

EnergyUnited
YOUR LOCAL CONNECTION

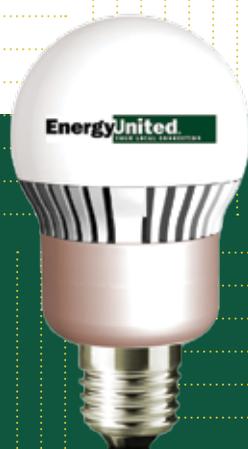
2015

ANNUAL REPORT

Your Energy Services Provider

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WHO WE ARE

EnergyUnited is the largest not-for-profit electric cooperative in North Carolina. Every day, we work hard to provide safe and reliable energy to more than 124,000 metering points across 19 counties in North Carolina. Our subsidiary, EnergyUnited Propane, delivered propane to more than 25,000 customers across 74 counties in North and South Carolina. To ensure that we maintain exceptional service, we are committed to our mission, vision and four core values in all that we do.

OUR CORE VALUES

Our core values describe fundamental beliefs regarding the operations of our company. The following are guiding principles upon which our decisions are based.

SAFETY

We are committed to protecting the safety of our employees, members and the communities we serve. To achieve this, we provide ongoing training for our employees and create a safety culture promoting awareness that safety is a top priority.

INTEGRITY

We conduct business in an honest manner. We place trust in each other, and through a collaborative effort, decisions affecting all aspects of our business are made, and full cooperation to support these efforts is expected. Employee, member and supplier opinions are valued. Faith and confidence in the organization,

honor, trust, respect, treating others the way we want to be treated, doing what is right and leading by example are standards of integrity which drive our company.

COMMITMENT

We are dedicated to our members, customers, employees, communities and to ourselves. We do what we say we will do. We maintain our tradition of citizenship and service with actions that demonstrate care for the people and communities around us. We work to create an environment that nurtures employee pride, self-esteem and a productive

workforce. Continuing and open communications are encouraged and endorsed.

EXCELLENCE

We continually strive to improve our products and services. To prosper both as individuals and as a corporation, we give our best and commit to maintain the highest standard of excellence in all that we do.

OUR MISSION

EnergyUnited is a member-owned business committed to delivering reliable energy services at competitive prices to improve the quality of life of its customers and communities.

OUR VISION

EnergyUnited strives to be the leading energy services cooperative.

LETTER FROM THE PRESIDENT & CEO



H. Wayne Wilkins



Dr. Max Walser

What does energy mean to you? It could be the glow of your porch lights when you come home from a long day, or the warm heat circulating on a cold winter night. Perhaps it's the action of a football game on TV, or all of the work that you do on your computer. No matter what energy means to you, there is no doubt

that energy is the backbone of our community, and EnergyUnited is proud to be your energy services provider.

EnergyUnited is a not-for-profit cooperative. This means that we work for the betterment of the people we serve, our members. Since our inception, EnergyUnited has always kept our members' needs at the center of everything we do and every decision we make. Our staff and board of directors spend much of our time considering the changing energy landscape and making decisions that we think will benefit the people we serve.

One of our goals in 2015 was to continue our efforts to be "your trusted energy advisor." As your energy services provider, EnergyUnited should be your primary source for information and resources when making energy decisions. Under the EnergyUnited umbrella, we have everything from electricity to propane, and from renewable energy to business services. We are here to meet your needs. Our primary objective is to provide safe, reliable and affordable energy along with outstanding customer service.

Since 2000, EnergyUnited Propane has been an especially important part of EnergyUnited's energy services. For many years, members in our community purchased electricity from this cooperative, but were forced to turn to other sources for propane gas for heating and cooking. As part of our commitment to becoming a leading energy services provider,

we are proud to offer a variety of propane services to members and customers alike. With 13 retail outlets and customers in 74 counties across North and South Carolina, we are proud to say that propane is strong at EnergyUnited.

Beyond the distribution of energy, EnergyUnited strives to be a central part of this community in a variety of ways. We offer products and services like net metering, energy efficiency and propane appliance rebates, heat pump rebates, generators and Triple Surge Guard, just to name a few. We aid in economic development through our business services department. We support students and teachers in our community and give back to the less fortunate through the EnergyUnited Foundation. All of the programs and policies are designed for the betterment of our members and the communities in which they live and work.

Energy reliability has always been key to EnergyUnited's success. We invest in resources to ensure that the lights stay on and the gas continues to flow, even during the worst of weather conditions. Our reliability is a major reason that most members feel proud to be a part of EnergyUnited, and it is a commitment that we intend to keep.

Thank you for being a trusted and active member in this cooperative. We are proud of the work that we have done over the last year, and we are honored to share our successes with you in this 2015 EnergyUnited Annual Report.

President, Board of Directors
DR. MAX WALSER

Chief Executive Officer
H. WAYNE WILKINS

CHIEF EXECUTIVE OFFICER
H. Wayne Wilkins

CHIEF INFORMATION OFFICER
Kathleen Hart

VP OF CUSTOMER CARE, SALES & MARKETING
Tim Holder

VP OF POWER SUPPLY & HUMAN RESOURCES
Dave Meisinger

CHIEF FINANCIAL OFFICER & VP OF CORPORATE SERVICES
Alec Natt

EXECUTIVE STAFF

GENERAL MANAGER OF ENERGYUNITED PROPANE
Jeff Ruffner

VP OF ENGINEERING & OPERATIONS
David Schleicher

CORPORATE ATTORNEY, BRINKLEY WALSER STONER, PLLC
Roy McDonald

BOARD OF DIRECTORS

EnergyUnited is a not-for-profit cooperative built and owned by the members who purchase electricity from the company. Our members control the direction of the cooperative by electing fellow members to serve on the board of directors.

Our board of directors is made up of members from diverse backgrounds. From farmers, small business owners, bankers and educators, we have a variety of experience that helps provide leadership for the EnergyUnited staff.

Each of our board members represents one of the three districts in our service area. Their job is to listen and address the needs and concerns of other members in their district. Our board members represent the voices of their community during each board meeting. This unique connection to the community continually guides EnergyUnited toward success.

EnergyUnited board members continuously educate themselves on matters related to electric cooperatives by participating in events sponsored by industry associations and other organizations. This continuing education allows our board to stay ahead of industry and technology trends when making decisions.

Many of our board members have dedicated over 20 years of service to this cooperative. Thanks to their commitment and dedication to serve, EnergyUnited has evolved into the leading energy services provider it is today.

CURRENT BOARD MEMBERS & DISTRICTS



Jerry Anderson



Edgar Cartner
Vice President



Ann Eller



Ronnie Harrison
Treasurer



Jeannette Overby
Secretary



Mack Shoaf



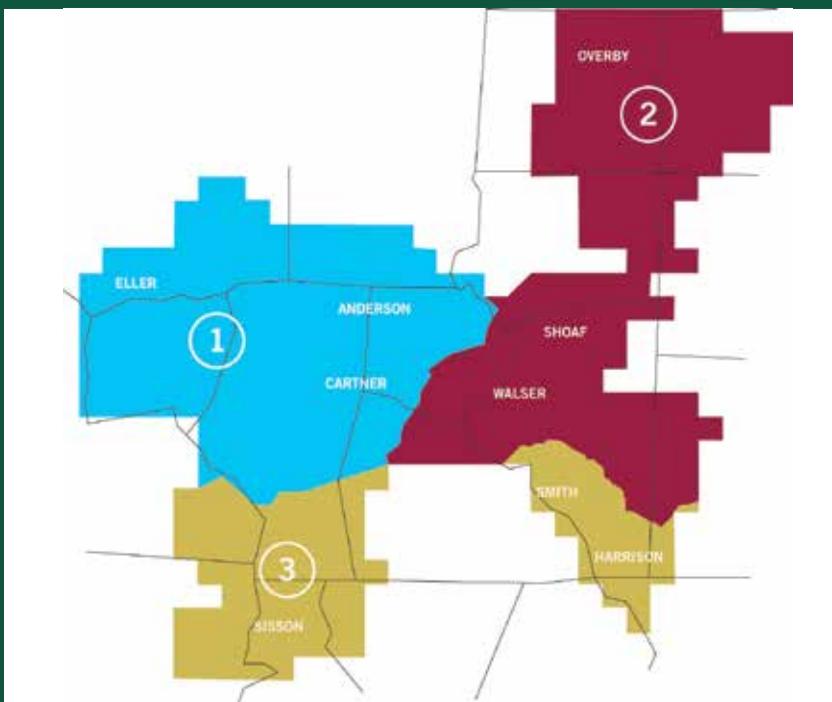
Brian Sisson



Glenn Smith



Dr. Max Walser
President



The above map geographically depicts EnergyUnited's three directorate districts.

STRATEGIC PLANNING

EnergyUnited understands that success rarely comes without a strong plan. In 2014, we restructured our approach to long-term strategic planning and are happy to report that we have already seen many successes and accomplishments in 2015 as a result of our strategic planning efforts.

In 2015, our strategic initiatives included building a sustainable culture of safety within EnergyUnited, providing additional value to our members, optimizing payment processing and identifying areas for growth in renewable resources.

SAFETY CULTURE

To support our ongoing commitment to safety, in 2015 we added “safety” to our core values. This renewed focus on safety for both employees and members was evidenced throughout the year and highlighted when we participated in a safety audit. In September 2015, we were administered a Rural Electric Safety Achievement Program (RESAP) audit, which evaluates employees and facilities, etc. across multiple departments to ensure EnergyUnited is following key safety measures diligently. The audit reported that our facilities were well maintained, and our employees were all able to correctly answer compliance questions asked by the inspectors.

VALUE

Value was a major initiative in 2015. As one of the largest energy providers in the state of North Carolina, EnergyUnited needed to do more to provide a wide range of energy services to our members and our community. We accomplished this goal by continuing to work closely with our propane services, reaching out to our community

through economic development and improving communications with our members. This focus on value provides strength for EnergyUnited, and further connects this cooperative with the members we serve.

PAYMENT PROCESSING

In 2015, we placed a focus on improving the various payment options available to our members. We launched the EnergyUnited Account App, which gives members another option of paying their bill, getting account information and reporting outages online. In addition, we introduced a pilot payment kiosk at our Statesville office. Members can use the kiosk to pay electric bills by cash, credit and debit cards and checks. They also have the option to donate to the Operation Round-Up program or apply the change to their next bill. Should this new tool prove to be accepted by members as a new self-service option, we have plans to install kiosks in additional offices in the near future.

RENEWABLE ENERGY

EnergyUnited also focused on member-generated renewable energy in 2015. We have developed member rates and interconnection systems that

make it easier than ever for an EnergyUnited member to use renewable generation through our Purchased Power program and Net Metering tariff.

LOOKING AHEAD

EnergyUnited has a strong foundation and vision to be the leading energy services provider and trusted energy advisor. We do whatever we can to make sure we're offering our members and customers a variety of products and services in both our electric and propane businesses. In 2016, we have continued to refine the processes developed in 2015 as well as add:

- + A focus on cybersecurity and creating a culture of online safety within EnergyUnited
- + Additional customer communications during outage situations
- + Enhanced electronic self-service options
- + Improved and more frequent communications between EnergyUnited and first responders throughout the year, so that they can better assist our members during power outages, in preparing for a storm and whenever else needed.

ECONOMIC DEVELOPMENT

EnergyUnited is committed to providing economic development initiatives that support long-term economic growth in our service area. Each day, EnergyUnited works with local business leaders, state governments, cities and towns to identify areas that can support new and relocating businesses.

In 2015, EnergyUnited worked with a number of organizations to not only bring in new businesses to our service area, but also to provide additional services to our business customers.

ADDING GRIDPOINT: MORE KNOWLEDGE FOR LARGE CUSTOMERS

In 2015, EnergyUnited became an official partner of GridPoint, an innovator in comprehensive, data-driven energy management systems. This solution offers real-time data collection and analytics to help our industrial customers maximize energy savings, operational efficiency, capital utilization and sustainability benefits. Understanding how an organization uses energy is essential to successful operations. This new software will allow us to broaden the services we offer incoming businesses and become an energy partner for the organizations we serve.

NUTEC GROUP

In the summer of 2015, EnergyUnited announced its partnership with Nutec Group, a new manufacturing facility located in Huntersville, NC. The 62,500-square-foot facility, which will bring 61 new jobs and \$19.2 million in investment to our service area, will produce high-quality insulation fibers. These products are used in the fire protection, metal, glass, automotive and petroleum industries. Construction on the Nutec Group facility is expected to be complete by summer 2016.

ASCO

ASCO Power Technologies (a subsidiary of Emerson) is a global manufacturing and technology company, and is one of the largest employers in Welcome, NC. In 2015, EnergyUnited helped ASCO with plans for a \$5.7 million expansion that will create 50 jobs in the area. The expansion is 60,000 square feet, bringing the plant total to 348,000 square feet. The expansion will help ASCO

continue to manufacture power switching and control products designed to ensure reliable back-up power for critical operations in hospitals, data centers and telecommunications networks.

GILDAN

In spring of 2015, Gildan Yarns, LLC, a new facility in Mocksville, NC, opened its doors. EnergyUnited worked closely with Davie County and the town of Mocksville to bring this Gildan facility to our service area. Due to its enormous energy requirements, EnergyUnited constructed a substation specifically for Gildan on this property. Commercial operation of the facility is expected sometime in summer 2016. We are excited to see operations begin.

Economic development initiatives are important to the community as they help create new jobs and investment in the areas that EnergyUnited serves. These developments are also a large part of our business goals and are part of our strategic plan for growth.



CORPORATE PROFILE

CONSOLIDATED BALANCE SHEETS

Assets

UTILITY PLANT

	2015	2014
Electric plant in service	\$545,275,409	\$524,306,852
Property and equipment – subsidiaries	26,474,923	25,467,334
Construction work in progress	11,060,799	10,510,484
Gross utility plant	582,811,131	560,284,670
Less accumulated depreciation	206,910,579	193,058,449
Total Utility Plant	375,900,552	367,226,221

OTHER PROPERTY AND INVESTMENTS

Restricted property and investments	1,042,978	1,043,055
Investments in associated organizations	14,755,230	13,930,411
Goodwill	2,879,225	3,203,465
Investment in leases	416,298	231,547
Other assets	1,873,606	2,021,836
Notes receivable	2,132,500	1,387,500
Total Other Property & Investments	23,099,837	21,817,814

CURRENT ASSETS

Cash and cash equivalents	11,149,445	8,637,593
Consumer accounts receivable, less allowance for doubtful accounts of \$1,521,008 and \$1,415,574 for 2014 and 2013, respectively	11,787,089	16,388,337
Other accounts receivable	94,707	386,647
Unbilled accounts receivable	12,467,250	12,899,767
Inventories and supplies	6,029,675	5,671,178
Current maturities of notes receivable	255,000	155,000
Current investment in leases	192,947	207,473
Other current assets	1,931,520	1,912,571
Total Current Assets	43,907,633	46,258,566

Deferred Charges	3,893,647	3,950,282
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TOTAL ASSETS	\$446,801,669	\$439,252,883
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Equities and Liabilities

EQUITIES

Member shares	\$ 522,627	\$ 515,852
Patronage capital	58,101,704	64,850,853
Other equities	124,759,659	112,115,668
Accumulated comprehensive gain/(loss)	(6,509,666)	(4,956,737)
Total Equities	176,874,324	172,525,636

NON-CURRENT LIABILITIES

Long-term debt, less current maturities	186,327,337	188,017,068
Accumulated obligation for pensions and benefits, less current amount	8,815,406	8,867,632
Other non-current accrued liabilities	3,906,781	4,258,731
Total Non-Current Liabilities	199,049,524	201,143,431

CURRENT LIABILITIES

Current maturities of long-term debt	13,367,266	11,553,725
Short-term and line-of-credit borrowings	—	—
Accounts payable	23,669,030	22,213,626
Consumer deposits	3,507,564	3,494,005
Other current liabilities	10,757,708	10,288,981
Total Current Liabilities	51,301,568	47,550,337

Deferred Credits	19,576,253	18,033,479
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TOTAL EQUITIES AND LIABILITIES	\$446,801,669	\$439,252,883
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99.98%
RELIABILITY
RATING




HOW A DOLLAR IS SPENT

Cost of Power
75.2%

Operations & Maintenance
11.0%

Depreciation
6.6%

Margins
3.7%

Debt Interest
3.5%

**CONSOLIDATED STATEMENTS OF REVENUES,
EXPENSES AND PATRONAGE CAPITAL** 2015 2014

Operating Revenue	\$281,289,957	\$274,828,016
Cost of Sales	225,721,379	220,054,102
Gross Profit on Sales	55,568,578	54,773,914
Other Expenses		
Advertising, marketing and sales	679,187	802,828
Product services and labor	8,672,189	9,265,371
Other G&A expenses	11,740,750	10,961,046
Depreciation and amortization	19,529,569	19,149,432
Interest	9,570,134	9,645,951
Other	23,984	42,681
Total Expenses	50,215,813	49,867,309
NET OPERATING MARGINS	5,352,765	4,906,605
Non-Operating Margins		
Interest income	3,455,163	3,429,206
Other income	1,261,796	906,461
Gain (Loss) on disposal of property	(272,425)	397,700
Total Non-Operating Margins	4,444,534	4,733,367
NET MARGINS	\$9,797,299	\$9,639,972

AMERICAN
CONSUMER
SATISFACTION
INDEX SCORE

84

OVER
2.4
BILLION
KWH
SOLD TO MEMBERS



12,744
MILES OF LINE &

105,000
MEMBERS

124,000

METERING POINTS
SERVICING 19
COUNTIES IN NC



1.25
MILLION MILES



68 PROPANE TRUCKS DROVE JUST OVER 1.25 MILLION MILES IN 2015.

WE DELIVER PROPANE TO BOTH RESIDENTIAL AND COMMERCIAL CUSTOMERS IN 74 COUNTIES IN NORTH AND SOUTH CAROLINA.



WE SERVE
OVER

25,000

PROPANE
CUSTOMERS

9.5+
MILLION

IN 2015, WE DELIVERED OVER 9.5 MILLION GALLONS OF PROPANE TO OUR CUSTOMERS.

A FOCUS ON CUSTOMER SERVICE

SAFE, AFFORDABLE AND RELIABLE SERVICES

EnergyUnited's primary commitment to our members is to provide safe, reliable and affordable energy services. Whether it is electricity or propane, EnergyUnited is focused on improving infrastructure and processes that enhance the safety and reliability of our energy distribution. Trust that your cooperative is always hard at work to improve all aspects of our business to serve you, our members.

KEEPING CONNECTED WITH OUR MEMBERS

At EnergyUnited, we realize the importance of keeping our lines of communication open with our members. We are available by phone or through our website, and we offer after-hours support for propane emergencies and out-of-gas

situations. One more way we can keep in touch with our members is by email. EnergyUnited sends members business-related emails periodically throughout the year. Along with *Carolina Country* magazine and our monthly member newsletter, *Connect*, we also email members a monthly e-newsletter, *Empower Your World*, that provides information on how to better manage their energy. It's just one more way to stay connected to our members.

If you have not already shared your email address, please consider doing so today. Simply visit our website, EnergyUnited.com, and sign into the member login portal on our home page and then enter your email address. It's that simple!

WEBSITE REDESIGN

Effective communications with our members is essential to the success of EnergyUnited. Last

year, we focused on improving our online communications with our members. In June 2015, we launched a redesigned version of our website, EnergyUnited.com, with an improved interface to help our members better connect with the cooperative. The updated design is more user-friendly, provides easier access to account information and offers information about our services and products. We understand that now, more than ever, our members are looking to our website to find information, answers and self-service options. We will continue to make design and informational enhancements to our website to ensure that it is useful to members.

You can learn more about your cooperative, including the latest news updates, and even access issues of the *Connect* newsletter by accessing our website!

CAPITAL CREDITS

When EnergyUnited has sufficient margins, a portion of the excess funds is returned to members in the form of a capital credit refund. We do this both because we are a not-for-profit organization and because we are committed to doing what is best for our members.

In December 2015, EnergyUnited returned over \$3.5 million in capital credits to its members, a reminder that as a cooperative, we are all in this together.



PAYMENT OPTIONS

EnergyUnited provides a variety of payment options to better suit the needs of our members. Members can pay their bills easily by logging into our secure member login portal via the new EnergyUnited Account App, by automatic bank draft, through personal banking bill payment options, or by utilizing our new payment kiosk located at our Statesville office. Members who prefer to pay by phone can do so 24/7 by using our automated account information system at 1-800-MEMBER1. We see these self-service developments as an ongoing commitment and look forward to developing more of this functionality in the future. We also understand that some members prefer to conduct business with a representative in our call center or at a regional office.

ENERGYUNITED ACCOUNT APP

In 2015, EnergyUnited launched a new EnergyUnited Account App for smartphones and tablets.

This innovative app allows members to:

- + View their account balance
- + Make a payment
- + Report an outage
- + Set up e-billing
- + Set up recurring credit or VISA debit card payments
- + Sign up to receive payment reminder alerts from the convenience of a smartphone or tablet

To download the app, search for "EnergyUnited" in the Apple App Store or Google Play Store.

IMPROVED OUTAGE MAPS

At 99.98%, EnergyUnited has one of the highest reliability ratings in the country. We recognize that any time the power goes out, it is an inconvenience to our members. While we can't always prevent an outage, we have made it easier to view and receive updates when outages occur. The new outage map, available by website, tablet or smartphone, gives our members the ability to quickly see critical

information about the outage, including the status of the outage, estimated restoration time and number of consumers affected.

ACSI SCORES

Our members provide feedback in a number of ways. Some members are asked to participate in the American Consumer Satisfaction Index (ACSI). This survey explores how American consumers perceive the value of a variety of businesses, including electric utilities. In 2015, EnergyUnited was honored to score 84 out of 100 on the ACSI. Our score was significantly better than the investor-owned utilities average score of 75 and the municipal utilities average score of 76. Thank you for the high marks, we will continue to do everything we can to provide high-quality service to all of our members!

It is our goal to continue to improve on these efforts and find new ways to provide excellent service to our members through 2016 and beyond.

Improved Outage Maps



ACSI SCORES

73

Municipal Utilities

82

Touchstone Energy Cooperatives Average

84

EnergyUnited 4th Quarter ACSI Score

74

Investor-Owned Utilities

EnergyUnited Account App

ENERGYUNITED PRODUCTS AND SERVICES

EnergyUnited offers a variety of products and services for our members and customers. These programs are designed to provide maximum benefit and improvements to our members' lives. For more information about any of our products and services, be sure to visit EnergyUnited.com.

TRIPLE SURGE GUARD

The Triple Surge Guard system offers comprehensive protection against high-voltage power surges that can damage appliances and devices. This one-of-a-kind service protects members' houses by blocking three major avenues through which surges can enter the home: electric lines, cable or satellite lines and phone lines. Triple Surge Guard provides whole-house protection, including appliances, sensitive electronics, and hard-wired appliances such as dishwashers, ovens and range tops.

REBATES

EnergyUnited offers a number of rebates that can help members save on new, high-efficiency heat pumps, electric

vehicles charging stations and propane appliances.

- + Members who upgrade to a 15 SEER heat pump will receive a \$150 rebate.
- + Members who upgrade to a 16 SEER heat pump will receive a \$300 rebate.
- + Members who wish to install a personal charging station for their electric vehicle will receive a \$500 rebate for a Level 2 charging station.
- + Members can visit EnergyUnited.com/propane to see a full list of rebates to help offset the costs of installing new propane appliances.

GENERATORS

A backup propane or natural gas generator can make all the difference should your lights ever

go off. It turns on automatically to keep appliances running and your heating or cooling system pumping until the outage is restored. EnergyUnited has an extensive selection of generators and a team of knowledgeable pros to help you choose the right backup system for your home's electrical needs.

PROPANE PRODUCTS

EnergyUnited Propane offers a full range of propane gas equipment from top-performing brands to help make the most of this clean-burning and efficient fuel, both indoors and out. Learn more about how to purchase a propane water heater, gas grill, pool heater, outdoor space heater or even a fireplace! Visit EnergyUnited.com/propane for more information.



COMMUNITY OUTREACH PROGRAMS



ENERGYUNITED FOUNDATION

EnergyUnited is committed to providing services that better the communities in which we live and work. That's why we created the EnergyUnited Foundation, funded by the Operation Round-Up program. Enrolled members allow their monthly electric bill to be rounded up to the next highest dollar amount. A participant's donation may be as little as a penny or as much as 99 cents, and it averages about \$6 a year. Funds are distributed to individuals and families who are suffering catastrophic, unusual or unexpected problems and are in grave need of assistance. The EnergyUnited Foundation has helped many individuals pay their electric bills so they wouldn't be without power, make a rent or mortgage payment so they wouldn't be evicted, or helped them with a home repair that has enabled them to live in a healthy, safe environment. This assistance can be life changing, and it wouldn't be possible without the generosity of our members. Thank you for giving to the Operation Round-Up Program!

BRIGHT IDEAS



At EnergyUnited, we place a strong emphasis on education and the hardworking, talented teachers who facilitate learning for the children in our community. K-12 teachers can receive grant funding for their "bright idea" by simply completing an online application each year during the months of April-September. In 2015, EnergyUnited provided over \$40,000 to many educators in our 19-county service area, and we look forward to continuing to support education at our public, public-charter, private and Christian schools in the communities we serve.



YOUTH TOUR

Each year, EnergyUnited sends two students from our 19-county service area to Washington, D.C., in June to participate in the Rural Electric Youth Tour Program. These high school juniors join 1,500 other students from across the U.S. to learn about electric cooperatives, American history and United States government. They also visit historic sights in the nation's capital and meet with congressional leaders.



SPORTS CAMP SCHOLARSHIPS

Each year, two local middle school students have the opportunity to play basketball alongside their favorite college athletes and coaches, thanks to Touchstone Energy Sports Camp Scholarships. EnergyUnited awards scholarships to one boy and one girl to attend basketball camp at two of the state's largest college campuses. Female students can apply to attend the Wolfpack Basketball Camp at North Carolina State University in Raleigh, and male students can apply to attend the Roy Williams Carolina Basketball Camp at the University of North Carolina at Chapel Hill. At camp, students stay overnight in dorms on campus, learn fundamental skills that will help them excel on and off the court and receive direct individual and group instruction from Division 1 coaches.



LEUKEMIA & LYMPHOMA SOCIETY

EnergyUnited partners with the Leukemia & Lymphoma Society to find creative ways for our employees to get involved with fundraising events, including Team in Training, Light the Night Walk, School & Youth Programs and more. In 2015, we made a commitment to donate one penny for every gallon of propane we delivered from a special propane delivery truck that displayed the society's decal. The goal was to help the society in its quest to educate people about these diseases to help find a cure. We are thrilled that we exceeded our goal and presented a check for nearly \$3,500 to the Leukemia & Lymphoma Society.



Left: Recipients of 2015 Sports Camp Scholarships; Center: Recipients of EnergyUnited Foundation Grant in 2015; Right: 2015 Youth Tour participants for EnergyUnited



ENGINEERING AND OPERATIONS

At EnergyUnited, our primary goal is to provide safe and reliable energy to our members. Our Engineering and Operations team lies at the heart of this commitment. This team provides the support our infrastructure needs to remain reliable today and in the future. To ensure that electricity is there whenever you flip the switch, EnergyUnited focused on four key areas in 2015 that account for the success of our business.

SYSTEM RELIABILITY

EnergyUnited spent over \$3.6 million on system improvements to distribution lines to increase capacity and improve reliability. Two substation projects will address load growth and aging equipment. The new East Huntersville Substation will resolve voltage and loading issues in northern Mecklenburg County and the re-built Davidson Substation will resolve loading and aging infrastructure issues in southern Iredell County.

EnergyUnited crews installed over 100 fault indicators on the distribution system during 2015 to assist in finding problems on lines and more quickly restoring power. A distribution automation system was installed at the Charles Delivery Point north of Statesville that will automatically re-route power during a loss from a normal source. More distribution automation projects are planned for 2016.

NEW GROWTH

Two major construction projects in 2015 totaling almost \$6 million were the result of new industrial load in the Mocksville area of Davie County. A new substation and extensive distribution facilities were installed to serve the new Gildan manufacturing plant. In addition, substation capacity was increased at Avgol to accommodate additional manufacturing lines.



MEMBER NEEDS

Two initiatives completed in 2015 will allow us to better meet the needs of our members. Construction was completed on the new Engineering & Information Technology (IT) Building at the Statesville office. This 16,000-square-foot facility features a hardened core to ensure our server is resistant to high winds during storms and consolidates various functions into a single location to greatly improve business efficiency. It also includes a new distribution control center which serves as the hub of activity during major storm events and provides enhanced physical and cybersecurity.

In June 2015, EnergyUnited launched a Net Metering pilot project to allow members to interconnect small residential solar installations to the electric grid through a single meter. The arrangement credits members when their excess energy is provided to the grid. Accommodating customer-owned generation in a safe and reliable manner is an important part of the complex electric grid.

SAFETY

EnergyUnited implemented numerous enhanced work procedures to comply with a large array of OSHA (Occupational Safety and Health

Administration) electric utility safety regulations effective during 2015 to keep our workforce safe. EnergyUnited also began working with OSHA consultative services on gaining recognition as an OSHA SHARP (Safety and Health Achievement Recognition Program) work place.

ENERGYUNITED PROPANE

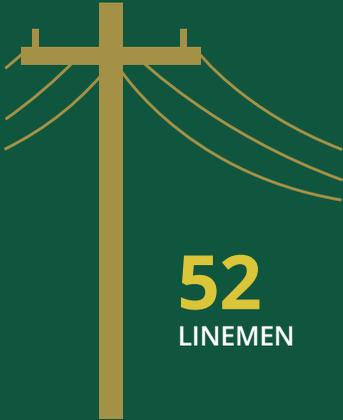
In 2015, EnergyUnited Propane, a wholly-owned subsidiary of EnergyUnited EMC, continued to grow our propane business into a strong and profitable part of this cooperative. EnergyUnited Propane works year-round to ensure we provide the excellent service our customers expect. Along with EnergyUnited EMC, EnergyUnited Propane also continues to provide safety training for all employees. This includes monthly safety meetings and safety courses as well. In 2015, we also continued to maintain our fleet trucks to assure safety and reliability for all employees. We promoted Automatic Fill, which prevents customer run outs and facilitates scheduling of the deliveries, so we can keep our customers full throughout the winter season. This allows us to keep our cost down by driving fewer miles. We will continue to focus on our propane business in the coming year so that everyone will continue to reap the benefits.



EnergyUnited

YOUR LOCAL CONNECTION

Our team:



52
LINEMEN

251 TOTAL ENERGYUNITED EMC
AND PROPANE EMPLOYEES



178
ELECTRIC
EMPLOYEES



73
PROPANE
EMPLOYEES

We serve:

105,000
MEMBER-OWNERS

124,000
METERING POINTS

25,000
PROPANE CUSTOMERS

EnergyUnited
YOUR LOCAL CONNECTION

ENERGYUNITED
Post Office Box 1831
Statesville, NC 28687

PHONE
1-800-522-3793

WEBSITE
EnergyUnited.com

TO REPORT AN OUTAGE
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24-HOUR ACCOUNT INFORMATION
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