

MESSAGES FROM YOUR CO-OP

- ▶ Visit us at www.facebook.com/ANElectricCoop and "like" us.
- ▶ Visit www.anec.com to sign up to receive Beat the Peak emails or text-message alerts.
- ▶ The Touchstone Energy® Co-op Connections® Card is FREE to all ANEC members. The card offers discounts at participating local and nationwide businesses, including prescription drug discounts.
- ▶ The A&N Electric Cooperative office will be closed on Monday, Sept. 3rd, in observance of Labor Day. Crews will be on call to address any issues that may occur. To report an outage, please call 1-800-431-2632.



A&N Electric Cooperative Board of Directors



Addison W. Nottingham, Jr.
Chairman



Christopher D. Bott
Vice Chairman



Robert L. Nock
Secretary-Treasurer



James N. Belote III



R. Wayne Browning



Ralph W. Dodd



E. Garrison Drummond



Penney P. Holland



Edward V. Parks, Jr.



Henry P. Custis, Jr.
Attorney

Official Notice of Annual Membership Meeting of A&N Electric Cooperative

The Annual Membership Meeting of A&N Electric Cooperative will be held at Nandua High School on U.S. 13 just south of Onley, Virginia, on Thursday, Aug. 23, 2018, at 7 p.m., to take action on the following matters:

- Reports of Officers, Directors, and Committees.
- The election of three (3) Directors of the Cooperative.
- All other business that may properly come before this meeting or any adjournments thereof.

Robert L. Nock, Secretary
July 26, 2018

A&N ELECTRIC COOPERATIVE

21275 Cooperative Way
P.O. Box 290
Tasley, VA 23441-0290
757-787-9750 • 800-431-2632

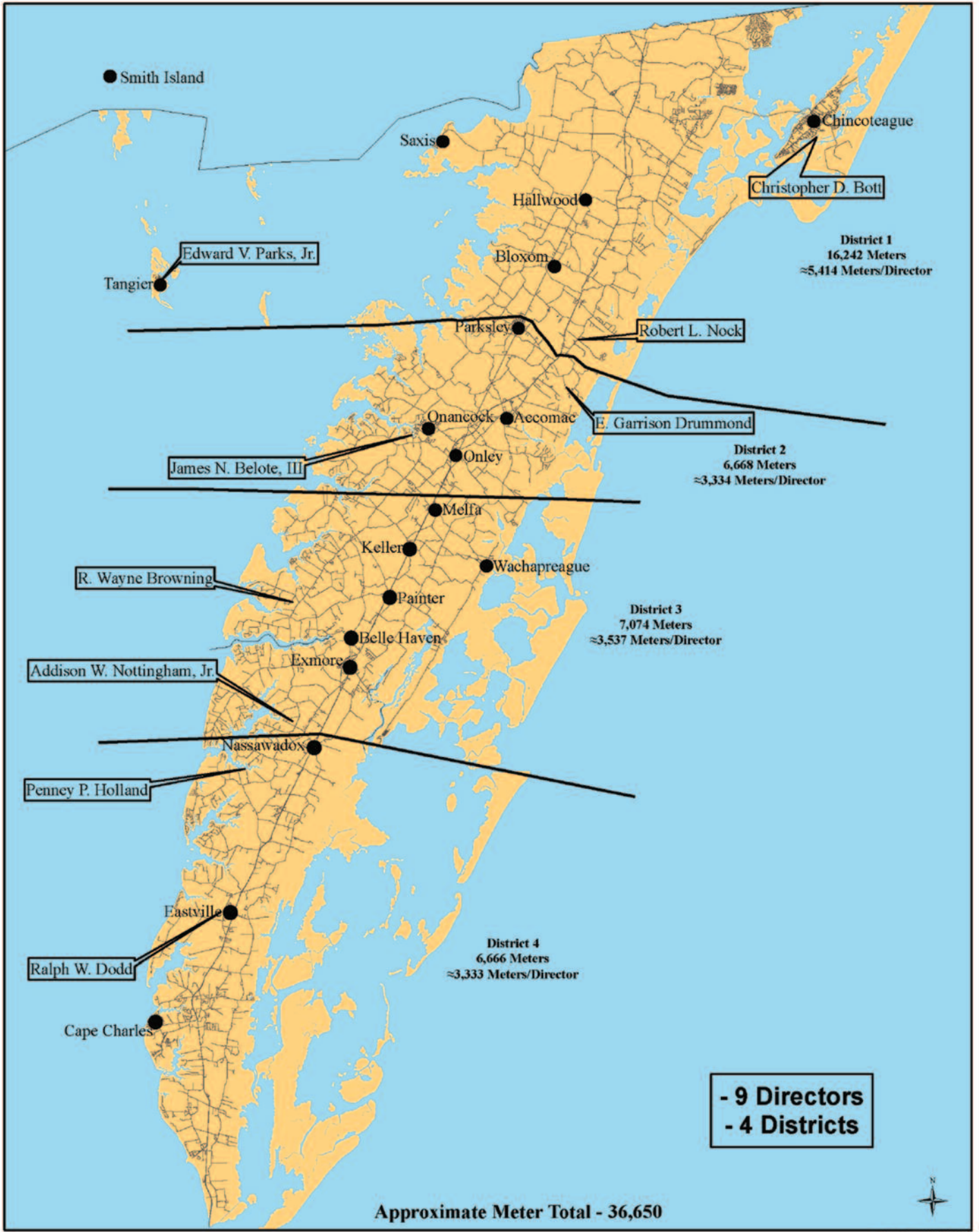
Office Hours: M-F, 7:30 a.m.-4:30 p.m.
www.anec.com

Payments: 1-855-386-9921

President & CEO
Butch Williamson

Local Pages Editor
Jay Diem

A&N Electric Cooperative is an equal opportunity provider and employer.



- 9 Directors
- 4 Districts

Approximate Meter Total - 36,650
ANEC Board Districts

0 9,000 18,000 36,000 Feet

Created on 11/21/17 by LWB

TREASURER'S REPORT AS OF DECEMBER 31, 2017

STATEMENTS OF OPERATIONS

	Year Ended December 31, 2017	2016	Increase (Decrease)
Operating revenues	69,991,585	72,993,036	(3,001,451)
Operating expenses			
Cost of power	46,428,355	50,940,007	(4,511,652)
Transmission	18,746	19,400	(654)
Distribution - operation	2,180,899	2,413,980	(233,081)
Distribution - maintenance	4,678,530	4,739,557	(61,027)
Consumer accounts	2,238,912	2,034,546	204,366
Customer service & information	54,152	59,166	(5,014)
Administrative & general	3,146,349	2,257,074	889,275
Depreciation & amortization	5,552,452	5,286,792	265,660
Interest on long-term debt	4,040,131	3,953,632	86,499
Interest - other	11,105	7,028	4,077
Other deductions	281,075	221,208	59,867
TOTAL EXPENSES	68,630,706	71,932,390	(3,301,684)
Operating margins before patronage allocations	1,360,879	1,060,646	300,233
Patronage allocations			
Generation & transmission	1,630,439	1,028,074	602,365
Other	117,617	126,827	(9,210)
	1,748,056	1,154,901	593,155
NET OPERATING MARGINS	3,108,935	2,215,547	893,388
Nonoperating income (expense)			
Interest income	1,400,214	1,297,230	102,984
NET MARGINS	4,509,149	3,512,777	996,372



Robert L. Nock
Secretary-Treasurer

BALANCE SHEETS

	December 31, 2017	December 31, 2016	Increase (Decrease)
ASSETS			
Electric plant			
Electric plant in service	189,082,793	183,853,974	5,228,819
Less accumulated provision for depreciation & amortization	65,317,958	64,092,849	1,225,109
	123,764,835	119,761,125	4,003,710
Investments			
Investments in associated organizations	19,674,833	18,459,392	1,215,441
Special funds	2,340,644	2,097,083	243,561
Investments in Economic Development Project	50,000	75,000	(25,000)
	22,065,477	20,631,475	1,434,002
Current assets			
Cash - general	10,334,133	8,171,352	2,162,781
Accounts receivable	6,646,641	6,962,969	(316,328)
Materials & supplies	1,204,589	1,348,836	(144,247)
Other current assets	862,643	568,664	293,979
	19,048,006	17,051,821	1,996,185
Deferred charges	1,312,361	1,762,138	(449,777)
	166,190,679	159,206,559	6,984,120
LIABILITIES			
Equities			
Memberships	137,500	137,100	400
Patronage capital	48,117,820	46,953,316	1,164,504
Other equities	10,887,155	9,289,524	1,597,631
	59,142,475	56,379,940	2,762,535
Noncurrent liabilities			
Long-term debt	92,525,168	88,394,162	4,131,006
Other	2,694,620	2,502,620	192,000
	95,219,788	90,896,782	4,323,006
Current liabilities			
Current maturities of long-term debt	3,626,000	3,273,000	353,000
Accounts payable	5,460,910	5,952,095	(491,185)
Consumer deposits	2,257,035	2,287,541	(30,506)
Other current & accrued liabilities	463,088	397,114	65,974
	11,807,033	11,909,750	(102,717)
Deferred credits	21,383	20,087	1,296
	166,190,679	159,206,559	6,984,120

Respectfully submitted,
Robert L. Nock,
Secretary-Treasurer

Eastern Shore students join National Electric Co-op Youth Tour

Five local high school students represented A&N Electric Cooperative (ANEC) for the National Electric Co-op Youth Tour in Washington, D.C.

These high school students from the Cooperative's service territory were selected through an annual essay contest held earlier in the year. They were able to enjoy an all-expenses-paid trip from June 10-14 as part of the 54th annual Youth Tour.

This year's students included Chincoteague High School's Nykera Wallop, Broadwater Academy's Greta Bunce, Northampton High School's Wendy Lin, Nandua High School's Arianna Fletcher and Tangier Combined Schools's Schlyer Parks.

Their trip was sponsored by A&N Electric Cooperative. "Youth Tour is always such a valuable experience for our local students," said ANEC Youth Tour Coordinator Patsy Goard. "A&N Electric Cooperative is proud to offer this educational opportunity each year. Our hope is that all of our area high schools and our homeschool students continue to take advantage of this chance to gain a better understanding of our nation's history and government firsthand."

The students toured Capitol Hill and met with U.S. Rep. Scott Taylor. They also visited historical and cultural sites around the nation's capital, including the Newseum, Arlington National Cemetery, the Pentagon and Fort McHenry in Baltimore. Other activities included an evening cruise on the Potomac River, a Baltimore Orioles game, a visit to the National Aquarium and a live theatrical performance of *The Scottsboro Boys*.

"I loved this trip," said Fletcher. "It was phenomenal. I liked how we were able to socialize with people from all over the country. And our tour of the



JAY DIEM PHOTOS

From top: A&N Electric Cooperative Youth Tour students (L-R) Wendy Lin, Schlyer Parks, Nykera Wallop, Greta Bunce and Arianna Fletcher pose for a photo on the Newseum terrace with the U.S. Capitol Building in the background. A&N Electric Cooperative Youth Tour students were able to witness the Washington Capitals' Stanley Cup Parade. Below, from left: The Cooperative's Youth Tour students attended a live theatrical performance of *The Scottsboro Boys*. Youth Tour students participate in the Flag Talk at Fort McHenry. Participants unfurl a replica flag that inspired the *Star Spangled Banner* while U.S. park rangers explain the flag and fort's significance.

Pentagon and the Capitol Building were once-in-a-lifetime opportunities."

As part of NRECA-sponsored National Youth Day on June 11, student representatives from across the country convened to learn from inspirational speakers, which included Bobby Von Bokern, a lineman from Owen Electric in Kentucky, who spoke about helping to restore power in Haiti. This year's keynote speaker was Mike Schlappi, a four-time Paralympic medalist and two-time world champion in wheelchair basketball.

Since 1964, the nation's electric cooperatives have been sponsoring trips to visit Washington, D.C., for high school seniors and juniors where they are able to meet with their U.S. congressional representatives and learn from energy and government-education sessions.

"This is a wonderful experience and I strongly encourage local students to apply for next year's trip," Fletcher said.

For more information about the Youth Tour Program, visit www.youthtour.coop. To learn how you can participate in A&N's Electric Cooperative Washington Youth Tour opportunity, speak with your high school's guidance office or contact Goard at 757-787-9750, ext. 322. The essay contest to determine

ANEC's 2019 Youth Tour participants will begin in October 2018. Essays can be submitted at your school's guidance office or uploaded directly to the Cooperative's website at www.anec.com/content/youth-tour-application.



Summer looks to be hotter than normal; take steps to help reduce your energy bill

The National Oceanic and Atmospheric Administration outlook for the summer months shows that the Eastern Shore of Virginia is slightly favored to have a summer that is warmer than normal.

A&N Electric Cooperative urges our members to take steps to prepare for warmer summer temperatures and to monitor their energy use to help control their electricity costs.

In the summer, air conditioning uses a large chunk of your home energy dollar. Make sure your system is operating properly by having an HVAC technician check to verify your system is moving the correct amount of air and that your system is properly charged. They can also check for duct leaks. Leaks that are found should be sealed. Air escaping through leaks is not keeping you cool and is costing you more money. Return filters should be checked monthly and changed when necessary.

"During extremely hot weather, your cooling system will work harder to close the gap between higher outdoor temperature and the cooler thermostat setting inside your home," says A&N Electric Cooperative Communications Specialist Jay Diem.

To reduce the difference in temperature between the two and lower your cooling costs, set the thermostat as high as you can while maintaining your comfort level. The Cooperative recommends 78 degrees, but we understand members' comfort levels vary.

Using a ceiling fan in conjunction with your air conditioning can allow you to increase the thermostat setting to about 4 degrees higher with little to no reduction in comfort levels. Just remember that ceiling fans help cool people, not spaces. A ceiling fan running in an unoccupied room is not helping you save on your cooling bill. Turn off the fan when you leave the room.

During the hottest months, it's more critical to replace any remaining incandescent bulbs with LEDs. The waste heat the old bulbs produce impacts energy use and creates wasteful and unwanted heat. This is heat that works against your cooling system.

When able, cook outdoors on a grill. The heat an oven and stovetop produce can also work against your cooling system. Using a microwave instead of the stove is another way to reduce heat produced in your home.

An easy, no-cost solution to reducing your cooling needs are to close window curtains and shades during the day to help keep heat out of your home.

You can also invest in a programmable thermostat to adjust the settings a few degrees higher when no one is home or when your family is sleeping.

How you use hot water in your home can also contribute to your energy bill. Your water heater works with many of your home's other systems. Make sure your water heater is set to the recommended 120 degrees F. Try washing clothes with cold water; use warm or hot water for very dirty loads only.

Members who have questions about their energy use are urged to call one of our member services representatives at 787-9750. We're happy to speak with you about your energy use, and if needed, schedule an in-home audit to try and identify areas to help you save.

How our proposed rates compare

A&N Electric Cooperative (ANEC) has filed an application with the State Corporation Commission (SCC) to adjust our rate structure and increase rates later this year.

If approved by the commission, Cooperative members would see an increase in their monthly access charge and the addition of seasonal rates.

But how do our rates compare to one of our closest neighboring electric utilities?

Even with the proposed rate adjustment, A&N Electric Cooperative's residential rates fall below Delmarva Power's rates for the average home.

While Delmarva Power's monthly access charge is lower than ANEC's proposed charge, its distribution delivery charge is higher than the Cooperative's, making the overall cost of power higher. In the eight-month non-summer period (October-May), ANEC's rates are \$18.06 lower based on 1,000 kilowatt-hours of energy use. In the four-month summer period the difference is \$10.48 with ANEC's rates coming in lower per 1,000 kilowatt-hours of energy use.

ANEC is committed to providing reliable service at an affordable cost and is taking steps to improve efficiency and hold down costs.

The SCC must approve any changes to ANEC's rates. SCC staff and commissioners will thoroughly review and evaluate ANEC's rate application. Any proposed changes will not take effect until October.

RATE COMPARISON For 1,000 kWh (average home use)	
A&N Electric Cooperative	Delmarva Power
Non-Summer, October - May (8 months)	
Access Charge \$14.00	Access Charge \$8.17
Distribution Delivery Charges \$30.28	Distribution Delivery Charges \$52.99
Electric Supply Service Charges \$76.25	Electric Supply Service Charges \$77.43
Total	
\$120.53	\$138.59
Summer, June-September (4 months)	
Access Charge \$14.00	Access Charge \$8.17
Distribution Delivery Charges \$30.28	Distribution Delivery Charges \$55.92
Electric Supply Service Charges \$86.58	Electric Supply Service Charges \$77.25
Total	
\$130.86	\$141.34



JAY DIEEM PHOTOS

Accomack County Department of Public Safety's C. Ray Pruitt addresses representatives from local and state agencies during a simulated hurricane exercise of a category 4 hurricane. The exercise was an effort to test how well local, state and federal agencies work together to address hurricane damage and response.

Area agencies use simulation to prepare for hurricane response

While the Atlantic hurricane season officially began June 1 and continues through Nov. 30, the peak threat for the United States is August through October.

The Accomack County Emergency Operations Center, A&N Electric Cooperative and other state and local agencies take hurricane planning and preparation seriously. In May, the Cooperative joined state and county government agencies for a simulated hurricane exercise of a category 4 hurricane.

The exercise was based on a direct hit to the Hampton Roads/Chesapeake Bay region by a fictional category 4 hurricane named Cora. It was an effort to test how well local, state and federal agencies work together to address hurricane damage and response.

Agencies tested procedures related to pre-landfall preparedness and warning, emergency response, maintaining essential functions during a major disaster, and managing long-term power outages and recovery efforts through the simulation.

Each agency fielded a number of calls that were typical of actual calls received during a major storm event. As calls were dispatched, agencies worked together to determine what type of action would be taken to address each situation.

"Throughout the exercise we received simulated requests from federal, state and local agencies dealing with a number of scenarios in the first 48 hours after a devastating storm," said Accomack County Director of Public Safety Charles Ray Pruitt. "All of our agencies performed admirably throughout the entire exercise."

The simulation was part of the 2018 National Level Exercise, the largest-ever Virginia emergency-preparedness exercise, which included nearly 20 state agencies and over three dozen localities.

"This exercise proved to be extremely helpful as everyone witnessed a cohesive environment of professionals working together to help their communities after a disaster," said A&N Electric Cooperative's Patsy Goard. "The Cooperative was able to plan

coordinated efforts with VDOT, to create 'strike teams' in the early hours after simulated landfall to clear and maintain safe passageways and start our outage restoration, among other response efforts."

The exercise also gave each agency involved the chance to review its procedures and address any action or updates as needed.

"Because of the exercise, we were able to identify some needs based on the scenarios, which we will be able to address moving forward," Pruitt said.

The 2018 hurricane season could be more active than normal on both the Atlantic and Pacific basins, according to government meteorologists.

The National Oceanic and Atmospheric Administration is predicting a 70 percent likelihood of 10 to 16 named storms (winds of 39 mph or higher), of which five to nine could become hurricanes, including one to four major hurricanes.

Experts agree that 2018 looks to continue the above-average hurricane activity that was seen in 2017 — one of the most devastating hurricane seasons in recent history.

Helpful links:

www.anec.com/content/hurricane-guide

www.vaemergency.gov/hurricane-evacuation-zone-lookup



A&N Electric Cooperative's Patsy Goard and Jackie Phillips participate in the simulated hurricane exercise in May. The exercise was an effort to test how well local, state and federal agencies work together to address hurricane damage and response.

Join us for the Annual Meeting

It's annual meeting time and we're looking forward to seeing our members. A&N Electric Cooperative's Annual Meeting is a special time for Co-op members to gather, share experiences, hear from co-op leadership and vote to elect your board members.

We will be celebrating 78 years of commitment to our members and want to show you how we're working to enhance life on the Eastern Shore through our member-driven services.

We encourage you to attend and exercise some of the many rights you have as a member of an electric cooperative.

Come join us Aug. 23 at Nandua High School. Those members choosing to vote in person should attend the annual business meeting and arrive prior to 7 p.m. A&N Electric Cooperative staff will be available beginning at 5:30 p.m. to welcome members and to start the process of voter registration. Voter registration ends promptly at 6:55 p.m.

Members choosing to vote by mail-in proxy will be entered into a drawing to win one of four \$100 credits to count towards an upcoming electric bill. Members who would like to vote by proxy are encouraged to fill out the form accompanying their July electric bill and return it to A&N Electric Cooperative prior to the annual meeting.