

In case you missed it

Our Annual Meeting of Members was held last month. In case you missed it, I'm sharing with you the same concerns I shared with the members who attended the meeting in this edition of Living in South Carolina Magazine.

There is no question that our economy is in terrible shape and people are hurting. I know you are upset over the cost of electricity. I am, too. The employees of your cooperative are facing the same difficulties you are. Some of their spouses have lost their jobs and they have to pay the same thing for electricity that you do. We're all in this together.

We are trying to control the costs we can at Horry Electric Cooperative.

A few examples are:

- Going to automated meters, eliminating reading the nearly 64,000 meters on

the system by hand. This is now done automatically.

- Our workforce has also been reduced by 52 people. We were able to do this by reducing the number of contractor crews that work for us.
- We make effective use of our SCADA system to improve our system efficiency. This saves about \$1 million per year.
- We purchase necessary materials such as poles, wire, transformers and other equipment through CEE-US, the materials supply cooperative that saves us and our sister cooperatives millions each year.

The list of things we have done to reduce and control our operating costs goes on and on. I shared the entire list with you in the December 2008 edition of Living in South Carolina Magazine, which is still available on our Web site. If you've already discarded your printed copy of the magazine, please access horryelectric.com for the information.

There is only so much we can do on our side of the meter.

For your side of the meter, we're offering the water heater program, free energy audits, plus a variety of online tools and printed materials that can help you make your home more efficient and save you money.

I guess the biggest complaint we have is over the wholesale power adjustment on our bills. It's also frequently called a 'fuel adjustment'. This charge is there to pay for the increased costs of the fuels, mostly coal, that are used to produce our electricity.

Our last rate increase was in 2003. However, since 2005, you have seen a wholesale power adjustment charge on your bills. Again, it was added to cover these increased fuel costs. It is shown on your bill as a separate line item because we want you to know what it is that is causing your bills to increase. It's the cost of fuel — **not** the operating costs or employees of your cooperative.

Here are the facts —

Of every \$1 we collect from you,



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

63 percent or 63 cents is a direct pass-through to pay the power bill for the electricity used on Horry Electric's system.

The remaining 37 percent or 37 cents of that dollar covers other expenses.

- 18 percent or 18 cents goes to operating maintenance and general expenses
- 7 percent or 7 cents goes to depreciation expense
- 8 percent or 8 cents goes to interest expense
- 1 percent or 1 penny goes toward taxes
- 3 percent or 3 cents goes toward margins/profits

In 2003, an electric bill for a member using 1,000 kWh was \$92.40. Of that total, 76 percent was for generation fuel costs, transmission and fixed costs. Only 21 percent was needed to cover Horry Electric's costs, leaving 3 percent for margins.

In 2009, that same member using 1,000 kWh gets a bill for \$124.23. Of that, 79 percent has to go to cover generation fuel costs, transmission and fixed costs. Only 18 percent is needed to cover Horry Electric's costs, leaving 3 percent for margins. You can see that Horry Electric's variable cost (labor, materials and overheads) have actually decreased by 3 percent from 2003 to 2009.

Horry Electric Cooperative is your cooperative. You own it. It is a non-profit cooperative. There is no incentive to charge you more for your electricity than is needed to cover the cost of providing service and to meet the requirement of our banker, the Rural Utilities Service. Margins, or profits, are returned to you in the form of capital credits.

I know times are tough, but together we can get through them. Be assured your employees feel the same pressures you do. We are all in this recession together. Your employees will continue to work in

**Horry Electric
Cooperative, Inc.**

Your Touchstone Energy® Partner
The power of human connections

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your best interest and do it as efficiently as possible.

Wholesale power costs are higher than they have ever been. That, combined with all of the other economic factors impacting us here in Horry County, has increased the call volume to our call center. A large number of household incomes have been impacted by the current economy and people are having a hard time paying their bills.

Changing habits to reduce use

Unfortunately, there is not an awful lot we can do about the energy that has already been used. But there are some things we can all do to change our habits so current and future use is reduced. We're working hard to provide you with the information you need to take control of the amount of energy you use.

In February, we included a 101 Low-Cost/No-Cost Home Energy-Saving Measures booklet in each copy of Living in South Carolina Magazine. An electronic copy of this publication, as well as our Energy Tips, Meter Monitor and Energy Guide for Renters brochures, are all available on our Web site, which also features a number of interactive tools to help you learn more about using energy more efficiently. I encourage you to take the time to check it out and try to put some of the information into practice at home.

Looking out for you

If you haven't already, you will be getting a special letter in the mail this month about the Co-op Connections member benefit program. Be careful when opening the letter because your very own Co-op Connections member benefit card and two key fob cards will be enclosed.

The Co-op Connections member benefit program is absolutely free. You will be able to use it to get discounts on products and services from participating local, regional and national businesses. We're excited about this program for a lot of reasons, but the biggest is the 10- to 60-percent discounts on prescriptions available at participating pharmacies. The list of participating pharmacies isn't a small one. With this program, you'll have access to more than 48,000 national and regional pharmacy chain stores, including CVS, Walgreens, Walmart, Target and many more.

Once you have your card, log on to our Web site to view a list of participating businesses and discount offers. When you visit a participating business, all you have to do is present your card to receive your discount.

This program is just one more way you can benefit from being a cooperative member. As a Touchstone Energy cooperative, we are always 'Looking out for you' and we've been looking

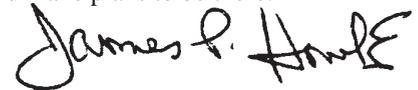
forward to being able to launch the Co-op Connections member benefit program for quite some time.

Special recognition

I'd like to recognize all of the employees and trustees of your Cooperative for the fine jobs they each do. Deserving some special recognition this year are some of our line personnel who traveled to two different locations earlier this year to assist sister cooperatives and their members with restoring power after a major storm. In February, two teams traveled to Kentucky to help Jackson Purchase Energy Cooperative and its members who were left in the dark after an ice storm and another team traveled to help Laurens Electric Cooperative after a major snow storm in the upstate of South Carolina. We can all be proud of the job these guys have done representing our cooperative.

Planning for 2010

We're already putting plans in place for the 2010 Annual Meeting of Members. At the time this information was compiled for publication, we didn't have a firm date to give you, but we will notify you well in advance so you can mark your calendars and make plans to be there.



James P. "Pat" Howle

Trimming trees promotes reliable service

As much as we love trees, they are a leading cause of power outages. During severe weather, limbs can snap off and damage cooperative equipment.

To prevent trees located along our power lines from causing power outages and to help ensure reliable service, Horry Electric Cooperative employs qualified personnel to trim trees that may interfere with electric lines or cause a safety hazard.

The frequency with which we trim trees varies according to their growth rate. Typically, tree trimmers will visit a residential neighborhood once every three years. Trees in rural areas are trimmed once every four years.

While Horry Electric Cooperative has an

aggressive maintenance plan for trees along our rights of way, 95 percent of all tree-related outages are caused by trees located outside our rights of way. In an effort to reduce the outages caused by off-right-of-way trees, Horry Electric Cooperative identifies trees that are diseased or decaying, targeting them for removal.

Be patient if you feel you have trees in your area that need to be trimmed. We're making our way to your neighborhood on a carefully planned schedule that covers every mile of every circuit in our service area. If you have any questions about Horry Electric's vegetation maintenance program, please contact us at 369-2211.

Wise energy use

*A's to
your Q's*

Q: What is the difference between an air conditioner and a heat pump?

A: An air conditioner removes heat from your home and discharges it outside. A heat pump, during the summer, operates like an air conditioner. In the winter, it removes heat from the outside air and discharges it inside.



Walter Allread

'Hardest-working' Rural Lady of Year honored

Sara F. Johnson is 31st
recipient of Knauff award

By Walter Allread

At first, Sara F. Johnson didn't recognize herself when she heard the 2009 Rural Lady of the Year described as "an accountant, a nurse, a cook and an equipment operator."

When Johnson received the honor at a March 6 luncheon at Horry Electric Cooperative, she was surprised and, at first, at a loss for words. "I'm very touched. I'm proud to accept this award," she told the audience.

Later, she must have realized, the description fit. Accountant? Yes, Johnson keeps the books for a 2,500-acre farming operation in the Good Hope community, calling for not only accounting but also management skills. Nursing? Well, as Johnson later told *Living in South Carolina Magazine*, that's really just "tending to everybody."

The business about operating equipment? No doubt about that. Johnson says she's done plenty of actual, hands-on farming.



Sara F. Johnson accepts the Rural Lady honor. When it comes to farming, she says, "I've done everything."

"I've done everything," Johnson said. "I used to sucker tobacco, hoe tobacco, uncover tobacco, picked and top tobacco. I used to plow, I used to disk. We had hogs at one time and I used to feed the hogs, too."

She's the 31st Rural Lady of the Year and, Johnson adds with a smile, "probably the

hardest-working one of them!"

The Conway native was born and raised on a farm. Johnson has been involved in farming for 40 years, most of them with her late husband, Fred. "He passed away five months ago today," she noted. The Johnsons grew corn, wheat, soybeans and tobacco.

She is an active member of Pleasant Union Baptist Church, where she serves as Sunday school teacher for the small primary class. Johnson also supports the Southern Baptist Convention Disaster Relief effort through the American Red Cross.

Described as a loving and caring mother and grandmother, Johnson and her late husband raised two children, Felicia and William. She has three grandchildren, Amanda Williams, Dustin Williams and Abby Lee Johnson.

Horry Electric Cooperative CEO Pat Howle called Johnson "a wonderful recipient" of the honor. The Rural Lady honor is formally known as the Miss Leo G. Knauff Leadership Award. It recognizes the contributions of a long-time member of the cooperative and reflects Horry Electric's deep roots in the farming communities of Horry County.

Howle thanked the members of the selection committee, which includes Susan Brown of Horry Electric, Sheldon Dawsey, who is retired from the Agricultural Stabilization and Conservation Service, Bruce Johnson of Clemson Extension Service and Willie Sansbury of State Farm Insurance. †

St. Jude works wonders for kids, Miss S.C. says

Florence native rhapsodizes
for research hospital

By Walter Allread

Like her minute-and-a-half version of "Rhapsody in Blue," Anna Truluck Perry crams a lot of good stuff into a really short period of time.

At 23, she's already graduated magna cum laude from William and Mary College. She's completed The Citadel's Marine Corps Bulldog Challenge as well as the Cooper River Bridge Run. She also enjoys sky-diving and white-water kayaking. And, as Miss South Carolina 2008, Perry took her talent, classical piano, to Las Vegas for the Miss America pageant. Two months later, she wowed the Rural Lady luncheon crowd at Horry Electric

Cooperative with her Cliff's Notes rendition of the George Gershwin's classic. But she really wowed 'em when she spoke from the heart about her work on behalf of the St. Jude Children's Research Hospital.

The daughter of Diane and L.R. Perry of Florence began her support of the hospital when she was attending William and Mary and serving as president of the Tri-Delta sorority. She organized a Mud Pit Tug of War. "We raised over \$4,000," Perry notes.

The children sent back a thank-you note lettered in crayon, plastered with watercolor pictures. Smitten, Perry organized a sorority visit over spring break but it didn't work out. Thankfully, she was finally able to visit the Memphis facility after becoming Miss South Carolina, she says. What she saw amazed her.

"There are six floors — each floor the size of a football field — packed with scientists and technology," Perry says. "They publish, on average, a new study every 17 hours."

Research aside, children are the main focus, Perry says. On her visit, she marveled at the positive attitudes. For instance, she notes, the children there don't use wheelchairs; staff members transport them in "little red wagons." Counters are all about a child's



"St. Jude's is curing cancer," says Miss South Carolina 2008, Anna Truluck Perry.

height so kids can talk to the nurses more easily, she notes.

“It’s wonderful, it’s amazing,” she says.

While the Children’s Miracle Network is the Miss America pageant’s national platform, Perry notes that there’s no conflict. After all, the techniques, preventative measures, medications used and supported by the network were all developed at St. Jude’s, she points out.

And St. Jude’s Children’s Research Hospital itself stems from something of a miracle, Perry notes.

The hospital’s founder, the entertainer Danny Thomas, found his inspiration in the early 1950s, at a low point in his career. “He only had \$7 to his name, with a second baby on the way — and no way to feed his family,” Perry says.

A Catholic, Thomas went to church where he made a pledge to the patron saint of lost causes, St. Jude, Perry notes. “He put the \$7 on the altar and promised, ‘If you help me multiply this by 10 in the next week and help me support my family, I promise I will build a shrine to you.’”

Perry adds, “A decade later, in 1962, he opened the doors to the hospital.”

Almost five decades later, the hospital is still a miracle machine. When it started, Perry notes, there was a four-percent survival rate for acute lymphoblastic leukemia, the most common form of childhood cancer. “Now, the survival rate is over 94 percent, thanks to the research and advances at the hospital,” she adds.

St. Jude’s uses adult stem cells for research, she notes, not embryonic stem cells. She adds that the hospital is making breakthroughs in fighting many types of cancer, including those that afflict adults. “St. Jude’s is curing cancer,” Perry says. However, she notes, “It takes over \$1.3 million a day to run St. Jude’s.”

Perry has continued as Miss South Carolina to raise funds. She made it a personal goal to raise one percent of the daily operating cost, or about \$1,300. That way, Perry points out, she’s just the proverbial one person in a hundred who, through the power of cooperation, can make a positive difference.

Her point is, everyone can help. Visit the hospital’s Web site, stjude.org, to find out about fund-raising and volunteer opportunities, Perry suggests.†

Big prizes, big smiles

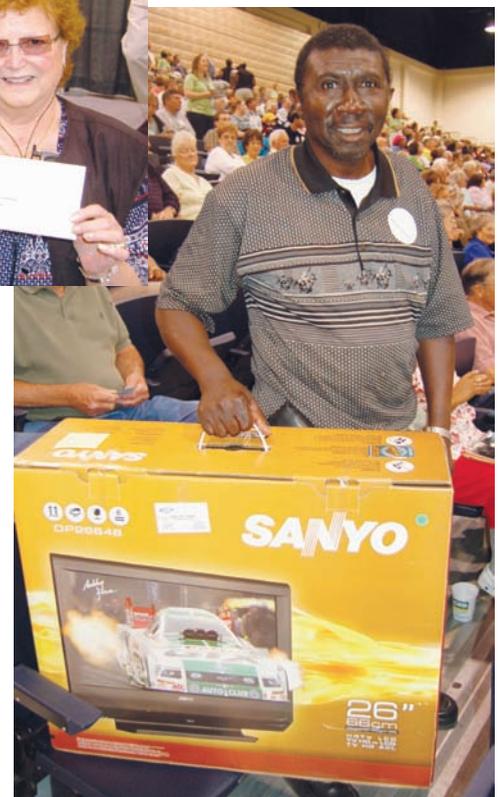


Bobby Bruton, left, is all smiles after winning the grand prize, a 2000 Chevy Blazer, at Horry Electric Cooperative’s 2009 Annual Meeting of Members on April 14. Some of the other big winners are shown here, including Theo Adams, below, who’s putting his arm around a pretty girl — uh, make that a pretty nice 32-inch HDTV. Look for more fun photos and a full report on the business meeting in next month’s Living in South Carolina Magazine.



More winners, more photos coming in next month’s Living in South Carolina Magazine

We’re talking big money! The top cash prizes go to, from left, Macky Britt, \$100 winner, Estella Livingston, \$200, and Phyllis Cook, \$400. Rodney Saunders, below, snags another \$100 in cash.



Big fun in a box: Co-op member George Myers wins a 26-inch HDTV.



Walter Allread

A simple plan

Reduce energy use, minimize costs

It's simple, really: Reduce the amount of electricity you use, and you'll hold down your energy costs. Here are some low-cost or no-cost tips:

10 no-cost steps

1 — Adjust your heat pump or air-conditioning thermostat to 78 degrees F. Set it to a higher temperature when no one is home. For every degree higher you set the thermostat, you can gain as much as a three-percent savings in energy costs.

2 — Lower your water heater temperature to 120 degrees F.

3 — Reduce hot water use by taking shorter showers and using cold water for laundry whenever possible.

4 — Turn off lights, televisions and computers when not in use.

5 — Remove and recycle your second refrigerator if you are not using it much.

6 — Close curtains and blinds as needed to reduce heat gain and keep your house cooler this spring and summer.

7 — Clean refrigerator coils to help it work more efficiently.

8 — Set the refrigerator temperature at 36 to 39 degrees F and the freezer at 0 to 5

degrees F.

9 — Make sure the fireplace damper is closed when not in use. Don't send cool air up the chimney.

10 — Air-dry dishes instead of using the dishwasher's heat-drying option.

10 low-cost steps

1 — Caulk and weather-strip around windows and doors to stop air leaks. Seal any gaps in floors and walls around pipes and electrical wiring.

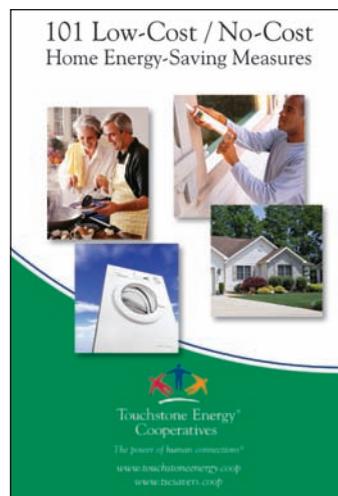
2 — Change filters monthly, or install a "filter whistle" to let you know when to change them.

3 — Replace incandescent bulbs with compact fluorescents.

4 — Repair air leaks and seal and insulate heating system ductwork.

5 — Add insulation to your attic, crawl space and any accessible exterior walls. Add pipe insulation to the first five feet of water pipe coming from your water heater. Install light switch and electrical outlet seals on exterior walls.

6 — Install a programmable thermostat appropriate for your type of air-conditioning system and set it at 78 degrees F for cooling.



7 — Look for the Energy Star label when replacing large or small appliances. This is the federal government's seal of approval for energy efficiency.

8 — Wrap your water heater with insulation or install an insulating blanket if the water heater is in an uninsulated area.

9 — Install aerating low-flow faucets and showerheads and repair leaky faucets.

10 — Use power strips for home electronics, and turn off power strips when equipment is not in use. TVs and DVD players, etc. still use power when turned off.

Want more tips? Stop by Horry Electric Cooperative to pick up a copy of our handy booklet, "101 Low-Cost/No-Cost Home Energy-Saving Measures for South Carolina".

Make sure A/C is ready for summer

Back in February, we included a handy booklet, "101 Low-Cost/No-Cost Home Energy-Saving Measures for South Carolina," in this magazine. This month, we featured it in the preceding article, and we are also revisiting Tip #80 from this booklet, pictured above, which says:

Have your HVAC system serviced once per year by a NATE-certified technician.

That's an especially good idea to make sure the air conditioner (A/C) system is working well before temperatures start to climb.

But, you may wonder, just who is this NATE?

Not a "who" but a "what," NATE is the nation's largest non-profit certification organization for heating, ventilation, air conditioning and refrigeration (HVAC/R) technicians. The U.S. Department of Energy endorses NATE for its dedication

in raising quality standards for installation and maintenance of HVAC/R equipment and contributing to increased energy efficiency.

Access naxtex.org to search for NATE-recommended contractors in your area. Meanwhile, here are a few more tips, straight from NATE:

Listen to your air conditioner — Listening closely while it's running may help you keep the unit running efficiently. Make sure you hear the fans operating. Does it sound like the unit is turning off too quickly? Or does it sound like the unit never stops running? In any of these cases, it's probably time to have a technician inspect the unit.

Raise the temperature setting by five degrees — Cooling your house to 72 degrees will cost more compared to 77 degrees. If no one is home during the day, save money by moving the thermostat up five or six degrees.

For every degree you raise the thermostat, you have a cost savings of about five percent.

Don't obstruct airflow to outside unit — It is recommended to plant shrubs or other landscaping about three feet away from the outside unit to assure proper airflow. Restricting the airflow makes the unit operate at a higher temperature and operate less efficiently.

Seal your house for maximum comfort and cost efficiency — Most people think of thermal insulation, weatherstripping and storm windows in connection with reducing heat costs, but they all play an integral part in reducing air-conditioning costs during the summer as well.

Consider replacing your cooling unit if it's more than 10 years old. It may be costing you more to operate an older system than it would if you invested in a newer, higher-efficiency one.

Savings in the cards with Co-op Connections

Members will soon (if you haven't already) receive discount cards

Horry Electric Cooperative is introducing a discount card program, Co-op Connections, to help members in this time of rising costs.

The cooperative will mail Co-op Connections cards to members this month. Members can immediately begin using their Co-op Connections cards with participating national and online merchants. Local businesses are being recruited to participate.

The Co-op Connections pharmacy discount program offers savings of 10 to 60 percent on prescriptions at some 48,000 locations nationwide, including such giants as Walmart and Walgreens. Co-op members nationwide have now racked up \$6.7 million in savings on prescription drugs using their Co-op Connections cards.

Touchstone Energy Cooperatives is a national alliance of more than 675 local,

consumer-owned electric cooperatives in 46 states. Horry Electric Cooperative and other Touchstone Energy co-ops provide high standards of service according to their four core values: integrity, accountability, innovation and commitment to community.



Information about our Co-op Connections discount card program

What does this card I received cost me?

Nothing! No cost ever for this program to our members. This is absolutely a free service. It is an attempt to give you more value for your dollar as a co-op member. The number of participants giving discount offers will keep growing, so keep checking connections.coop to keep up with the great offers you can enjoy.

How does it work?

All co-op members will receive Co-op Connections cards and key fobs in May. When they present the card at any participating business, they get a discount! It's that easy. There is no charge, ever, to members at any time, or to businesses who participate. Businesses decide how much of a discount they will offer. Members will present their card each time they use it, but they won't leave it with the business. It's not like a coupon; it's a card that continues to help our members get more and more discounts.

What types of discounts?

Everything you can imagine. Automotive, entertainment, financial services, fitness, florists, health/beauty, healthcare, home care, lodging, medical, photography, real estate, restaurants, retail, services, technology, these are just a few of the categories.

How do I find a list of where I can get discounts?

Visit our Web site or connections.coop. The list is very easily searchable and very easy to use. You can get a list of the pharmacy discounts by visiting locateproviders.com.

Why is this called the Co-op Connections program?

It's called the Co-op Connections program because co-ops throughout the nation are participating to bring value to the members of electric

co-ops as well as to help participating businesses. It's a program of our cooperative in cooperation with Touchstone Energy, which is a national branding program. It's a new way for us to look out for and help our members. Especially in days like today, when we're all faced with higher costs.

As a business, how do I join?

Simply call the cooperative to request a contract, fill it out, and send it to the attention of Toni Gore; Post Office Box 119; Conway, SC 29528-0119.

What does it cost for the participating business?

There is no cost, except the discount the business decides to give the customer, which is a small price to pay for the increased customers and free advertising.

As a participating business, how long do I stay in the program?

Businesses are required to stay in the program for one year, and the contract will automatically renew unless the business opts out. At the end of the year, 30 days' notice is required to opt out. At any time, a business can change its offer, just give us 45 days' notice.

How will the public know the business is a member?

Besides the Web site, each business will receive a cash register sticker and window cling for posting.

Can only businesses served by the co-op participate?

No, the business does not have to be a co-op member to participate.

What if I lose my card?

Call the co-op, and we'll send another card to you.

There's also a pharmacy discount?

Touchstone Energy has 48,000 pharmacies already signed up and participating. All our members will enjoy reduced rates at participating pharmacies. Members

should compare the discount they get with the card with what they will get from their insurance and, of course, use whichever one they get the most advantage.

How much will I save with the pharmacy discount?

The discounts save you 10 to 60 percent on prescriptions at more than 48,000 pharmacies nationwide.

Does everyone in my family need an individual card?

No, one card may be used by the entire family.

How is the pharmacy discount different from traditional prescription insurance?

The plan is not insurance; it is a pharmacy discount offer. The card provides immediate discounts at the pharmacy. Upon presenting your card to the pharmacist, you will pay the lower of a discounted price or the pharmacy's regular retail price. There are no forms to fill out and no limit to the number of times you use the card. These discounts are only available at participating retail pharmacies.

Can my Co-op Connections card be used with my current insurance benefit to reduce my costs?

No, it cannot be used in conjunction with insurance, but the cost may be less with the card than with your insurance, so be sure to have the pharmacist compare. However, use your card to purchase prescriptions not covered by your insurance plans at a discounted rate.

Can I find out the discounted price of my prescriptions before going to the pharmacy?

Yes. If you know the name, strength and quantity of the medication, you can visit www.rxpricequotes.com.