

POWERING THE GENERATIONS

MEMBERS MATTER

2015 Annual Report



A Message To Our Members From Our President & CEO

Dear Member,

It's all about you at an electric cooperative! Your priorities are our priorities: keeping bills low. That's why we're pleased our members' bills are among the lowest in the state.

One of the most exciting ways we're helping members with their bills is an effort started in 2015 called "Powerful Solutions." This energy efficiency and renewable energy initiative offers members options including: loans of up to \$7,500 that are paid back on monthly electric bills to make homes more energy efficient; energy efficient appliance rebates; and coming in 2016 are community solar gardens for member participation.

Our history of care for the environment is also evidenced by cleaner generation sources provided by our wholesale power supplier. Last year, 50 percent of our power came from nuclear, which has zero emissions. And our use of renewable resources in our power supply is at 6 percent. We're on target to reach 10 percent use of renewables by 2021 as required by North Carolina's Renewable Energy and Energy Efficiency Portfolio Standard (NCREPS).

Lowering bills even further is our 13-month rate reduction that's equal to 15 percent monthly savings for residential members. We began providing the reduction in December 2015 and it will be in effect throughout 2016. Our long-range plan to help keep members' bills low is by using the profits from our two subsidiaries, which last year provided nearly \$3.7 million net benefit for members. Employees are engaged in the effort through WorkSmart, an internal program that has identified sustainable savings worth more than \$19 million.

However, keeping your bill low would mean nothing if we didn't also keep your lights on. Blue Ridge Electric is recognized nationally as one of the best performers with 99.98 percent reliability.

Playing key roles in our reliability efforts are expert local line technicians and vegetation management efforts as well as long term engineering planning and construction that ensures our members' needs are met as demand grows and technology evolves.

At the heart of our business, we are local people serving our neighbors. Member satisfaction is a priority, whether it's service by telephone, Internet, office, or in the community. That's why we survey members and it's why we're pleased to regularly rank among the top three best performing utilities in the country, according to the American Consumer Satisfaction Index.

It's also why the Members Foundation was formed: to serve local communities by supporting education, health care, ensuring good jobs and working in partnership for strong communities—now and in the future.

As we plan for what our members need from us now and as your trusted energy adviser, our key strategic goals all point toward member value. Benefitting our members in every way from providing reliable, affordable electricity to improving local economies and quality of life is the driving force of why we exist as a cooperative: to serve you, our members!

— Doug Johnson, CEO (Left) &
Kenneth Greene, President (Right)



2016 Annual Meeting
June 16, 2016, 4 PM

Blue Ridge Electric
Corporate Office, Lenoir NC

Member Savings



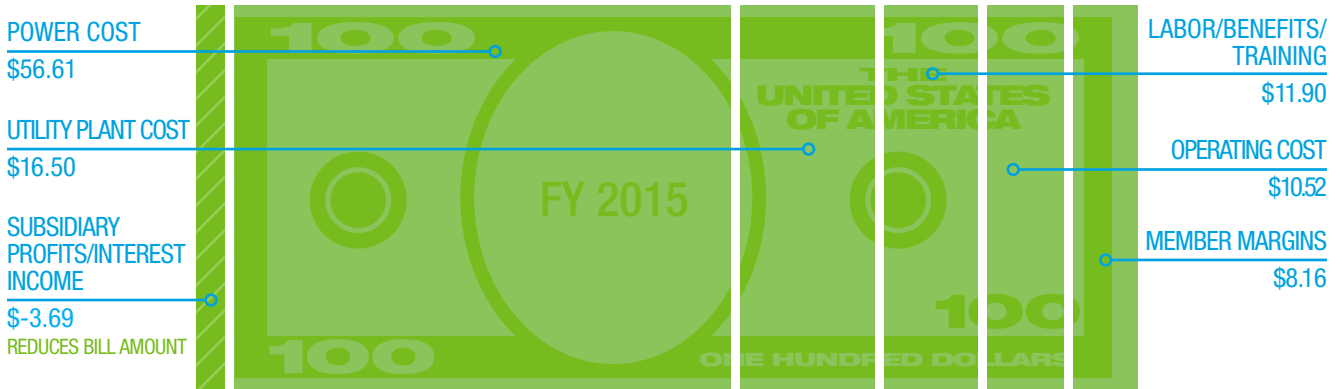
Blue Ridge member bills are among the lowest in the state. Source: Energy Information Administration.

Part of my job is always looking for ways to help our members save energy and money. That's why I'm so excited about our new Powerful Solutions programs. From weatherization to appliance rebates, and from home equipment protection programs to community solar gardens, we're working to give our members ways to lower their monthly bills with renewable and innovative solutions. A lot of companies say they're committed to offering these kinds of solutions. I'm glad I work for a company that actually backs it up.

– *Jason Lingle*
Energy Solutions Manager
9 Years of Service



Electric Bill Breakdown



Serving our members is also about protecting their information and safeguarding our servers and system against security breaches. Hackers work overtime to disrupt the electrical grid and steal personal identities and financial information. We all work diligently to protect the thousands of members of our community. Really, we view every single one of those members as part of one big Blue Ridge Electric family. And when you look at it that way, we don't need any extra motivation to safeguard our electrical grid, along with our members' information.

– *Phil Crump*
Network Security Administrator
9 Years of Service

\$1.6 Million WorkSmart Savings

Operating expense reduction based on employee initiatives identified in 2015.

\$3.7 MILLION

Member Benefit from Blue Ridge Energies
and RidgeLink Subsidiaries

KEY NOTES

1.26 BILLION

Kilowatt Hour Sales In 2015

75,280

Electric Accounts Served In 2015

\$50,000

Contribution To Members Foundation from
Blue Ridge Energies and RidgeLink Subsidiaries

NEW TERRITORY

Blue Ridge Energies Expansion Into Burke County

BOARD OF DIRECTORS



BACK ROW (left to right)

Tom Trexler, Watauga District; Kelly Melton, Caldwell District; Bradley McNeill, Ashe District; John Wishon, Jr., Alleghany District; David Boone, Ashe District; James Burl (JB) Lawrence, Watauga District; Mitch Franklin, Alleghany District; Bryan Edwards, Alleghany District

FRONT ROW

Jeff Joines, Vice President, Caldwell District; Kenneth Greene, President, Ashe District; Joy Coffey, Secretary-Treasurer, Watauga District; David Eggers, Assistant Secretary-Treasurer, Caldwell District

Cooperative Financial Report

OPERATING STATEMENT

Years Ending Dec 31 (dollars in thousands)

INCOME	2015	2014
Operating Revenues	\$157,417	\$168,326
LESS OPERATING EXPENSES		
Cost of Power	78,416	81,356
BRE Cost of Sales	11,394	18,716
Operations & Maintenance	35,788	34,588
Depreciation & Amortization	14,066	13,641
Taxes	206	2,258
Interest	9,613	9,683
Total Operating Expenses	\$149,483	\$160,242
Margins from Operations	7,934	8,084
Non-Operating Margins	3,374	3,102
Total Margins	\$11,308	\$11,186

BALANCE SHEET

Years Ending Dec 31 (dollars in thousands)

ASSETS	2015	2014
Electric Facilities	\$448,548	\$431,683
Less Accumulated Depreciation	144,872	134,649
Net Electric Facilities	303,676	297,034
Net Non-Utility Property	16,526	14,591
Current Assets		
Cash & Cash Equivalents	\$18,783	\$10,521
Accounts Receivable (Net)	16,511	21,608
Inventory	5,419	5,730
Other Current Assets	2,082	1,659
Total Current Assets	42,795	39,518
Investments	20,390	19,963
Other Assets	11,872	13,586
Total Assets	\$395,259	\$384,692
LIABILITIES & MEMBER EQUITY		
Margins & Equities		
Memberships	\$120	\$126
Other Equities	2,882	2,491
Patronage Capital	155,755	149,749
Total Membership Ownership	\$158,757	\$152,366
Current Liabilities		
Account Payable	\$10,505	\$10,720
Lines of Credit		
Other Current & Accrued Liabilities	19,779	14,328
Total Current Liabilities	\$30,284	\$25,048
Long Term Debt	176,208	177,077
Other Non-Current Liabilities	30,010	30,201
Liabilities & Member Equity	\$395,259	\$384,692

Foundation Financial Report

Helping members in need and making local communities better is what the Blue Ridge Electric Members Foundation is all about. We'd like to personally thank our members for contributing to Operation Round Up® to help support the Members Foundation, with 100 percent of all donations going to help families and our communities.

STATEMENT OF ACTIVITIES

	Years Ending Dec 31	
REVENUE	2015	2014
General Public Contributions	\$307,575	\$357,601
Value of Contributed Services	23,000	19,500
Interest	10	16
Total	\$330,585	\$377,117
EXPENSES		
Assistance Provided	238,507	\$353,376
Administrative Services	23,000	19,500
Change in Unrestricted Net Assets	\$69,078	\$4,241
UNRESTRICTED NET ASSETS		
Beginning of Year	\$35,867	\$31,626
End of Year	104,945	35,867

STATEMENT OF FINANCIAL POSITION

	Years Ending Dec 31	
ASSETS	2015	2014
Cash and Cash Equivalents	\$104,945	\$25,967
Due from Related Party		9,900
Total Assets	\$104,945	\$35,867
LIABILITIES & NET ASSETS		
Unrestricted Net Assets	\$104,945	\$35,867
Total Liabilities and Net Assets	\$104,945	\$35,867

— *Joel Souther*
Operations and District Manager,
Alleghany District
32 Years of Service



I love being involved with programs like “A Heart Of A Trojan,” which grants student athletes access to cardiac screening and concussion testing to identify any potential problems and refers them to specialists for additional evaluation. To me, that’s what makes Blue Ridge Electric so special. Sure, we provide power, but with programs like this, we have the potential to have a much greater impact on a member’s life.

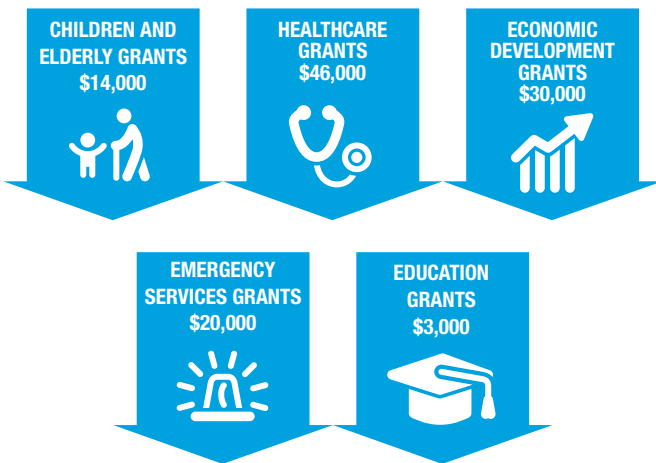
SOURCES OF 2015 FOUNDATION FUNDS – WHERE THE FUNDS COME FROM



\$343,452

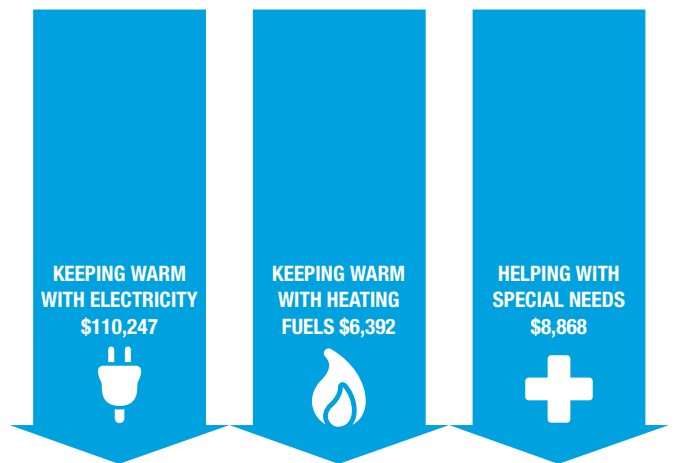
DISTRIBUTION OF 2015 FOUNDATION FUNDS – WHERE THE FUNDS GO

FUNDING TO ASSIST COMMUNITIES



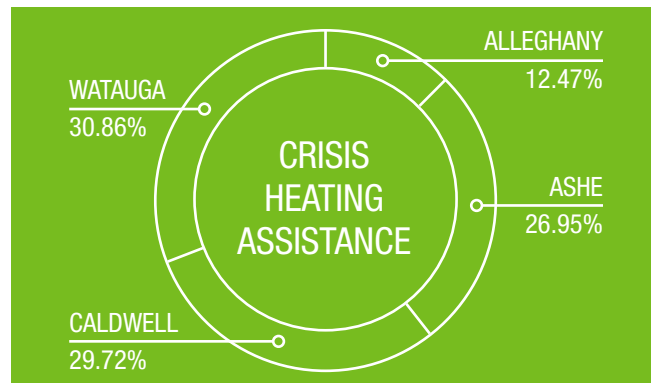
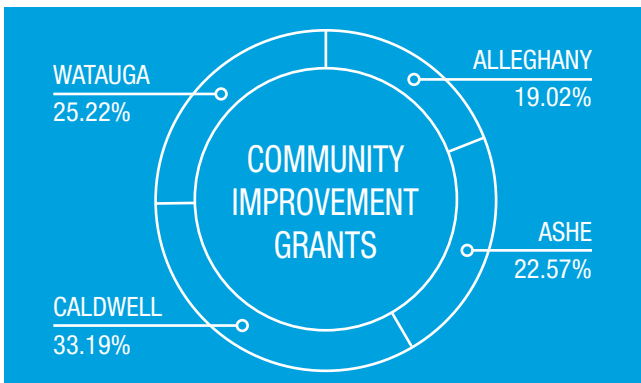
\$113,000

FUNDING TO ASSIST FAMILIES

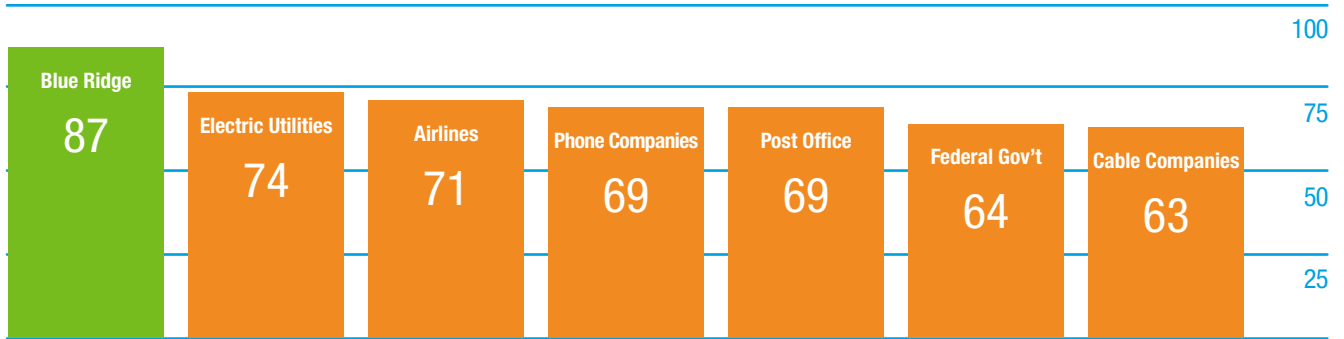


\$125,507

\$238,507



Member Satisfaction Results



Source: American Consumer Satisfaction Index (ACSI) Scores For 2015, National, Sector and Industry Results



By far, the best part of my job is engaging with our members on a daily basis, whether it's over the phone or face to face. Due to these constant interactions, I get to know members and their families personally, which is extremely rewarding. This is why I appreciate the program decisions Blue Ridge Electric makes. We're taking steps for the current generation of members, as well as for the next generation, too. For me, these generations have names and they have faces. That's why knowing we offer solutions that help our members now and in the future is so important to me.

– Ann Horton
Senior Member Services
Representative, Caldwell District
12 Years of Service

Electric Reliability

Blue Ridge Electric Membership Corporation **82 MINUTES**

National Average **115 MINUTES**

Source: 2015 System Average Interruption Index (SAIDI) Comparison. SAIDI is an industry standard measurement of the average outage duration based on number of consumers served by the utility.

As a line technician, my job is pretty clear: I have to make sure our members have power. Whether an outage occurs due to 70-mile-per-hour winds or ice-covered trees, my goal is to restore power as quickly as possible. The longer a community's power is out, the more I feel like I've let that community down. As time ticks away, I know they're relying on me to troubleshoot and solve the problem, no matter how complicated it is. That always drives me to do my best, because providing that power is our commitment to members

— Paul Tilley

Line Technician, Ashe District

8 Months of Service (12-Year Contractor)

