTANTLY TESTED BY WEATHER, MOTHER NATURE, MORE OFTEN THAN NOT, REMINDS US WHY WE LOVE CALLING TIDELAND HOME.

our board of directors: member ownership starts with member representation



Paul Sasnett  
President



J. Douglas Brinson  
Vice-President



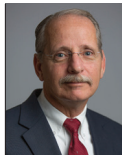
Clifton Paul  
Secretary



David Ipock  
Treasurer



Rudy Austin



Mark Carawan



Garry Jordan



Dawson Pugh



Wayne Sawyer



Charles Slade

### still making history >>>>

*The first 75 years of Tideland history are officially in the books, but there isn't a post-script. We've been busy writing entire new chapters to kick off the next 75.*

### ocracoke microgrid

*What's old could be coming back in style, but with a technological twist. We're exploring the next generation of service thanks to the NCEMC microgrid project at Ocracoke.*

### tropical storm hermine

*It ain't over 'til it's over. Tropical Storm Hermine arrived in early September like a lamb and left like a lion, saving her most lethal assault for Hyde and Dare counties.*

### hurricane matthew

*Five weeks after Hermine, Hurricane Matthew plundered through four states, including Tideland territory. Power was restored to all Tideland members within 75 hours.*





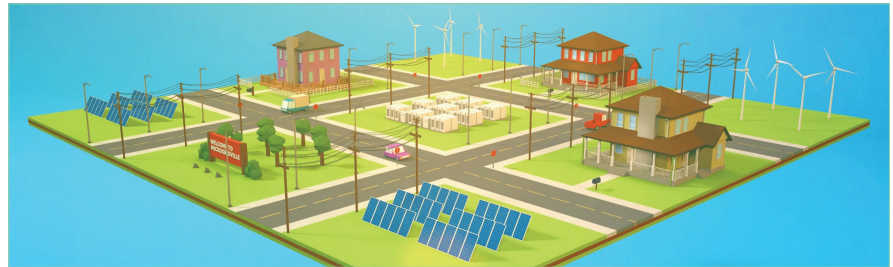
# RETHINKING ENERGY

## microgrid pilot project

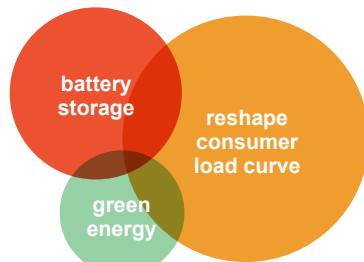
Ocracoke was selected as the site of NC Electric Membership Corporation's first microgrid

**reimagine.  
reshape.  
recharge.**

*Ocracoke has been transformed into a learning laboratory for next generation energy technologies that in many ways resemble the past.*



First-generation electric service was provided by local power plants in close proximity to consumers. As demand for electricity increased, larger power plants were built farther and farther away from the end user, shuttering older, less efficient plants. When electricity demand surged and power costs soared in the 1970s, utilities actively engaged in load management activities to shed consumer load during times of peak demand. Most of those strategies were abandoned in the late 1990s as capacity began to keep pace with demand.



*Tesla batteries, a 15 kW solar array, ecobee3® wi-fi enabled thermostats & cellular enabled water heater controls are now in use at Ocracoke to study microgrid technologies & capabilities*

As electric system infrastructure ages, including generating plants and transmission grids, projects like the Ocracoke microgrid are testing the viability of incorporating locally generated energy, battery storage and new consumer load-shaping strategies. Not intended to supplant what remains fairly inexpensive central station power, a microgrid could smooth out electric system traffic jams in a more cost effective manner without impacting consumer comfort. Furthermore, the new technologies offer home automation benefits that give consumers more control over comfort and cost.



## official notice of ANNUAL MEETING



**thursday, may 8  
doors open at 6:30 pm  
beaufort county  
community college**

You are hereby notified that the 2017 Annual Meeting of Members of Tideland Electric Membership Corporation will be held at Beaufort County Community College in Washington, NC, on Thursday, May 18, at 7:00 p.m. to take action upon the following matters:

- 1) the reports of officers, directors and committees;
- 2) the election of three (3) directors of the cooperative to serve three-year 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 2:  | Mark Carawan |
| District 7:  | Garry Jordan |
| District 10: | David Ipock  |

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

Clifton Paul  
Secretary

# HOLDING THE LINE when duty calls

*TS Hermine. Hurricane Matthew.  
Whipping Creek Fire.*

No two days are ever quite the same at Tideland. But one thing is a constant: a dedicated team of men and women ready to do the day in, day out work it takes to keep Tideland territory energized.

While the emergencies grab the headlines and garner most social media likes, there's plenty of important work being done everyday to ensure greater system reliability to meet your needs.

In 2016, we completed construction of the new Engelhard substation and began work to relocate large sections of line away from troublesome terrain along Boundary Canal.

We completed the purchase of property for a new substation in Craven County to serve Fairfield Harbour and surrounding communities. The project will not only alleviate growing load concerns,



*Tideland pole succumbed to the Whipping Creek Fire in April 2016. Photo by Justin Gibbs, Hyde County Emergency Services*

it will also provide Tideland with a new Duke Energy delivery point. That creates an opportunity to re-route power in the



*Intelli-pole installation at Ocracoke*



*Engelhard substation construction*



*Emergency transformer transport*

event of a transmission outage affecting our Silverhill or Edward substations. Construction on the new substation is expected to be completed before the end of 2017.

Hoping to overcome a troublesome hotspot prone to ocean overwash

along Ocracoke's Hwy. 12, Tideland installed its first Intelli-pole in 2016. Made of lightweight, composite material, the modular pole, which can be carried by hand, is wind-rated to over 180 miles per hour. The pole has now been put to the test and performed exceedingly well during Hermine and Matthew.

The cooperative's dispatch center in Pantego is undergoing a total overhaul to incorporate state-of-the-art communications equipment. Real-time outage monitoring equipment can now predict with increasing certainty

outage causes and locations reducing wind-shield time for on-call crews.

While technology increasingly makes a difference in diagnosing and responding to outages, we can't afford to overlook our

human capital. All Tideland employees have undergone intensive training in the past year as we roll out new initiatives and procedures with safety always being job one.

Service expectations are a moving target and we are committed to embracing cost-effective solutions that improve system reliability for every Tideland member in the six counties we serve. You have our word.

*membership is  
ownership*

**\$3.4 MILLION**  
credited to members in 2016

Tideland members enjoy the stability and accountability that comes with being part of a cooperative. Cooperative ownership is an economic model that creates great benefits for our communities and member-owners. Owner equity and patronage refunds are part of that economic linkage.

In 2016, Tideland was able to issue \$1.1 million in capital credit refunds to our members,

former members and the estates of deceased members. Another \$2.3 million was credited to active members in 2016 through the wholesale power cost adjustment (WPCA). The WPCA averaged -0.689¢ per kilowatt hour for the year.

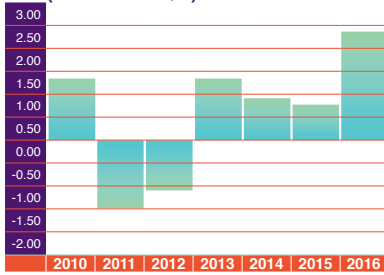
Cooperatives, like families, share in good times. And in down times, we each carry a bit of the water to lighten our collective load.



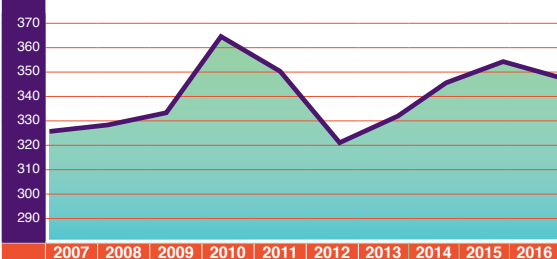
*Lineman Greg Morris visiting with member Virginia "Miss Cricket" Draughon on her 100th birthday*



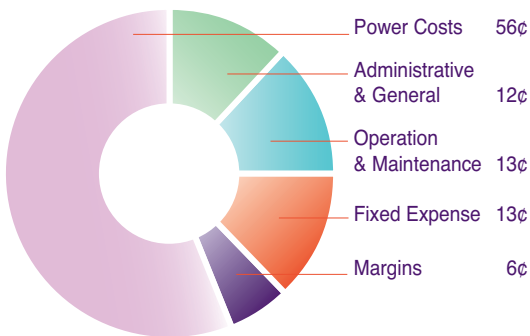
**WPCA Credit/Charges to Members**  
(in millions of \$'s)



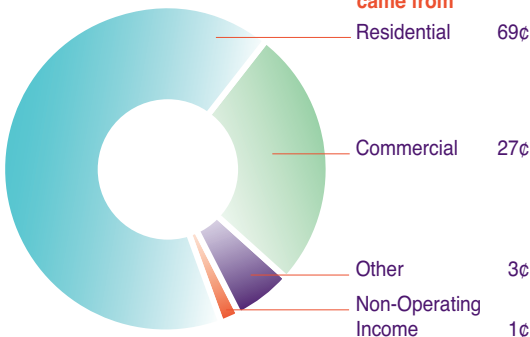
**Annual kWh Sales**  
(in millions of kWh's)



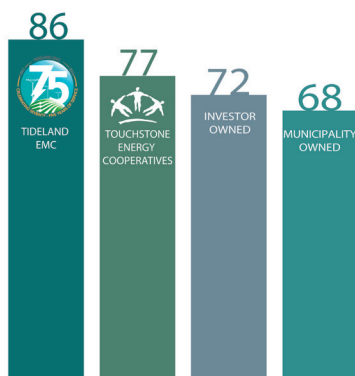
**Where each \$ went**



**Where each \$ came from**



TIDELAND EMC'S SATISFACTION RATINGS REMAIN AMONG THE HIGHEST IN THE INDUSTRY



# Financial Report

- Cooperative Balance Sheet
- Comparative Statement of Income & Expense

ASSETS	2016	2015
Electric Plant	\$125,698,721	\$120,627,113
Less Depreciation	(25,952,917)	(23,497,969)
Net Electric Plant	99,745,804	97,129,144
Cash & Investments	11,000,934	12,850,638
Accounts Receivable	6,975,505	6,556,282
Materials, Supplies & Other Assets	3,451,858	3,631,516
Prepayments	228,217	67,366
<b>TOTAL</b>	<b>\$121,402,318</b>	<b>\$120,234,945</b>

LIABILITIES	2016	2015
Long Term Debt	\$61,158,375	\$62,552,255
Consumer Deposits	1,104,528	1,129,297
Accounts Payable	2,911,573	2,908,454
Other Liabilities & Credits	10,412,514	9,020,860
Patronage Capital & Other Equities	45,815,328	44,624,080
<b>TOTAL</b>	<b>\$121,402,318</b>	<b>\$120,234,945</b>

INCOME	2016	2015
Electric Sales	\$42,303,453	\$44,722,842
Misc. Revenue, Interest & Dividends	1,882,757	1,753,309
<b>TOTAL</b>	<b>\$44,186,210</b>	<b>\$46,476,151</b>

EXPENSE	2016	2015
Purchased Power	\$24,695,940	\$26,225,122
Operations & Maintenance	5,802,087	5,580,489
Administration & General	5,326,594	5,472,502
Fixed Expenses (taxes, interest & depreciation)	5,915,534	5,837,149
<b>TOTAL</b>	<b>\$41,740,155</b>	<b>\$43,115,262</b>

<b>NET MARGINS</b>	<b>\$2,446,055</b>	<b>\$3,360,889</b>
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