



York
Electric Cooperative, Inc.

2004
Annual Report

Your Touchstone Energy® Partner 

Your Electric Cooperative in 2004

As we look at our progress and accomplishments in 2004, we continue to fulfill the mission we have had since our beginning. Electric cooperatives, like ours, were formed to provide all counties and communities with power. We continue to fulfill this goal by providing reliable, cost-effective service.

STRATEGIC PLANNING – the key to our future

In 2004, we adopted a coordinated and systematic process of planning for our future. This Strategic Plan assures that our course and direction are well thought-out, sound and appropriate, and that the resources of York Electric Cooperative are sharply focused toward that direction. Following extensive discussion, our top strategic goals are to:

- Provide excellent, quality, reliable electric distribution to our members.
- Be cost competitive and seize growth opportunities.
- Provide service beyond the expectations of our members and prospects.
- Be an excellent cooperative member of our communities.
- Be a great place to work.
- Operate with integrity.

As we move into a new year, we are focused toward fulfilling these goals. Meeting your needs means being responsive to innovations that help us, sensitive to the environment that provides for us and committed to the community that relies upon us.

ACCOUNTABILITY – standing by every promise we make

It is most important that you depend on us for reliable, accessible, cost-effective service.

- Our website is re-energized to improve information and make it easier to use. Customer service is now at your fingertips.
- Right-of-way maintenance work helps ensure fewer storm-related power outages.
- Thanks to solid fiscal practices, we have not had a rate increase in over a decade and members continue to receive capital credits.

COMMITMENT TO COMMUNITY – working with the people we serve

We often say, “Good things happen when people work in cooperation.” York Electric is invested in the community because our employees, our Board, and our member-owners are all from the areas we serve. Our community cooperation made the following projects a success in 2004:

- A majority of our members participated in Operation Round Up to help people in need. They also provided lifesaving equipment to our firefighters who perform an invaluable service to our members.
- CitiFinancial announced a 1,600 employee, 165,000 square foot operations center in Fort Mill. We provided assistance for road improvements for the project and will serve them with a total underground circuit from our substation adjacent to the property.
- To date, industries investment in East York Industrial Park represents more than \$80 million in capital investments and over 500 new jobs.
- Our Annual Meeting was moved to a weekend and features more family-focused activities.
- Touchstone Energy scholarships and the Youth Tour of Washington, DC, rewarded student citizens. Thanks to a Touchstone Energy program, we raised enough money to provide ID-safety kits to all first graders in York County.
- Our staff performed seven major safety demonstrations for children in area schools.





INNOVATION – improving ideas for today and tomorrow

Today we meet new challenges with new tools, but they must be tried and true technologies. Because of member needs and interests, we were able to utilize the following innovations in 2004:

- Green Power was introduced on Earth Day to respond to the need for renewable energy and concern for the environment.
- State-of-the-art Automated Meter Reading (AMR) increased savings, efficiency and accuracy by enabling personnel to read meters from up to 1,000 feet away.
- Geographic Information Systems (GIS), with highly detailed maps and laptop computers, allowed our crews to locate and resolve problems faster than ever before.



INTEGRITY – establishing a reputation as one of the best

Summing this year up best for us is the result of a year-end customer satisfaction survey. We statistically sampled from our 34,000 member-owners, and the results were gratifying.

- York Electric scored above industry average and is considered one of the leaders in the utility business.
- Using the American Customer Satisfaction Index (ACSI), we were able to measure YEC's customer satisfaction ratings against other utilities across the nation. We are pleased to say we rated well above others in the industry.
- Survey participants ranked York Electric at 87% satisfaction for service and information.
- In a year of challenging winter storms and unpredictable lightning strikes, York Electric Cooperative received high marks from those who experienced an interruption. In fact, 93% of our members were satisfied with our response to power outages.

This year, cooperatives across the state recognized the hard work of our Board Chairman, Roy Wilkerson. In 2004, he was elected Secretary-Treasurer of the Electric Cooperatives of South Carolina, Inc., the trade association for the state's electric cooperatives.

Our goal is to carry our service beyond the boundaries of our business, and according to our members and fellow cooperatives, we succeed. According to a study released in 2004 by the University of South Carolina, our state's electric cooperatives "care about and serve as catalysts for economic development and social benefit in their communities." That is largely because member-owners are our business and the true power behind everything we do. Thanks to you for a successful and productive 2004!

Sincerely,

Roy E. Wilkerson, Chairman

Paul Basha, President and Chief Executive Officer

2004

Number of Active Accounts: **34,072**

Residential: **30,958**

Commercial: **2,764**

Other: **350**

Miles of Distribution Line: **3,164**

Members per Mile of Line: **10.8**

Annual Revenue: **\$53,947,577**

Investment in Plant Assets: **\$123,858,111**
(Gross Plant)

Annual Peak Demand: **163,423_{kw}**

Annual Energy Sales: **627,733,573_{kwh}**



Financials

BALANCE SHEET

Year Ended December 31,

ASSETS

UTILITY PLANT

	2003	2004
Electric Plant in Service-at Cost	\$115,901,877	\$122,507,797
Construction Work in Progress	2,442,125	1,350,314
Gross Utility Plant	118,344,002	123,858,111
Accumulated Provision for Depreciation	(23,353,821)	(25,563,932)
	<u>94,990,181</u>	<u>98,294,179</u>

OTHER PROPERTY AND INVESTMENTS

Investments in Associated Organizations	4,306,411	4,619,475
Non-Utility Property	1,449,205	1,490,143
	<u>5,755,616</u>	<u>6,109,618</u>

CURRENT ASSETS

Cash-General	7,794,530	6,543,449
Accounts Receivable (less accumulated provision for uncollectible accounts of \$270,586 in 2003 and \$256,022 in 2004)	1,958,540	1,818,654
Interest Receivable	19,750	12,243
Materials and Supplies	1,216,692	1,091,223
Prepayments	247,110	298,061
	<u>11,236,622</u>	<u>9,763,630</u>

DEFERRED DEBITS

	-0-	22,250
TOTAL ASSETS	<u>\$111,982,419</u>	<u>\$114,189,677</u>

EQUITIES AND LIABILITIES

Year Ended December 31,

EQUITIES

	2003	2004
Membership Fees	\$ 154,840	158,140
Patronage Capital	31,064,741	33,907,972
Other Equities	2,572,438	2,725,950
	<u>33,792,019</u>	<u>36,792,062</u>

LONG-TERM DEBT

RUS Mortgage Notes	52,557,074	51,138,120
NRUCFC Mortgage Notes	12,752,836	12,232,511
	<u>65,309,910</u>	<u>63,370,631</u>

OTHER LONG-TERM LIABILITIES

Accumulated Provision for Postretirement Benefits	4,692,800	5,405,300
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CURRENT LIABILITIES

Current Maturities of Mortgage Notes	1,594,000	1,774,000
Accounts Payable	3,449,819	3,325,589
Consumer Deposits	968,020	982,178
Accrued and Withheld Taxes	1,817,855	2,111,463
Other Current and Accrued Liabilities	357,996	428,454
	<u>8,187,690</u>	<u>8,621,684</u>

TOTAL EQUITIES AND LIABILITIES	<u>\$111,982,419</u>	<u>\$114,189,677</u>
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Financials

DETAIL OF PATRONAGE CAPITAL

Year Ended December 31,

	2003	2004
Assignable	\$ 2,602,047	\$ 3,544,167
Assigned	29,395,289	31,064,741
	31,997,336	34,608,908
Retired	(932,595)	(700,936)
	<u>\$ 31,064,741</u>	<u>\$ 33,907,972</u>

STATEMENT OF REVENUE AND PATRONAGE CAPITAL

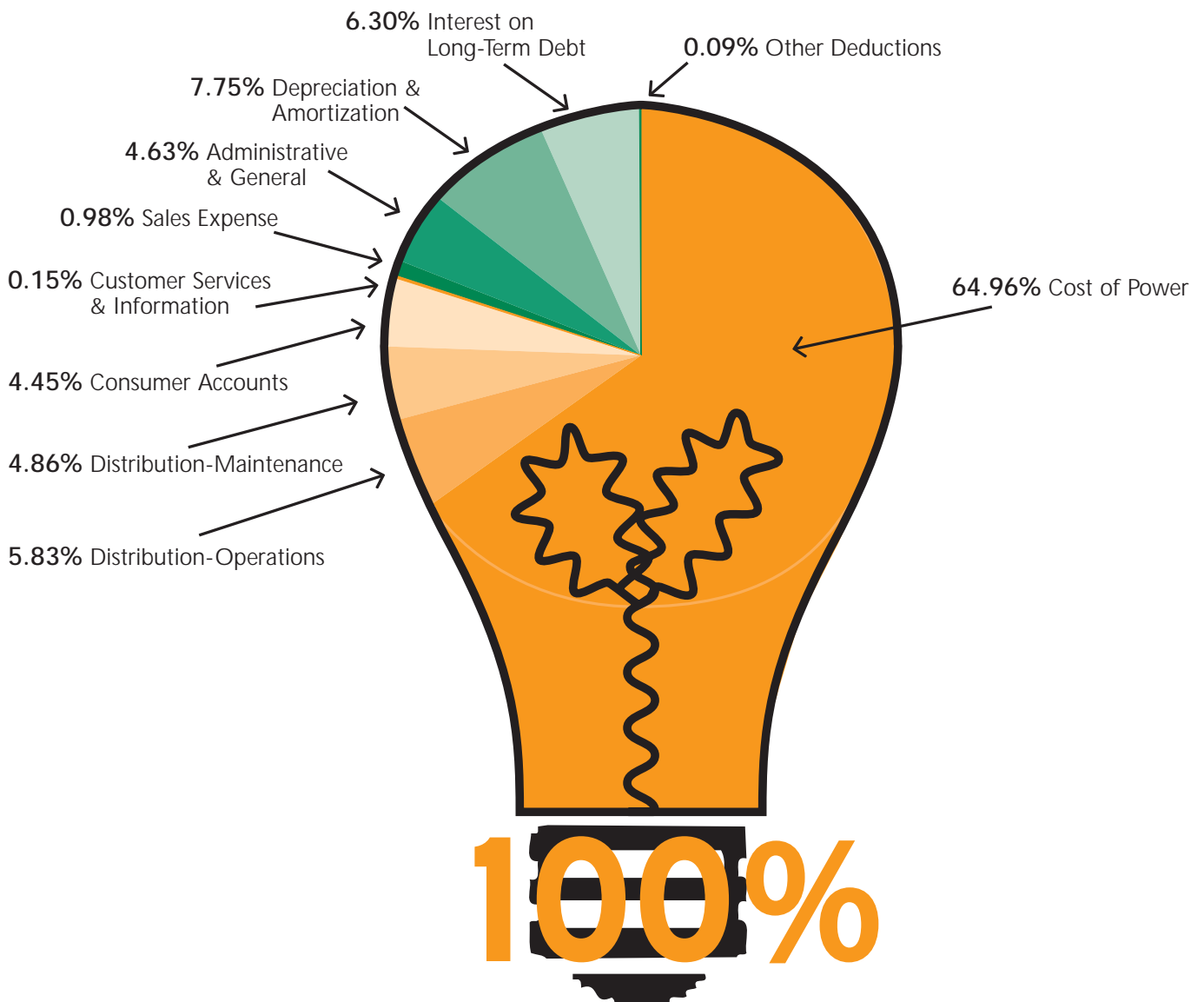
OPERATING REVENUE AND PATRONAGE CAPITAL	\$ 50,565,719	\$ 53,947,577
OPERATING EXPENSES		
Cost of Power	30,678,331	33,056,614
Distribution Operations	3,228,256	2,967,097
Distribution Maintenance	2,563,189	2,471,221
Consumer Accounts	2,215,964	2,266,788
Consumer Services and Information	118,900	78,291
Administrative and General	2,376,230	2,358,433
Sales	484,132	499,586
Depreciation	3,703,837	3,945,536
Other	55,486	16,869
	<u>45,424,325</u>	<u>47,660,435</u>
OPERATING MARGINS BEFORE INTEREST EXPENSE	5,141,394	6,287,142
INTEREST EXPENSE	3,111,901	3,224,664
OPERATING MARGINS AFTER INTEREST EXPENSE	2,029,493	3,062,478
NON-OPERATING MARGINS		
Interest Income	66,280	98,054
Misc. Non-Operating Income	51,411	-0-
	<u>117,691</u>	<u>98,054</u>
GENERATION AND TRANSMISSION COOPERATIVE CAPITAL CREDITS	324,610	286,560
OTHER CAPITAL CREDITS AND PATRONAGE CAPITAL ALLOCATIONS	130,253	97,075
NET MARGINS	2,602,047	3,544,167
PATRONAGE CAPITAL - BEGINNING OF YEAR	29,395,289	31,064,741
TRANSFERRED TO OTHER EQUITIES	-0-	-0-
RETIREMENTS	(932,595)	(700,936)
PATRONAGE CAPITAL - END OF YEAR	<u>\$ 31,064,741</u>	<u>\$ 33,907,972</u>



Growth & Financials

Active Accounts

34,072 in **2004** The number of active accounts has risen by 4,398, over 14.82%, in five years.





York
Electric Cooperative, Inc.

Board Members

Paul Basha
President and Chief Executive Officer



District 7 • Roy E. Wilkerson
Chairman



District 2 • E. Jack Cornwell
Secretary/Treasurer



District 1 • Woodrow W. Culp
Trustee



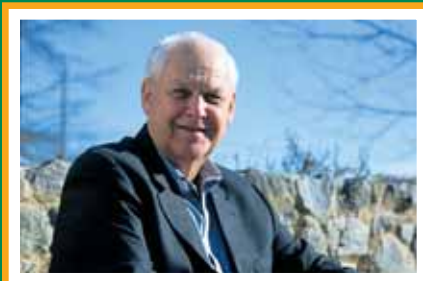
District 3 • Darius Alexander
Trustee



District 8 • M. Blanche McCarter
Trustee



District 4 • Paul D. Poston
Vice Chairman



District 9 • Oscar Sadler
Trustee




District 5 • Poinzettia Stephens
Trustee



District 6 • Charles R. (Dick) Burrell
Trustee





Your Touchstone Energy® Partner 

1385 E. Alexander Love Hwy.
York, South Carolina 29745

803-684-4247
1-800-582-8810

www.yorkelectric.net