

## Horry Electric Cooperative, Inc.

www.horryelectric.com

**Main Office**  
P.O. Box 119  
Conway, SC 29528-0119

**Conway Office: 369-2211**

**Socastee Office: 650-7530**



(to report power outages only)  
**369-2212**

### Board of Trustees

Johnny M. Shelley  
*President*

James P. "Pat" Howle  
*Executive Vice President and CEO*

Eugene Harriott, Jr.  
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### Co-op Connection Editor

Penelope D. Hinson  
penelope.hinson@horryelectric.com



Your Touchstone Energy® Partner

## Protecting your interests

We're looking out for you at both capitols

**THROUGHOUT OUR CO-OP'S HISTORY**, the actions of federal and state governments have affected our ability to serve our members. That's why we make an effort to act as your voice with policy-makers at the state and federal level.



We work with other co-ops through our statewide association to represent you in the U.S. Capitol and the S.C. State House. In May, representatives from your co-op and others across America will converge on Washington, D.C., to meet with our congressional representatives. We'll urge them to minimize the impact of energy and climate legislation on your electricity costs.

At the Annual Meeting, we'll be asking you to pitch in and help us carry that message to Washington. The 'Our Energy, Our Future' grassroots effort is ongoing, and we hope you'll make a point of stopping by the 'Our Energy, Our Future' booth to fill out a postcard for us to send to Washington.

Washington isn't getting all the attention. We're also watching out for you in South Carolina. In January, Horry Electric and other S.C. co-ops welcomed the South Carolina General Assembly back for another session. On a weekly basis during session, a truly "cooperative" team made up of government relations specialists from co-ops around the state work together to monitor state government actions. When a decision is being made that will have an impact on their constituents back home, especially those who are also co-op members, these lobbyist liaisons make sure representatives know exactly what that impact will be.

These liaisons have been working

for the past few months on a particular piece of legislation that will allow for on-bill financing for home energy-efficiency improvements. Under the plan, co-ops could make low-interest loans to members for improvements. Savings could be shared — part going to the member and part to loan repayment.

Last month, your co-op had the opportunity to host the Horry County Delegation for a breakfast meeting. We thanked them for the job they do representing the citizens of the communities served by Horry Electric. They have been nothing but supportive of the on-bill financing legislation. If you see a member of the Horry County Delegation, or any of our Washington representatives, be sure to let them know you're a member of Horry Electric and you appreciate all they do for us.

**James P. "Pat" Howle**  
*Executive Vice President/CEO*



**Members of the Horry County Delegation always have an open ear to the concerns of the co-op constituents. Representative Thad Viers visited with me for a moment after the meeting and then Representative Liston Barfield (inset) spent time with Penelope Hinson, our lobbyist liaison, and me.**

JOHN FRICK - ECSC

## Official notice of Annual Meeting

**THE ANNUAL BUSINESS MEETING** of the members of Horry Electric Cooperative, Inc., will be held at the Myrtle Beach Convention Center on Tuesday, April 13, at 7 p.m. The Myrtle Beach Convention Center is located at 2100 21st Avenue North, Myrtle Beach, South Carolina. Action will be taken on the following matters:


- ▶ The report of Officers, Trustees and Committees
- ▶ The election of Trustees
- ▶ All other business which may come before the meeting of members.

Registration at the Annual Meeting begins at 12 noon and each Coopera-

tive member is urged to be present and take part in the meeting.

Each member who registers will receive a \$15 credit on his or her electric bill. **ONLY THOSE WHO REGISTER, IN PERSON, AT THE ANNUAL MEETING BETWEEN THE HOURS OF NOON AND 7 P.M. ARE ELIGIBLE TO RECEIVE THE REGISTRATION GIFT.**

Prize drawings for additional gifts will be held following the business meeting. You must be present at the time of the prize drawing in order to win.



Ashley Anderson, Secretary-Treasurer

## Grand prize

**2001 Ford Explorer XLS  
4-door with roof rack**



### Other Prizes:

\$400 ..... First  
\$200..... Second  
\$100 ..... Third

**PLUS,**  
drawings for more  
than 50 door prizes!

You **MUST** be present  
at the time of the  
prize drawing  
in order to WIN!

### Annual Meeting program

12-7 p.m. ....Registration  
2-7 p.m. ....Entertainment  
7 p.m. ....Business Meeting  
Prize Drawing  
Adjournment



**IMPORTANT!** THIS IS YOUR REGISTRATION CARD. Only those who register in person, at the Annual Meeting between the hours of noon and 7 p.m. are eligible to receive the registration gift.

**TOGETHER WE SAVE**

Bring this notice and a photo ID to the Annual Meeting, April 13, to be eligible to register and receive the **\$15 credit** on your electric bill.

Horry Electric Cooperative  
**\$15**  
Electric Bill Credit

**12 noon - 7 P.M. REGISTRATION**

Join us at this year's Annual Meeting and take part in the **Loris Healthcare System** and HEC's WIRE Chapter **Health/Wellness Fair.** Entertainment 2-7 p.m.

Additional details are available in the April edition of South Carolina Living or at [www.horryelectric.com](http://www.horryelectric.com)

**ELECTION OF TRUSTEES**

**DISTRICT 1**  
Elaine Gore  
(Incumbent)

**DISTRICT 5**  
Ben P. Harrelson  
(Incumbent)

**DISTRICT 7**  
Ashley Anderson  
(Incumbent)



*Ashley Anderson*  
Ashley Anderson  
Secretary Treasurer

*This year's lucky grand prize winner will drive away in a 2001 Ford Explorer XLS!*  
**YOU MUST BE PRESENT TO WIN.**

**IMPORTANT!** Registration lines will be long, but the process will move a lot more quickly if you are prepared with your Official Notice Postcard and a photo ID.

## Registration gift

# \$15

## Credit on Electric Bill

Only those who register, in person, to participate in the Annual Meeting of Members of Horry Electric Cooperative, Inc., between the hours of noon and 7 p.m., on Tuesday, April 13, at the Myrtle Beach Convention Center are eligible to receive the Annual Meeting Registration Gift.

**ABSOLUTELY  
NO EXCEPTIONS!**

# Horry Financial View

## ASSETS

### UTILITY PLANT

Electric plant in service—at cost	\$ 274,264,511
Construction work in progress	7,780,787
Gross utility plant	<u>282,045,298</u>
Less: accumulated depreciation	49,751,525
<b>Utility plant — net</b>	<b><u>\$232,293,773</u></b>

### OTHER PROPERTY AND INVESTMENTS

Investment in associated organizations	\$ 8,093,585
Other investments	<u>657,542</u>
<b>Total other property investments</b>	<b><u>\$ 8,751,127</u></b>

### CURRENT ASSETS

Cash and cash equivalents	\$ 28,978,941
Accounts receivable	7,192,167
Accounts receivable — other	97,036
Materials and supplies	3,808,421
Other	<u>1,006,199</u>
<b>Total current and accrued assets</b>	<b><u>\$ 41,082,764</u></b>

### DEFERRED DEBITS

**\$ 108,679**

### TOTAL ASSETS

**\$282,236,343**

## Horry Electric Cooperative, Inc.

Your Touchstone Energy® Partner  
The power of human connections 

## EQUITIES AND LIABILITIES

### EQUITIES

Membership fees	\$ 254,100
Patronage capital	54,924,178
Other equities	7,388,702
<b>Total equities</b>	<b><u>\$ 62,566,980</u></b>

### LONG-TERM DEBT

RUS	\$ 127,724,023
FFB	52,258,139
CFC	11,317,966
<b>Total long-term debt</b>	<b><u>\$191,300,128</u></b>

### OTHER NONCURRENT LIABILITIES

Accumulated operating provision	<b><u>\$ 3,496,011</u></b>
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### CURRENT LIABILITIES

Current maturities of mortgage notes	\$ 4,782,045
Accounts payable	12,990,526
Consumer deposits	4,191,046
Accrued and withheld taxes	27,048
Other current and accrued liabilities	<u>2,882,559</u>
<b>Total current liabilities</b>	<b><u>\$ 24,873,224</u></b>

### TOTAL EQUITIES AND LIABILITIES

**\$282,236,343**

What we took in:	\$ 124,727,938
What we paid out:	<u>119,270,192</u>
Patronage capital and operating margins	5,457,746
Other income and equity	1,374,762
<b>WE HAD LEFT:</b>	<b><u>\$ 6,832,508</u></b>

## Comparative operating statistics

### GROWTH

	2009	2008	2007	2006	2005	2004	2003
Average kwh per residential member per month	1,235	1,255	1,284	1,290	1,373	1,369	1,290
Average residential bill per month	\$146.97	\$137.62	\$127.26	\$130.35	\$133.38	\$117.70	\$109.73
Consumers on system	65,173	63,843	62,252	59,188	54,776	50,767	48,052
Miles of line	4,856	4,804	4,689	4,514	4,366	4,245	4,153
Average cost per kwh sold (cents)	11.8	10.9	9.8	10.0	9.6	8.5	8.4

### EXPENSES

Wholesale power	65%	63%	62%	64%	63%	60%	60%
Operating maintenance and general expenses	18%	19%	20%	20%	21%	23%	23%
Depreciation	8%	8%	8%	7%	7%	7%	7%
Interest	8%	9%	9%	8%	8%	9%	9%
Taxes	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>
Total	100%	100%	100%	100%	100%	100%	100%

## Horry Electric Cooperative, Inc.

### Statement of nondiscrimination

Horry Electric Cooperative, Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture, which provide that no person in the United States on the basis of race, color, national origin, sex, religion, age, or disability shall be excluded from participation in, the admission or access to, denied benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Abigail Lewis, human resources coordinator. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or write USDA, director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410; or call, toll free, (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8399 (TDD) or (866) 377-8642 (relay voice users). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.



Your Touchstone Energy® Partner

## Board of Trustees



**W. T. Johnson Jr.**  
Attorney



**Elaine D. Gore**  
District No. 1



**Bobby E. Jordan**  
District No. 2



**Johnny M. Shelley**  
District No. 3  
President



**Franklin C. Blanton**  
District No. 4



**Ben P. Harrelson**  
District No. 5



**Henry W. Boyd**  
District No. 6



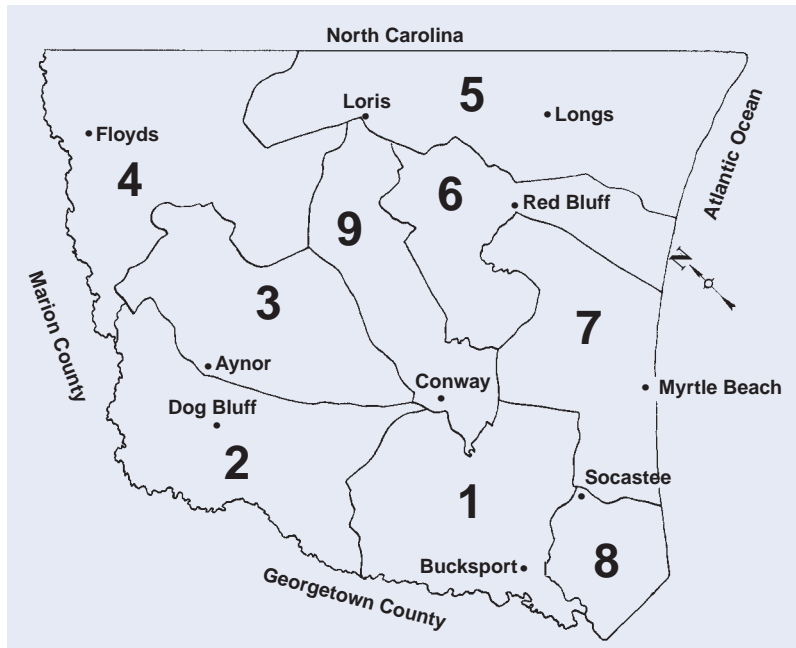
**Ashley Anderson**  
District No. 7  
Secretary and Treasurer



**Eugene Harriott Jr.**  
District No. 8  
Vice-President



**Marcus E. Gerald**  
District No. 9



## 2010 trustee candidates

**THE MEMBERS** of the Nominating Committee, duly assembled, after giving full consideration to the district location, did nominate the following members of the cooperative as trustee candidates for a three-year term beginning April 14, 2010. The names also appear in the Official Notice of the Meeting, which is scheduled to be mailed Thursday, April 1, 2010.

### District #1

**Elaine D. Gore (incumbent)**  
6150 Pauleys Swamp Road  
Conway, SC 29527

**ELAINE GORE** and her husband, John G. Gore, O.D., have four children and six grandchildren.

The Gores are members of the Fair Bluff United Methodist Church.

Gore serves as deputy director for the Horry Council on Aging, where she has been employed since 1988. During her service with the Council on Aging, she has had an opportunity to implement many programs for senior citizens in Horry County. In addition to providing social support to their elderly clients, they help provide for basic needs. They operate 10 senior centers in Horry County and provide services to approximately 400 homebound senior citizens. Their programs have been recognized throughout South Carolina and have won numerous state awards.

Gore is an active part of the Horry County community. She presently serves on the Board of Architectural Review and Historic Preservation



and was an integral participant in the formation of the South Carolina Tobacco Growers Association.

Gore has served as a trustee for Horry Electric Cooperative since 2001. She has successfully completed numerous training courses through the National Rural Electric Cooperative Association and has earned the status of Credentialed Cooperative Director. She has also earned her Board Leadership certificate through NRECA training.

### District #5

**Ben P. Harrelson (incumbent)**  
633 West Harrelson Road  
Loris, SC 29569

**BEN P. HARRELSON** and his wife, Isla Mae, live in the Green Sea community. They have three children and four grandchildren.

The Harrelsons are members of the Mt. Zion Baptist Church, where he serves as a deacon and secretary/treasurer.



Harrelson is a retired magistrate and a former insurance agent. He also served on the U.S.D.A. Farm Service Agency County Committee for seven years and served on the Horry County Zoning Board of Appeals.

In addition to serving as a trustee for Horry Electric, he serves as a community board member for the National Bank of South Carolina in Loris.

Harrelson has served as a trustee for Horry Electric Cooperative since 1977 and has successfully completed training through the National Rural Electric Cooperative Association to earn the status of Credentialed

Cooperative Director. He has also earned Board Leadership and Director's certificates through NRECA.

Harrelson served as president of the Board of Trustees of Horry Electric Cooperative and served as chairman of the Executive and Finance Committee.

### District #7

**Ashley Anderson (incumbent)**  
7853 Reaves Ferry Road  
Conway, SC 29526

**ASHLEY ANDERSON** and his wife, Bobbie, live in the Nixonville community and are members of Nixonville Chapel, where he serves as a trustee. They have two sons and four grandchildren.

Anderson sold fertilizer, farm chemicals and was a crop insurance agent in the Conway area for many years. He served on the original Board of Directors for Coastal Farmers Tobacco Warehouse.



Anderson is a lifelong farmer and operates a mining and excavation company. Anderson has served as a trustee for Horry Electric since 1977 and has successfully completed training through the National Rural Electric Cooperative Association to earn the status of Credentialed Cooperative Director. He has also earned Board Leadership and Director's certificates through NRECA.

Anderson is chairman of the Bylaw and Policy Committee of the Board of Trustees of Horry Electric and is a member of the Insurance and Safety and the Executive and Finance committees. He also serves as secretary/treasurer of the Board of Trustees.

## It pays to be a member!

BY PENELOPE HINSON

**NOT MANY BUSINESSES** pay you for buying something you wouldn't want to live without — but electric cooperatives do.

The 'payment' happens through something known as 'capital credits'. Capital credits come from the money a cooperative has left over after paying all of its expenses in a given year. At the end of the year, that money is allocated to each member's account, according to the amount of electricity the customer bought.

When finances allow, Horry Electric Cooperative returns capital credits to its member/owners in the form of a capital credit check. "Last year, the cooperative disbursed more than \$750,000 from the capital credits account," said Jodi Braziel, manager of office services for the cooperative. "This year, we're proud to announce we'll once again be distributing \$750,000."

### A different way of doing business

Unlike other types of companies, cooperatives do not have shareholders who expect to make money from the profits generated by the company. Cooperatives are not-for-profit businesses that exist solely to provide their members with a particular service such as electricity.

"In a co-op, the net margins don't belong to the company; they belong to the consumers who paid their monthly electric bills," said Braziel.

In effect, the members of a cooperative are the stakeholders. Because of that, when the cooperative takes in more money than is needed to run the business, the owners are entitled to a portion of it.

### How do capital credits work?

A member's 'equity' in the cooperative is based on the amount of power the customer has purchased during the year.

"The more electricity the customer buys, the higher their share of equity,"

### Capital credit disbursement 2010

This year, member owners will be receiving a portion of the capital credits assignment for 1987 and 2009. The allowable retirement this year is \$1,250,000 less \$500,000 in estate payments. The total amount being distributed is \$750,000.

If you were a member in 2009, you will receive 5% of your 2009 assignment. If you were a member in 1987, you will receive 31% of your assignment for that year.

#### Example of 2009 allocation, retirement

You can calculate the approximate amount of your 2009 allocation and disbursement by using this example. Capital credit disbursements are made in the form of a capital credit check, which will be mailed to you by the end of April.

If your 2009 electric bills totaled:	\$200	\$500	\$1,000	\$1,500
The 2009 assignment percent is: (multiply the percentage times your bills)	5%	5%	5%	5%
Your capital credit assignment for 2009 would be:	\$10	\$25	\$50	\$75
We will be paying 5% of the 2009 margin assignment; your general retirement refund for 2009 would be approximately:	\$0.50	\$1.25	\$2.50	\$3.75

says Ashley Anderson, secretary and treasurer of the board of trustees of Horry Electric Cooperative. "The co-op sets up a credit account that shows on the books the share of the year's net margins belonging to each member."

Generally, the members don't receive a check the same year they earned the capital credits. "That's because electric cooperatives use their members' equity to fund system improvements," said Anderson.

"If we couldn't get the operating capital from member payments, we'd have to borrow from the bank or some other source, which would cause electric rates to go up," said Braziel.

As new member equity funds come in year after year, the cooperative is able to 'retire' its older capital credit funds, issuing members their share in the form of a capital credit check.

Due to the expense of processing and issuing checks, capital credit refunds below \$10 will be credited to the individual's electric account. "So if you don't get a check, you'll

see a credit on your electric bill," said Braziel.

Capital credit checks are expected to be delivered to members by the end of April. "It's an exciting time for us around here," said Braziel. "Being able to return capital credits is a direct reflection on the financial strength and stability of your cooperative and that's something in which we can all take pride.

"To help members calculate and estimate what their capital credit check might be, we created the chart at the top of the page," said Braziel. "If you still have questions, please don't hesitate to call us." ☎

Due to the expense of processing and issuing checks, capital credit refunds below \$10 will be credited to the member's electric account.