Two pluses: economic development and capital credits

TO BEGIN MY report this month, I want to make brief mention of the upcoming Blue Ridge Electric Cooperative Annual Meeting of Members. Because of the ample information about the event found elsewhere in these pages, I’ll just say that I sincerely hope to see you on Thursday, April 25 at the cooperative’s Pickens equipment facility. We always look forward to this gathering of the Blue Ridge membership, and we truly put an effort into making it an enjoyable time for you and your family. Please plan to join us. As an aside, I also want to mention that our offices will be closing at 1 p.m. that day in order to ensure that our final preparations are addressed adequately.

At the cooperative’s recent district meetings, I covered several topics for those members who attended. One subject that had my focus for a few minutes was that of economic development.

New commercial and industrial members
It’s a fact that we’re continuing to see commercial and industrial (C&I) members locating on the Blue Ridge system. In addition, a good number of our existing C&I members have expanded their operations, thereby creating more jobs and increasing their consumption of electric power.

As I explained in my district meeting remarks, the cooperative, in many instances, has played a significant role in recruiting these businesses. We definitely see the value these various operations bring to our service area.

From the standpoint of all our residential members, the higher volume of kilowatt-hour sales has been of particular importance. Those increased sales help to hold down the price of electricity for everyone.

Factually, it’s been almost 11 years since Blue Ridge last increased its per-kWh charge. That’s been the case, even though we’ve received a number of rate increases in the interim from our wholesale power supplier. The added energy sales generated by these C&I members have enabled us to hold the line on what you pay for the power you use. Consequently, you can expect the cooperative team to continue to make economic development a real priority.

Another capital-credit refund
Among the other matters I brought to the attention of the district-meeting audiences was capital credits. I was pleased to note that Blue Ridge would be refunding another $1,000,000 in patronage capital during this month of April. This is the 37th straight annual payment of these dividends. With the full, enthusiastic support of both board and management, more than $27,000,000 has been returned to our members through the years.

In so many ways, the co-op business model is special. Whether it be capital credits or the yearly celebration we call our annual meeting, you can believe that the Blue Ridge team is working for you.

JIM LOVINGGOOD
President and CEO

Office closing
Blue Ridge Electric Cooperative offices will close at 1 p.m. on April 25 to better serve members registering for the annual meeting. Registration will open at 2 p.m. at the Pickens location and close at 7 p.m.
Blue Ridge team wins big at Lineman’s Rodeo

THREE JOURNEYMEN LINEMEN with Blue Ridge Electric Cooperative placed first overall in their division at the S.C. Lineman’s Rodeo held March 15 and 16 at Florence.

Chad Davidson, Clay Crawford and Jay Bagwell also won first place in the Team Relay and second place in a Recloser Changeout. They were among 116 competitors in the inaugural cooperative rodeo, a skills challenge for South Carolina co-op lineworkers.

The event, sponsored by The Electric Cooperatives of South Carolina, Inc., provided a chance for spectators to watch well-trained lineworkers showcase their skills in a safe and fun environment. Rodeo activities began with a special flag-raising ceremony that featured lineworkers from each participating electric cooperative climbing a pole to mount the American and S.C. flags. Blue Ridge apprentice E J Reece did the honors of placing the U.S. flag atop the center pole.

Competitions included two divisions—Apprentice, for individual competitors with fewer than four years’ line experience, and Journeyman, for three-person teams of two climbers and one groundman. Each division completed five events—among them, a pole-top hurt-worker rescue and an obstacle course—and winners were determined based on points earned by meeting the judges’ criteria in all events.

After the event, Blue Ridge Electric Cooperative donated $200 to a special rodeo fundraiser for the Joseph M. Still Burn Center in Augusta, pushing the total raised to $1,200.

Blue Ridge Electric’s focus on lineman training and safety protects not only co-op employees but also the general public, including co-op members. Linemen and other employees continually hone their skills to work more efficiently and, in doing so, help hold down the cost of service to all Blue Ridge members.

Blue Ridge winners at Rodeo

JOURNEYMAN DIVISION
Chad Davidson, Clay Crawford and Jay Bagwell—overall division winners; first place in Team Relay and second in Recloser Changeout.
Michael Sims, Jacob Kelley and Anson Perry—second place, Speed Climb.

APPRENTICE DIVISION
E J Reece—second place, LED Yard Light Changeout.
The year in review

WE COUNT IT as a true honor to represent you on the Blue Ridge Electric Cooperative board of directors. In this look back at 2018, your board takes pleasure in highlighting just some of the undertakings that worked to make it another year of progress.

Safety and job training—At the conclusion of 2018, the Blue Ridge employee team had worked three years and four months without experiencing a lost-time accident. The co-op has seen excellent leadership in this highest-priority area, and to their credit, members of the workforce have truly bought into our emphasis on safe work practices.

Financial—Blue Ridge achieved all of its 2018 budgetary goals. In addition, the per-kilowatt-hour charge for electricity remained unchanged for the 10th straight year, and your board is not calling for any increases in 2019.

Construction and maintenance—Co-op crews undertook 35 major projects that were included in our Engineering Work Plan. Each of these substantial jobs enhanced the strength of the co-op’s 7,000-mile system of power lines. Our new Piercetown substation came on line in the first quarter of last year. Three more substations are to be added to our grid within the next 12 to 24 months.

Service reliability—Vegetation control continued on a regular and energetic cycle in 2018. A combination of mechanical clearing, hand clearing, and herbicide applications addressed a total of 996 miles of power line rights of way. These efforts, paired with the many upgrades performed on the co-op’s power-distribution facilities, are producing even more improvement to our record of delivering dependable service.

Economic development—The ranks of commercial and industrial (C&I) firms locating or expanding on the Blue Ridge system continued at a healthy pace last year. In most instances, the co-op played a significant role in the actual recruitment campaigns that helped to bring these job-creating firms to our service area. There’s no question but that the growth in C&I members in the last 10 years or so has been a big plus for all Blue Ridge members. The higher volume of kilowatt-hour sales to these businesses has been a critical factor in our maintaining stable electric rates for everyone we serve.

Member service—The co-op’s member service center celebrated its 20th birthday in 2018. This operation offers real convenience to our members in that they can count on calling and talking directly to one of our representatives by way of telephone. There’s no phone menu to navigate. Last summer, we established our Blue Ridge Energy Services group. This new entity provides professional expertise and support for members in the market for emergency generators, rooftop solar, geothermal heat pumps, and an array of other services. Moreover, service is the word that best describes the co-op. From heat-pump loans to water-heater rebates to a host of additional service offerings, we’re endeavoring to make life better for our members.

Capital credits—This board takes pride in the fact that Blue Ridge is a member-owned power supplier. A bedrock of our business model is that members will eventually receive a return on their investment in the co-op. For 37 consecutive years now, Blue Ridge has refunded capital credits. Payments totaling $1,000,000 were disbursed to members in 2018, and another $1,000,000 is to be retired this April. With this latest refund, $272 million will have been given back to members.

Community service—In its 21st year, our Blue Ridge Fest charity fund-raiser garnered a record $225,000 in net proceeds. This brought the cumulative total produced so far in the event’s lifetime to $2.7 million. These funds have all been divided among a host of local human-assistance agencies. We thank our employees who have donated their time and energy each year to this undertaking. Blue Ridge members who utilized the Co-op Connections Card in 2018 were the recipients of around $300,000 in pharmacy discounts. Our co-op is among the top five cooperatives nationally in terms of member participation in this beneficial program.

The opportunity to participate on the Blue Ridge board provides us with an avenue for making a positive difference in the communities where we serve. You can be certain we’re looking out for you in any actions we take. In addition, it’s a real privilege to be affiliated with the quality organization we know the co-op to be. We hope the information contained in this review will give you added confidence that Blue Ridge continues to press on in our efforts to serve you well.

Blue Ridge Electric Cooperative, Inc. directors

Joel R. Davis
Chairman

Spencer Dalton
Vice-Chairman

Franklin M. Looper, Jr.
Treasurer

Ben G. Bolt

J. Mendel Stone

Len D. Talley
Secretary

Jimmy Lee Dodgens

Kenneth G. Southerlin

William G. Elrod

James M. Cornett
Annual financial statement

Balance sheet as of December 2018

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<tr>
<th>Assets</th>
<th>Liabilities</th>
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<td>Total Utility Plant</td>
<td>Membership Fees</td>
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<td>Less: Provision for Depreciation</td>
<td>Patronage Capital</td>
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<td>121,217,683</td>
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<td>Net Utility Plant</td>
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<td>Other Property &amp; Investments</td>
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<td>Other Current Assets</td>
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<td>Total Current &amp; Accrued Assets</td>
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<td>429,960</td>
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<td><strong>TOTAL ASSETS</strong></td>
<td><strong>TOTAL LIABILITIES</strong></td>
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Statement of operations for year end 2018

Operating Revenue $158,150,899

Expenses:
- Cost of Power 91,396,814
- Cost of Operation 35,698,271
- Depreciation 11,485,122
- Taxes 5,753,897
- Interest 7,175,796

Total Operation Expense 151,509,900

Net Operating Margins 6,640,999

Non-Operating Margins 861,842

**TOTAL MARGINS** $7,502,841

Cost of Power 60.89%
Depreciation 7.85%
Taxes 3.86%
Cost of Operations 22.63%
Interest 5.19%
Net Operating Margins 4.20%
This is a view of the parking area for members attending the Blue Ridge Electric Cooperative annual meeting. The lot identified as Lot 1 will be accessed from Hwy 183 (West Main Street) in Pickens. This will be filled with traffic traveling east on Hwy 183 from the Seneca/Walhalla area. Traffic coming from the Easley/Pickens area will be routed onto Reece Mill Road and the parking lots will be filled as designated. Handicap registration and parking are available for members requiring assistance.

If you have need of special arrangements for transportation, parking attendants will be on site to answer your questions. Once you’ve been directed to a parking space, please make note of the lot in which you’ve parked so that you can readily locate your car at the end of the evening.

Plenty of employees will be on hand to direct you to registration, voting and door prize areas. Just a reminder—Blue Ridge Electric Cooperative offices will close at 1 p.m. so that all employees will be available to assist with the annual meeting. Registration begins at 2 p.m. and will close at 7 p.m. We look forward to seeing you there.
If your name appears on the list, please contact us. In order to claim a capital credit, the cooperative will need to be presented with a picture I.D. If you are claiming the capital credit for a deceased person, you will need a copy of his/her death certificate and a copy of the Certificate of Appointment from the Judge of Probate. In order to claim funds, please contact Kathy Ellenburg at (800) 240-3400.
High school students will travel this summer

SIX STUDENTS WITHIN the Blue Ridge Electric Cooperative service area have been chosen to represent the co-op during two different summer activities designed to educate young men and women about electric cooperatives. Following an application process that included an in-person interview, these six students were selected to go to either Washington, D.C. or Columbia to see first-hand what makes our business model so successful.

In June, Alex Dow and Karrigan Spivey from Pickens High School will travel with Landon Norizsan from Walhalla High School to Washington, D.C. There, they will join with 1,500 high school juniors from across South Carolina and the country, meeting lawmakers and touring all the sights.

Then, in mid-July Abi Broom and Reagan Turner from Pickens High School and Brian Jones from Westside High School will experience South Carolina's capital like never before. They will tour the Statehouse, meet lawmakers and see how co-ops are preparing for our state's energy future. Popular Columbia attractions like Riverbanks Zoo and Garden are also part of this learning experience.

Blue Ridge Electric Cooperative sees the value of educating our young people on what makes a co-op different. We are excited to sponsor students for these trips each year. The application process begins each December with selections made in February. If you have a rising junior, visit our website this fall for information on how to apply.

A Cool Deal on a Smart Thermostat!

Blue Ridge Electric’s Smart Thermostat Program offers members the opportunity to purchase an Ecobee 3 or Ecobee 4 smart thermostat at a discounted rate. As a participant, the member will allow the cooperative to control the thermostat during peak periods.

Receive a discount on a smart thermostat…

Ecobee 3: $85 Retail Price: $169
Ecobee 4: $145 (w/Alexa) Retail Price: $249
Installation fees: $50 for 1 thermostat; $75 for 2
... and help your co-op with power costs.

* Member reimbursed after 36 months

For additional information or questions, please call 800-240-3400 and speak with an energy expert.