

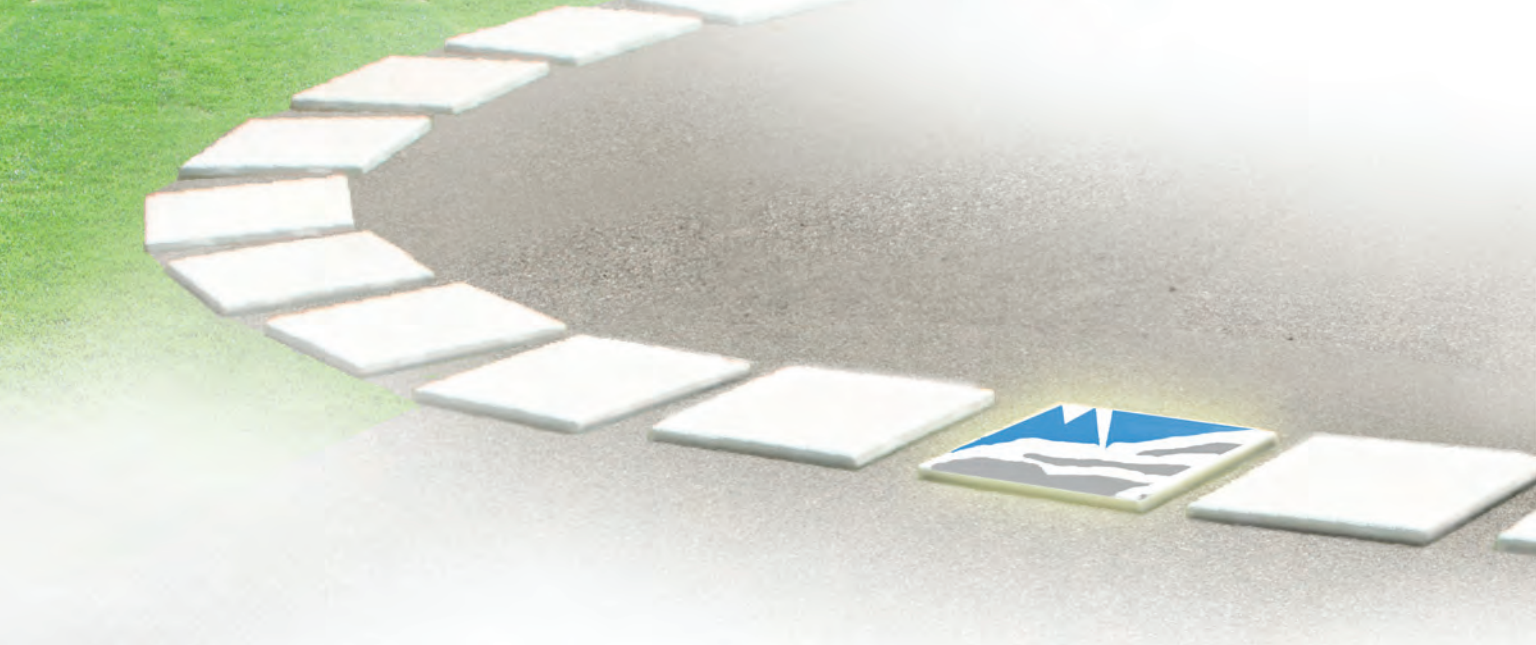
LIGHTING THE WAY

2010 Annual Report



GREYSTONE
POWER CORPORATION

A Touchstone Energy® Cooperative 

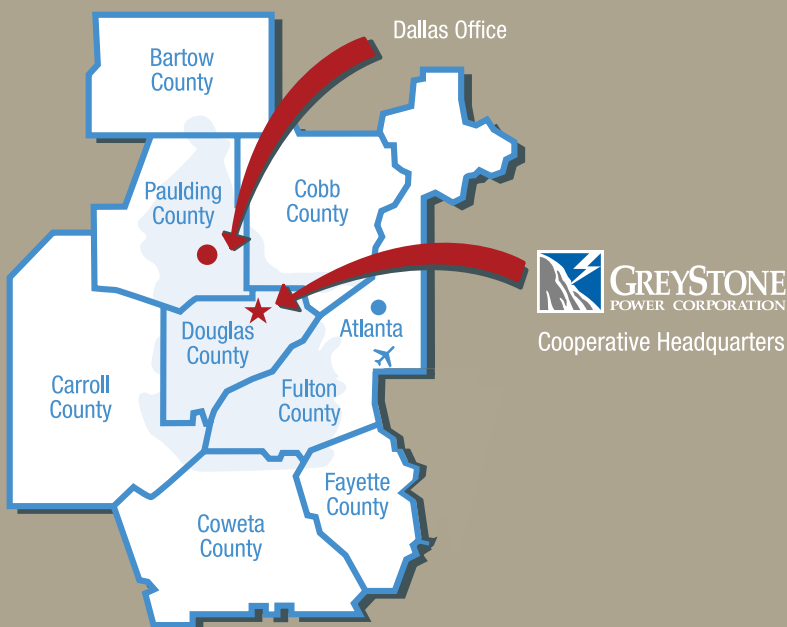


LIGHTING THE WAY

GreyStone Power Corporation has been lighting the way within the communities we serve for many years. As we near our 75th anniversary, we're keeping our eyes focused on the path before us, while reflecting on the trail we've left in the sands of time.

In 1936, a group of dedicated people banded together to supply electricity to our rural area of Georgia. Formed as a cooperative, owned by you, the people we serve, GreyStone Power has grown and changed as your needs have increased. Providing reliable, affordable electricity has been at the heart of our business for the past 74 years and still is today. We also offer energy efficiency programs and a whole range of additional services through Gas South, GEMC Federal Credit Union and EMC Security.

We invite you—the GreyStone Power members—to journey with us as we continue lighting the way.



OUR SERVICE AREA

GreyStone Power is a member-owned, not-for-profit electric cooperative, serving portions of eight west metro Atlanta counties. We provide electricity to nearly 103,000 homes, businesses, schools and industries.



PRESIDENT/CEO
Gary Miller

CHAIRMAN OF THE BOARD
Calvin Earwood

MESSAGE TO MEMBERS

In 2010, the benefits of being served by GreyStone Power were as visible as ever. The recession may have dimmed our economy, but we continued working hard to light the way to a brighter tomorrow.

Yes, we're tightening our belts, and working to control our own costs while providing you with the reliable electric service you've come to expect. For example, the hiring freeze begun in 2009 continues in effect. Additionally, we are not replacing retiring employees, and we are asking our employees to take on additional responsibilities.

We are also guiding conservation efforts by helping you better manage your electricity use through energy efficiency programs. Doing these things together allows us to continue to have some of the most affordable power bills in the state and the nation.

A winter 2010 survey released by the Georgia Public Service Commission shows our rates are among the lowest

in the state among cooperatives, and those prices won't be rising for the next two years.

Purchased power is the largest cost of providing electricity. A \$600 million, five-year power purchase and scheduling services agreement with Morgan Stanley Capital Group and a contract well-negotiated by the co-op, will keep rates stable through 2012.

While we remain optimistic, we are concerned that existing and proposed government and Environmental Protection Agency regulations and requirements will add costs that will have to be passed along to consumers. We regularly ask members of GreyStone Power to voice these concerns to federal lawmakers and encourage the search for a balanced

The co-op's Customer Care and Billing Team worked for more than 19 months on a new software system to better serve members. A new, more user-friendly bill will be unveiled in 2011.



GREYSTONE POWER COOPERATIVE
 123 MAIN ST.
 A Greystone Group Company

A ACCOUNT DETAILS
 Service Information
 123 MAIN ST. H

I Billing Period - 20 Days
 Meter 74221995 House
 Current Reading 10/10/10
 Previous Reading 09/14/10

J Energy Cost - Residential
 Service Charge \$0.074 per kWh
 Tier 1 1000 kWh \$0.087 per kWh
 Tier 2 140 kWh \$0.309097
 PCA
 Total Energy Cost —\$887

Regulatory, State, and Other Taxes
 Local \$2.30
 State 1.33
 Regulatory and Tax Total \$4.37

Regulatory and Tax Total \$4.37

Meter 74221995 Total Charges \$82.09

K Energy Usage Chart (kWh)

Month	Usage (kWh)
09/01/10	1000
09/02/10	1000
09/03/10	1000
09/04/10	1000
09/05/10	1000
09/06/10	1000
09/07/10	1000
09/08/10	1000
09/09/10	1000
09/10/10	1000
09/11/10	1000
09/12/10	1000
09/13/10	1000
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10/23/10	1000
10/24/10	1000
10/25/10	1000
10/26/10	1000
10/27/10	1000
10/28/10	1000
10/29/10	1000
10/30/10	1000
10/31/10	1000

L TOTAL SERVICE CHARGES \$82.09

M TOTAL CURRENT CHARGES FOR ACCOUNT \$82.09

B ACCOUNT SUMMARY
 Amount Due By November 17, 2010

Name: DOE, JOHN
 Account: 0221010000
 Bill Date: 10/20/10

Previous Bill \$158.00
 Previous Bill Correction 0.00
 Payments Received 105.30
 Current Charges and Adjustments 82.09
 Amount Due By 11/17/10 \$82.88

D Thank you valued member!

E AMOUNT DUE \$82.09

F CONNECTIONS CARD SAVES YOU MONEY!
 Start saving with your Co-op Connections Card today! Simply present your card at any participating business and receive your discount. More!



Here at GreyStone, we care about our neighbors. We also understand that we have neighbors beyond western Georgia. That's why several co-op employees traveled overseas last year to help bring electricity to villages in Guatemala, Haiti and Costa Rica.

solution between environmental and economic concerns within the electric utility industry.

Besides working to keep electric costs competitive, we've made strides to make it easier for you to read and understand your power bill. Our new bill will show the previous months' power use, which can help guide your own energy efficiency efforts.

Lighting the way in service

In 2010, we began working with new industrial members, such as the Douglasville Public Safety and Municipal Court Facility project on Highway 92 south of I-20. Serving a variety of members helps balance the cost of providing electricity.

Work continued on the new Customer Care and Billing System to be implemented in 2011. Employees on the CCB Team worked long hours throughout 2010 to create a system that would improve service to members, at the same time making GreyStone one of the most technologically savvy cooperatives in the nation. A new bill was designed, a new work asset management system was put into place, and a payment processor, Fiserv, was selected.

Although our main focus is delivering reliable power, we also offer several other supplemental services.

Our partnership with EMC Security can offer you the peace of mind that comes with knowing your family is safe. The security service company has expanded to two monitoring facilities—one in Georgia and a new facility in Florida—to provide redundant monitoring services.

EMC Security has also revamped its services using residential Internet protocol cameras, personal emergency response service and security

systems controlled by a smart phone application or website.

In addition to home monitoring, EMC Security is now in the home entertainment business offering multiroom audio and video, home theater, as well as structured wiring, home automation and central vacuum systems.

GEMC Federal Credit Union and Gas South both continue offering financial and natural gas service, respectively, giving our members the benefit of reduced cost financial and natural gas services.

In 2010, GreyStone Power began expanded use of social media communication with



GreyStone Power was instrumental in helping make Lithia Springs High School more energy efficient. The co-op coordinated a volunteer project at the school when the National Association of Rural Electric Cooperatives held their annual meeting in Atlanta. During the meeting, dozens of volunteers from across the nation changed lightbulbs and weatherized the building. John Archer, left, worked with school system personnel to replace incandescent lightbulbs with compact fluorescents. Jim Hunter, right, cleaned classroom light fixtures as part of the effort.



Giving back to local communities involved investments of time and money. In 2010, co-op linemen visited local schools on their Career Days. In addition, GreyStone Power Foundation awarded \$20,000 in educational scholarships to local students.

members by launching a Facebook page, Twitter feed and an electronic newsletter (E-Link). You can regularly keep up with GreyStone Power by “liking” the Facebook page at www.facebook.com/greystonepower and by following the Twitter feed at www.twitter.com/greystonepower. To register for E-Link, visit www.greystonepower.com, click the News tab, and click the E-Link

icon on the home page under Stay Connected.

One of the most visible benefits of being served by an electric cooperative is that you share in the success of the corporation. Annually, GreyStone Power distributes money through capital credits that remain after covering costs and investing in growth and maintenance.

In 2010, the co-op distributed \$3.5 million in capital credits to members. Over the co-op’s 75-year history, we’ve been able to return more than \$47 million in total capital credits, contributing substantially to the local economy.

Lighting the way to making the world a better place

One of the founding principles at GreyStone Power is concern for our community. We light the way in our community by supporting education and by participating in charitable events.

GreyStone Power awarded five \$3,000 scholarships to college students of all ages in 2010. The co-op also presented two \$2,500 scholarships to technical school students.

In an effort to help school systems overcome state budget cuts and challenges caused by the September 2009 floods, GreyStone donated a total of \$25,000 to four county school systems in Cobb,





GreyStone employees showed young people the ins and outs of life at an electric cooperative several times last year. The co-op also sponsored six high school students on the Rural Electric Youth Tour to Washington, D.C.

Douglas, Fulton and Paulding counties. GreyStone also awarded \$5,000 each to the co-op's three Partners in Education schools: Beulah, Clarkdale and P.B. Ritch Elementary.

Volunteers replaced 2,500 lightbulbs with energy-efficient ones and recycled more than 900 pounds of old bulbs at Lithia Springs High School. The effort was part of a national, energy efficiency, community service project hosted by GreyStone Power, Touchstone Energy® and the National Rural Electric Cooperative Association (NRECA).

GreyStone sent six high school students to Washington, D.C. to join 1,500 other students

from across the nation as part of NRECA's Rural Electric Youth Tour, a leadership program sponsored by the nation's electric cooperatives.

The co-op also shows concern for local schools with a more hands-on approach. Last year, GreyStone linemen and other employees went to area schools during "Touch a Truck" and Career Days to help students learn about prospective careers and safety at the cooperative.

We are working to keep the co-op and community safe with a new cooperative-wide STAR (Stop, Think, Act, Review) program in which employees give safety reports on situations at home, at the co-op and everywhere in

between. The program has helped correct more than 1,200 unsafe acts and conditions around the service area, as well as saving lives.

GreyStone employees made charitable contributions in 2010, raising more than \$3,800 for the American Cancer Society and \$1,500 toward research to benefit babies and pregnant mothers for the March of Dimes®. GreyStone Power employees were also involved in Relay For Life at Paulding County High School, and raised more than \$19,500 for United Way through pledges and special events. President/CEO Gary Miller served as chairman of the Douglas County United Way fundraising campaign.



GreyStone members who registered at the 2010 annual meeting received a free Home Energy Savings Starter Kit. This was one of several ways the co-op helped members become more energy-efficient during the year.

The Co-op Connections Card is rapidly approaching the \$1 million milestone in the amount of money the program has saved GreyStone members in pharmacy discounts alone. The card gives members discounts at nearly 330 local and national businesses.





In 2010, linemen proved their expertise at both state and international competitions. The GreyStone Power team took home first place in the 16th Annual Georgia Lineman's Rodeo. Teams also finished first and fifth in the International Lineman's Rodeo, which featured more than 200 teams of linemen from co-ops, investor-owned utilities and municipal utilities.

You helped the co-op's community efforts through Operation Round Up®, a voluntary program that rounds participants' bills up to the next dollar and donates the money. GreyStone Power helped lighten the load for 57 local organizations in need. In 2010, the co-op distributed more than \$460,800 contributed by members through Operation Round Up.

When it comes to concern for the community, we look beyond our local area. Coordinated through NRECA, GreyStone Power linemen and crews from other Georgia co-ops were the first utility workers on the ground in Haiti after the nation was devastated by a massive 7.0-magnitude earthquake in January 2010. Together electric cooperative crews brought electricity to villages in Haiti and around the globe.

Lineman Erik Hansek spent two weeks in Guatemala helping build power lines to connect two Guatemalan villages to the power grid. GreyStone Apprentice Lineman III Julio Villegas traveled to Ixcán, Guatemala, to work with local crews and other Georgia

linemen to bring electricity to two villages. GreyStone Lineman Keith Bailey spent two weeks working in the rural town of Santa Rosa, Costa Rica.

Everyone involved in these international efforts experienced the satisfaction of serving others by bringing power to those who needed it.

Lighting the way within

The year 2010 was filled with milestones for the cooperative.

The Spotlight on Excellence national awards program, sponsored by the Council of Rural

Electric Communicators and NRECA, honored GreyStone with seven awards for the co-op's advertising and communication efforts.

GreyStone Linemen Tony Brown, Patrick LeCroy, Josh Jones and Coach Tim Costner proved the co-op has some of the most skilled employees in the entire state. That crew was named overall winner and took home five other awards in 2009 and 2010 at the 16th Annual Georgia Lineman's Rodeo.

Our linemen didn't stop there. They took home a first place trophy at the International Lineman's



GreyStone's Public Relations & Communications Department took home seven Spotlight on Excellence awards for projects developed in 2010. Touchstone Energy Cooperatives also presented Vicki Harshbarger with a Brand Champion Award for her ongoing work promoting the Touchstone Energy brand and for efforts such as the NRECA Annual Meeting Service Project and the Co-op Connections Card.



Support of local organizations, including local schools and the United Way, was ongoing in 2010, and will continue as the co-op moves into the future.

Rodeo. Our teams competed against linemen from the United States, Britain, Canada, Aruba and New Zealand. More than 200 teams of linemen from co-ops, investor-owned utilities and municipal utilities participated in the event.

The team of Patrick LeCroy, Josh Jones and Tony Brown, with Coach Tim Costner, won first place overall in the electric cooperative division and second place overall in competition with all divisions.

Over the past year, the co-op has become quite popular in the job market. We are proud to report that GreyStone Power was named one of Atlanta's "2010 Best Places to Work" by *Atlanta Business Chronicle*.

Lighting the way for a brighter tomorrow

GreyStone Power must take care of our electricity delivery system in order to continue supplying our nearly 103,000 members with the reliable service they've come to count on.

The co-op regularly trims trees and vegetation from right-of-way areas around power lines. Limbs can break during storms, fall onto

power lines and cause outages. Underbrush can interfere with repair and maintenance of lines. The co-op has more than 6,500 miles of power lines that must be maintained, but keeping growing vegetation under control helps reduce the number and severity of outages.

We use an environmentally friendly tree growth regulator which slows growth and reduces intra-cycle trimming and those associated costs, while contributing to improved system reliability.

Another way we're lighting the way is by using "smart meter" technology to serve you more accurately and efficiently. As of the end of 2010, GreyStone had installed a total of 108,566 smart meters. The effort will continue through 2011 with an expected completion date in early 2012.

These smart meters store data, including how much electricity each member used, as well as outage and voltage information. At regular intervals, the smart meters will send this data to the cooperative, saving the cost of constant visits by meter readers.

We're also shedding some light on how to use energy more

efficiently. GreyStone Power hosted our first energy efficiency expo during the 2010 annual meeting. The expo showed members how to reduce their energy consumption and save money on their power bills. The cooperative also offers rebates on energy-efficient products, like high-efficiency heating and cooling systems.

We are sensitive to environmental stewardship and invest in renewable energy sources. For example, we work with 14 other Georgia electric cooperatives to use energy produced by Multitrade Rabun Gap, the first biomass power plant in the state. In 2010, the co-ops agreed to a long-term purchase agreement for 17 megawatts of energy. That's enough to power about 10,000 homes annually.

With 74 years of service in the rearview mirror, GreyStone Power continues lighting the way for you, your home, your business and our community.

Gary Miller President/CEO

Calvin Earwood Chairman of the Board

BOARD OF DIRECTORS



Gary A. Miller
President/CEO



J. Calvin Earwood
Chairman of the
Board, District 1



John Walton
Vice Chairman
District 2



Charles E. Rutland
District 3



L. Burnell Redding
District 4



Jennifer DeNyse
Secretary-Treasurer
District 5



Maribeth Wansley
District 6



Milton Jones
District 7



Jim Johns
District 8



Ed Garrard
District 9

2010 CO-OP CALCULATIONS

AT A GLANCE

Statistics at the end of each year

	Number of Meters	Operating Revenue	Miles of Line	Kilowatt Hours Sold
1970	18,936	\$2,514,227	1,770	164,220,684
1980	33,821	\$18,828,665	2,474	455,037,552
1990	51,628	\$59,368,158	3,312	792,459,409
2000	78,364	\$107,764,624	4,524	1,485,122,689
2010	114,583	\$265,438,876	6,504	2,732,382,190

CALLS ANSWERED

429,654

WALK INS (both offices combined)

20,527

POLES INSPECTED

7,588

MILES CLEARED of right-of-way area

578.58

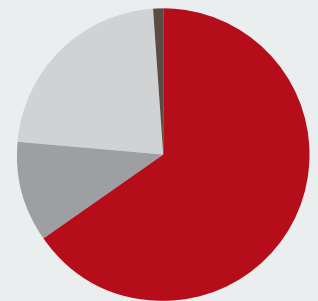
ENERGY CONSUMPTION in GreyStone buildings decreased by

5%

DAILY ELECTRIC COST all-weather rate average

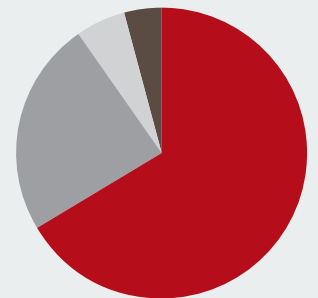
\$4.33
(\$3.46 in the winter and \$5.54 in the summer.)

Where the money comes from



- 65.43% Residential
- 11.16% Large Commercial
- 22.46% Small Commercial
- 0.95% Public Building

Where the money goes



- 66.46% Purchased Power
- 23.97% Operating Expenses
- 5.49% Depreciation
- 4.08% Interest

GREYSTONE POWER

BALANCE SHEET & STATEMENT OF REVENUE AND EXPENSES 2010

Balance Sheet

Assets

	2010	2009
Utility Plant (Less reserve for depreciation)	\$ 322,329,619	\$ 317,984,455

Current and Other Assets

Cash and Investments	\$ 88,999,460	\$ 70,222,145
Consumer Notes and Accounts	30,199,965	30,968,714
Inventories	3,492,095	3,063,541
Other Receivables and Prepayments	8,115,054	25,467,233

Total Assets

	\$ 453,136,193	\$ 447,706,088
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Liabilities and Members' Equity

Memberships and Deposits	18,353,465	17,838,711
Members' Capital and Margins	189,318,381	207,671,846

Liabilities

Long-term Debt	208,457,912	229,867,074
Accounts Payable and Accrued Expenses	28,314,678	24,308,208
Deferred Credits and Other Liabilities	8,691,757	9,022,974

Total Liabilities and Member Equity

	\$ 453,136,193	\$ 447,706,088
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Statement of Revenue and Expenses

Revenue

Operating Revenue	\$ 265,438,876	\$ 246,041,288
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Expenses

Purchased Power	\$ 176,399,142	\$ 168,593,422
Operations	7,981,600	8,830,165
Maintenance	7,245,072	6,656,880
Consumer Accounts and Services	8,474,642	8,730,743
Sales	1,604,550	1,826,414
Administrative	15,042,980	11,901,363
Depreciation and Amortization	14,573,840	11,420,170
Interest on Debt	10,823,375	10,765,107

Total Operating Expenses

	\$ 242,145,201	\$ 228,724,264
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Patronage Capital and Margins

Net Operating Margins (Revenue less Expense)	23,293,675	17,317,024
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Non-operating Margins	845,630	1,852,211
Capital Credits – Oglethorpe Power Corp.	1,111,652	1,064,546
Capital Credits – Other	576,453	683,243

Total Patronage Capital

	\$ 25,827,410	\$ 20,917,024
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2011 BOARD OF DIRECTORS CANDIDATES

These bios have been provided by the candidates and are published as submitted. No candidates were nominated through petition by members.

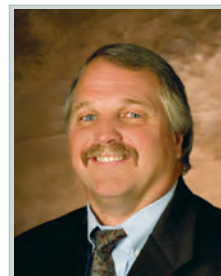
JOHN WALTON | District 2 (Incumbent)

Nominated by Nominating Committee

John Walton has been on the board since 2001, and currently serves as Vice Chairman. A graduate of the University of West Georgia, John is a partner in Builders Specialties and also owns John Walton Builders and Rental in Paulding County. A member of the Civil Service Board for Paulding County, he served his county as a Paulding County Commissioner from 1987-1990. He is a former member of the Paulding County Hospital Board, the Advisory Board for Georgia State Bank, the Board of Directors for the Paulding County Builders Association, the Paulding County Planning and Zoning Board, and the Board of Directors

of Westside Bank. He and his wife, Junie, live in Hiram.

"It is an honor to represent GreyStone Power members on their Board of Directors. While we have challenges ahead, in the past we have shown that we have strength in numbers. That strength will lead us to success. My goal as a board member has been to provide reliable service at competitive rates. I will continue to do all that I can to be sure that this tradition of excellent service at reasonable rates continues."



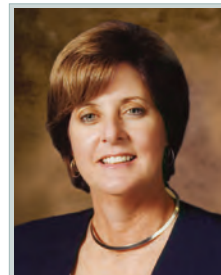
John Walton

MARIBETH WANSLEY | District 6 (Incumbent)

Nominated by Nominating Committee

Maribeth Wansley, Executive Director of Cochran Mill Nature Center, has served on the Board since 2005. A Palmetto resident since 1987, she is a graduate of the University of Georgia with a bachelor's degree in advertising. She will serve on the Advisory Board of the Chattahoochee Hills Charter School when it opens in 2012 and serves on the Board of Friends of Chattahoochee Hills Parks. Maribeth's husband, Ted, is a teacher with Fayette County schools, and her son and daughter-in-law are teachers with Forsyth County Schools.

Maribeth says she would like to serve another term on the Board of Directors because she wants to continue to contribute to the high quality of service offered to the members. "The members of GreyStone Power Corporation understand how fortunate they are to be served by a co-op that sincerely cares about them. I have had the privilege to be a part of some of the decisions that positively affect the membership for the last six years. It is an honor to be a member of a board that truly believes members matter."



Maribeth Wansley

MILTON JONES | District 7 (Incumbent)

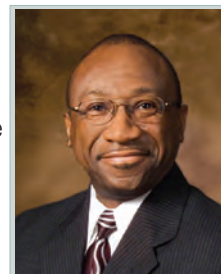
Nominated by Nominating Committee

First elected to the board in 2005, **Milton Jones** has been a resident of South Fulton County since 1975. He earned a master's degree in business administration from Georgia State University. He is retired from IBM Corporation after more than 32 years in information technology and training assignments. Milton is presently employed as an instructional systems designer with Greenway Medical Technologies of Carrollton, Ga., a leading provider of electronic health records (EHR) software solutions. Earlier, he served in Vietnam as a sergeant in the U.S. Marine Corps.

Milton says he would like to serve another term on

the Board of Directors because, "Now, more than ever, it is a major job to provide our members with reliable electric power at a reasonable cost, and that's why I'm here. During this time of radically changing power supply, my experience, knowledge and commitment to the needs of our members will serve our members well."

A Credentialed Cooperative Director certified by the National Rural Electric Cooperative Association (NRECA), Milton recently completed NRECA requirements for an additional leadership certification.



Milton Jones

2011 GREYSTONE POWER ANNUAL MEETING OF MEMBERS

LIGHTING THE WAY SINCE 1936

Saturday, Oct. 8 | 8 a.m. to 1 p.m. | 4040 Bankhead Highway, Douglasville

Event Schedule

8 a.m. to 10 a.m.	Registration, free breakfast biscuits by Chick-fil-A®
8 a.m. to 1 p.m.	Health fair, games, rides, booths, book fair, car sale, antique car show
10 a.m.	Entertainment: The Inspirations
11 a.m.	Business Meeting of Members, followed by door prizes, including a new Hyundai donated by Thornton Hyundai

Health Fair

During the **Annual Meeting**, on **Oct. 8**, from **8 a.m. until 12 noon**, free screenings and medical information are available at a **free health fair!**

Highlights include:

- Blood pressure checks by WellStar Douglas
- Dental screening by West Georgia Family Dentistry
- Flu shots by WellStar Douglas (\$25)
- Massage Therapy by WellSpa Suites, Douglasville Therapeutic Massage, WellStar Rehab Services and Healing Hands
- Cancer awareness by Douglas Women's Center
- Spinal analysis by Dr. Nanci Moon, Douglasville Chiropractic Center and Dr. Leslie Walker, Lithia Springs Family Chiropractic
- Vision screening by Williamson Eye Care
- Pulmonary function test by Georgia Lung Associates
- Glucose screening by Diabetes Association of America
- Asthma screening by Centers for Allergy and Asthma of West Georgia
- Strength/grip test by Physiotherapy Associates
- BMI Physiotherapy Associates
- CO₂ test by Douglas County Public Health
- Dr. Bonnie K. Bowles with Tanner Critical Care Medicine
- Behavioral health information by Willowbrook at Tanner
- Total joint and spine wellness by WellStar
- Stroke prevention by WellStar



GreyStone Power is pleased to welcome **The Inspirations** back to this year's annual meeting. This southern gospel quartet began singing together in 1964, and over the past 47 years, the group has perfected their sound. The Inspirations have charted well over 60 hits and have been voted the No. 1 Gospel Music Quartet multiple times. Their recordings can be found around the world. Don't miss your chance to see them in concert at the Annual Meeting on Oct. 8.





GREYSTONE POWER CORPORATION

A Touchstone Energy® Cooperative 

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