



Blue Ridge Mountain EMC

2015 Annual Report



Executive Summary

Every year in the Annual Report, we try to provide an update on the operations of Blue Ridge Mountain Electric Membership Corp. (BRMEMC). In this report, you will find financial information for the past calendar year (Jan. 1, 2014 through Dec. 31, 2014), as well as statistical comparisons to previous years. We would also like to give a brief update on some of the high-profile projects and initiatives that your cooperative has been involved with this past year.

During 2014, BRMEMC constructed more than 30 miles of new power lines in addition to maintaining almost 6,000 miles of existing distribution lines and more than 40 miles of transmission lines. Your cooperative owns and maintains 10 distribution substations and one transmission switching station that have the capacity to serve the power supply needs of your communities for years to come.

In 2014, we added approximately \$3,362,400 in new electric plant, resulting in a total electric plant value as of December 2014 of more than \$236,051,821. This past year, we also added 480 electric meters and ended the year with a total of 50,343 connected meters.

BRMEMC also continues to do its part in support of the Tennessee Valley Authority's (TVA) renewable-generation programs. Through these programs, TVA purchases the energy generated from qualified renewable-generation systems installed by our members. As the local power distributor, BRMEMC facilitates the interconnection of the generation systems to our electric distribution lines. We have three wind turbines and 111 solar arrays currently on our system, providing more than 14,600 kilowatts of renewable generation.

In addition to providing electric services, BRMEMC also continues to offer several other value-added services. We provide broadband



Matthew Akins, Executive Vice President and General Manager of Blue Ridge Mountain EMC

services to approximately 5,700 of our members. We also have partnerships with Americas Center Corp. to offer digital television services and are now partnered with ETC to provide telephone services over our fiber-optic network.

More than 2,200 of our members are enrolled in our water heater maintenance program and more than 1,600 lease surge protection devices. BRMEMC also provides monitored home security services to more than 700 members. Give us a call or stop by the office to find out more about any of these additional services.

In closing, we want to thank each and every member for your support. The BRMEMC directors, management and employees remain committed to providing our members with safe, reliable, affordable electricity. We look forward to seeing you at the Annual Meeting on Saturday, Sept. 12, 2015.



Balance Sheet

	2013	2014		2013	2014
Utility plant			Equities		
Electric plant in service.....\$	209,147,459	\$ 234,733,200	Memberships.....\$	253,195	\$ 259,907
Construction work			Equity in co-op.....\$	43,633,329	\$ 48,480,633
in progress.....\$	1,277,442	\$ 1,318,621	Total equities.....\$	43,886,524	\$ 48,740,540
Accumulated provision			Long-term debt.....\$	110,257,155	\$ 107,128,308
for depreciation.....\$	57,598,542	\$ 64,732,697	Other non-current		
Net utility plant.....\$	152,826,359	\$ 171,319,124	liabilities.....\$	3,663,036	\$ 3,635,642
Non-utility property.....\$	17,092,076	\$ 158,400	Current liabilities		
Investments in associated			Notes payable.....\$	14,755,631	\$ 12,905,631
organizations.....\$	4,053,384	\$ 3,949,442	Accounts payable.....\$	8,990,976	\$ 8,978,300
Current assets			Consumers' deposits.....\$	3,898,860	\$ 4,070,415
Cash—General and temporary			Accrued and withheld taxes.....\$	1,113,300	\$ 921,644
cash investments.....\$	2,655,450	\$ 2,453,548	Accrued interest—RUS,		
Accounts receivable.....\$	5,069,791	\$ 4,941,148	CFC and FFB.....\$	3,057,608	\$ 3,087,464
Materials and supplies.....\$	1,157,848	\$ 1,699,006	Other.....\$	448,090	\$ 453,522
Prepayments.....\$	829,908	\$ 511,814	Total current liabilities.....\$	32,264,465	\$ 30,416,976
Other current assets.....\$	4,474,447	\$ 5,007,949	Deferred credits.....\$	2,835,487	\$ 2,938,722
Total current assets.....\$	14,187,444	\$ 14,613,465	Total equities		
Deferred debits.....\$	4,747,404	\$ 2,819,757	and liabilities.....\$	192,906,667	\$ 192,860,188
Total assets.....\$	192,906,667	\$ 192,860,188			

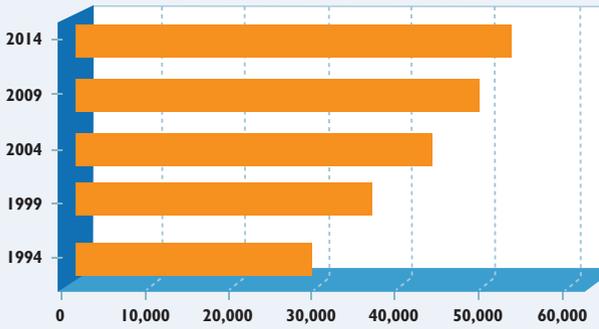
Statement of Revenue and Expense

	2013	2014		2013	2014
Operating revenue.....\$	78,497,365	\$ 86,256,524	Net operating margins.....\$	1,312,622	\$ 4,207,317
Operating expense and interest			Non-operating margins.....\$	457,200	\$ 720,714
Cost of power.....\$	49,612,124	\$ 53,623,648	Other comprehensive income.....		\$ (161,314)
Distribution operations.....\$	3,208,397	\$ 3,613,698	Net margins.....\$	1,769,822	\$ 4,766,717
Distribution maintenance.....\$	5,454,403	\$ 5,412,870	Earnings reinvested in system:		
Consumer accounts.....\$	2,764,422	\$ 2,956,920	Beginning of year.....\$	41,944,164	\$ 43,713,983
Consumer service and			Earnings reinvested in system:		
information.....\$	937,819	\$ 986,940	End of year.....\$	43,886,524	\$ 48,480,700
Administrative and general.....\$	2,499,534	\$ 2,560,256	Paid back to RUS, CFC		
Depreciation.....\$	6,092,076	\$ 6,515,547	and FFB.....\$	3,057,608	\$ 3,087,464
Taxes.....\$	1,284,373	\$ 1,121,745			
Interest.....\$	5,331,595	\$ 5,257,584			
Total operating expense					
and interest.....\$	77,184,743	\$ 82,049,208			

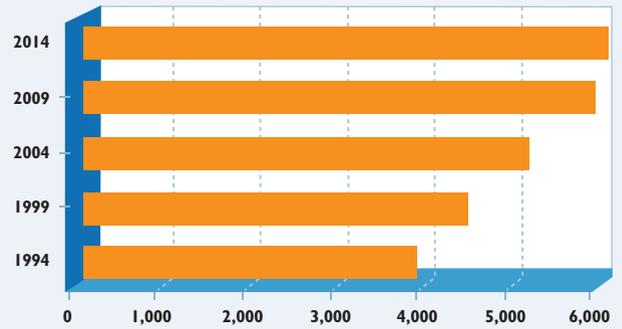
Numbers reflect calendar year totals.



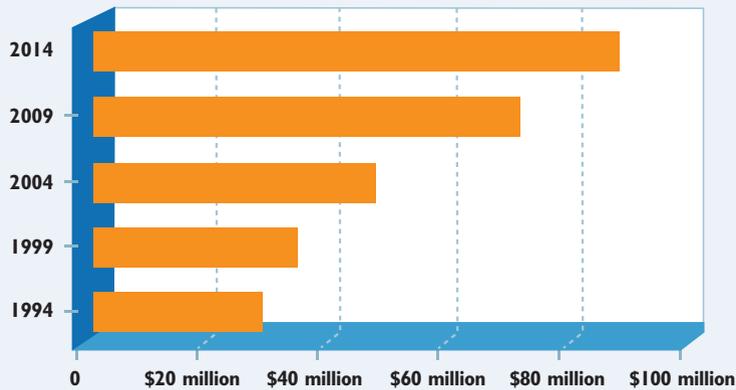
Meters Served



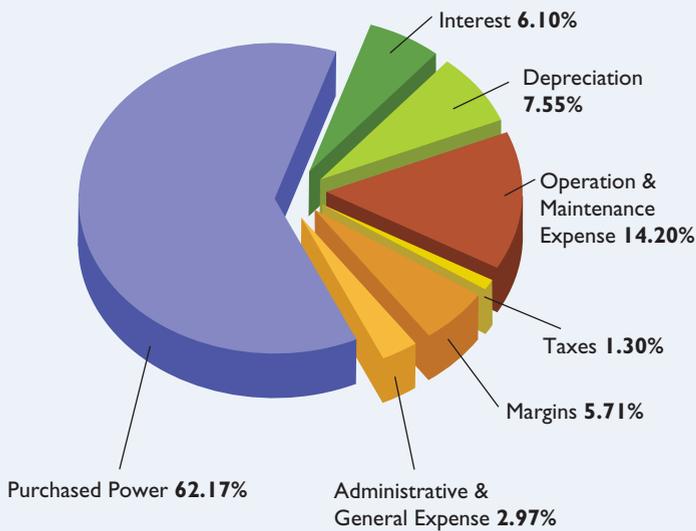
Miles of Line



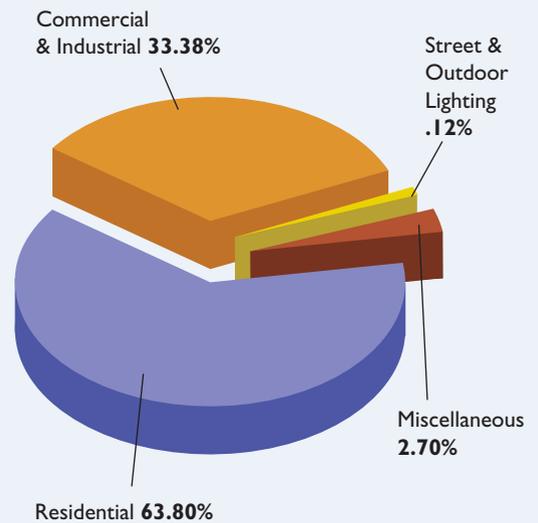
Electric Revenue



Uses of Revenue



Sources of Revenue



Numbers reflect calendar year totals.

Annual Meeting Entertainment

The Cartecay River Band



We are pleased to showcase local musical talent at the Annual Meeting. This year, the Cartecay River Band will be providing our musical entertainment. Group members are band organizer Doyle Stanley, Dan Atcheson, Gail Atcheson, Jeffery Hunter, Heath Burnett, Delores Fowler and Donna Collins.

Also making a special appearance at the Annual Meeting will be Randall Collins, “The Georgia Fiddler,” who has

Randall Collins

promised to play some requested tunes.

The Cartecay River Band is a bluegrass group formed in 2011. Even though they are a newer group, they are experienced musicians. Combined, the members lend years of instrument and/or vocal experience and played in other bands before launching this group.

The group is composed of family and friends who grew up surrounded by music. They enjoy performing together in a band that represents the “Appalachian bluegrass sound,” as it is known today.

The Cartecay River Band, along with Randall Collins, are looking forward to sharing their music with everyone in attendance at this year’s Annual Meeting.



Annual Meeting—Sept. 12, 2015

Free Door Prizes!



There will be three Grand Prize Drawings of \$100 each

EMCEE: Larry Sorgen, attorney for Blue Ridge Mountain EMC



Blue Ridge Mountain Electric Membership Corporation

P.O. BOX 9, 875 MAIN STREET EAST YOUNG HARRIS, GEORGIA 30582 PHONE: (706) 379-3121

July 21, 2015

Dear Member:

This is your Official Notice of the Annual Meeting of Members of Blue Ridge Mountain Electric Membership Corporation. The meeting will begin promptly at 10:00 a.m. on Saturday, September 12, 2015, in the Music Hall of the Georgia Mountain Fairgrounds, Hiawassee, Georgia.

There are three members of the Board of Directors whose terms expire with the meeting this year. The Nominating Committee has nominated the following members for a three year term:

- | | | | |
|----------------------------------|-------------------|----------------------------------|------------------|
| Jerry Nichols | Towns County, GA | Mickey Cummings (Declined) | Union County, GA |
| William Prather (Declined) | Fannin County, GA | Danny Henson (Declined) | Union County, GA |

There were five nominations made by petition:

- | | | | |
|----------------------|-------------------|-----------------------|------------------|
| Roy Perren | Towns County, GA | Mickey Cummings | Union County, GA |
| Larry Williams | Fannin County, GA | Patrick Malone | Union County, GA |
| | | Charles Rich | Union County, GA |

Under the by-laws no nominations may be made from the floor.

By action of the Board of Directors of Blue Ridge Mountain Electric Membership Corporation, the following question for a proposed amendment to Section 4.04 of the By-Laws, pertaining to the tenure of directors, will be placed upon the ballot for the next regular annual meeting of the Members:

Shall Section 4.04 of the By-Laws of Blue Ridge Mountain Electric Membership Corporation be amended to limit the tenure of service of any director as follows:

Notwithstanding anything else contained in Section 4.04, directors shall be entitled to remain in their elected position for no more than three consecutive three-year terms from the time of their respective election at a meeting of the members. In the event a director is appointed to fill a vacancy on the Board and to serve for the remainder of the unexpired term created by the death, resignation or removal of another director, the appointed director may serve on the Board for three more consecutive three-year terms, if duly qualified and so elected by the membership.

Registration will be held at the Anderson Music Hall at the Georgia Mountain Fairgrounds beginning at 8:00 a.m. and will close promptly at 11:00 a.m.

The Cartecay River Band, along with Randall Collins, will be providing the entertainment for this year's annual meeting.

Yours truly,
Blue Ridge Mountain EMC

Kenneth Lance, Secretary
Blue Ridge Mountain EMC Board of Directors



WILLIE WIREDHAND

DISTRIBUTOR OF T.V.A. POWER

OWNED BY THOSE WE SERVE

BRMEMC Sample Ballot

Vote by Mail, Online or In Person at the Annual Meeting

Ballots Mailed to Members on August 10, 2015.



PLEASE DETACH BEFORE RETURNING BALLOT

Voting Instructions

Voting by Mail

- Mark your selections by filling in the circle next to your choice. You must fill in the circle completely (example ●).
- Do not mail to Blue Ridge Mountain.
- Detach ballot and place in the enclosed return envelope. Mail to Survey & Ballot Systems, 7653 Anagram Drive, Eden Prairie, MN 55344. Envelopes must be received no later than September 9, 2015. Please allow sufficient time for delivery.

Voting Online

- Go to directvote.net/brmemc/ to access the login page of the official 2015 Blue Ridge Mountain Electric Membership Corporation Ballot.
- Above and to the left is your Member Number and your Election Passcode. Use both of these numbers to login.
- Once registered, follow the online voting instructions.
- Online voting ends at 4:00 PM EDT September 9, 2015.
- Do not mail your ballot if you vote online.

Vote in Person

- Annual Meeting is at the Ga Mtn Fairgrounds, Sept. 12th 10:00 AM.

If you have any problems voting online, please e-mail support@directvote.net

Blue Ridge Mountain Electric Membership Corporation 2015 Board of Directors Election

MARKING INSTRUCTIONS

- Use only black or blue ink or pencil.
- Fill in the circle completely.
- Erase cleanly any marks you wish to change or X out mark if in pen.

CORRECT ● ○ ○ ○

INCORRECT ✓ ✗ ✗ ✗

Director - Towns County	Director - Union County
<p>Vote for only one (1) Candidate:</p> <p><input type="radio"/> Jerry Nichols (Incumbent)</p> <p><input type="radio"/> Roy Perren</p> <p><input type="radio"/> Abstain</p>	<p>Vote for only one (1) Candidate:</p> <p><input type="radio"/> Mickey Cummings</p> <p><input type="radio"/> Patrick Malone</p> <p><input type="radio"/> Charles Rich</p> <p><input type="radio"/> Abstain</p>

Director - Fannin County

Vote for only one (1) Candidate:

Larry Williams

Abstain

Shall Section 4.04 of the By-Laws of Blue Ridge Mountain Electric Membership Corporation be amended to limit the tenure of service of any director as follows:

Notwithstanding anything else contained in Section 4.04, directors shall be entitled to remain in their elected position for no more than three consecutive three year terms from the time of their respective election at a meeting of the members. In the event a director is appointed to fill a vacancy on the Board and to serve for the remainder of the unexpired term created by the death, resignation or removal of another director, the appointed director may serve on the Board for three more consecutive three year terms, if duly qualified and so elected by the membership.

Yes - Add Term Limits to Tenure No - Do not add Term Limits to Tenure Abstain

Paper ballots must be received no later than September 9, 2015. Ballots tabulated by Survey & Ballot Systems. **2015**



Blue Ridge Mountain EMC

Board of Directors



Charles Jenkins



Jerry Nichols



Chris Logan



Bill Prather



Kenneth Lance



Greg Owenby



Ronnie Burch



Steven Phillips



BRMEMC Staff

Director of Member Services: Sonny Mahan

Director of Office Services: Patricia Young

Director of Engineering and Operations: Gene Coker

General Manager: Matthew Akins

Director of Information Systems: Dwayne Long

Director of Broadband Services: Daniel Frizzell

Director of Economic Development: Erik C. Brinke