

Consolidation Updates

As you may imagine, we have created a lot of discussion and conversation since our announcement about our proposed consolidation with White County REMC. We are happy to report the feedback has been very supportive and encouraging; however many members have come up with several good thoughts and questions that we believe might be useful to everyone.

Starting with this February issue of the Electric Consumer we will begin printing a questions and answers segment that may address some common concerns. We will continue this in upcoming issues of the Electric Consumer with new or different questions and then we will post all of these on our website at www.ccremc.com. Just look for the consolidation section on our homepage.

We feel this is a great forum for members to be able to get answers to questions they may be thinking about. If you have a question you would like to submit whether for publication or just for your personal information, you may submit that question to the following address: Ron Kennedy, CEO, Carroll County REMC, P.O. Box 298, Delphi, IN 46923. You may also e-mail questions to info@ccremc.com and make the e-mail to the Attention of Ron Kennedy.

Frequently Asked Questions:

- 1. *What is the primary reason Carroll and White County REMCs considered consolidation?***
Answer: The simple answer is to better control costs. Costs within our industry have been on the rise in recent years and industry information suggests that will continue. By consolidating we anticipate being able to handle industry costs over the coming years much better than we could separately.
- 2. *When consolidation happens, what will be the major benefit or value to the members?***
Answer: By working hard at controlling costs, we hope to slow down rising utility bills for our members. Costs for everything seem to be on the rise, we hope to head off some of the increases coming at our industry.
- 3. *Will cost savings impact my monthly bill?***
Answer: It's not so much savings as stabilizing or controlling. We are not going to promise rate reductions through this process. We believe that this consolidation will allow us to hold future cost increases down and spread them out over more kilowatt hours.
- 4. *Will service to the members be affected?***
Answer: No. Both the Monticello and Delphi offices will remain open and members will be able to walk in either front door and talk to an employee. We will run linemen crews out of both offices and you will still be able to perform whatever tasks you need just as you always have.
- 5. *Will community commitment remain a priority?***
Answer: Yes. Being locally-owned and being heavily involved in the communities we serve will always be a priority. That will not change.
- 6. *How long will this consolidation process last?***
Answer: If everything goes in favor of this consolidation we are hoping the new electric cooperative will begin January 1, 2009.
- 7. *Will this impact storm outage repair time?***
Answer: No. We will still be running crews out of the Monticello and Delphi offices so it shouldn't be any different than it is today. Actually, if only one part of our system has had storm problems it would be possible to have crews from the other portion of the system come and help.
- 8. *Have other Indiana electric cooperatives consolidated?***
Answer: Yes. It hasn't happened for about 10 years, but in the early to mid-1990s there were 3 consolidations in southern Indiana. All three consolidations involved two neighboring cooperatives joining together to create one new entity.
- 9. *Will this impact Operation Round Up®?***

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Answer: No. Both Carroll and White County REMC currently have Round Up programs and the new entity will as well. How this popular program molds together hasn't been decided yet, however it will definitely continue.

10. **How will this impact my board representation?**

Answer: It won't impact your board representation. You will always be represented on our board of directors. Over time the districts may need to be changed due to retirements; however this would have been the case with or without the move to consolidate. Both boards feel representing the membership is their highest priority.

11. **I know some of the employees and board members, will any lose their job or position because of the consolidation?**

Answer: No one will lose their employment or position on the board due to the consolidation. Any financial gains the new entity would see in this area will only be upon someone's retirement or voluntarily leaving the cooperative for another job.

12. **How will this impact Capital Credits?**

Answer: Any capital credits that you have accumulated or had assigned to your account will still be there. That will not change just because of the consolidation. The Board of Directors will decide how and when they are paid back, which is the same process we use today.

