



Member Appreciation Day and Annual Meeting

Saturday, October 14, 9:00 a.m. - Noon
EMC Headquarters, 807 Collinsworth Road, Palmetto

Come join in the fun and learn more about your cooperative during this year's Member Appreciation Day. Each registered member family will receive an LED lantern!

Fun activities can be enjoyed by all ages, with games for children and bingo for adults, plus door prizes and kids' crafts. Information on energy efficiency, Green Power, Operation Round Up, Touchstone Energy, Relyco Security and True Natural Gas will be available outside on the midway before the meeting begins.

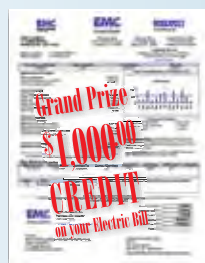
Concessions, including Chick-fil-A biscuits, popcorn, cotton candy and soft drinks, will be available for all, free of charge.



Prizes have been donated by vendors and will be given away during the meeting.

Don't miss your chance to win, especially with our grand prize up for grabs: one lucky member will walk away with a \$1,000 electric bill credit!

Each EMC member will have his/her name in the drawing, and you must be present to win. Registration closes at 11 a.m., so be sure to arrive early.



Health Fair -



Piedmont Healthcare professionals will be on hand to provide information on a variety of wellness topics. This is a popular stop for members, so don't miss your opportunity for free health advice.



The Executive Report



Chris Stephens
President and CEO



James W. Fulton, III
Chairman

Annual Report to the Members

As we celebrate our 70th year of service, we would like to reflect on our history and look forward to the future. In 1947, Coweta-Fayette EMC opened for business in a small office above Cates Drugstore in downtown Newnan. Today, we have three offices conveniently located to serve you. In 1954, we had four substations serving 4,712 meters, using 15 million kilowatt hours annually. Today 29 substations serve 78,625 members and use 1.57 billion kilowatt hours. However, our commitment to providing our member-owners with reliable electric service at a reasonable cost has remained constant.

We have come a long way since 1947. We've shared many successes and faced many challenges. Our Annual Meeting on October 14th, provides a great opportunity to reflect on the previous year. One of our challenges is an aging workforce. Since our last annual meeting, six employees ventured into the next phase of their lives – retirement. They take with them 176 years of experience. But along with that challenge, there is the opportunity for others to step into those roles. We have excelled in this arena by hiring and training the best to succeed those who have gone before them.

We experienced an increase in connected services. Although not at the pace of the late '90s or early '00s, when we connected some 3,000 services annually; we connected 1,136 new services in 2016 and are on track to install 1,300 by the end of 2017. This growth is attributed to our community and the quality of life in our service area. To meet this growing demand and ensure you have reliable service, we implemented a new three-year construction work plan which provides planning and funding for new electric services and system improvements.

We updated our strategic plan. Our strong core values remain the same: member value, employee value and reliability. The future of our industry is changing and we will continue to look for innovative solutions to meet your energy needs. Whether it is in the form of home automation, rooftop solar or energy efficiency, we have trained experts and solutions ready to assist you. Through our employees here at the EMC, along with those of our two subsidiaries, Relyco Security Resources and True Natural Gas, we are your expert energy solutions provider.

With a new federal administration, one of our greatest

concerns was implementation of the Clean Power Plan. This initiative would have required up to an additional 30 percent reduction in carbon emissions in Georgia. For now, the plan is on the back burner, and helps stabilize rates for the near term. This does not stop us from being good stewards of our environment. We seek solutions that make sense for you. We added 10 MW of solar in 2016 and recently contracted for an additional 15 MW to be phased in over the next three years. In total, we will have 25.5 MW of solar, enough to serve 2,300 homes.

While this is exciting news, we are facing a major hurdle; the decision whether to move ahead with Plant Vogtle Units 3 and 4. We joined this project in 2008 when natural gas was near an all-time high and the threat of carbon taxes was on the horizon. This created the perfect opportunity to secure clean and affordable nuclear energy. Since then, technology to extract natural gas, known as fracking, and a new administration have lifted the burden we once faced. Although we believe in a diverse energy portfolio, the bankruptcy of the key contractor, Westinghouse, has vacated our fixed-price contract to complete the units. This leaves us unprotected from a potential cost increase. We are working with our generation supplier, Oglethorpe Power, to evaluate the potential impact to your rate. At the end of the day, the managing staff and Board of Directors will voice our opinion in your best interest.

We take pride in providing you with reliable, yet affordable, service. We also take pride in the community we serve and know it is a better place because of the EMC, its staff and you, the members. Through Operation Round-Up, you've contributed over \$200,000 last year, which funded several civic group endeavors and scholarships to area students. Our employees volunteered their time with numerous organizations in our service territory, provided financial assistance and demonstrations to schools across our service area, served as mentors and so much more. In fact, two of our linemen, Steven Robinson and Weston Abbott, traveled to Costa Rica to bring electricity to a village that had never experienced it.

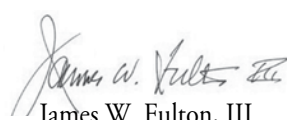
At the end of the day, the cooperative's success is based on our people: those who work in all conditions to restore your service when you experience a power outage; the men and women who answer the phones to provide you with friendly member service; and the board members you elect to represent your interests in the company. It's our team of professionals who keep the lights on all year long.

We do this because of you. Our promise made 70 years ago – to provide you reliable and cost effective electricity – still holds true today. We hope to see you on Saturday, October 14, at the 2017 Annual Meeting, so we can celebrate 70 years of success together.

Sincerely,



Chris Stephens
President and CEO



James W. Fulton, III
Chairman

Balance Sheet

WHAT WE OWN

Lines, Office Building and Operations Equipment	2016
Less: Reserve for Depreciation	
	\$335,464,801
	\$111,376,858
	\$224,087,943
General – Cash	\$3,192,257
Commercial Paper	\$1,900,000
Investment in Associated Organizations – Patronage Capital	\$71,933,077
Receivables	\$10,590,634
Materials and Supplies	\$2,299,579
Prepaid Expenses and Other Accrued Assets	\$402,269
Deferred Debits	\$0
TOTAL OF WHAT WE OWN	\$314,405,759

WHAT WE OWE

To the Government – RUS/FFB	\$132,476,856
Other Cooperative Lenders – CFC	\$14,618,701
	\$147,095,557
To Consumers Deposits	\$3,615,267
To Material Suppliers (Notes & Accounts Payable)	\$12,264,020
To Accrued Taxes & Interest	\$6,096,850
Deferred Credits and Non Current Liabilities	\$3,812,228
OUR EQUITY IN ABOVE ASSETS	
Membership Fees	\$1,655,509
Patronage Capital & Other Equities	\$139,866,328
TOTAL OF WHAT WE OWE	\$314,405,759

Statistics of Operation

WHAT WE TOOK IN	2015	2016
Operating Revenue and Patronage Capital	\$152,614,614	\$154,312,779

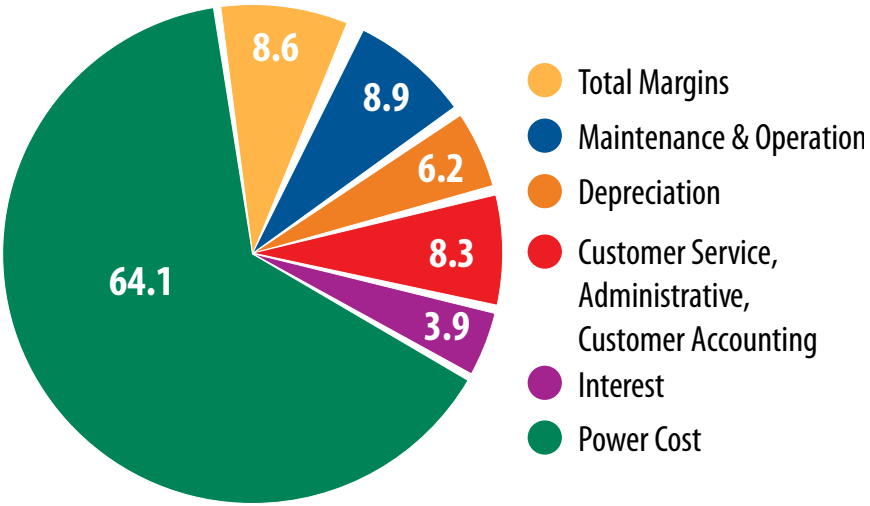
WHAT WE PAID OUT

Operating Revenue Deductions		
Operations Expense:		
Cost of Power	\$104,778,593	\$102,928,429
Distribution Expenses	\$7,545,562	\$7,902,720
Consumer Accounts Expense	\$4,859,377	\$4,895,137
Customer Service and Information Expense	\$1,073,085	\$1,451,542
Sales Expense	\$406,519	\$462,181
Administrative & General Expense	\$5,134,957	\$5,578,939
Maintenance Expense:		
Distribution System	\$6,195,304	\$6,384,359
General Plant	\$915,922	\$937,931
Depreciation and Amortization	\$9,534,698	\$9,860,531
Interest On Outstanding Debt	\$6,560,695	\$6,320,165
Total Cost of Electric Services	\$147,004,712	\$146,721,934

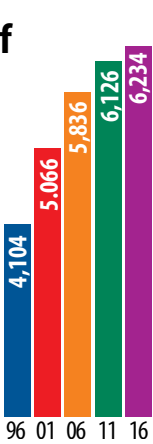
WHAT WE HAD LEFT

Operating Margins and Patronage Capital	\$5,609,902	\$7,590,845
Non-Operating Margins - Other	\$3,072,216	\$2,669,928
Total Operating and Non-Operating Margins	\$8,682,118	\$10,260,773
OEMC and OTHER Patronage Capital		
(CFC & GRESO)	\$3,452,640	\$3,536,383
Total Operating and Non-Operating Margins Including OEMC and Other Patronage Capitals (CFC & GRESO)	\$12,134,758	\$13,797,156

How Your Dollar Was Spent



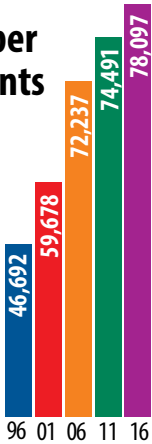
Miles of Line



Average KWH Used Per Member Per Month



Member Accounts



Membership
Coweta-Fayette Electric
Membership Corporation

Financial statements for the calendar year ending December 31, 2016 reflect the sound status of Coweta-Fayette Electric Membership Corporation.

We retain the services of McNair, McLemore, Middlebrooks and Company, LLP, Certified Public Accountants to perform an audit of the corporation's accounting records for the fiscal year ending May 31, 2016. This audit includes an examination of the cooperative's balance sheets, related statements of revenue and expenses, and appropriate remarks concerning each.

The figures presented are from our December 31, 2016 annual financial report to RUS and are within the period of our most recent audit examination..

Copies of audits are filed at the cooperative's office for your review.

J. Neal Shepard, Jr., Secretary-Treasurer
Coweta-Fayette Electric Membership Corporation

Capital Credit Factor

Since Coweta-Fayette EMC is a member-owned organization, any margins that remain after expenses are assigned to our member-owners annually. The percentage allocated for 2016 is **9.83%**. These funds become part of our equity until they are returned to you as approved by our Board of Directors.

ANNUAL MEETING AGENDA

**Saturday,
October 14**

8:30 -11:00 a.m.

Registration - Free Gifts

9:00 - 11:30 a.m.

Midway Games and Concessions

Children's Activities

Health Fair

Showcase of Services

9:25 - 10:15 a.m.

Bingo

10:25 a.m.

Presentation of Colors

10:45 a.m.

Prize Drawings

Annual Meeting

Business Session

11:25 a.m.

Director Results

Prize Drawings

Employee Service Awards

Grand Prize Drawing!

You must be
present to win.

Attendance Gift



Each registered member family will receive a brilliant, long-lasting LED Lantern just for registering. This lantern provides 360° of luminous light. When not in use, collapse the lantern for easy storage. **Please bring the address portion of this mailing with you to claim your member gift.** Come early – registration closes at 11:00.

Chris Stephens, President and CEO
C. Bradford Sears, Jr., Attorney
Douglas B. Warner, Attorney

BOARD OF DIRECTORS

James W. Fulton, III, Chairman
Therol Brown, Vice Chairman
J. Neal Shepard, Jr., Secretary-Treasurer
W. L. Clements
Ross Henry
Daniel C. Langford, Jr.
Alice J. Mallory
Elwood Thompson
Mildred A. Winkles

POWERlines

Editor: Chellie Phillips

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(770) 502-0226

Coweta-Fayette EMC is an equal opportunity provider and employer/M/F/V/D

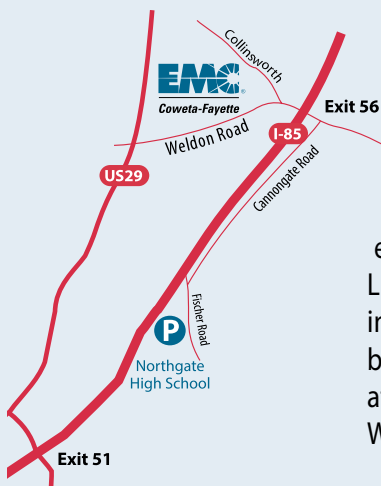


Coweta-Fayette

770-502-0226
www.utility.org



PARKING



To provide easy access and more capacity, our main lot will be at Northgate High School, 3220 Fischer Road, Newnan. For disabled members, spaces are located at the front EMC entrance on Collinsworth Road. Limited parking may also be available at the EMC on Weldon Road.



Just follow the signs to EMC Annual Meeting parking lots. Our employees will be available at each location to assist you with a continuous shuttle service to and from the meeting.



Attention: Disabled Members

Our annual meeting facilities are accessible to people with disabilities. However, if special requirements are needed, let us know, and we will be happy to provide them.

We regret we cannot accommodate any pets other than service animals. In consideration of your fellow members, please leave them at home. Thank you.



STATEMENT OF NONDISCRIMINATION

Coweta-Fayette EMC is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.