

CELEBRATING THE INTERNATIONAL
YEAR OF COOPERATIVES

DON'T MISS THIS YEAR'S
KIDS CARNIVAL

JEMCOnews

A PUBLICATION FOR JACKSON EMC MEMBERS

September 2012



**JOIN US FOR THE 2012
ANNUAL MEETING**

Celebrate the International Year of Cooperatives
with Us at Your Annual Meeting



President/CEO
Randall Pugh

Celebrating the International Year of Cooperatives

Open your refrigerator or pantry and look inside. If you see Sunkist®, Ocean Spray®, Welch's®, Blue Diamond®, Land O' Lakes or Valley Natural Foods, you're supporting cooperative companies. Have Nationwide® on your side or get your hiking gear from REI®, then you're experiencing the cooperative business model at work. The United Nations declared that 2012 is the International Year of Cooperatives (IYC) – and your cooperative is part of the celebration.

While news coverage focuses on a slow economy and the unemployment rate, America's cooperatives adhere to a business model designed to promote social and economic development of economies, communities and individuals around the world. In the U.S., 30,000 cooperatives provide more than 2 million jobs and generate \$652 billion in annual sales.

We're part of the network of cooperatives formed to serve our members, and in case you're wondering what being a cooperative is all about, here's a quick snapshot.

What is a Cooperative?

Cooperatives are member-owned organizations, and they are categorized in two ways, by type and sector. Two main types of cooperatives are consumption and production, and individuals or organizations can organize these.

The most common form of cooperative is consumer-owned, organized by individuals who want to purchase goods and services. Organizing a cooperative enables consumers to get a product or service not available from for-profit businesses. Jackson EMC formed when a group of Northeast Georgia residents banded together to bring electricity to their rural homes and farms when investor-owned utilities refused to serve them. This strategy speaks to what continues to guide cooperatives today – the seven cooperative principles.

The Seven Cooperative Principles

1. Voluntary and Open Membership

Cooperatives are open to all people able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are owned by the members they serve.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative.

4. Autonomy and Independence

Cooperatives are autonomous and controlled by their members.

5. Education, Training and Information

Cooperatives educate and train employees, members, elected representatives and managers so that they can contribute effectively to their cooperative. They also inform the public about the benefits of cooperative membership.

6. Cooperation among Cooperatives

Cooperatives work together through local, national, regional and international structures.

7. Concern for Community

Cooperatives work for the sustainable development of their communities. Jackson EMC employees live in the communities we serve, so we're invested in our communities from a business and personal level.

The modern cooperative movement dates back to 1844 with the Rochdale Pioneers, a group of mill workers who opened their own store to get better quality food at decent prices and give some of them jobs. Most of the pioneers invested about a pound each to purchase the first five items for sale: flour, oatmeal, sugar, butter and candles. The pioneers drafted a set of principles and way of doing business, and the cooperative was born. While the principles have been revised and updated, their premise keeps the same essentials as the seven cooperative principles.

Although we started small, our cooperative, along with our 900 sister electric cooperatives serve nearly 42 million members in 47 states. We've worked for you for 74 years, powering homes, schools, poultry houses, community centers and businesses. We remain effective because we operate a model that works – putting members' best interests first. There are no shareholders to answer to; we simply answer to our owners, you.

JEMCO news

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Year of Technology

This year we completed several technology improvements to make operating our business and doing business with us easier. You've probably visited our redesigned website, www.jacksonemc.com. The site was reorganized and redesigned with input from members and employees. We worked to reduce the time members spend on the site in search of information. We've taken out the guesswork with this intuitive site.

We completed our Advanced Metering Infrastructure, referred to as the Smart Meter program, the first quarter of this year. We upgraded more than 200,000 meters to Smart Meters and installed 18 transmission towers so that meters can be read remotely. This technology offers a more efficient way to do business, saving staffing time and transportation costs. In addition, we'll be able to locate outages or problems on our lines more quickly. We're working on Smart Meter add-ons to offer even more member benefits in the future.

We finished the extensive 120-mile fiber optic system installation that connects computers and systems in our offices, improving the reliability of data transfers between our offices and supporting critical systems such as phones and Smart Meters.

Year of Reliability

Our infrastructure delivers the reliable and affordable power you expect at the flip of a switch. We have 13,524 miles of energized wire to meet members' electricity needs. A 46kV substation at Center (Jackson Co.) was retired and a new substation was energized at Nicholson (Jackson Co.) to relieve the load placed on our Jefferson substation and handle future growth. The capacity of our Thomason substation (Madison Co.) was increased to prevent overload, our Northwoods substation redesigned to make it more accessible, and our Lavender Road substation (Clarke Co.) upgraded from 12kV to 25kV. Later in this year, we will increase the transformer size at our Lawrenceville substation, putting capacity where we need it most.

In past issues, you've probably read about our growing energy needs and what we're doing to ensure reliability while being responsible to the

environment. We've increased the generation we own through a stake in two combined cycle natural gas facilities near Dalton, which will provide us with 358 megawatts of power beginning in 2016, and our nearly 177 megawatt share of Plant Vogtle Units 3 and 4 which will come on line in 2016 and 2017. Recently, we signed new strategic power contracts for any additional requirements and reserve capacity that will take us from 2016 through 2025 and beyond. Together, these generation resources give Jackson EMC a portfolio of coal, nuclear, natural gas, hydro and renewable power to meet our members' future needs.

We earned the J.D. Power and Associates Customer Service Champion honor this year. Measured on five factors – People, Presentation, Process, Product and Price ...

Year of Service

We earned the J.D. Power and Associates Customer Service Champion honor this year. Measured on five factors – People, Presentation, Process, Product and Price, we were one of 50 companies to earn this distinction out of the 800 companies evaluated. To qualify, companies must not only excel within their own industry, but also must stand out among leading brands in 20 major industries.

Year of Efficiency

Our commitment to energy efficiency has been at the forefront of our operations since our founding. Nearly 360 members took advantage of our 0% HomePlus loan program to save energy and money. The program was so popular, we extended it past its original spring 2012 end date. To date, members have received \$1.7 million in energy efficient improvement financing. In addition to 0% financing, we also heavily promoted our rebates. ENERGY STAR® qualified heat pump installations came with a \$400 rebate, while installation of a Marathon or heat pump water heater earned \$525.

Our large Commercial/Industrial manufacturing members benefited as well. This year we provided 22 comprehensive Industrial Energy Assessments, valued at \$10,000 and up, at no charge. Funded in part by the American Recovery and Reinvestment Act 2009 (ARRA) in cooperation with the Georgia Environmental Finance Authority (GEFA), the assessments helped participating industries identify and determine the best methods to add value to their operation by reducing energy and/or water consumption.

Year of Giving

The Jackson EMC Foundation has given more than \$6 million to community organizations and individuals since its start in 2005. Participating members agree to have their electric bills rounded up to the nearest dollar, with those extra cents going to the Foundation.

The Foundation is managed by a volunteer board of directors who review applications and reward grants to individuals and organizations. The board meets monthly and applications are accepted year-round.

We're part of a business tradition that promotes working together to provide better products and services. Simply put, the International Year of Cooperatives celebrates a different way of doing business, and recognizes the contributions cooperatives make to the economy and daily life. Here are a few more companies that probably play a role in your life, and they're all cooperatives.

Food

Borden® Cheese
 Cabot® Cheese
 Curley's™ BBQ Sauce
 Daily Groceries Co-op (Athens)
 Eggs (95% of U.S. eggs are co-op produced)
 Florida's Natural® Orange Juice
 Marie's® Salad Dressings
 Organic Valley® Milk
 Riceland® Rice
 Sun-Maid® Raisins
 Tillamook® Cheese
 Valley Figs

Retail

Ace® Hardware
 Carpet One®
 GROWMARK (seeds, plant food)
 Southern States® (feed and seed)
 True Value® Hardware
 YaYa! Bike®

Services

AgFirst Farm Credit Bank
 Associated Press
 CARE®
 CoBank® (loans, leases, export financing)
 GEMC Federal Credit Union
 Georgia Health Cooperative
 Planters Telephone Cooperative (GA)

Top Five Reasons to Park Off-Site for Annual Meeting

Jackson EMC Offers Off-Site Parking Locations

We offer off-site parking to help you avoid traffic jams at the Annual Meeting site. It's convenient and safe. Check out the top five reasons to park off-site below. We have a good reason for you to go to school or court, the courthouse that is.

- **Door-to-door service.** Take advantage of our concierge shuttle service to avoid traffic. Park your vehicle at one of our off-site locations and leave the driving to us. We'll pick you up from the Jackson County Courthouse or Jackson County Comprehensive High School and drive you right to the Annual Meeting entrance.
- **Convenient parking locations.** Members traveling via Highway 129 or 11 can easily get to the Jackson County Comprehensive High School. For those members coming from Commerce, Banks or Madison Counties, you may choose to park at the Jackson County Courthouse. There's plenty of parking at both locations.
- **Safety.** Both off-site parking locations are well lit, and frequently visited throughout the evening by Jackson EMC's parking team as they do shuttle runs every 30 minutes.

- **Save a little gas.** The distance from the off-site parking to the Annual Meeting site may not be long, but sitting in traffic from the site through downtown Jefferson can burn valuable gasoline.
- **Saves space for members who need it.** We have designated accessible parking areas for members, and many members choose parking that best meets their needs, whether it be for wheelchair or walker access. Sometimes members choose spaces that aren't in the designated accessible areas, but spaces that are easier for their equipment to maneuver. The more spaces available, the more options for our accessible parking members.

Follow directions to the Courthouse located at 5000 Jackson Parkway for the Annual Meeting, September 20. Shuttle buses run every 30 minutes to drop you off right at the Annual Meeting entrance. You can also park at the Jackson County Comprehensive High School at 1668 Winder Highway, Jefferson, Ga.

Accessible parking near the Annual Meeting entrance is available. The 2012 Annual Meeting is located at the Jackson EMC office at 850 Commerce Highway, Jefferson, Ga.

Driving Directions

Traveling I-85 North

- Take exit 137 and turn right onto Hwy. 129/ Hwy. 11 (Bypass).
- Drive one mile; turn left onto Hwy. 129 (Bus.).
- At the second traffic light into downtown Jefferson, turn left onto Hwy. 15 (Alt.) which becomes 82/15 (Alt.).
- Drive approximately one mile and veer right to continue on Hwy. 15 N (Alt.).
- Stay on Hwy. 15 N (Alt.) toward Commerce.
- Jackson EMC is located at 850 Commerce Hwy., on the right at the top of the hill.

From Athens

- Travel north on Hwy. 129.
- In Arcade, turn right onto Hwy. 129 (Bus.).
- At traffic light, turn right onto Hwy. 82/15.
- Drive one mile; veer right to continue on Hwy. 15 N (Alt.).
- Stay on Hwy. 15 N (Alt.) toward Commerce.
- Jackson EMC is located at 850 Commerce Hwy., on the right at the top of the hill.

Jackson County Comprehensive High School Directions

From Athens, take 129 North

- At Arcade, go straight to take Jefferson Bypass (Damon Gause Bypass).
- Travel approximately three miles to the Hwy. 11 exit.
- Turn left on Hwy. 11.
- The main entrance to the school is immediately on the right.

From Atlanta, travel I-85 North

- Take Exit 137 (Hwy. 129/Jefferson) and turn right (South) onto Hwy. 129/Hwy. 11 (Bypass).
- Travel south until reaching the Hwy. 11 exit.
- Turn right onto Hwy. 11.
- The main entrance to the school is immediately on the right.

Jackson County Courthouse Directions*

From I-85 North, turn right onto Hwy. 129 (Exit 137).

- Drive one mile; turn left onto Hwy. 129 (Bus.).
- At second traffic light in downtown Jefferson, turn left onto Hwy. 15 (Alt.) which becomes 82/15 (Alt.).
- Drive one mile; veer left to continue on Hwy. 82.
- Drive one mile; turn right onto Jackson Pkwy.
- Courthouse is on the left, about one-half of a mile down Jackson Pkwy.

From 129 North (Athens, Arcade)

- Travel north on Hwy. 129.
- In Arcade, turn right onto Hwy. 129 (Bus.).
- At traffic light, turn right onto Hwy. 82/15.
- Drive one mile; veer left to continue on Hwy. 82.
- Drive one mile; turn right onto Jackson Pkwy.
- Courthouse is on the left about one-half of a mile down Jackson Pkwy.

*You can also get to Courthouse parking by staying on Hwy. 15. Travel past Jackson EMC and continue for one-half mile. Jackson Pkwy. will be on the left. Follow signs to parking area.



Celebrate the International Year of Cooperatives at Your Annual Meeting

The United Nations General Assembly declared 2012 as the International Year of Cooperatives (IYC). Created to raise awareness of cooperatives and the contributions they make to the economy, the IYC event is coming to an end in just a few months, and Annual Meeting is the best place for you to get a glimpse of exactly what your cooperative membership can do for you.

There's something for the entire family. Young members will enjoy carnival rides, candy art and door prizes, while adults learn about the cooperative's operations, plans, accomplishments and win door prizes, too. There's also the Health Fair, which offers free and low-cost services, and the customer service area featuring products from energy efficiency, finance and security. Throughout the evening, the award-winning McKameys will perform.

Make your reservations online today at www.jacksonemc.com/annualmeeting or mail your enclosed reservation card by Friday, September 14. We'll see you on Thursday, September 20. Everyone in attendance will receive one meal ticket for a barbecue chicken supper to be enjoyed on site.

Health Fair Services and Information Booths

Visit the Health Fair area to get services such as vision screenings, hearing aid evaluations, child identification program kits and a variety of other free services and evaluations.

- Amedisys, Inc.
- Athens Orthopedic Clinic
- Bentley Assisted Living at Northminster
- Georgia Child Identification Program (CHIP)
- Georgia Lions Lighthouse
- Jackson County Health Department
- North Georgia Health System, Respiratory Care Services
- Northridge Medical Center
- St. Mary's Health Care System
- Worksite Connect

Services That Put People First

Cooperative membership means you have access to products and services that incorporate the cooperative spirit into their business model as well. In addition to a variety of products and services we offer to save you energy and money, you can also meet with EMC Security professionals to learn about their no-contract security packages or affordable financing through the Associated Credit Union.

Right Choice™ Home Performance with ENERGY STAR® & JEMC Rebates

- Audits and (will add Loans if program is continued)
- Rebates on Heat Pumps, Marathon® Water Heaters and Heat Pump Water Heaters

EMC Security

- Wireless security technology, Medical Alert Pendant and SECUREPATH™ technology

Associated Credit Union

- Cars, mortgages and more financial services!



Kids Carnival

Parents, accompany your young members to the Kids Carnival area to enjoy Carnival attractions from 5:30 to 8:30 p.m. Be sure to schedule enough time to take in all the age-appropriate rides. To help our Carnival staff stay on schedule, lines to rides begin closing at 8:15 p.m., so come and enjoy.

- 22-foot slide
- Kids' Zone
- Lil' Tykes Village
- Inflatables
- Obstacle Course
- Candy Art Station

Gifts & Prizes

We've all tightened our wallets in this economy; however, we've made sure you receive an attendance gift as a token of our appreciation for you coming to Annual Meeting. Each registered account member receives a gift, along with chances to win a variety of door prizes.

Each year, consumers get a chance to win an energy efficient appliance or electronics item. This year's giveaway is an HP Touch Smart All-in-One computer.

A highlight of the evening is the Grand Prize drawing. The 2012 Grand Prize is a 1997 Ford Ranger. You must be present to win.



Annual Meeting Program

Thursday, September 20
(All times approximate)

5:30 - 7:30 PM

- Registration
- Boxed Barbecue Dinner
- Customer Service
- Health Fair
- Prize Tickets

5:30 - 8:30 PM

- Kids Carnival

6:15 - 7:20 PM

- Early Prize Drawing
- Entertainment by *The McKameys*

7:20 PM until Adjournment

- Invocation
- National Anthem
- Service Awards Recognition
- Meeting Called to Order
- Report of Quorum Present
- Official Notice of Mailing and Proof of Mailing
- Minutes of Last Meeting
- Board Chair's Report
- President/CEO's Report
- Election of Directors
- New Business
- Prize Drawings
- The McKameys
- Grand Prize Drawing

Report to Members

Assets

BALANCE SHEETS

May 31, 2012

May 31, 2011

Utility Plant

Electric Plant in Service - At Cost	\$ 813,456,198	\$ 790,583,787
Construction Work in Progress	12,658,051	8,151,924
Gross Utility Plant	826,114,249	798,735,711
Accumulated Provision for Depreciation	(226,214,911)	(211,107,185)

599,899,338 587,628,526

Other Property and Investments

Investments in Associated Organizations	109,348,224	102,636,576
Restricted Funds	8,105,682	17,955,642

117,453,906 120,592,218

Current Assets

Cash and Cash Equivalents	33,827,558	31,761,559
Accounts Receivable (Net of Accumulated Provision for Uncollectibles of \$2,320,412 in 2012 and \$2,120,306 in 2011)	22,542,580	22,328,773
Materials and Supplies	8,962,499	10,381,489
Prepaid Power Cost	25,000,000	-
Other	1,784,526	1,917,937

92,117,163 66,389,758

Deferred Debits

4,505,442 110,114

Total Assets

\$ 813,975,849 \$ 774,720,616

Equities and Liabilities

Equities

Membership Fees	\$ 2,899,475	\$ 2,802,020
Patronage Capital	309,409,969	292,312,072
Other	648,353	638,196

312,957,797 295,752,288

Long-Term Debt

402,250,997 377,474,375

Other Long-Term Liabilities

Accumulated Provision for Postretirement Benefits - Noncurrent	20,771,254	16,201,070
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Current Liabilities

Long-Term Debt - Current Portion	11,085,000	10,140,000
Accumulated Provision for Postretirement Benefits - Current Portion	1,118,000	965,000
Accounts Payable	31,072,939	31,287,784
Consumers' Deposits	8,579,567	7,749,390
Other	12,389,807	11,480,665

64,245,313 61,622,839

Deferred Credits

13,750,488 23,670,044

Total Equities and Liabilities

\$ 813,975,849 \$ 774,720,616

Statements of Revenue and Patronage Capital

STATEMENTS	May 31, 2012	May 31, 2011
Operating Revenues	\$ 472,619,386	\$ 462,652,109
Operating Expenses		
Cost of Power	358,839,123	352,052,094
Distribution Operations	11,547,031	10,781,760
Distribution Maintenance	13,260,216	13,077,423
Consumer Accounts	13,024,887	12,466,892
Consumer Information and Sales	6,519,353	5,848,080
Administrative and General	10,334,597	9,773,608
Depreciation	27,715,941	26,969,534
	441,241,148	430,969,391
Operating Margins Before Interest Expense	31,378,238	31,682,718
Interest Expense	21,623,949	21,330,964
Operating Margins After Interest Expense	9,754,289	10,351,754
Nonoperating Margins	4,416,041	5,049,354
Generation and Transmission Cooperative Capital Credits	7,431,567	6,284,435
Other Capital Credits and Patronage Capital Allocations	258,567	285,151
Net Margins	\$ 21,860,464	\$ 21,970,694
Patronage Capital - Beginning	292,312,072	275,095,469
Retirement of Patronage Capital	(4,762,567)	(4,754,091)
Patronage Capital - Ending	\$ 309,409,969	\$ 292,312,072

Our Offices

Gainesville

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Gwinnett

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Randy Dellinger

District Manager

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District Manager

Neese

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Jean Mullis

District Manager

PERIODICALS
POSTAGE PAID

www.jacksonemc.com

what's cookin'?

Cooperative **Cooking**

Each month *Jemco News* features recipes which represent the people and products of Jackson EMC.

If you have a favorite recipe and would like to share it with other readers in the Jackson EMC area, send a copy, complete with name, address and daytime phone number to:

Cooperative Cooking
Jackson EMC
P.O. Box 38
Jefferson, GA 30549

Due to limited space, not all recipes received will be featured. Recipes printed in *Jemco News* are not independently tested; therefore, we must depend on the accuracy of those members who send recipes to us.

Tomato Pie

Ingredients:

1 (9 inch) pie shell	½ cup grated Parmesan cheese
7 ripe tomatoes, sliced	ground black pepper to taste
1 yellow onion	Kosher salt to taste
¾ cup mayonnaise	2 teaspoons fresh basil
½ cup shredded mozzarella cheese	2 teaspoons fresh oregano

Instructions:

Preheat oven to 350°F (175°C). Bake the pastry shell for 8 to 10 minutes or until browned. Slice onion and place in the bottom of pastry shell. Slice tomatoes and arrange over onions. Add salt and black pepper to taste. In a medium bowl, combine mozzarella, Parmesan and mayonnaise. Spread this mixture evenly over tomatoes. Bake at 350°F (175°C) for 20-25 minutes or until golden brown. Once cooked, garnish with fresh herbs.