



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

At the Annual Meeting of Members, it's all about you

Come to the 2007 Annual Meeting of Members and let your voice be heard. After all, it's all about you — you should be there.

We made some pretty big changes to the way we do things, and, because we got most of the ideas from our members, last year's Annual Meeting was a big hit.

Entertainment and food

For the second year in a row, we've contracted with the band, Olde Dawg. They have a unique southern rock sound mixed with country, rock, blues, bluegrass and even a little Cajun zydeco. Willie Wiredhand and McGruff the Crime Dog were both spotted 'cutting a rug' with Horry Electric members, and I don't think there was anyone who could resist tapping

their toes or clapping their hands in time with the music.

I think I even saw a few people chewing their Conway National Bank hot dogs to the beat of the band. Once again, they'll be serving up their specialty — hot dogs with all the fixings. We are very glad to have them as part of our Annual Meeting. If you come this year, please take a moment to express your appreciation.

The registration gift

Once again, the board of trustees has decided on a \$25 credit on the electric bill as the registration gift for everyone who takes the time to come to the Convention Center to participate in the Annual Meeting of Members. With the high cost of electricity these days, that's a huge benefit.

It's a benefit to all of us at Horry Electric because we didn't have to order a specific item; we don't have to worry about making sure we have enough, and we don't have to worry about putting together a 'raincheck' system.

Traffic concerns

Last year, the hours for registration were expanded and scheduled to begin earlier in the day to make it easier on those who didn't want to get tangled up in mid to late afternoon traffic. It worked well, so we're keeping those same hours this year.

Because of the huge turnout last year, there were a few traffic concerns created inside the Convention Center. The biggest traffic jam was around the Health Fair area, but we've figured out a remedy and there is a plan in place that will reduce the congestion in the entire exhibit area. Additional details are outlined in a separate column in this edition of Living in South Carolina Magazine.

It's a very big deal

Annual Meeting is a very big deal for all of us associated with Horry Electric

Cooperative, and we hope you'll take the time to attend and participate.

Watch your mailbox for the Official Notice to arrive in a day or two and make sure you put it in a safe place, so you can find it when you get ready to hit the road for the Convention Center. It has been barcoded with your membership information so we can get you registered as quickly as possible.

A first for Ellie

You never know who or what you'll see at Annual Meeting. You might even get a chance to meet my little granddaughter, Ellie. It will be her first official meeting, and, while she won't be able to stay the entire time, I'm excited about showing her around and seeing her taking it all in with those bright little eyes of hers.

There's plenty to do, see and learn at Annual Meeting, so I hope you'll be there with us to share the experience. The employees and trustees of your Cooperative work hard to make sure each event is at least equal to or better than the last. It's a work in progress, and I think you'll be pleased with the progress we've made.

Please keep this edition of the Living in South Carolina Magazine as your guide to Annual Meeting and don't forget to bring your Official Notice/Registration Postcard and a photo ID with you to the meeting, so we can zip you right through the registration process.

James P. "Pat" Howle

Horry Electric Cooperative, Inc.

Your Touchstone Energy® Partner
The power of human connections



P.O. Box 119

Conway, SC 29528-0119

Conway Office: 369-2211

Socastee Office: 650-7530

PowerTouch

(to report power outages only)

369-2212

Ben P. Harrelson
President

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

Eugene Harriott Jr.
Vice President

Ashley Anderson
Secretary/Treasurer

Franklin C. Blanton
Marcus E. Gerald
Bobby E. Jordan

Henry W. Boyd
Elaine D. Gore
Johnny M. Shelley

Newsletter Editor

Penelope D. Hinson

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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, May 22, 2007, 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:

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

Registration at the Annual Meeting begins at 12 noon and each Cooperative member is urged to be present and take part in the meeting.

Each member who registers and participates in the Annual Meeting will receive a \$25 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

Ashley Anderson, Secretary-Treasurer

Grand prize

2002 Chevrolet Silverado



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
 5-6:45 p.m. Entertainment
 7 p.m. Business Meeting

Prize Drawing
 Adjournment



Registration gift

\$25

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, May 22, 2007, at the Myrtle Beach Convention Center are eligible to receive the Annual Meeting Registration Gift.

ABSOLUTELY NO EXCEPTIONS!



John heard a powerful voice at the electric co-op meeting. His own.

Only your local electric co-op makes every customer an owner of the business. Unlike other electric utilities, your co-op exists to make sure your needs are always met, not to make a profit. And since every electric co-op is locally owned and operated, your co-op is always there with you, reinvesting in your community. That's why in an electric co-op, the people have the power.

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 The power of human connections®



2007 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 May 23, 2007. The names also appear in the Official Notice of Meeting, which is scheduled to be mailed Friday, May 11, 2007.

District #1 Bounded by Hendrick's Shortcut Road (S.C. Hwy 934); U.S. Hwy 378; U.S. Hwy 501 Bypass; Waccamaw River; S.C. Hwy 544; Singleton Ridge Road (S.C. Hwy 1121); U.S. Hwy 501; Forestbrook Road (U.S. Hwy 137); S. C. Hwy 544; Intracoastal Waterway, Waccamaw River, Bull Creek, Great Pee Dee River; Little Pee Dee River; Run of Hunting Swamp; S.C. Hwy 24, known as Pee Dee Hwy.

District #5 Bounded by S.C. Hwy 410; S.C./N.C. State Line; Little River Inlet; Atlantic Ocean; Long Bay Road; Star Bluff Rd; Simpson Creek; S.C. Hwy 348; Daisy Road (S.C. Hwy 112); S.C. Hwy 31; S.C. Hwy 9 Business; S.C. Hwy 410.

District #7 Bounded by U.S. Hwy 501; S.C. Hwy 90; S.C. Hwy 377; Waccamaw River; Red Bluff Road (S.C. Hwy 31); Atlantic Ocean (Singleton Swash); S.C. Hwy 544; Forestbrook Road (S.C. Hwy 137).

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

Elaine Gore and her husband, John G. Gore, O.D., have two children and one grandchild.

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 home-bound 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 Conway Area Chamber of Commerce 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.

**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 serves as president of the Board of Trustees of Horry Electric Cooperative and serves as chairman of the Executive and Finance Committee. He is a voting delegate of the National Rural Electric Cooperative Association and of the Cooperative Finance Corporation.

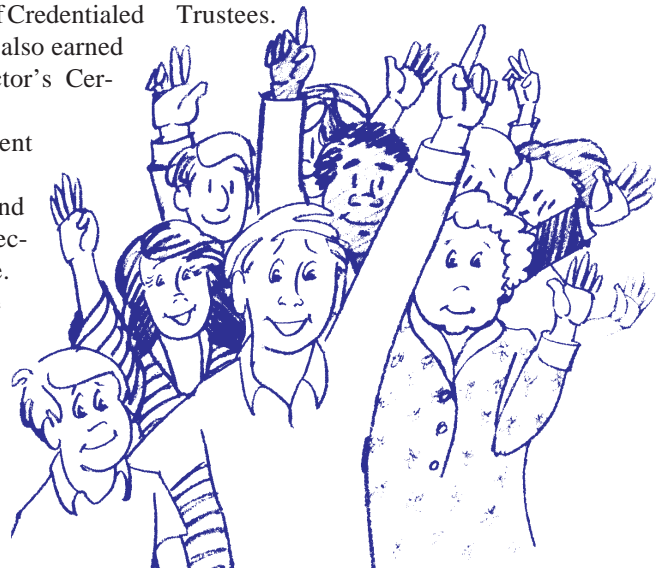
**Ashley Anderson (incumbent)
7853 Reaves Ferry Road
Conway, SC 29526**

Ashley Anderson and his wife, Bobbi, live in the Tilly Swamp community and are members of Nixonville Chapel. They have two sons and four grandchildren.

Anderson is a life-long farmer and operates a mining and excavation company.

Anderson 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.

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.



You never know who or what you'll see at the Annual Meeting

By Danny Shelley

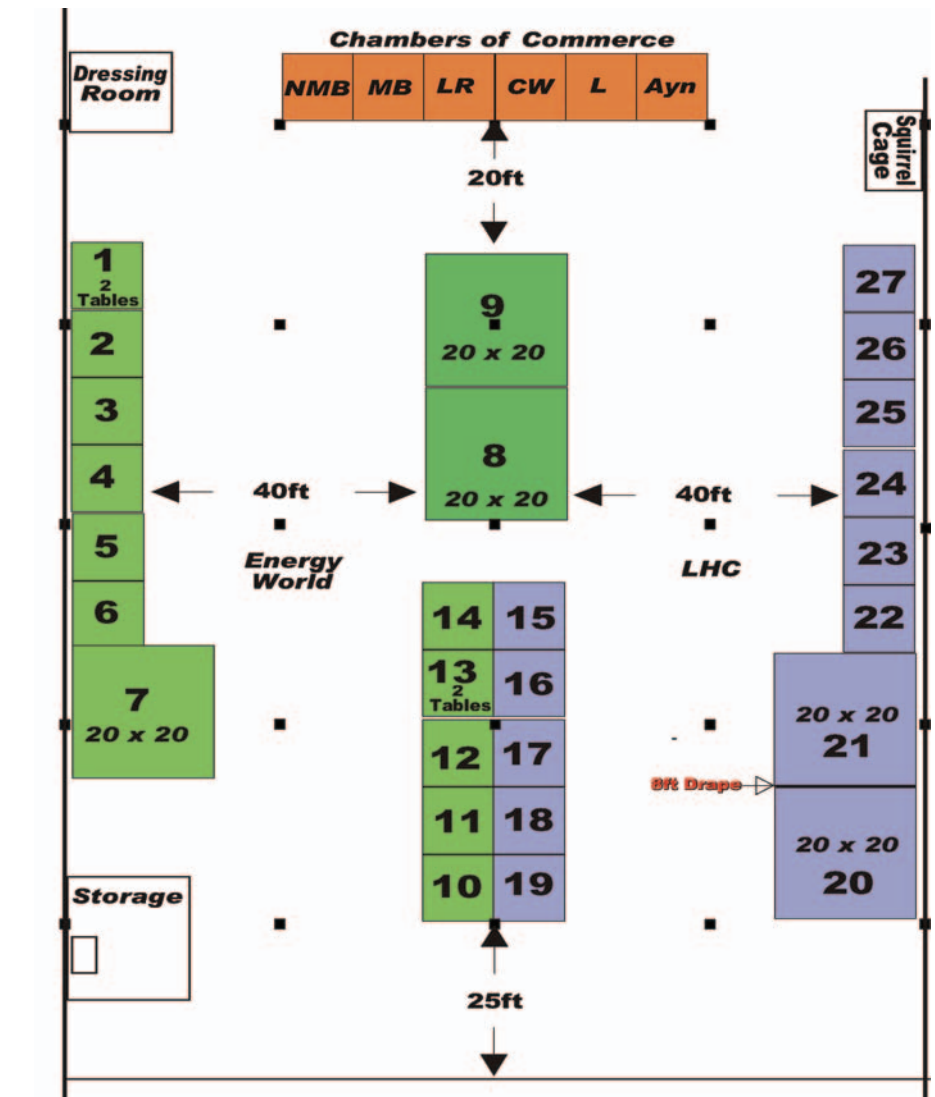
If you attended the Annual Meeting of Members last year, then you already know about the addition of the Health Fair to the exhibit area. It was our first time offering such a service to our members at Annual Meeting, and we learned quite a bit from the experience.

To make the most efficient use of the space available in the exhibit area, we pooled the resources of the exhibitors and the people who normally set up exhibit space at the Convention Center. What they came up with is a design that allows plenty of space for traffic flow and better defines the individual exhibit stations.

Shown on the right of the page, the layout has been divided into three separate sections. The area shown in blue is devoted to the Health Fair, which is co-sponsored by Loris HealthCare Systems and our local WIRE (Women Involved in Rural Electrification) chapter. Stations in the Health Fair include blood pressure checks and information on everything from fitness to nutrition. They'll even have information on Lifeline, a personal emergency response system.

The area shown in green is devoted to energy information, as well as services and programs available to member/owners. Stations in this area include a display of appliances that qualify for the Energy Star program, the Tiny Town electrical safety demonstration, a model of proper landscaping around underground transformers, plus a whole lot more. Members will be able to sign up to participate in Bank Draft, Operation Round Up and even verify or update their phone number for PowerTouch, the outage reporting system.

The area shown in orange has been set up for our local chambers of commerce. Invitations have been extended to Conway, North Myrtle Beach, Myrtle Beach, Loris, Little River and Aynor. There are a lot of things to see and do right here in Horry County and the local chambers of



commerce are one of the best sources for that information.

Other special guests you might just see in the exhibit area include Willie Wiredhand and McGruff the Crime Dog. You'll also see our friends from the Horry County Emergency Management department, as well as the folks from our sister cooperative, Horry Telephone Cooperative. There's even the possibility that Miss Sun Fun might stop in for a few minutes.

You never know exactly who or what you'll see at Annual Meeting, but there is one thing we can guarantee — there will be plenty of activity.

The board of trustees and the employees of Horry Electric Cooperative put a lot of heart and soul into planning and setting up the Annual Meeting of Members. It's a wonderful chance for you to learn more about your Cooperative; the many services and programs available to you as a member/owner and to get to know the men and women who work hard to provide those services and programs to you. Getting to know more about your community through the local chambers is an added benefit.

Please mark your calendar for May 22 and know that we're all looking forward to seeing you there! 🍷

2006 financial view

ASSETS

(WHAT WE OWN)

UTILITY PLANT

Electric plant in service at cost	\$217,763,187
Construction work in progress	5,814,249
Less: accumulated depreciation and amortization	38,080,735
Utility Plant — Net	185,496,701

OTHER PROPERTY AND INVESTMENTS — at cost

Investment in associated organizations	5,579,825
Other investments	730,708
Investments — in economic development projects	279,800

Total Other Property Investments 6,590,333

CURRENT AND ACCRUED ASSETS

Cash — general	5,282,346
Temporary cash investments	14,500,000
Accounts receivable	5,960,767
Accounts receivable — other	479,085
Materials and supplies (at average cost)	4,607,077
Prepayments	853,059
Total Current and Accrued Assets	31,682,334

DEFERRED DEBITS 137,059

TOTAL ASSETS AND OTHER DEBITS \$223,906,427

Horry Electric Cooperative, Inc.



LIABILITIES

(WHAT WE OWE)

EQUITIES AND MARGINS

Membership fees	\$ 230,975
Patronage capital	38,617,099
Other equities	6,234,114
Total Equities and Margins	45,082,188

LONG-TERM DEBT

RUS-ECONOMIC DEV.	279,800
RUS	80,674,364
FFB	55,292,865
CFC	13,164,999

Total Long-term Debt 149,412,028

OTHER NONCURRENT LIABILITIES

Accumulated Operating Provision 6,332,425

CURRENT AND ACCRUED LIABILITIES

Accounts payable	12,717,888
Consumer deposits	2,911,520
Current maturities — long-term debt	3,492,834
Accrued taxes	14,901
Accrued interest	78,942
Other current and accrued liabilities	3,863,701

Total Current and Accrued Liabilities 23,079,786

TOTAL LIABILITIES AND

OTHER CREDITS 223,906,427

As per Audit Report Dec. 31, 2006

McNair, McLemore,
Middlebrooks & Co., LLP
389 Mulberry St.
P.O. Box One
Macon, GA 31202

What we took in:	99,877,257
What we paid out:	95,986,055
Patronage capital and operating margin	3,891,202
Other income and equity	1,780,741
We had left:	\$ 5,671,943

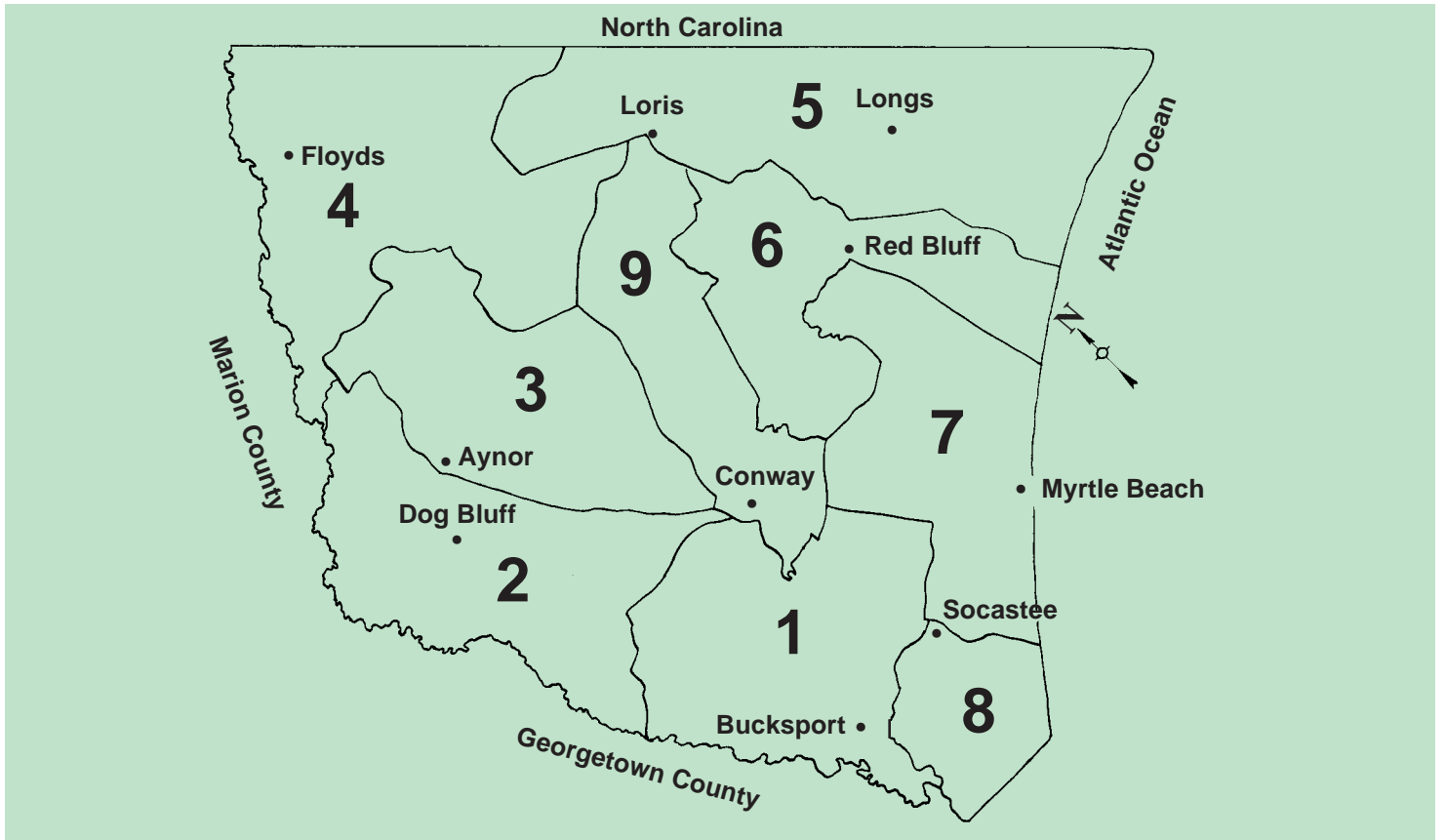
Comparative operating statistics

GROWTH

	2006	2005	2004	2003	2002	2001
Average kwh per residential member per month	1,290	1,373	1,369	1,290	1,291	1,261
Average residential bill per month	130.35	133.38	117.70	109.73	103.33	98.24
Consumers on system	59,188	54,776	50,767	48,052	45,633	43,550
Miles of line	4,514	4,366	4,245	4,153	4,057	3,959
Average cost per kwh sold	10.0	9.6	8.5	8.4	7.9	7.7

EXPENSES

Wholesale power	64%	63%	60%	60%	60%	60%
Operating maintenance and general expenses	20%	21%	23%	23%	23%	23%
Depreciation	7%	7%	7%	7%	7%	7%
Interest	8%	8%	9%	9%	9%	9%
Taxes	1%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%



Horry Electric Cooperative, Inc. 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



Franklin C. Blanton
District No. 4



Ben P. Harrelson
*District No. 5
President*



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