



The energy behind public power

◆ ELECTRICITIES OF NC

2017 ANNUAL REPORT

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MESSAGE FROM THE CHAIR AND CEO



MAYOR J. NEWELL CLARK
Chair



ROY L. JONES
Chief Executive Officer

Imagine trying to move a large boulder. Push it as hard as you can, but it won't budge an inch if you are all alone. Try again with a team of people helping and you can push that same boulder up a steep hill. That is the power of working together.

ElectriCities was founded on the concept of working together more than 50 years ago. By joining forces, our public power communities gained a larger voice at the state legislature and helped influence issues important to our communities.

Fast forward to today; teamwork is still the foundation that ElectriCities is built upon. As public power providers, we all share a common goal: to provide our residents with energy that is safe, reliable, and affordable.

We also face similar challenges and opportunities. Whether your community is big or small, rural or urban, east or west, we must continue to adopt new technologies, invest in our infrastructure, and provide our employees with the support and resources they need to serve our customers.

There is a lot we can learn from each other. ElectriCities brings together our public power communities and offers an abundance of resources and support around five strategic priorities that were introduced in 2016: Value of Public Power, Workforce Development, Wholesale Power Cost, Grid Modernization, and Continuous Improvement.

Our job is to deliver value that makes public power communities stronger. To accomplish that, we will listen to our members and pull together information that can help them analyze their rates or evaluate their compensation plans. We offer safety training and communications consulting. We stay abreast of emerging technologies and legislative issues. We work alongside members to attract new businesses and pursue new opportunities. We work together, sharing best practices and offering advice on how to continuously improve.

There are a lot of good things happening in our public power communities. Read through this report and you will see the impressive ways that our members are tackling key issues.

Learn how Statesville's new career development plans are helping it retain more of its employees (Workforce Development, page 12) and how Rocky Mount is helping customers lower their utility bills (Wholesale Power Cost, page 16).

Discover how smart meters are enabling New River Light & Power to better serve its customers (Grid Modernization, page 20), how Captain Public Power is making his mark in New Bern (Value of Public Power, page 8), and how new technology is bringing Maiden's maps into the 21st century (Continuous Improvement, page 24).

This is the power of public power. And we couldn't be prouder.



Coming together is a beginning, keeping together is progress, and working together is success.

— Henry Ford

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NEW BERN, NORTH CAROLINA

THE VALUE OF PUBLIC POWER

There are a lot of advantages to living in an NC Public Power community, but not everyone recognizes them. In fact, some customers may not even realize their power is provided locally. How do we change that? By telling our story and sharing the value of public power.

Colleen Roberts at the Tryon Palace Point Commons leads New Bern's communications and branding efforts. A key priority: using the power of social media to communicate the value of public power.

LEARNING FROM NEW BERN'S SUCCESS

More than 100,000 people from across the Southeast flock to New Bern's historic downtown waterfront each fall for MumFest, a popular festival that showcases the city's music, art, food, and so much more.

Last year, visitors to MumFest had the opportunity to meet New Bern's newest superhero: Captain Public Power. The city's electric department has rented a booth at the festival for years as a way to engage with customers and put a face on the hometown utility. The introduction of Captain Public Power has added some additional excitement.

"You will often find Captain Public Power at local schools, parades, and festivals, extolling the virtues of public power and talking to children about how to conserve energy. He's been a popular attraction—and an effective tool for communicating the value of public power," says Colleen Roberts, New Bern's public information officer and brand manager.

New Bern has also ramped up its social media presence, frequently engaging with customers and showcasing its employees. Social media can provide a behind-the-scenes look at employees as they collect school supplies or put together Easter baskets for those in need.

"We are able to connect with our customers and show them that we are right here in the neighborhood," Roberts says. "That's what sets public power communities apart. There's a level of friendly customer service and customer satisfaction that you can't get anywhere else."

New Bern embodies that customer-first attitude in everything it does. A renovated business office includes a play area for children and private offices for discussing payment plans or other sensitive issues. A new web feature makes it easy to report power outages online by simply entering your phone number. And, of course, there's a local superhero to remind residents about the value of public power.



◆ OUR SUPPORT

ElectriCities provides communications support and resources to help members spread the word about the value of public power, including materials to celebrate Public Power Week, social media campaigns, and a variety of promotional materials. It also consults with members as they develop their own events and campaigns to highlight the benefits of public power.

Pictured from top: Captain Public Power Lester Fonville, a local family, and Jackie Allen



New Bern's City Engineer Jordan Hughes, City Manager Mark Stephens, and Finance Director JR Sabatelli



STATESVILLE, NORTH CAROLINA

WORKFORCE DEVELOPMENT

Our workforce is changing. Employees with decades of public power experience are retiring in record numbers, and a new generation of utility workers must be recruited and trained. Providing competitive compensation and a clear career path are critical to attracting, developing, and retaining outstanding employees.

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Critical to the success of our public power communities are outstanding employees. Here you see lineworkers Jeremiah Christopher and Hunter Houston conducting a pole replacement at the intersection of Monroe Street and Opal Street.

LEARNING FROM STATESVILLE’S SUCCESS

The scenario had become all too familiar: Statesville would hire and train a new lineman or utility technician, then watch helplessly as they were lured away by a competitor only a short time later.

The solution: providing electric employees with a clear path for advancing their career and increasing their salary. Statesville adapted its career development programs for linemen, as well as substation and metering technicians to closely tie each employee’s position and pay to their level of knowledge and experience.

“As employees achieve more, they earn more,” explains Devon Shelton, Statesville’s electric utilities assistant director. “There are now tangible benefits associated with additional training and experience.”

Shelton says the program has been very well-received. Employee retention has soared, and employees are more enthusiastic about opportunities for training and advancement.

Next up: implementing career development programs for all of Statesville’s 30 electric employees. The city has already created a new program for staking engineers and will launch additional programs to reach other employees.



❖ OUR SUPPORT

ElectriCities works with NC Public Power communities to establish career development programs and provide assistance with compensation studies. A host of training programs are available through ElectriCities, including safety training, leadership training, and lineworker training programs.

In addition, ElectriCities is actively promoting energy careers to students and working in partnership with other utilities to address workforce challenges.



Pictured from left to right: Devon Shelton and Keith Courson

Pictured from left to right: Joshua Bentley, Joshua Mahaffey, and Jacob Miles (also pictured on page 14)



ROCKY MOUNT, NORTH CAROLINA

WHOLESALE POWER COST

Securing a safe, reliable, and affordable power supply is the foundation of everything we do. It enables NC Public Power providers to effectively serve our customers, attract new businesses, and power our communities.

Competitive electric rates are helping fuel the redevelopment of downtown Rocky Mount. Director of Energy Resources Rich Worsinger showcases this by standing at the intersection of Thomas Street and Albemarle Avenue near the construction of the new Rocky Mount Event Center.

LEARNING FROM ROCKY MOUNT’S SUCCESS

Rich Worsinger knows that customers value reliable electric service at affordable rates. As the director of energy resources for the City of Rocky Mount, he manages a series of programs aimed at helping residential and commercial customers manage their utility bills and control costs.

“Noncompetitive electric rates and high ‘light’ bills have been an issue in Rocky Mount for well over a decade. It is thrilling to now have rates that are on par or lower than neighboring utilities,” Worsinger said.

Rocky Mount offers a robust load management program that saves residential customers up to \$225 a year—more than the cost of an average monthly residential electric bill. The city has more than 8,400 active load management switches, enabling the utility to reduce the cost of power by controlling certain

appliances during periods of peak demand.

Through Rocky Mount’s Energy Share program, customers can receive up to \$1,750 in rebates by investing in weatherization projects to reduce the home’s energy usage, including properly insulating their attic, purchasing a new HVAC system, or upgrading duct work. Rocky Mount budgets \$200,000 a year for the program.

Free energy audits offered by the city help customers identify ways to reduce energy consumption and other opportunities to reduce their energy usage.

Rocky Mount customers are reaping the benefits of these programs. Rocky Mount’s electric rates have decreased by 19 percent over the last two years, including a 14 percent decrease following the sale of North Carolina Eastern Municipal Power Agency’s generation assets in 2015 and a 5 percent decrease in 2017.

❖ OUR SUPPORT

ElectriCities is committed to providing a stable, affordable wholesale power supply for NC Public Power communities through the North Carolina Eastern Municipal Power Agency and North Carolina Municipal Power Agency Number 1. ElectriCities provides support to members by consulting on rate issues, conducting energy audits in public power communities across the state, and educating customers about ways to improve energy efficiency.



Pictured from left to right: Terry Pittman, Tim Phelps, and Diane and Ernest Pugh



BOONE, NORTH CAROLINA

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GRID MODERNIZATION

Our nation's electric grid is one of the largest and most reliable in the world. More than 600,000 miles of transmission lines safely deliver energy to millions of homes and businesses. With our electric system being asked to do more than ever before, we must continue to invest in infrastructure improvements and new technologies that will keep our electric system reliable and efficient.



Investing in smart grid technology is enabling New River Light & Power's Matthew Makdad and Scott Eggers to better serve customers like Appalachian State University.

LEARNING FROM NEW RIVER LIGHT & POWER'S SUCCESS

When your primary customer is one of the state's leading universities, you learn to value education. For New River Light & Power, which provides energy to Appalachian State University, the Town of Boone, and surrounding areas, that meant doing its homework on an array of advanced technologies for improving operational efficiency and customer engagement for its electric services.

After carefully evaluating bids from nine different vendors, the utility completed the implementation of an Advanced Metering Infrastructure (AMI) of more than 8,500 meters in 2017. The new system immediately alerts line crews of outages and provides them vital information about the overall impact of the outage. The result: faster restoration times.

Every 15 minutes, the system records and reports data from meters via a web-based interface and automatically imports monthly readings into the utility's financial and customer information system for billing purposes. New River Light & Power offers enhanced customer service by sharing information about how customers are using energy, how their

usage compares to other customers, and how they can conserve energy. Through an online portal, customers can also monitor their own usage, in 15-minute increments, throughout the month.

"We're already seeing tremendous benefits and we're just at the tip of the iceberg," says engineering supervisor Matthew Makdad. He is now using data from the advanced metering system to better analyze transformer loads and estimate peak loads, an effort that will enable the utility to rebalance loads and resize its transformers in an effort to reduce system losses.

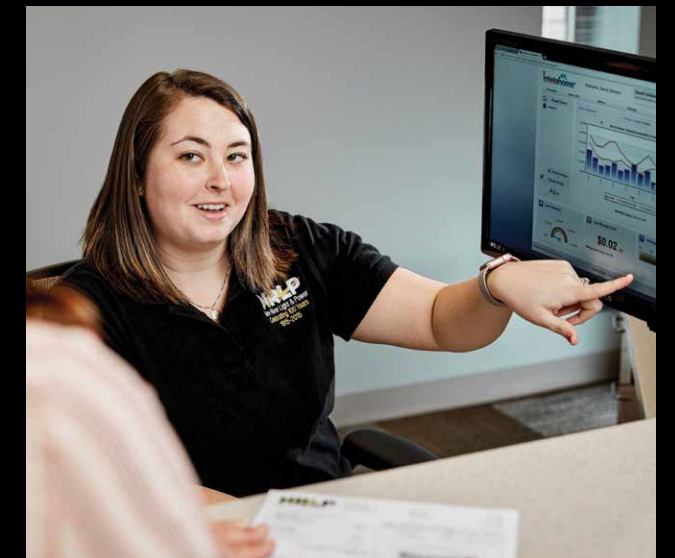
New River Light & Power has equipped line crews with mobile tablets that provide access to outage information and its newly developed GIS system. This enables crews to instantly access valuable data, troubleshoot issues, and better serve customers.

"Smart meters and other advanced technologies are changing the way utilities work. With these valuable resources at our fingertips, we can do more work from the field and significantly improve our operations," Makdad says.



❖ OUR SUPPORT

ElectriCities regularly advises NC Public Power communities on infrastructure improvements and keeps members abreast of emerging technologies—from smart meters to SCADA solutions—that can improve operations, increase efficiencies, and enhance customer service.



Pictured from left to right: New River Light & Power's Terry Hale, Scott Eggers, Matthew Makdad, and Noelle Gates

MAIDEN, NORTH CAROLINA

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CONTINUOUS IMPROVEMENT

Being successful means always looking for ways to improve. For NC Public Power communities, that means embracing new technologies and adopting new processes to meet changing customer expectations.

By installing LED lights across town, Maiden is reducing its energy usage and maintenance needs. The new lights enjoyed here by lineworkers Jarrod Hunt, Bradley Sigmon, and Cody Biggerstaff at the Maiden Community Center won't need to be replaced for 15 years.



MAIDEN, NORTH CAROLINA

LEARNING FROM MAIDEN'S SUCCESS

Maiden, a quaint small town in the foothills of North Carolina, is home to an Apple data center that ranks among the largest in the nation. So perhaps it's fitting that this small town is leveraging new technologies that enable it to restore power more quickly and to better serve its customers.

Maiden invested in a comprehensive grid mapping process that involved mapping details about the town's entire electric system and other utilities. If a car accident or a winter storm damages an electric pole, crews can immediately access critical information—the size of the pole, the type of lines connected to the pole, nearby transformers, etc.—directly from their phone or iPad. Having that information at their fingertips enables them to quickly gather the materials and resources needed to restore power.

"I feel like we've gone from vinyl records to iTunes," says Maiden Town Manager Todd Herms. The town had previously relied on outdated paper maps to track its utilities.

The 18-month project is already paying dividends. "It took about two weeks before our technicians declared that this was the best thing we've ever done," Herms says. "They can work much more efficiently, and the communication with our customers and people in the field has greatly improved."

Herms credits the town council for having the vision to recognize the value of the project. "It's important to adapt and invest in technology that can move you forward. If you're not willing to invest in your community, how can you expect others to?"



❖ OUR SUPPORT

ElectriCities regularly shares information about emerging issues and new technologies that can help public power communities improve their operations. In addition, ElectriCities consults with utility directors and connects public power providers to share best practices and innovative ideas. As a result, Maiden has also begun upgrading lights to LEDs to reduce energy use and save money.

 Pictured: Lineworkers Bradley Sigmon, Cody Biggerstaff, and Jarrod Hunt