

Horry Electric Cooperative, Inc.

www.horryelectric.com

Main Office

P.O. Box 119
Conway, SC 29528-0119
369-2211



(to report power outages only)

369-2212

Board of Trustees

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President

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

Eugene Harriott, Jr.
Vice President

Ashley Anderson
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Bobby E. Jordan

Franklin C. Blanton

Ronald H. Floyd

Henry W. Boyd

Frederick 'Freddy' Thompkins

Co-op Connection Editor

Penelope D. Hinson
penelope.hinson@horryelectric.com

Horry Electric Cooperative, Inc., is an equal opportunity provider and employer.

Horry Electric Cooperative, Inc. is a non-profit, member-owned organization providing information and energy-related services on a fair and equitable basis.



A Touchstone Energy® Cooperative

The countdown is on

Annual Meeting 2016 days away

THIS EDITION OF *South Carolina Living* features a special outer wrap that includes all of the details you need



to prepare for the Annual Meeting of Members. You should have already received your Official Notice Registration Card in the mail, and you need to be sure to put it in a safe place where you'll be sure to remember to

bring it with you to the meeting.

Please remember that only members who register, in person, to participate in the Annual Meeting of Members between the hours of noon and 7 p.m. on Tuesday, May 10, are eligible to receive the Registration Gift, which is a \$15 electric bill credit.

Important reminders

Be sure to bring your Official Notice Registration Card, plus your photo ID to qualify for Speedy Pass registration.

The card mailed to you has a special bar code on it that is unique to your membership. The bar code can be quickly scanned, and you can be registered in a matter of seconds. There will be at least two Speedy Pass registration lines at each of the locations designated for registration.

Members who do not qualify for Speedy Pass registration will be directed to a table where employees responsible for registering members have the ability to physically look accounts up in the system. This process takes extra time, and the wait time for registration in those lines will be longer.

Each member who registers, in person, at the meeting during the

designated hours for Registration, will not only qualify to get the Registration Gift, but will also be automatically entered into the prize drawing.

Winners, if they are not present, will be notified by phone the following day.

Entertainment is scheduled from 4 until 7 p.m. at The HTC Center. We're very happy The Hinson Girls and the Gentlemen of Bluegrass will be back with us. They were a big hit last year.

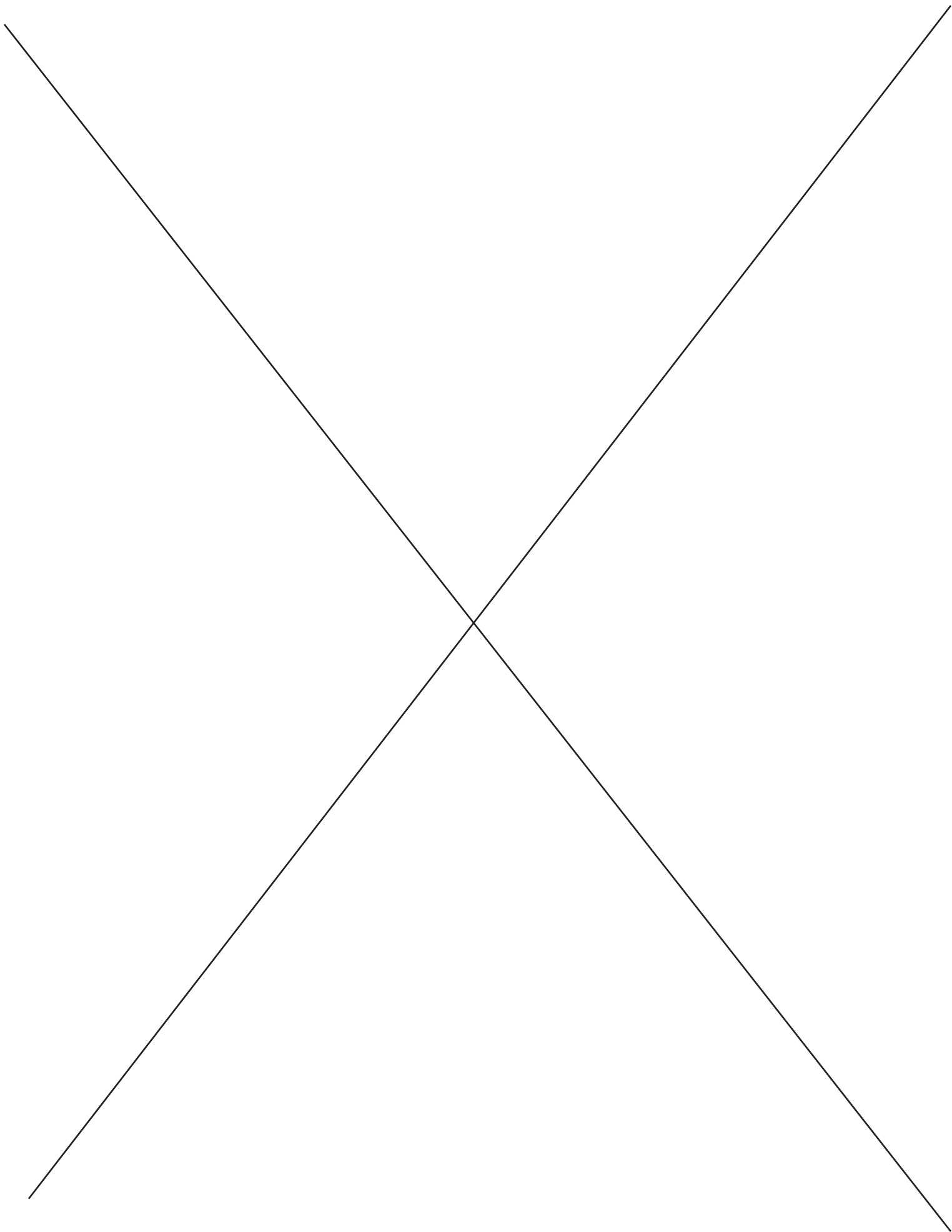
We need you there

The Annual Meeting of Members is one of the best examples of how your membership matters. For us, it's an opportunity to report our status, share our progress and announce future plans. We also get to meet members face to face rather than through voice, electronic or written communications. For you, it's an opportunity to proactively participate in the business meeting of YOUR electric cooperative.

Horry Electric's bylaws require a quorum—equal to 5 percent of the membership—in order to conduct an official business meeting. With a preliminary estimate of 60,430 members of Horry Electric on Annual Meeting Day, that means we'll need to have a minimum of 3,022 members register. If we fail to get that number, then we won't be able to do business.

We hope to see you there!

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



Horry Financial View

ASSETS

2015 FINANCIAL VIEW

UTILITY PLANT

Electric plant in service—at cost	\$ 317,599,416
Construction work in progress	4,971,759
Gross utility plant	<u>322,571,175</u>
Less: accumulated provision for depreciation	<u>89,416,583</u>

Utility plant—net **\$ 233,154,592**

OTHER PROPERTY AND INVESTMENTS

Investment in associated organizations	\$ 9,699,955
Other investments	<u>1,145,859</u>
Total other property investments	\$ 10,845,814

CURRENT ASSETS

Cash and cash equivalents	\$ 33,998,805
Accounts receivable	5,864,068
Accounts receivable—other	2,541,562
Materials and supplies	4,968,940
Other	<u>1,382,096</u>

Total current and accrued assets **\$ 48,755,471**

DEFERRED DEBITS **\$ 4,001,243**

TOTAL ASSETS **\$ 296,757,120**

Horry Electric Cooperative, Inc.

A Touchstone Energy® Cooperative
The power of human connections



EQUITIES AND LIABILITIES

EQUITIES

Membership fees	\$ 298,750
Patronage capital	79,444,994
Other equities	29,481,744
Total equities	\$ 109,225,488

LONG-TERM DEBT

CoBank	\$ 94,951,919
FFB	37,044,710
CFC	13,831,317
Total long-term debt	\$ 145,827,946

OTHER NONCURRENT LIABILITIES

Accumulated operating provision	\$ 1,142,626
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CURRENT LIABILITIES

Current Maturities of Mortgage Notes	\$ 9,165,410
Accounts Payable	13,570,913
Member Deposits	4,705,120
Accrued and Withheld Taxes	0
Other Current and Accrued Liabilities	6,306,960

Total current liabilities **\$ 33,748,403**

Regulatory liabilities **\$ 4,326,000**

Other Deferred Credits **\$ 2,486,657**

TOTAL EQUITIES AND LIABILITIES **\$ 296,757,120**

What we took in: \$ 154,479,369

What we paid out: 141,296,602

Patronage capital and operating margins 13,182,767

Other income and equity 4,410,881

WE HAD LEFT: **\$ 17,593,648**

Comparative operating statistics

GROWTH

	2015	2014	2013	2012	2011	2010	2009	2008
Average kwh per residential member per month	1,193	1,220	1,162	1,144	1,289	1,343	1,235	1,255
Average residential bill per month	\$162.05	\$163.87	\$155.53	\$147.44	\$153.29	\$157.96	\$146.97	\$137.62
Members on system	73,879	71,697	70,321	67,993	66,816	65,864	65,173	63,843
Miles of line	5,101	5,043	4,993	4,956	4,925	4,893	4,856	4,804
Average cost per kwh sold (cents)	13.4	13.3	13.3	12.8	11.8	11.7	11.8	10.9

EXPENSES

Wholesale power	65%	67%	66%	64%	66%	68%	65%	63%
Operating maintenance and general expenses	20%	18%	18%	19%	17%	16%	18%	19%
Depreciation	7%	7%	7%	8%	8%	7%	8%	8%
Interest	7%	7%	8%	8%	8%	8%	8%	9%
Taxes	<u>1%</u>	<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%	100%

Horry Electric Cooperative, Inc.

Statement of nondiscrimination

Horry Electric Cooperative, Inc., is an equal opportunity provider and employer.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its agencies, offices and employees, and institutions participating in or administering USDA programs are prohibited from discriminating on the basis of race, color, national origin, age, or disability. Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g. Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed complaint form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, S.W.
Washington, DC 20250-9410
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

Board of Trustees



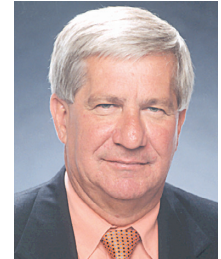
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District No. 1



Bobby E. Jordan
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Johnny M. Shelley
District No. 3
President



Franklin C. Blanton
District No. 4



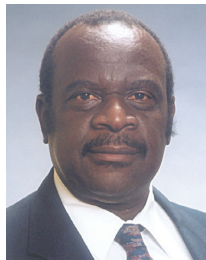
Ronald H. Floyd
District No. 5



Henry W. Boyd
District No. 6



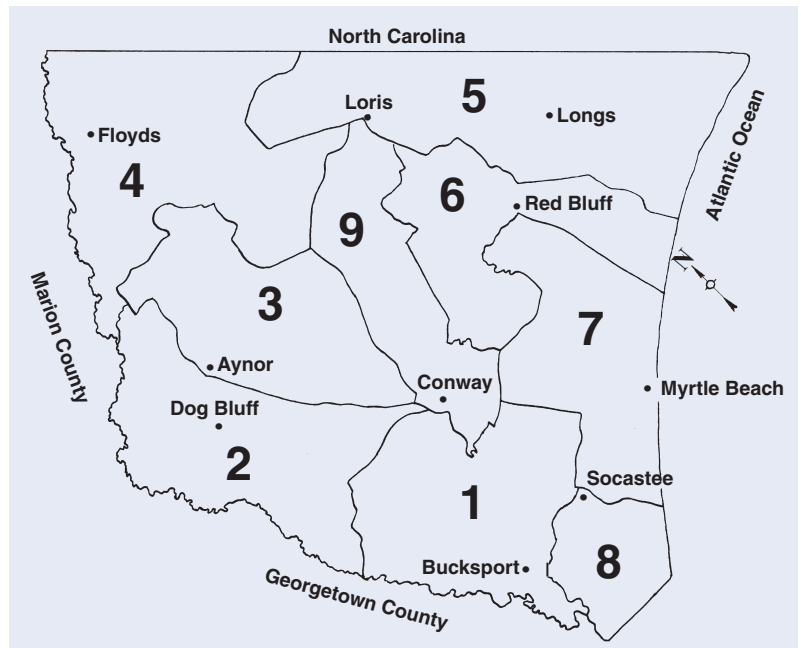
Ashley Anderson
District No. 7
Secretary and Treasurer



Eugene Harriott Jr.
District No. 8
Vice President



Freddy Thompkins
District No. 9



2016 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 11, 2016. The Official Notice of the Meeting has been mailed.

District #1

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

ELAINE GORE and her late husband, Dr. John G. Gore, have four children and eight grandchildren.

Elaine is a lifetime member of the Fair Bluff First United Methodist Church.

She has served as Deputy Director for the Horry County Council on Aging where she has been employed since 1988. During her service



with the council she has had the opportunity to assist in implementing many programs that have helped provide basic needs for senior citizens in

Horry County. They operate 10 Senior Centers and provide programs such as home-delivered meals and homemaker services. Their programs have been recognized throughout the state and have won numerous state awards.

Gore is an active part of the Horry County community. Her volunteer position with a non-profit board of Horry County assisted in the successful completion of a non-profit assisted-living facility, Anderson Oaks, on Highway 90. She has been a past member of the Horry County Architectural Review Board and was an integral participant in the formation of the South Carolina Tobacco Growers Association. With her love of Horry County and history,

Gore has successfully restored an 1868 farmhouse in the far western part of Horry County to be used for a future bed-and-breakfast.

Gore has served as a trustee for Horry Electric since 2001. She has represented Horry Electric on the Central Electric Power Cooperative Board for the past 10 years. She has successfully completed numerous training courses through the National Rural Electric Cooperative Association and has earned status of Credentialed Cooperative Director. She has also earned her Board Leadership certificate through NRECA and recently achieved status as an NRECA Certified Gold Director.

District #5

Ronald Floyd (incumbent) **2243 West Dogwood Road** **Green Sea, SC 29545**

RONALD FLOYD and his wife, JoAnn D. Floyd, have two children and five grandchildren.

He is a lifetime member of Green Sea Baptist Church where he serves as deacon, president of the Young Men's Sunday School Class and is co-chairman of the Brotherhood.

A graduate of Tabor City High School and North Carolina State University, Floyd is a licensed



auctioneer in South Carolina and in North Carolina. He also maintains a South Carolina Real Estate License. Recently retired from service as a rural letter

carrier for the United States Postal Service, Floyd is the owner of Floyd's Auction Service.

Floyd has served on the boards of a variety of organizations over the years including the Twin City Farmers Co-op, the Tabor City Lions Club, the

Tabor City chapter of Wildlife Action and the South Carolina Auctioneers Association. He was presented with the Distinguished Service Award by the Loris FFA Booster Club for 2011-2012 and was the recipient of the 2011-2012 Hero of the Year Award of the National Rural Letter Carriers' Association.

Floyd has served as a trustee for Horry Electric Cooperative since 2010. He represents Horry Electric on the CEE-US and Line Equipment boards of directors and on the SC Trustee Association Executive/Steering Committee. He has successfully completed numerous training courses through the National Rural Electric Cooperative Association and has earned status of Credentialed Cooperative Director. He has also earned his Board Leadership certificate through NRECA and recently achieved status as an NRECA Certified Gold Director.

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 and three great-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

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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 and recently achieved status as an NRECA Certified Gold Director.

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; the Executive and Finance committees. He also serves as secretary/treasurer of the Board of Trustees. ☺

OFFICIAL NOTICE OF PROPOSED BYLAW CHANGE

Article IX NON-PROFIT OPERATION

SECTION 9.02. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY. Not inconsistently with Chapter 49, Section 33-49-460 of the Rural Electric Cooperative Act in the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses.

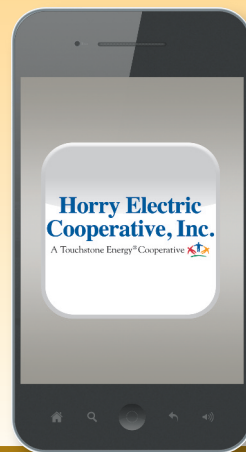
PROPOSED ADDITION: The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses, subject to adjustment by reduction for any amounts incurred but not paid by the patron for services provided or credit given to the patron by the Cooperative.

PURPOSE: The addition of this language to the existing bylaw related to patronage capital establishes that the capital credit will depend on whether or not the member has paid what they owe to the Cooperative. This applies directly to bankruptcies and gives the Cooperative the 'Right of Recoupment'. It protects the Cooperative and its members against the risk of losing capital in bankruptcy situations where orders are granted that eliminate debts, liens, etc. ☺

TAPP your energy!

And access your
Horry Electric
account with our
FREE mobile app!

- ♦ Make payments
- ♦ Review pay history
- ♦ Review current bills
- ♦ Display electric use
- ♦ Set up alerts and reminders



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