



CHAMPIONS FOR YOU



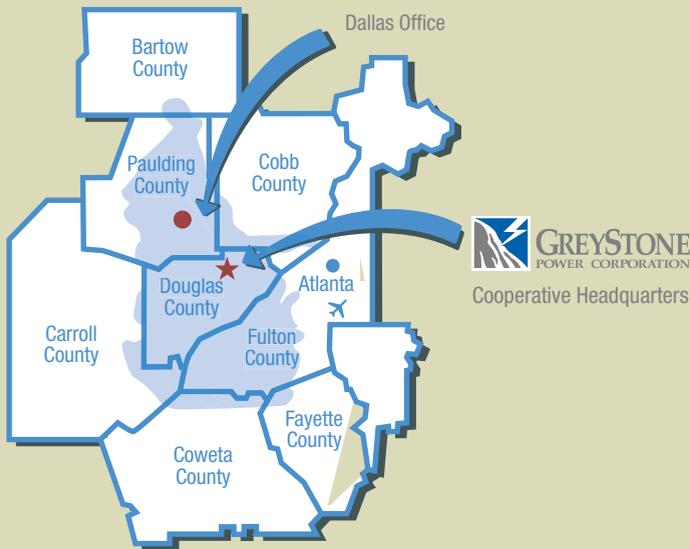
Your Touchstone Energy® Cooperative 

Our Mission

To provide reliable and cost-competitive electric and related services that position the cooperative as the utility of choice.



Your Touchstone Energy® Cooperative 



Corporate Profile

GreyStone Power is a member-owned, not-for-profit electric cooperative, serving portions of eight west metro Atlanta counties. We provide electricity to almost 116,000 homes, businesses, schools and industries.

At a Glance

Statistics at the end of each year

	Number of Meters	Operating Revenue	Miles of Line	Kilowatt Hours Sold
1972	25,294	\$ 3,610,851	2,015	222,216,933
1982	35,194	\$ 24,844,025	2,548	478,547,826
1992	54,851	\$ 66,882,654	3,453	854,051,918
2002	83,865	\$126,994,455	4,932	1,712,393,858
2012	115,911	\$258,878,573	6,565	2,617,623,545

Executive Message

We can certainly draw inspiration from the wisdom of those who have gone before us. For example, there's a quote from the sports world that reminds us "... **never underestimate the heart of a champion.**" (*Rudy Tomjanovich*)

Our own linemen reminded us of these "heart of a champion" qualities when a crew representing GreyStone Power became the World Champions at the 2012 International Lineman's Rodeo. As we celebrated their accomplishment, we took a look at what we've done to be champions for the people we serve, the people who look to us to provide reliable power at an affordable price — and who need us to be a part of building a better community.

On closer review, you'll see your cooperative has succeeded in championing our members' needs through excellence, care and strategy.

Throughout the year, we checked in with members to see how we were doing through quarterly surveys. By the end of the fourth quarter of 2012, we saw an overall satisfaction score of 9 on a scale of 1 to 10, with 10 being the best. Those who visited one of our offices gave an even higher score of 9.04. While we are continually striving for even better satisfaction ratings, we're making progress.

We're accomplishing this while maintaining some of the lowest electric rates in the state. In fact, we've not raised rates since 2008.

Our members enjoy reliable electric service and more convenient ways for people to conduct business with us. This provides the people we serve with great value for the money.

At GreyStone Power, we're also showing people how to save through energy efficiency. In addition to information and seminars for local members, our staff has conducted three training sessions for electric cooperative staff from across the state.

As you read through the accomplishments made on our members' behalf, know that your electric cooperative employees are working with people in the communities we serve to make this area the best it can be. We live in a special place, with extra-special neighbors. That inspires us to be champions for you.

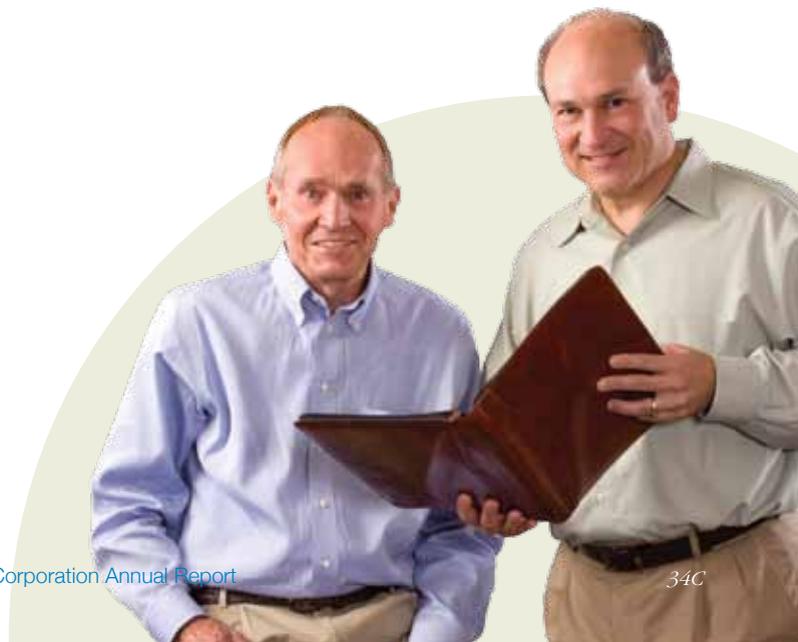
Sincerely,



Calvin Earwood
Chairman of the Board



Gary Miller
President/CEO



Champions in Excellence

When a tornado struck the GreyStone Power service area in March 2012, approximately 1,400 homes and businesses were left without power. While much of the damage was in Paulding County, people in south Fulton County were hard hit, as well.

Linemen raced to repair service, working from Friday evening until 3 a.m. Sunday.



The restoration efforts didn't stop at the end of GreyStone Power's lines. In August, co-op linemen left their families to help restore power in Mississippi following a massive storm there.

Their heroic skill levels were officially recognized during the 2012 International Lineman's Rodeo, where, in addition to the world championship, they picked up four other awards.

One of those was for safety in competition with other crews also using fall arrest equipment. This commitment to safety was echoed in November, when employee Charles McKinley was singled out for raising employees' regard for safety both on and off the job. The recognition came at a statewide meeting of electric cooperative officials, when Charles was named Georgia EMC Employee of the Year.

Meanwhile, the public relations and communications team took home eight national Spotlight on Excellence awards for 2011 efforts. From top honors for a newsletter to the 75th Anniversary celebration, the judges commended the efforts to keep GreyStone members informed and engaged.

One way GreyStone does this is through the Co-op Connections® Card. With it, GreyStone Power members receive discounts at more than 355 local businesses, as well as many national brands. The co-op is second in the nation in the number of local businesses offering discounts to members.



Did you know?

GreyStone staff took Safety City high-voltage safety demonstrations to 16 elementary schools in 2012.

\$1.2 million

The amount GreyStone Power members have saved on prescriptions thanks to the Co-op Connections[®] Card.



Did you know?

GreyStone Power members paid an average \$4.33 per day to energize their home in 2012. That's less than the average cost of a #1 lunch combo.

25,999



The number of members rounding up their electric bills to the next dollar, donating the difference to the GreyStone Power Foundation, Inc.

Champions in Care

In August 2012, GreyStone Power received the prestigious Seven Seals award for the cooperative's leadership and initiative in support of the men and women who serve America in the National Guard and Reserve. As President/CEO Gary Miller expressed, "We think they (the Guard and their families) ought to be treated as the heroes they are."

The cooperative supported more than one hero in the community. Last fall, GreyStone hosted the Douglas County Partners in Education group as they celebrated a record turnout for their annual kickoff breakfast. The event paired business with education leaders to support partner schools and develop plans to enhance student achievement.

GreyStone has also participated in Douglas County's Shadow Day, providing students the opportunity to experience a career day of their choice. A total of eight students shadowed co-op employees during a normal workday.

This commitment to education is further supported through the GreyStone Power Foundation, Inc., funded by the Operation Round Up® program. Donated funds go toward helping those who have fallen on hard times, as well as assisting promising students on their way to the top.

Thanks to the Foundation, five local students were each awarded \$3,000 scholarships.



Attention to care is often behind the scenes. For example, the cooperative upgraded its power delivery system in 2012 with devices that help prevent outages, report problems and reroute electricity if an outage occurs. Reliable power energizes the daily life of every person GreyStone Power serves, and these actions support that.

Champions in Strategy

GreyStone Power members pay some of the lowest rates among the state's 95 surveyed electric utilities. The average residential GreyStone Power member using 1,000 kilowatt-hours in the winter of 2012 paid \$94.95, while the same Georgia Power customer paid \$109.51.

These rate comparisons were even better than in previous years, demonstrating a commitment to cost and resource management.



One way the co-op achieved this is by reducing the Call Center hours. No longer 24/7, an estimated \$1 million was saved without sacrificing essential service.

This was made possible thanks to an upgraded interactive voice response phone system and new features on the website that enables members to use more self-service options. Members can now pay GreyStone directly by phone, or on our website using a major credit card, debit card or e-check, by bank draft and online banking through their

own financial institution, as well as by traditional mail. New ways to pay reduced GreyStone Power's expenses and allowed the co-op to return \$3.5 million to members through capital credits.

But these efforts were not the only ones that had the potential to contribute to the bottom line. Last year, GreyStone Power championed the cause of America's electric cooperatives on Capitol Hill.

Members sent more than 2,700 messages to the Environmental Protection Agency and more than 1,740 letters to Congress in an effort to keep the cost of power affordable and keep electricity reliable. GreyStone led all the Georgia co-ops in the number of messages sent to Congress by members.

So, at the end of the year, what did members think of their cooperative? The American Customer Satisfaction Index (ACSI) showed an overall satisfaction score of 83, compared to an overall score of 76 for investor-owned utilities.

Champions in excellence, in care, in strategy — and most important, champions for you, the people GreyStone Power serves.



Did you know?

Employees worked with members to site and install more than 1,100 services in 2012.

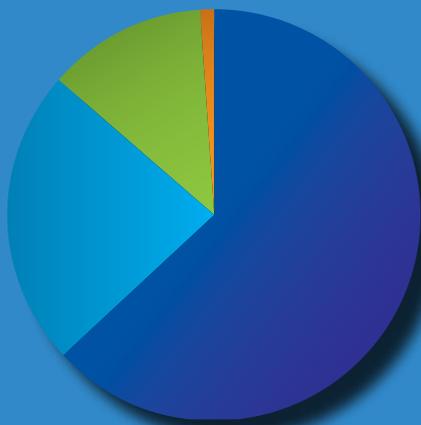
76 years and counting ...

GreyStone Power has returned more than \$58 million in capital credits to members since 1936.



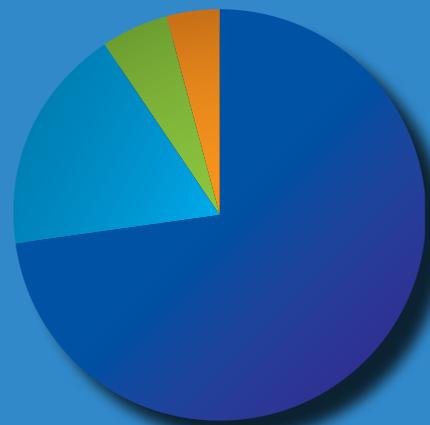
The GreyStone Power Board of Directors (L-R): Chairman Calvin Earwood, District 1: Paulding and Bartow counties; President/CEO Gary Miller; Milton Jones, District 7: Fulton County; Charles Rutland, District 3: Douglas and Paulding counties; Secretary-Treasurer Jennifer DeNyse, District 5: Carroll and Douglas counties; Burnell Redding, District 4: Carroll and Douglas counties; Vice Chairman John Walton, District 2: Paulding County; Jim Johns, District 8: Douglas County; Maribeth Wansley, District 6: Fulton, Fayette and Coweta counties; Ed Garrard, District 9: Cobb County.

where the money comes from



■ 63.09 % Residential
■ 23.53 % Small Commercial
■ 12.35 % Large Commercial
■ 1.03 % Public Building

where the money goes



■ 72.81 % Purchased Power
■ 17.98 % Operating Expenses
■ 5.05 % Depreciation
■ 4.16 % Interest

GreyStone Power Balance Sheet & Statement of Revenue and Expenses

Balance Sheet

Assets

Utility Plant (Less reserve for depreciation)	\$339,005,394	\$322,633,031
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Current and Other Assets

Cash and Investments	83,727,339	86,218,628
Consumer Notes and Accounts	24,408,931	28,011,717
Inventories	2,991,962	2,900,220
Other Receivables and Prepayments	14,897,161	17,399,968
	126,025,393	134,530,533

Total Assets	\$465,030,787	\$467,163,564
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Liabilities and Members' Equity

Memberships and Deposits	19,253,918	18,663,609
Members' Capital and Margins	189,591,397	194,554,173
	208,845,315	213,217,782

Liabilities

Long-term Debt	218,954,589	216,283,310
Accounts Payable and Accrued Expenses	27,497,206	28,263,581
Deferred Credits and Other Liabilities	9,733,677	9,398,891
	256,185,472	253,945,782

Total Liabilities and Member Equity	\$465,030,787	\$467,163,564
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Statement of Revenue and Expenses

Revenue

Operating Revenue	\$258,878,573	\$263,593,817
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Expenses

Purchased Power	195,216,078	190,858,093
Operations	8,013,445	8,108,730
Maintenance	7,260,921	8,176,095
Consumer Accounts and Services	8,386,623	9,863,603
Sales	1,758,503	1,879,300
Administrative	15,018,169	14,654,685
Depreciation and Amortization	13,542,509	13,485,542
Interest on Debt	11,142,438	11,050,336

Total Operating Expenses	\$260,338,686	\$258,067,384
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Patronage Capital and Margins

Net Operating Margins (Revenue less Expense)	(1,460,113)	5,526,433
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Non-Operating Margins	1,776,931	1,574,805
Capital Credits - Oglethorpe Power Corp.	1,133,094	1,171,293
Capital Credits - Other	492,845	383,911
	3,402,870	3,130,009

Total Patronage Capital	\$1,942,757	\$8,656,442
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150

The number of people who attended our energy efficiency seminars last year.

24/7

The hours emergency dispatch is at work and standby crews are on call.

99.98%

The time GreyStone Power was free from outages, outside of major storm events.

576

The miles of right-of-way below power lines that were trimmed to prevent outages.



#1
 World champions at
 2012 International
 Lineman's Rodeo



GREYSTONE
 POWER CORPORATION

Your Touchstone Energy® Cooperative 

