



Your Touchstone Energy® Cooperative

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The aim of Marlboro Electric Cooperative, Inc. is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

Information for
members of
Marlboro Electric Cooperative, Inc.

Marlboro Electric blooms with spring



Eddie Gordon, Trustee

In South Carolina, we can count down the days until spring by a progression of flowering trees, bulbs and plants. Their bursts of color rekindle our hopes even on a gray day. As springtime approaches, I look forward to seeing the beautiful flowers my wife and I have planted in the yard that blossom and come to life.

Budding flowers, trees and plants that begin to explode with vividness remind us that spring has almost sprung. At Marlboro Electric Cooperative, their arrival also means our favorite perennial isn't far away — our Annual Meeting of Members.

Your cooperative's 2009 annual meeting will be held Saturday, April 18, at Marlboro County High School. We've been doing the groundwork all winter. Now, all we need is your smiling face. If we see our members popping up at the meeting, we know our electric co-op can continue to prosper.

As a not-for-profit, member-owned co-op, we are solely focused on service. Keeping members satisfied is what it's all about. That's also why we do our best to make the annual meeting appealing. Entertainment, gifts and prizes are our way of thanking you for attending. Yet, the event is, in fact, an official meeting designed to keep you, our members, well-informed and involved.

During the business meeting, we take a little time to report on your co-op's financial condition and detail future plans. Co-op trustees and staff are available to answer your questions face-to-face.

Marlboro Electric continues to bloom and progress forward, even with the many challenges of today. We are excited about the benefits your local cooperative offers, besides receiving a Capital Credits check. For example, one benefit is this Living in South Carolina Magazine that you receive

each month and the information it provides. In last month's issue, we even threw in the brochure '101 Low-Cost/No-Cost Home Energy Savings' to help our members use energy more wisely.

Also, our "Do the Light Switch" campaign has been a plus for our members. Our members have received free complimentary CFL's in the past and will be receiving another CFL by mail in the coming months. If you attend this year's

Annual Meeting, you will receive another CFL in your registration bag.

In addition to all of these benefits of being a co-op member, you will be learning about a new program in the next few months called the "Co-op Connections Card." This is a program that will help our members in today's uncertain economy because we know rising power costs affect you, and we want to do what we can to help you, the members.

We want to continue the dialogue we've begun in our grassroots initiative, Our Energy, Our Future. Help our nation's leaders understand how the policies they enact will affect South Carolinians and all Americans.

Yes, we face challenges today, both our nation and our cooperative. But the twin traits of democracy and cooperation give us an advantage. Working together, we can overcome any challenge.

As the poet Anne Bradstreet wrote, "If we had no winter, the spring would not be so pleasant: If we did not sometimes taste of adversity, prosperity would not be so welcome."

Join us on Saturday, April 18, at Marlboro County High School to help the spirit of cooperation come into blossom once again.



Christy J. Overstreet

Flowers planted in my yard that I enjoy seeing bloom each year.



CHOP, CHOP!

It's Marlboro Electric's 2009 Annual Meeting!

When: Saturday, April 18, 2009

GRAND PRIZE: 2002 Ford truck

Where: Marlboro County High School
Fayetteville Avenue
Bennettsville, South Carolina

SEMI-GRAND PRIZE: Riding lawn mower, refrigerator, washer and dryer, stove and a television

Time: Registration 12 Noon until 2:00 P.M.
Business Meeting 2:00 P.M.

WIRE-sponsored CONCESSIONS, RAFFLE and BOOTHS

Entertainment: Melody Aires gospel group and face-painting clowns

HEALTH FAIR by Marlboro Park Hospital

REGISTRATION GIFT

Each co-op member who is present and registers at the Annual Meeting will receive a Proctor Silex Food Chopper and a compact fluorescent light bulb (CFL), and will be eligible for the Grand Prize and Semi-Grand Prizes.

Marlboro Electric ranks 15th nationally with 'large loads'

Congratulations! Marlboro Electric Cooperative ranks 15th nationwide among co-ops serving commercial and industrial (C&I) sales as a percentage of total co-op sales.

The National Rural Electric Cooperative Association (NRECA) in January ranked the top C&I-serving co-ops on a Web site, cooperative.com, in a monthly feature called Electric Co-op Numbers. As NRECA noted, having high C&I sales as a percent of total sales indicates that the co-op serves a very large C&I customer or several customers (mine, manufacturing plant, irrigation, etc.) and may not be typical of the average co-op.

Co-ops typically sell most of their kilowatts to residential consumers. NRECA reports that, on average, residential sales for co-ops are nearly 60 percent of total sales. However, the association notes, there are a dozen co-ops that have more than 90 percent of their sales going to C&I customers. These co-ops serve steel mills in their service area, sit in the middle of oil or natural gas fields or have some other uncharacteristically large electric power consumers, or "loads," NRECA said.

President of the Palmetto Economic Development Corporation Ralph Thomas said, "Our organization assists all of the co-ops and Santee Cooper in economic development, and Marlboro Electric has demonstrated outstanding initiative to enhance the local communities and the state of South Carolina."

Marlboro Electric Cooperative serves several large C&I customers, including Domtar, Mohawk, Flakeboard, Musashi of South Carolina, International Cup, Harbour Freight, Federal Bureau of Prisons, Sandhill Quilting and the city of Bennettsville.

While distribution cooperatives are noted for serving residential customers, these exceptional co-ops highlight the ability of the cooperative business model to attract and serve major industries, NRECA said. These

large loads can benefit their communities in many ways.

"Serving large commercial and industrial members helps Marlboro Electric Cooperative hold down the cost of service for all co-op members, including residential consumers," says President & CEO William L. (Bill) Fleming. "That is why we actively recruit industries and other large loads and work with state and local economic development agencies to attract and retain commercial and industrial members. It also helps provide jobs for our members and other local residents."

Marlboro Electric is the smallest electric cooperative in South Carolina and has the largest commercial and industrial load served in the state.

"In the last 10 years, the Board of Trustees at Marlboro Electric has really focused on economic development and provided vision for the growth of our community," said Fleming. "However, it has taken all of Marlboro and Dillon County's citizens to work together as a team to achieve this ranking of accomplishment."

The ranking was built by NRECA's Strategic Analysis Unit using data publicly available through the federal Department of Energy's Energy Information Administration (EIA).↑

Top 25 co-ops in percentage of sales to C & I members

1. Mississippi County Electric Cooperative, Inc.	Blytheville	AR	98.3%
2. Springer Electric Cooperative, Inc.	Springer	NM	93.7%
3. Powder River Energy Corp.	Sundance	WY	93.4%
4. Wells REC	Wells	NV	92.9%
5. Lea County Electric Cooperative, Inc.	Lovington	NM	92.6%
6. Kenergy Corp.	Henderson	KY	92.4%
7. Central Valley Electric Cooperative, Inc.	Artesia	NM	92.4%
8. Deaf Smith Electric Cooperative, Inc.	Hereford	TX	91.1%
9. Lighthouse Electric Cooperative, Inc.	Floydada	TX	90.8%
10. Bailey County Electric Cooperative Assn.	Muleshoe	TX	90.8%
11. Flowell Electric Association, Inc.	Fillmore	UT	90.8%
12. Pioneer Electric Cooperative, Inc.	Ulysses	KS	90.6%
13. Lamb County Electric Co-op, Inc.	Littlefield	TX	89.4%
14. Rita Blanca Electric Cooperative, Inc.	Dalhart	TX	89.4%
15. Marlboro Electric Cooperative, Inc.	Bennettsville	SC	88.1%
16. Southwestern Electric Cooperative, Inc.	Clayton	NM	88.9%
17. Slope Electric Cooperative, Inc.	New England	ND	88.8%
18. Moon Lake Electric Association, Inc.	Roosevelt	UT	87.8%
19. Lyntegar Electric Cooperative, Inc.	Tahoka	TX	87.4%
20. Mt. Wheeler Power, Inc.	Ely	NV	87.1%
21. White River Electric Assn., Inc.	Meeker	CO	86.4%
22. Swisher Electric Cooperative, Inc.	Tulia	TX	86.4%
23. Highline Electric Association	Holyoke	CO	86.3%
24. Southeast Electric Cooperative, Inc.	Ekalaka	MT	86.0%
25. Y-W Electric Association, Inc.	Akron	CO	85.7%

Financial statement for FY 2008

ASSETS

Cash — General Fund	\$ 902,288
Other investments	\$ 2,003,664
Accounts receivable (less reserve)	\$ 4,744,210
Materials and supplies	\$ 437,549
Other current and accrued assets	\$ 37,700
Deferred debits	\$ 30,350
Electric plant	\$ 48,897,173
Less: reserve for depreciation	\$ 11,312,319
Total assets	\$ 45,740,615

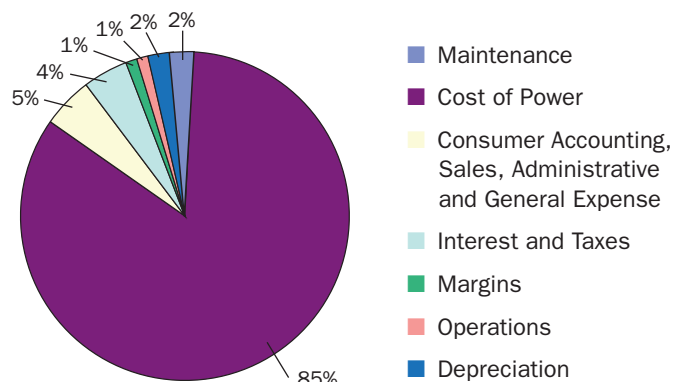
LIABILITIES

Membership fees	\$ 26,310
Long-term debt — RUS	\$ 18,295,257
Long-term debt — other	\$ 9,562,556
Consumer deposits	\$ 559,278
Notes and accounts payable	\$ 4,793,477
Other current and accrued liabilities	\$ 233,304
Total non-current liabilities	\$ 1,772,365
Operating margins (2008)	\$ 644,410
Patronage capital	\$ 10,207,958
Other margins and equities	\$ (354,300)
Total liabilities	\$ 45,740,615

STATEMENT OF OPERATIONS

Operating revenue and patronage capital	\$ 54,750,132
Cost of power	\$ 46,106,876
Distribution expenses — Operating	\$ 570,509
Distribution expenses — Maintenance	\$ 1,057,494
Customer service and informational expense	\$ 145,857
Consumer account expense	\$ 558,465
Administrative and general expense	\$ 2,046,242
Depreciation	\$ 1,365,650
Interest and Taxes	\$ 2,458,694
Other deductions	\$ 23,678
Total Cost of Electric Service	\$ 54,333,465
Patronage capital and operating margins	\$ 416,667
Non-operating margins — interest	\$ 40,486
Other capital credits and patronage dividends	\$ 187,257
Patronage capital and margins	\$ 644,410

How your dollar was spent



REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Trustees
Marlboro Electric Cooperative, Inc.

We have audited the accompanying balance sheets of **Marlboro Electric Cooperative, Inc.** as of August 31, 2008 and 2007, and the related statements of revenue, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marlboro Electric Cooperative, Inc. as of August 31, 2008 and 2007, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2008, on our consideration of Marlboro Electric Cooperative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of our audits.

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLP

Winter brings low temperatures, higher bills

Heating costs the reason for most increases

Cold weather is the reason why many Marlboro Electric Cooperative members' bills have increased during January and February.

Temperatures averaged 45.4 degrees F from January 1 through February 25, according to observations for Bennettsville posted at the Web site weatherunderground.com. During this 66-day period, there were 42 days with lows below 45 degrees, the Web site reports. A low of 16 degrees was recorded January 17. There were 20 days with lows recorded at or below freezing.

Heating or cooling costs account for almost half of the total energy use in most homes. Inefficient methods of heating, such as electric space heaters, can dramatically increase energy consumption. Heat pumps are the most efficient form of home heating but overuse of back-up electric resistance heat strips can also significantly increase energy costs.

The co-op recommends having systems serviced once a year by a certified HVAC specialist. Marlboro Electric Cooperative also recommends setting thermostats at 68 degrees for heating and 78 for cooling. Adjusting the setting can increase or decrease energy costs.



Members can also minimize the effect of rising energy prices by ensuring that their home is adequately insulated. Caulk and weatherstrip is inexpensive to purchase, and can reduce drafts around windows and doors. For homes with heat pumps or forced-air units, ductwork should be checked for leaks and repaired if necessary.

Marlboro Electric Cooperative offers a log sheet of your meter reading to help you keep track of your usage daily. Take the time each day and write down your usage. Make notes on why you used more electricity on some days versus what you did on other days. Did you wash more clothes on one day versus not washing clothes on the other day? Did you find that a relative had adjusted the thermostat higher causing you to increase your usage on that particular day? Did you find that your water heater was leaking under the house for a certain number of days before you were able to find it and repair/replace it causing more usage on those previous days?

In addition, more tips are offered in brochures "Energy Tips" and Touchstone Energy Cooperatives' "101 Low-Cost/No-Cost Home Energy-Saving Measures." The free brochure was included in the February edition of Living in South Carolina Magazine.

Additional copies are available at Marlboro Electric Cooperative's office in Bennettsville. †

Consider this: A few things that can affect your bill

Other factors to consider when reviewing your co-op bill:

Days of use: Check the number of days that are billed for your electric use. This varies from bill to bill due to the number of days in a month and a billing cycle may be a bit shorter or a bit longer so as not to make your bill due on a weekend or holiday.

Lifestyle: No two households use energy the same way, so comparing your energy bill to your neighbor's is like comparing apples to oranges. It is best to compare your current use to your past use, keeping in mind changes that may have occurred, such as new occupants, additions to the home, added electronics or appliances, etc.

Your meter: Marlboro Electric Coopera-

tive bills members based on regular, monthly meter readings of their electricity use.

Meters are seldom the cause of a higher bill, but they are often blamed. Meters measure energy use and, because they are a mechanical device, it is rare that they run fast. Fewer than two out of 1,000 meters are proven to be wrong when tested. Most old meters or a faulty meter would more likely run slow.

Meter tests should be a last resort. When requested, a Marlboro Electric field representative will check a member's meter and if it is determined that it is working properly, a \$15 fee is charged. Faulty meters, although rarely found, are usually replaced at no charge.

We feel your pain

Co-op employees and Board members are people just like you. We have electric bills to pay just like you, whether it is through the co-op, the city of Bennettsville, Progress Energy or any other utility company. We all know, from experience, what it is like to have a high electric bill because we have them, too. We all understand and feel the pain of today's uncertain economy. The increase in the costs of electricity, groceries, gas and everything else is a nationwide challenge we all face. Even Marlboro Electric, the cooperative, has to pay an electric bill.

Marlboro Electric Cooperative, like other cooperatives and utilities around the nation, is paying substantially higher costs for wholesale electricity. The chief cause is the rising cost of coal and other fuels used to generate electricity. What you paid for electricity a year ago is not the same as it is now, due to cost increases.

Many people have the misperception if the gas you use for your car has decreased, then the price of electricity should automatically decrease. Many people also have the same misperception that if the price of coal decreases, then electricity should decrease. Electricity purchased by Marlboro Electric consists of coal, various fuels and other components that have also increased in price, that all together factor into the production and generation of wholesale power. Wholesale electricity rates have jumped and the most recent cost increases had to be passed on to the members. Simply put, we can't sell electricity for less than we have to pay for it and stay in business.

The co-op does not profit from the increase in your bill. The money goes to pay the co-op's wholesale power costs. We are managing our costs to minimize the impact on members, but we won't do anything that would compromise the safe, reliable service our members deserve.

Marlboro Electric sends help to Kentucky Utilities

Marlboro Electric Cooperative sent a crew of seven utility workers in February to assist with power restoration in Paducah, Kentucky. A storm knocked out power to more than one million homes and businesses from Missouri to West Virginia, with Kentucky being the hardest hit area.

"It was amazing how the tops of the trees were broken down from the ice for about 40–50 miles," said Earl Watson, Line Technician at Marlboro Electric. "When we arrived, we clearly saw the work that had to be done."

The Kentucky-bound crew joined nine other crews from South Carolina electric cooperatives, with a total of more than 300 workers from outside the area helping to restore power in Kentucky. South Carolina's electric cooperatives have always offered assistance to more than 1,000 electric cooperatives across the nation in times of emergency.

"It was cold, wet and muddy," said Lead Lineman Leroy Anderson. "We would be so tired and worn out, but we felt good that we could make a difference."

Line crews worked as much as 16-hour shifts around-the-clock, seven days a week to restore power for members of Jackson Purchase and other co-ops. It took more than three weeks for power to be fully restored in many areas of Kentucky.

"The devastation and the extensive damages of the storm seemed unreal, but everyone's spirit was good," said Lead Lineman Wayne Mullis. "We were glad that we could help others in dire need during this difficult time."

The electric cooperatives received e-mails of appreciation, like "Thanks for helping us!" (Punctuated with not one, but 32 exclamation points!) "Please send our thanks to your local cooperative employees and their families for their help in our time of need," the e-mail began. "... and we cannot begin to adequately express our gratitude and thanks for the help that your employees are providing. We will do our best to take care of your guys while they are with us and hope to see them home safe to you as soon as possible."

Line Technicians Robbie Kirk and Roddy Bowers both stated that the people in Kentucky were extremely nice, they didn't complain about being out of power for so long, and they really looked after all of them.

Marlboro Electric's crew especially



Chissy J. Overstreet

Marlboro Electric Cooperative employees assisted Kentucky co-ops in February due to the ice storm. They are, left to right, Wayne Mullis, Earl Watson, Roddy Bowers, Terry Terry, and Charlie Hatcher; kneeling, Leroy Anderson and Robbie Kirk.

appreciated the hospitality shown by John Bohanon, Ronnie Flowers, and Bob and Barbara Champion of Kevil, Kentucky. "They allowed us to leave our big trucks and trailers parked on their land at night so we would not have to drive them back to the hotel," said Kirk. "We had home-cooked meals brought to us while we worked, fresh baked cakes, and they even washed our clothes."

Line Technician/Service man Charlie Hatcher and Groundman Terry Terry said the co-ops and the people of Kentucky made them feel welcome and everyone worked as a team in the restoration process. "It is always a wonderful opportunity when you can help others, but it's always good to be home, too," said Hatcher.

Marlboro Electric's President and CEO Bill Fleming stated that South Carolina has been fortunate through this year's winter storms with very few outages. "We were more than glad to assist a neighboring state in their time of need and were very happy about the safe return of our crew."

A death in the family

A Minnesota lineworker who, like dozens of South Carolina co-op lineworkers, was helping to restore lost power in Kentucky in February, died from injuries sustained in the effort. His loss was felt throughout the electric cooperative community.

Andrew Reichwein, 35, of Minnesota's Connexus Energy suffered fatal injuries when a pole snapped and he fell to the ground. Reichwein was an eight-year employee of Connexus Energy in Ramsey, Minnesota. He died Feb. 10 at a Paducah hospital, leaving



Courtesy Connexus Energy

Andrew Reichwein, a Minnesota lineworker, suffered fatal injuries in an accident during power restoration efforts in Kentucky in February. He left behind a wife and four-year-old daughter.

behind a wife and four-year-old daughter. Jackson Purchase Energy Cooperative has established a memorial fund for the Reichweins' four-year-old daughter. Donations are being made to Paducah Bank, Attn. Alexis Tuscany Reichwein Memorial Fund, 555 Jefferson Street, Paducah, Kentucky 42001.

G. Kelly Nuckols, CEO of Jackson Purchase Energy, expressed what all of us in the cooperative community felt. In the kind of statement that all co-ops pray they never have to release, Nuckols said, "Our thoughts and prayers go out to Andy's family. We are so grateful for all of the help we have received in the aftermath of the ice storm... Andy made

the sacrifice to come here and help us in our time of need, and then sacrificed his life.”

Comments like this make us extra proud of our employees, who put their lives on the line, like Andy Reichwein, every day, not just during storm recovery, to help others. As we grieve the Reichwein family’s loss, let us also remember the need for everyone — and not just lineworkers — to use caution around power lines and facilities. Safety, like life itself, cannot be taken for granted. †



Local WIRE chapter to meet

Please join us at the next WIRE meeting on Monday, April 6, at 6 p.m. in Marlboro Electric’s Assembly Room.

The meeting is open to all women who are co-op members, trustees and employees or the spouses of members, trustees and employees. Women Involved in Rural Electrification (WIRE) is a community outreach group and a statewide organization.



In observance of Easter, Marlboro Electric Cooperative, Inc. will be closed on Good Friday, April 10, and will reopen on Monday, April 13.

All emergency crews will be on standby.

Marlboro Electric Cooperative’s crew brought back this delicious recipe from Barbara Champion of Kentucky.

Chess Squares

- 1 box butter or yellow cake mix
- 1 egg
- 1 stick melted butter
- 8 oz. cream cheese
- 1 box of powdered sugar
- 3 eggs
- 1 tsp. vanilla

Mix these three ingredients (cake mix, egg, and melted butter) together and press in a 9x13 pan. Then, mix the remaining ingredients together and pour over the top. Bake at 350 degrees for 30–35 minutes or until brown. Let cool and cut.

Coming soon to your local co-op pages...

Read all about it in the upcoming editions of Marlboro Electric’s Living in South Carolina

- **NEXT MONTH** — Is it ‘Double your fun’ or ‘Triple your fun’? You will find out that it is both when it comes to the Perdue family, who were recipients of Marlboro Electric’s Operation Round-up program. See photos of the beautiful twins who are also considered a part of the triplets. Read how the Perdue family now has healthy babies who are on the move. They are growing up fast and everyone is having fun!



Contributed photo

Annual Meeting and who drove away smiling because they won the Grand Prize or a Semi-grand Prize. Will Marlboro Electric members break last year’s record attendance? Find out.

- **COMING IN MAY** — (Drum roll, please.) “And, the winner is...” Marlboro Electric Co-op members are the winners when they attend and receive their registration gifts, a Proctor Silex Food Chopper and a Compact Fluorescent Light bulb (CFL). See pictures of this year’s



John Bruce

- **COMING IN JUNE**—Grave markers featuring names like Screwball, Moose, Officer Ruby — even Lucifer? What’s going on here? Nothing sinister at all, actually. In fact, it’s quite a heart-warming story. The Dew Farm Pet Cemetery outside Latta is a place where, for decades, a local family has shown their love for furry friends. Just how did it come to be? Read all about it in April’s Marlboro Electric Cooperative edition of Living in South Carolina Magazine.

Have a story idea? E-mail Christy Overstreet at cjoverstreet@marlboroelectric.net or call (843) 479-3855.



Walker Allread

