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MISSION STATEMENT
Blue Ridge Electric Cooperative will operate as a competitive provider of energy services and a partner with local communities, with a focus on safety, service and integrity.

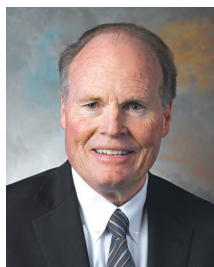
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This organization is an equal-opportunity provider.



A Touchstone Energy® Cooperative



Upward pressures on electricity rates

AT BLUE RIDGE Electric Cooperative, we've seen nearly 14 consecutive years of relatively stable electricity

rates. We're proud of that record. Along the way, there have been a few minor changes in both the facilities charge and power cost adjustment. However, the last time we raised our per-kilowatt-hour charge was in November 2008. The co-op has been successful in absorbing most of the increases in costs that have manifested during that period.

Unfortunately, there are economic forces coming from several directions that are confronting us today. Those factors are adding to our cost of doing business. That reality is forcing Blue Ridge to implement some changes.

For example, historically our wholesale power supplier has applied a two-cents-per-kilowatt-hour surcharge to our bills during the summer season. The average annual cost to the co-op of that extra charge has been more than \$3 million. In each of those years, the cooperative was able to cover those costs, rather than applying them to our members' bills. Regrettably, Blue Ridge is not in a position to absorb that additional expense this time around. The rapid rise in other costs has taken that option away. Therefore, that two cents per kilowatt-hour—no more and no less—is now being passed through to our retail ratepayers on their monthly bills.

\$459,000 versus \$966,000

Meanwhile, the co-op is experiencing some of the same concerns that are probably a big issue in your own household: the ever-increasing prices for goods and services. Here's one of many examples: a standard 15-MVA substation transformer purchased today would cost \$966,000. In 2019, the price for the same transformer would have been around \$459,000! Across the board, the

price of just about any of the materials we buy—from transformers to nuts and bolts—has gone up significantly. A further complication is the supply-chain problems that are putting a squeeze on the timely delivery of these materials to the co-op's warehouses. Those delays ultimately add to our operating expenses.

In addition, there's the upward price pressure on fuels such as natural gas and coal that are used to generate power. Environmental restrictions being placed on these homegrown energy resources are driving the cost of producing electricity even higher. Most of the other power providers across South Carolina and elsewhere are constrained by challenges like those now facing Blue Ridge.

Broadband pays its own way

Understandably, the cooperative's recent entry into the broadband business might now be creating questions in some minds. I want to take this opportunity to put those concerns to rest. Our rapidly growing high-speed internet project is paying its own way, period. Actually, in years to come, our electric ratepayers are going to see a noticeable benefit from the margins broadband will be generating.

Finally, I want to mention that Blue Ridge has a pilot program under way that's allowing us to experiment with a different kind of retail electric-rate design. If that experiment is successful like we believe it will be, the new rate could be rolled out in the not-too-distant future. A key component of this rate schedule would give you, the electric consumer, greater control over when and how you use your kilowatt hours. By exercising that control, the member would be able to hold down

continued on Page 5

Broadband progress report

UPCOUNTRY FIBER, the joint endeavor by Blue Ridge Electric Cooperative and West Carolina Telephone Cooperative to bring broadband to unserved and underserved areas, is showing impressive results. From a starting point in January 2021 until now, approximately 6,000 customers have been connected to our high-speed internet system. On average, more than 100 new connects are being added each week. By the end of this year, Upcountry Fiber expects to be providing more than 8,000 accounts with quality fiber-to-the-home service.

There are several reasons for optimism about the future of this project. Upcountry Fiber construction crews have installed more than 800 miles of cable. Plans call for another 1,400 miles of fiber cable to be extended into parts of the Blue Ridge territory that presently have little or no broadband access. Early on, Blue Ridge and West Carolina made sure to secure ample inventories of fiber cable and associated materials before embarking on this construction program. Those considerable stocks serve to position Upcountry Fiber to

Recently completed projects

- Anderson
 - ▶ Pendleton/Piercetown
- Greenville
 - ▶ Marietta
- Oconee
 - ▶ Picket Post
 - ▶ Westminster
 - ▶ Oakway
 - ▶ Friendship
- Pickens
 - ▶ Dacusville
 - ▶ Six Mile
 - ▶ Pickens
 - ▶ Enon



move full speed ahead with this work.

Recently, the state of South Carolina rolled out a \$400 million process for internet suppliers to apply for grants to fund expanding the service into unserved communities. Upcountry Fiber is currently applying for a significant portion of this funding to help expedite our buildout into these areas. Moreover, the availability of these funds would serve to shorten the time required to bring broadband to those awaiting the service.

Blue Ridge CEO Jim Lovinggood recently commented on the overall outlook for the broadband initiative.

“It’s so gratifying to hear from folks who are obviously enthusiastic about their new internet service. At the same time, I know there are multitudes of households and businesses and the like—myself included—who are anxious to see the cable-installing crews show up at their locations. My guarantee to all of these is that we’re moving as fast as we can to make that happen. I sincerely look forward to the day when everyone who wants broadband will have it.”

Applicant Grant Projects

- Anderson
 - ▶ Parts of Piercetown
- Greenville
 - ▶ Landrum
 - ▶ River Falls
 - ▶ Tigerville
- Oconee
 - ▶ Mountain Rest
 - ▶ Salem
 - ▶ Long Creek
 - ▶ Madison
 - ▶ Toccoa Highway
 - ▶ Fair Play
- Pickens
 - ▶ Rocky Bottom
 - ▶ Parts of Marietta
 - ▶ Shady Grove Rd.



JOSH P. GROTZER

In July, Addison Wilson, of Pendleton High School, and Logan Addis of Walhalla High School joined 35 other South Carolina high school students sponsored by South Carolina electric cooperatives for the Cooperative Youth Summit. Over four days, the students learn how government works, start their own cooperative and produce their own podcasts. Addis’s and Wilson’s podcasts will be available to listen to on Blue Ridge Electric’s website, blueridge.coop

continued from Page 4

what he or she pays for power. We can add more people to our pilot program at this time. If you think you might be interested in participating, please call us at (800) 240-3400 and let us know. You will be asked for minimum information, and then someone will contact you with more details.

In the meantime, we’re intent on continuing to deliver the kind of quality service you’ve come to expect from Blue Ridge. We’re fortunate to be situated within a portion of our country where service reliability is almost a given. Unlike Texas and California and other locales where rolling blackouts and other disruptive service problems are a regular feature, we’re part of a power grid that’s blessed with sufficient capacity. That’s a very important advantage that’s going to serve us all well in the coming years.

JIM LOVINGGOOD
President and CEO