

MEMBER

A newsletter for members of GreyStone Power

matters

Because at GreyStone Power, members matter!

ANNUAL MEETING OF MEMBERS *schedule*

Saturday, Oct. 14, 2006
4040 Bankhead Highway
Douglasville

8 a.m. to 10 a.m.
Registration, Free Breakfast

8 a.m. to Noon
Health Fair, Technology Booths,
Games, Rides, Book Fair

10 a.m.
Entertainment by
Karen Peck & New River

11 a.m.
Business Meeting of Members,
followed by Door Prizes

All GreyStone Members
and their families are invited!

A look inside:



Karen Peck & New River perform

Learn about entertainment for the Annual Meeting. *Page 24*

Vote for your Director! Meet the members running for office in order to represent your voice in the Cooperative. *Page 25*

Year in Review CEO Gary Miller and Chairman Calvin Earwood provide a look at what GreyStone accomplished last year and what the Co-op plans for the future. *Page 26A*



Celebrating the Power of Membership!



MEMBERS SERVING MEMBERS The GreyStone Board of Directors, comprised of members, led the Cooperative through a challenging but rewarding year. Board Members are Burnell Redding, Jennifer DeNyse, Charles Rutland, Milton Jones, Calvin Earwood, John Walton, Fred Wallace, Ed Garrard and Maribeth Wansley with President/CEO Gary Miller.

Annual Report to Members

GreyStone Power was founded by members in 1936, guided by seven cooperative principles.



SOUTHERN GOSPEL SINGERS *GreyStone Members will be entertained by Karen Peck & New River from 10 to 11 a.m. on Oct. 14.*

Karen Peck & New River entertain members Oct. 14

Karen Peck & New River, made up of Karen, Devin McGlamery, and her sister, Susan Peck Jackson, will perform Southern Gospel music at GreyStone Power's Annual Meeting on Saturday, Oct. 14 at 10 a.m.

This exceptional trio has had great success with their music including hits like "That's Why They Call It Grace" and "Get About God's Business," which was nominated for Song of the Year at the 2005 Southern Gospel Music Awards. The group has won several awards including Trio of the Year for 2004 and 2005, and Female Vocalist of the Year for Karen Peck in 2004.

They are nominated, every year, at various types of award shows. Karen Peck has been

nominated for Favorite Soprano Recipient for 11 consecutive years and Female Vocalist for 18 consecutive years from the *Singing News* Fan Awards. Susan Peck has been nominated for Favorite Alto for five consecutive years from the *Singing News* Fan Awards. New River was nominated for Favorite Group for the past two years for the *Singing News* Fan Awards.

Peck is extremely well known for her Gospel music path, performing since 1981. She joined the group The LeFevres, who later became The Nelons, performing with them for 10 years. Traveling widely, singing Gospel music with her group, she is best known in Atlanta. In 1991, Peck formed New River. 📌

Nominating Committee Recommends ...

The Nominating Committee of GreyStone Power Corporation, duly appointed in accordance with the Bylaws of the Corporation, met on the evening of June 27, 2006, to nominate candidates for the offices of Director from Districts 1, 4 and 8 for full three-year terms. The Committee, after due consideration, reports the following to be its selections for these Districts and their respective terms:

DISTRICT 1: Paulding, Bartow
Calvin Earwood
1278 Ivey Gulledge Road
Dallas, GA 30132-3616

DISTRICT 4: Carroll, Douglas
Burnell Redding
2381 Lee Place
Villa Rica, GA 30180-9618

DISTRICT 8: Douglas
Fred Wallace
4526 Dodson Drive
Douglasville, GA 30134-1074

Nominating Committee members are Dennis E. Lester, Dan Collins, Janice C. Morris, Gerald E. Lyle, Mary Brehen, J.B. Parrott, E.F. Moore, Mary Ann David and James R. Storey.

Nomination by Petition of Members

Fifty members, acting together in accordance with the Bylaws of the Corporation, submitted in writing on August 18, 2006, a petition nominating the following candidate for the office of Director of District 1 for a full three-year term:

DISTRICT 1: Paulding, Bartow
Carlton Rakestraw
2067 Marietta Highway
Dallas, GA 30157

ALL NOMINEES shall be subject to the due process of election at the Annual Members Meeting on Saturday, Oct. 14, 2006, as provided in the Bylaws of the Corporation. The Bylaws provide that terms in office shall commence immediately following the election. 📌

Voluntary and Open Membership: Anyone on our lines is a member, just like you!

Annually three positions on GreyStone Power's Board of Directors are elected by members. Below are the 2006 nominees for District 1 (Paulding, Bartow), District 4 (Carroll, Douglas) and District 8 (Douglas).

Board Director Nominees by the Nominating Committee

Calvin Earwood | District 1

GreyStone Board Chairman Calvin Earwood has served on the board since 1978, and in 2005 he was elected Chairman. Mr. Earwood is President and owner of Sunbelt Fasteners, Inc. He is a founding Director and current Vice Chairman of the Board of Directors of Community Trust Bank in Hiram, and a founding Director



Calvin Earwood

and current Vice Chairman of the Board of Directors of Planning for Paulding, Inc. He served 15 consecutive terms as chairman of the Board of Directors of Oglethorpe Power Corporation and consecutive years as chairman of Enervision and Black Diamond Energy, having retired in 2003 from these positions. He is a member and past master of Bartlett Masonic Lodge #139 since 1968, a member

of the Yaarab Shrine Temple of Atlanta since 1981 and its Motor Corps since 1985. Mr. Earwood is a member and past President of the Paulding County Nobility Club since 1981. He was a charter member and past president of Paulding County Civitan Club, and served as Lieutenant Governor of the club's North Georgia district. During his tenure the club was awarded Most Improved Club. He lives in the New Hope community of Paulding County with his wife, Julianne. He has three daughters and three grandchildren.

Burnell Redding | District 4

Burnell Redding has served on the Cooperative's Board since 1969. He was President of the Board from 1981 until 1985 and also served many years as Secretary-

Treasurer. He is a deacon of the First Baptist Church of Villa Rica, a land developer, member of the Regions Bank Board of Directors and, along with his wife, a past owner of the Rock Inn Cafe in Winston for 30 years. He and his wife, Betty, are the parents of three children and five grandchildren. The Reddings reside near Villa Rica in Carroll County.



Burnell Redding

Fred Wallace | District 8

Fred Wallace was elected to the GreyStone Board of Directors in October, 1991. Before his election he was



Fred Wallace

active on the Co-op's Member Services Committee and Nominating Committee. He has served on the Audit/Finance Committee and presently serves on the Board's Policy and Public Relations Committee and on the *GEORGIA Magazine* Advisory Board. Mr. Wallace is certified by the National Rural Electric Cooperative Association. He is a retired licensed Master electrician, having served his trade for over 45 years in the southeast. He and his wife, Anne, have two children and four grandchildren. Douglas County residents since 1960, they are members of Midway United Methodist Church. A musician, he was inducted into the Atlanta Country Music Hall of Fame in 1997. 🏠

Board Director Nominees by Petition of Members

Carlton Rakestraw | District 1 Nominee



Carlton Rakestraw

Carlton Rakestraw is owner/President of CRA Inc. Land Surveying Company/Carlton Rakestraw & Associates. He has served six consecutive four-year terms as Paulding County Surveyor and is currently serving his ninth consecutive year on the Paulding County Water and Sewer Advisory Board. Mr. Rakestraw is also currently serving his eighth year as an

Associate Director of the Paulding County Builders Association.

A graduate of Southern Technical Institute in 1974 with an Associate Degree in Civil Engineering Technology, he has over 32 years of experience in land surveying and construction related projects that include new developments. He graduated from Paulding County High School in 1972. He has been a private business owner for over 22 years with a current labor force of 35. He and his wife, Paulette, have lived in Dallas for 34 years. The couple has two children and one grandchild. 🏠

Democratic Member Control: You have a say in how GreyStone is run!

Annual Report to Members

A review of the last year from President/CEO Gary A. Miller and Board Chairman Calvin Earwood



Dear Friends:

GreyStone Power Corporation, your electric membership Cooperative, continued to fulfill its promise to provide reliable electric power, competitive prices and superior service to member-owners during a challenging year.

Skyrocketing energy prices forced a modest increase in our retail power rates for the first time in more than a decade. The turmoil in neighboring states caused by Hurricane Katrina tested the courage, ingenuity and energy of GreyStone linemen who volunteered to help restore power. Finally, the death of chairman C. Billy Peek, who served member-owners on the board of directors for 25 years, saddened the entire GreyStone family. Calvin Earwood, a member of the GreyStone board of directors for 28 years, and former chairman of the board of Oglethorpe Power Corporation, was elected as chairman to succeed Billy.

GreyStone Power continued to grow at a healthy 7 percent rate. Growth is important because it enables your Cooperative to offer

more services and to develop greater efficiencies that reduce cost. As a result, GreyStone Power's Board was again in a position to distribute more than \$2 million

in Capital Credit checks to members last year, and will distribute \$3 million this year!

Rising energy costs have been on everyone's mind. Gasoline pumps and front-page headlines screamed crisis in the price and availability of energy last year. Your Cooperative wasn't immune. Sharply increasing natural gas and coal prices translated into higher electric power costs on the open market. GreyStone Power rates remain among the lowest in the state and nation, and we believe our long-term power supply agreements will assure ample supplies of energy at competitive prices for members into the future.

At the same time, your Cooperative responded to your service needs by expanding Call Center operations to 24 hours a day, seven days a week and by opening a new, 10,000-square-foot Dallas District Office. The facility features enhanced security and telecommunications services and multiple

What you need to know:

Our rates remain among the lowest in the state and nation, and we believe our long-term power supply agreements will assure ample supplies of energy at competitive prices for members well into the future.



HIGHLIGHTS



YOUTH TOUR GreyStone sent six local high school juniors to Washington, D.C., for a national leadership conference.



NEW DALLAS OFFICE A new office was opened in Paulding to accommodate the rapid growth of members in the area.

Members Economic Participation: As a member, you have invested in GreyStone's future.

drive-through service windows for faster and more convenient service to members. It also has the capacity to act as a backup to GreyStone's headquarters in Douglas County in an emergency.

The security of a home or business is a natural extension of GreyStone's partnership with member-owners. GreyStone Security had approximately 3,900 systems installed at the end of 2005, a 30 percent increase in one year, and growth continues as GreyStone members benefit from peace of mind at a reasonable cost.

In November 2005 GreyStone received a score of 98 percent, the Cooperative's highest ever, in an extensive safety accreditation review conducted by the National Rural Electric Cooperative Association.

Several major organizations with large electric power needs selected GreyStone as their provider of choice over other power providers last year. GreyStone will serve the new Southern Region headquarters of the American Red Cross on Riverside Drive in Douglas County. The 19-acre site includes laboratories, administrative offices and a blood donor center. PepsiCo Inc. signed with GreyStone as its power provider of choice for a new, 900,000-square-foot facility at Thornton and Douglas Hill roads. Fulton County Schools selected GreyStone as their power provider for two new schools, Jones-Hall Elementary and Hall Road High Schools.

We're working with the state to encourage more businesses to join our community. Ed Cahill, GreyStone Economic Development Representative, visited Japan at the invitation of Governor Sonny Perdue. He attended the 19th Annual Southeast U.S./Japanese Conference in Tokyo to showcase business opportunities for Japanese companies in Georgia.

GreyStone members are partners in a modern, highly automated electric power network. GreyStone built and maintains more than 5,700 miles of energy power distribution lines to serve homes and business in its eight-county region in West Georgia. The system

is fed by 2,600 miles of high-voltage transmission lines operated by Georgia Transmission Corporation, our \$1 billion-asset cooperative partner. Oglethorpe Power Corporation, another cooperative partner, has invested almost \$6 billion in nuclear, hydroelectric, coal and natural gas generation facilities. Georgia's EMCs also can access an additional 16,000 miles of transmission line through the state's Integrated Transmission System.

An advanced-technology Supervisory Control and Data Acquisition system (SCADA) monitors loads continuously, identifies outages faster and sharply reduces response times. As a result, GreyStone keeps service interruptions to a minimum and the average length of power outages for members is among the nation's lowest.

GreyStone also keeps members informed through our expanded Member Services Center, Internet Web site and Guest Services Booth at Arbor Place Mall.

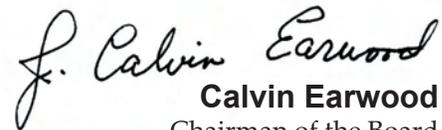
Finally, GreyStone Power, its employees and members remained active in their communities through Operation Round Up, scholarship and personal actions in school and community organizations.

You can be proud of your Cooperative, and you can be assured that GreyStone's board of directors, management and employees are committed to delivering you reliable electric power and other services at competitive prices and with superior service. ■

Sincerely,



Gary A. Miller
President/CEO



Calvin Earwood
Chairman of the Board



SUPPORTING TROOPS GreyStone was honored by the Georgia National Guard for support of local troops and their families.



GREEN POWER IN HIRAM GreyStone installed solar panels at Hiram High School to help students understand renewable energy.

Autonomy and Independence: The members are always in control of GreyStone.

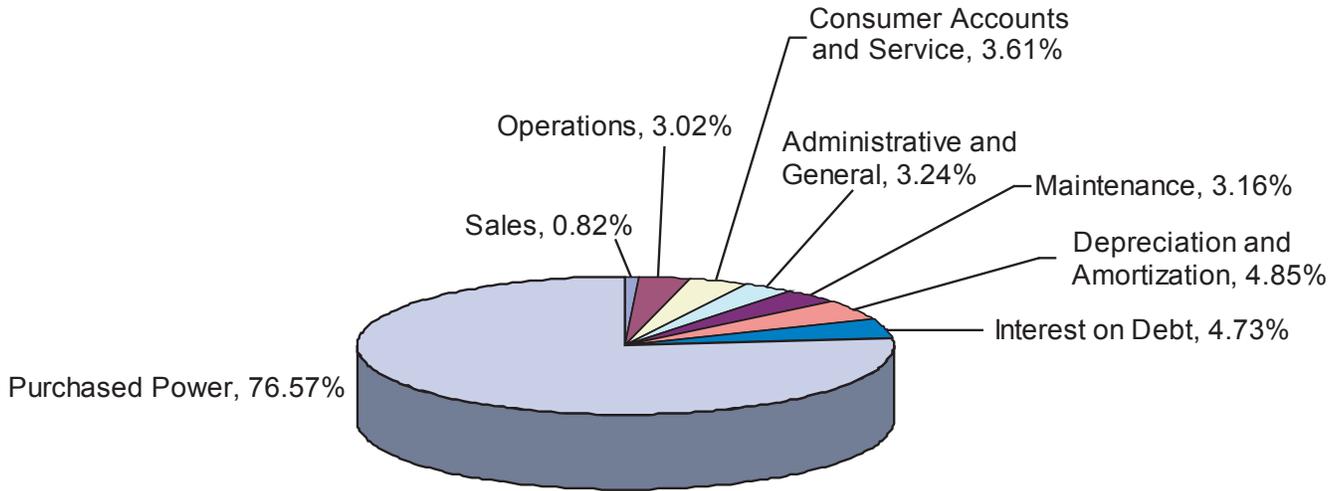

Balance Sheet

	2005		2004	
Assets				
Utility Plant, less reserve for depreciation		\$231,381,811		\$213,221,552
Current and Other Assets				
Cash and Investments	\$37,688,547		\$39,405,386	
Consumer Notes and Accounts	14,223,449		11,364,748	
Inventories	4,374,948		2,599,415	
Other Receivables and Prepayments	10,917,458	67,204,402	1,476,790	54,846,339
Total Assets		\$298,586,213		\$268,067,891
Liabilities and Members' Equity				
Memberships and Deposits	8,522,825		6,765,470	
Members' Capital and Margins	111,896,798	120,419,623	101,322,674	108,088,144
Liabilities				
Long-term Obligation to RUS & CFC	155,893,313		140,001,087	
Accounts Payable and Accrued Expenses	18,920,408		15,446,895	
Deferred Credits and Other Liabilities	3,352,869	178,166,590	4,531,765	159,979,747
Total Liabilities and Member Equity		\$298,586,213		\$268,067,891

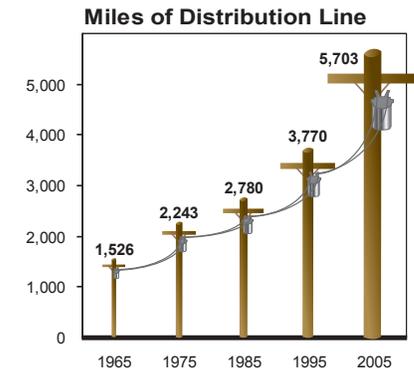
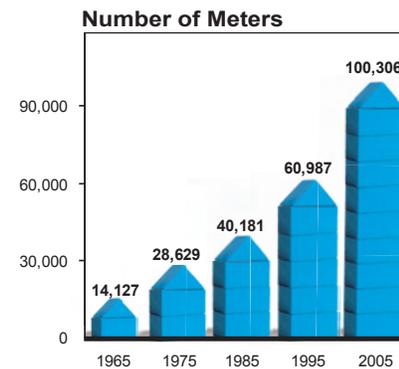
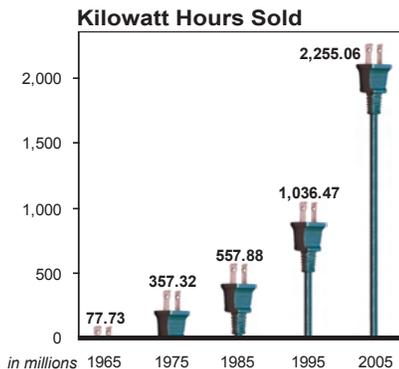
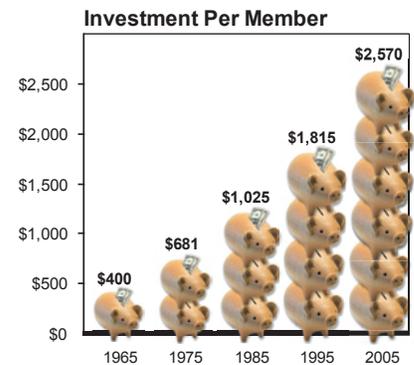
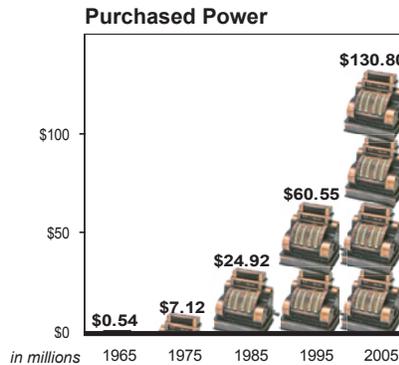
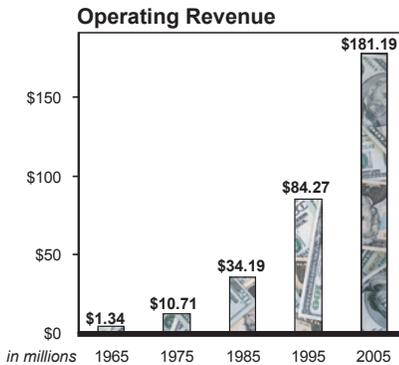
Statement of Revenue and Expenses

	2005		2004	
Revenue				
Operating Revenue		\$ 181,185,646		\$ 153,964,898
Expenses				
Purchased Power	130,800,220		104,190,421	
Operations	5,161,091		4,136,462	
Maintenance	5,401,955		4,431,123	
Consumer Accounts and Services	6,167,999		5,443,075	
Sales	1,390,249		1,500,464	
Administrative	5,536,978		5,769,154	
Depreciation and Amortization	8,288,541		7,594,022	
Interest on Debt	8,077,011	170,824,044	7,308,365	140,373,086
Net Operating Margins <i>(Revenue less Expense)</i>		\$10,361,602		\$13,591,812
Patronage Capital and Margins				
Non-Operating Income Interest	1,780,857		671,413	
Non-Operating Margins — Other	(720,873)		(799,060)	
Capital Credits — Oglethorpe Power Corp.	805,696		890,676	
Capital Credits — Other	400,100	2,265,780	307,379	1,070,408
Total Patronage Capital		\$ 12,627,382		\$ 14,662,220

2005 OPERATING EXPENSES



AT A GLANCE: *where we've been and where we are now*



Cooperation Among Cooperatives: Working together, our voices make the difference.



Fall Antics!



(1) **On the way to Oz:** These Mini Members are ready to Trick or Treat! **Austin Rodriguez, 2, Sarah Gomez, 2, Tiffany Gomez, 6, Joshua Gomez, 4, and Andrew Gomez, 7** are the children and nephew of Dallas Member **Viviana Gomez.**

(2) **All smiles:** **Annalyn McPherson, 8 months,** loves fall decorations. She's the granddaughter of Dallas Members **Steve and Bonnie Garrett.**

(3) **Pumpkin pal:** **Paul Scaglione, 6 months,** plays in a local pumpkin patch. He's the son of Douglasville Member **Tracy Scaglione.**

(4) **Sitting pretty:** **Lukas Howell, 10 months old,** earned the nickname "Our Little Pumpkin." He's the son of Winston Members **Kizzy and John Howell.**

(5) **Sleeping Beauty:** **Chloe Kelly, 3,** proudly wears her Sleeping Beauty costume on Halloween! She's the daughter of Paulding Members **Russell and Amber Kelly.**

(6) **Perfect pumpkin:** **Maddie Hilton, 22 months,** sits in a pumpkin patch. She's the daughter of Douglasville Members **Brett and Mandi Hilton.**



Want to show off your Mini Members? Our next theme is **Best Friends.** Send pictures of your Mini Members and their human or animal friends! Include your name, phone number, the children's names, ages and where you live. Send pictures by Nov. 15, 2006, to Mini Members, GreyStone Power, P.O. Box 897, Douglasville, GA 30133 or email images (300 dpi, .jpeg or .tif) to membermatters@greystonepower.com. Be sure you have another copy of the picture – submissions will not be returned. 📧

ANNUAL MEETING OF MEMBERS *preview*



AT THE ANNUAL MEETING

Oct. 14 from 8 a.m. to noon members are invited to attend a free health fair! Highlights include:

- Blood pressure check by Central Home Health
- Body composition screening by Curves for Women
- Allergy and asthma screening by Dr. Eugene Hurwitz, Center for Allergy & Asthma of West Georgia
- Dental screening by West Georgia Family Dentistry
- Flu (\$25) and pneumonia (\$40) shots by Maxim Health
- Massage therapy by Advanced Medical & Rehabilitation and Tracy Gazzola and Cynthia Hawthorne of Healing Hands
- Achilles Bone screening by Douglas Women's Center
- Podiatrists Dr. Jennifer Price and Dr. Allen Raphael, Village Podiatry
- Spinal analysis by Dr. Patrick Anderson, Anderson Specific Chiropractic, Dr. Nancy Moon, Douglasville Chiropractic Center and Dr. Rosemarie Russo, Douglasville Wellness & Chiropractic
- Glucose screening
- Vision screening

Other physician available:
Dr. David Blake

Other booths:
Emory Healthcare
Georgia Lung Association
Pinnacle Orthopedics 📧

Concern for Community: Members helping members - it's why GreyStone was created!