

Horry Electric Cooperative, Inc.

www.horryelectric.com

Main Office

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Conway, SC 29528-0119
369-2211



(to report power outages only)

369-2212

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Horry Electric Cooperative, Inc., is an equal opportunity provider and employer.

Horry Electric Cooperative, Inc. is a non-profit, member-owned organization providing information and energy-related services on a fair and equitable basis.



A Touchstone Energy® Cooperative

Troubled by nuclear issues

THE REACTION HAS been strong and widespread following last month's decision to stop construction on two South Carolina nuclear units. Your board of trustees and I are troubled by the situation, too, so I wanted to provide our perspective on this still-developing issue.



SCE&G and Santee Cooper, owners of the V.C. Summer Nuclear Generating Station in Fairfield County, stopped construction on two new units on July 31. The project was over budget and behind schedule, and costs continued to grow. The main contractor, Westinghouse Electric Co., had filed for bankruptcy in March, and its parent company, Toshiba Corp., was also financially challenged. Completing the project for a previously agreed fixed price of \$13.9 billion was highly unlikely.

The power aggregator for your cooperative and the 19 others across the state, Central Electric Power Cooperative, did its own deep dive into the money and work site problems and concluded that the owners' decision to stop was the right choice. It just didn't make sense to continue in the existing framework of owners, costs and schedules. Nobody's happy about this situation. Billions of dollars seem wasted, and we have no new power generators to show for it.

Electric cooperatives are not owners of the nuclear plant. These independent, member-owned utilities serving in all 46 counties are, as a group, Santee Cooper's

largest customer, and it is one of our biggest suppliers. We have long-term contracts with our power suppliers, a common and necessary practice in the electricity business, so expenditures by Santee Cooper impact us.

We understand and share the concern expressed by regulators, legislators, the governor and consumers. When frustrated SCE&G customers say stockholders, not ratepayers, should pay for the project's failure, we know that our stockholders—our owners—are also our consumer-members. That's why your board of trustees and I are especially troubled by these events.

We will support any appropriate inquiry or investigation into how decisions were made and whether they were prudent. To the extent that we can have an impact on the next steps in this difficult situation, we will work aggressively for the best interests of our members.

A final note: The cost and schedule overruns and the project's failure have caused some people to wonder why the owners would have begun building nuclear generators in the first place. I want to recommend an article that provides an insightful explanation of how federal energy policy drives decisions in the electricity business. You can read it online at <http://bit.ly/2vjWMYx>.

James P. "Pat" Howle
Executive Vice President and CEO

BEAT THE PEAK



puts you in control...

Horry Electric has started a new Beat the Peak program—a free and voluntary effort to help control energy costs for all cooperative members.

On cold winter mornings and hot summer afternoons we can Beat the Peak demand for electricity—together.

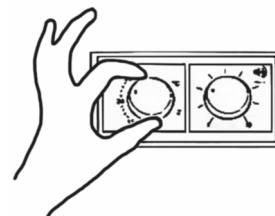
PEAK



During the Beat the Peak hours, turn off unnecessary lights and think twice before using major appliances such as dishwashers, washing machines, and clothes dryers.



Adjust your home's thermostat to use a little less heat or air conditioning during the Beat the Peak hours, and avoid charging your cell phone.



**What are
Beat the Peak Hours?**

Peak hours are the hours during the day when electricity

is most used and when power is most expensive. Sign up at energysmartsc.org,

Sign Up to Win a

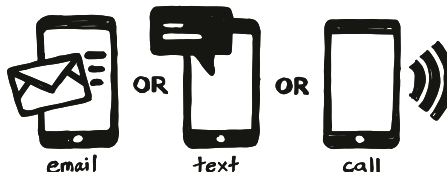


bill credit

and we'll let you know when electricity demand is at its highest.

When you sign up, Horry Electric identifies a "peak" day, we will let you know by:

If we work together to Beat the Peak, we can control some of the costs that affect your electric bill!



Members who sign up to help Beat the Peak September 1—October 13 will be entered into a drawing for a \$100 bill credit.

**Horry Electric
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Fill out the attached form and drop off at one of our offices, return with your bill payment or sign up online at energysmartsc.org to be entered in the drawing.



Together We Can Beat The Peak

Name _____

Email Address _____

Telephone Number _____ Cell Phone Number _____

Account Number _____

How Do You Want To Be Contacted? (circle all that apply)

Email

Text Messages

Voice Mail

Steady growth continues on HEC system

MIRRORING NATIONAL TRENDS, Horry Electric continues to see steady growth.

As of the end of July, Horry serves 77,596 accounts, up from 75,502 accounts at that time in 2016. That's 2.8 percent growth, which HEC Chief Financial Officer/Assistant CEO Danny Shelley says reflects a continuing rebound in recent years since the national economic slump that started after a recession began in 2007.

"Horry Electric is the 35th fastest growing co-op in the nation," Shelley says. "We're adding an average of 205 meters a month."

For many years, co-ops across the nation were accustomed to robust consumer growth rates. From 1974 through 2007, the average annual growth rate was 2.8 percent, according to National Rural Electric Cooperative Association (NRECA). Since 2007, it has averaged only 1 percent nationwide. Yet, even in today's slower-growth environment, 85 percent of all co-ops still had a net increase in customers, the association said.

Nationwide, at the end of 2016, co-ops served over 19 million total customers, of which 16.8 million are residential customers (roughly 42 million people). Co-ops added 221,068 new members in 2015, in large part due to strong growth in Texas, Georgia and Florida, according to NRECA. South Carolina's 20 electric co-ops, including HEC, served 767,184 accounts in 2016, up from 746,534 in 2015.

To better serve our growing membership, we offer conveniences like our My Energy Online service portal and mobile app, Advance Pay, Bank Draft and Rest Easy Equal-Pay Bank Draft. Details at HorryElectric.com.



WALTER ALREAD



Timmy Johnson, an Horry Electric member at his own residence, paints doors inside a new home under construction in the Pageland Heights subdivision near Aynor. Even homes under construction need "saw power"—or, in this case, "air compressor power." Temporary co-op meters like the one at left are removed when the new service is connected.

Include us in your plans

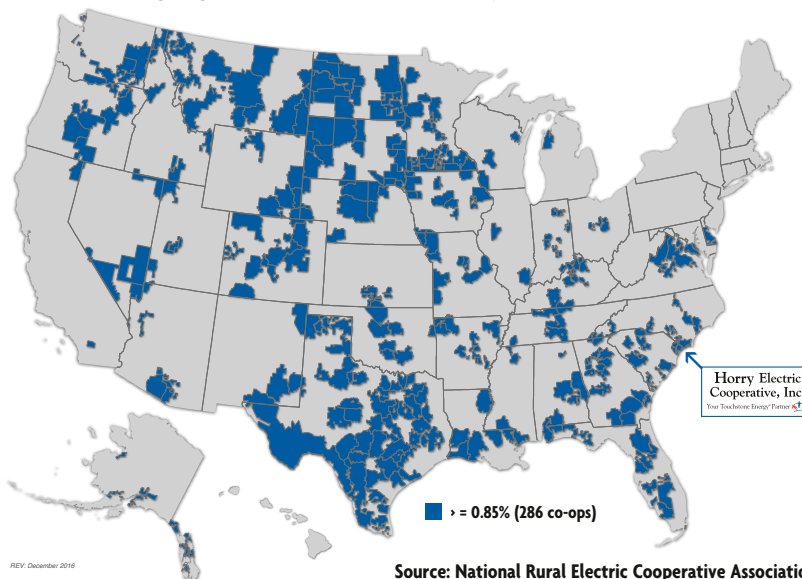
The electric service provided to your location is capable of handling the load requirements for which it was originally designed. If you are in the process of or are planning on making changes or additions that may alter the load requirements of your service, please be aware that an upgrade in service may be necessary. Please call us during the planning stages of your project so we can advise you on any necessary upgrade costs before you begin construction.

Effective October 1, 2017

THE FACILITIES CHARGE for single-phase service will increase from the current rate of \$20 to \$21 per month. The charge for three-phase service will increase from \$30 to \$31.

The facilities charge is a monthly fixed amount charged to each meter at each service location, regardless of the amount of electricity used. It is for the expenses related to providing service to the meter, which includes utility plant investment; operation and maintenance costs; administration and general costs; depreciation; administrative costs such as billing and property taxes.

High-growth areas served by electric cooperatives



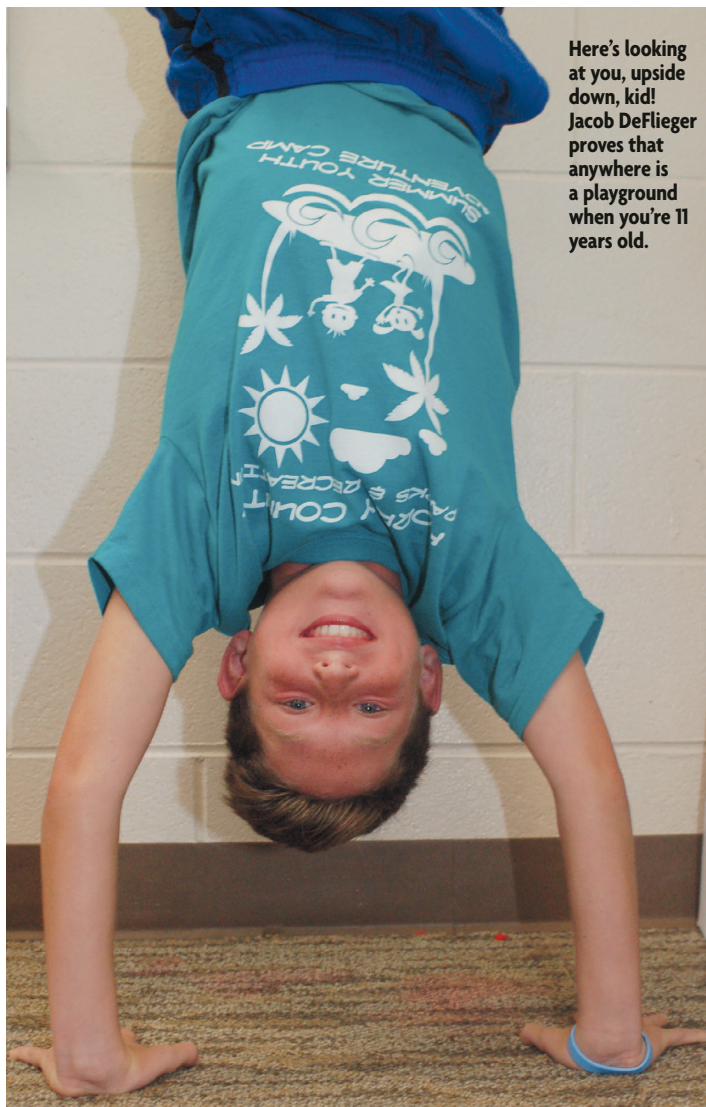
REV: December 2016

Source: National Rural Electric Cooperative Association

A place for fun—for the young or young at heart

North Strand Recreation Center ‘creates community’ for co-op members, other residents of Little River

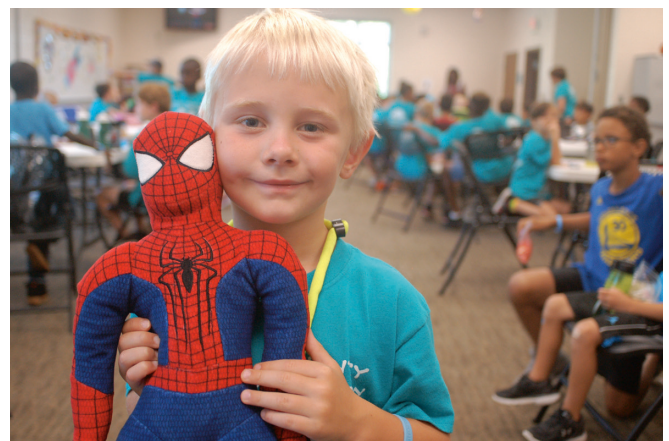
ONE OF FOUR community recreation centers operated by the Horry County Parks and Recreation Department, the North Strand Recreation Center in Little River is proudly served by Horry Electric Cooperative. The center helps fulfill the department’s mission of “creating community through people, parks and programs.” *South Carolina Living* visited in July and found community spirit aplenty! Learn more about programs there—and at the Carolina Forest Recreation Center, James Frazier Community Center and the South Strand Recreation Center—at parksandrec.horrycounty.org.



Here’s looking at you, upside down, kid! Jacob DeFlieger proves that anywhere is a playground when you’re 11 years old.



Participants in the Summer Youth Adventure Camp were getting ready for a field trip to an indoor playground but seemed to be having plenty of fun just being together. Shown here are pals Grayson Wagner and Kam’ron Gore, both 6, Isabella Rodriguez, 6, and Jeliy Fishmen, 5, and Colton Walton, 5, with Spiderman. The North Strand Recreation Center also has playing fields, a gym and facilities to host events such as baby showers, fundraisers and more.





The North Strand Recreation Center, located at 120 Hwy. 57 South, Little River, is served by Horry Electric Cooperative.

HEC member Debra Harris (above) gets loose in Let's Dance class, where she and other participants (right) can check their moves in the mirror. The North Strand Recreation Center also offers Mix It Up, Easy Fitness, Pound Fitness and Senior Fitness classes during the week. If you're looking for more mellow movement, check out Tai Chi classes at the center. Instructor William Von Iderstein (top photo, far left) can guide you through Yang or Sun style. He's certified by the Tai Chi for Health Institute. Visit parksandrec.horrycounty.org or call (843) 915-5331 for more North Strand classes. Check out the center's Facebook page at HCPR North Strand.



WALTER ALLREAD



Touchstone Energy® Cooperatives
The power of human connections®

#WHOPOWERSYOU

Your community. Your inspiration.

➔ WhoPowersYou.com/Enter

Nominate someone today for
the **#WhoPowersYou** contest

This is your chance to honor someone in your community and celebrate the power of human connections. Visit whopowersyou.com/enter between 10/2/17 and 11/4/17 and submit a photo of your nominee. Then tell us why that person inspires you and how they make a difference in your co-op community—and they could win a cash prize!

CONTEST PRIZES

GRAND PRIZE **\$5,000**

SECOND PLACE **\$2,000**

THIRD PLACE **\$1,500**

HONORABLE MENTION **\$500**

Together, let's celebrate the power of human connections

As the national network of more than 740 co-ops, Touchstone Energy Cooperatives value the people who elevate and energize our communities. That's why we are launching a contest to honor inspirational community members across the country.

Winners will be selected by a panel of judges based on the impact they on the community. All entries must be submitted by November 4, 2017. Winners will be announced January 2018. NO PURCHASE NECESSARY. VOID WHERE PROHIBITED. Visit whopowersyou.com for full contest rules.