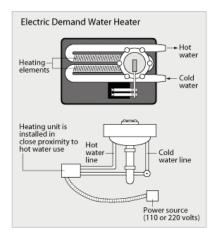
Are Tankless Water Heaters the Right Way to Go?

It seems that tankless water heaters are becoming talked about more and more lately. These units supply instantaneous hot water when called upon. The conventional water heater tank is replaced by a small, briefcase sized unit that uses computer technology, high-power inputs, and sensors to heat water, in an instant, when the hot water tap is open. The water is heated extremely fast as the water flows through a heat exchanger coil.

Homeowners are looking for more ways to reduce energy consumption~ thereby, lowering their utility costs in their homes. The manufacturers of these tankless units are making claims about big savings from energy efficiency and tax credits. With a tankless water heater, there is no wasted water while you wait for hot water to reach the faucet. There's also no standby loss from the tank while it sits day-in and day-out. However, it is important to consider the advantages and disadvantages of this type of equipment.

Tankless water heaters are sized by flow rate as measured in gallons per minute. The size of the unit needs to be big enough to handle the highest demand for hot water at any one time. Because tankless water heaters must heat water very fast, they have limited capacity and have difficulty supplying multiple hot water needs simultaneously. Therefore, a second tankless water heater may need to be installed if you plan on washing clothes while running the dishwasher and taking a shower.

Another factor that needs to be considered is the effect of the large load these units place on your home's electrical



system. Residential tankless water heaters require 240 volts and up to 150 amps of capacity to operate. This level of demand exceeds that of most residential services. In addition to the cost of the heater, significant wiring upgrades could be required for your electrical system. Installing this type equipment in your home could also create issues for your cooperative. Increasing the size of the transformer serving your home as well as a service upgrade to your home could be required if this type load was added.

Conventional tank water heaters are more forgiving because the stored water acts as a buffer. This is how commercial applications, like hotels, can service large groups of guests who are taking showers at the same time. The same occurs in your home during family visits, holidays, and other times of high hot water usage.

Before purchasing a tankless water heater, be sure to obtain all of the information regarding cost, installation, and maintenance. Consider the pros and cons very carefully to ensue that a tankless water heater is right for you.

Payment Methods for Paying Your Bill to Grady EMC

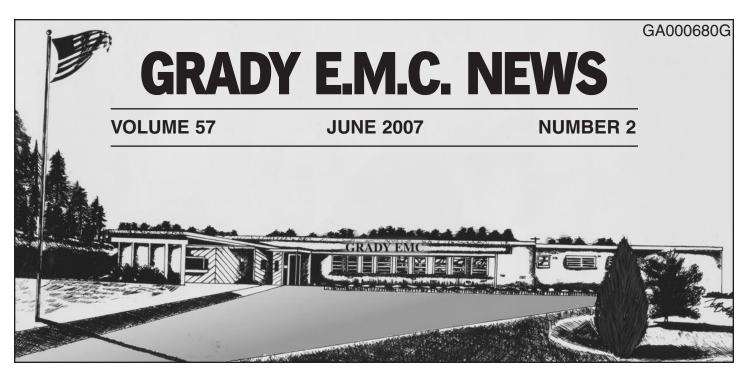
Existing:

- 1. PAYING ON LINE VIA THE INTERNET AT GRADY EMC's WEBSITE www.gradyemc.com
- A. This allows you to use your credit or debit card. There are prompts to "walk" you through the process. Payment to Grady EMC is immediate upon you receiving verification from your credit/debit card company. Your bank statement or your credit card statement will show SEDC (Southeastern Data Cooperative) as the Payee, not Grady EMC. SEDC is the administrator of our billing system. This is an easy, fast method of payment.
- 2. PAYING IN PERSON at Grady EMC's office on Highway 84W in Cairo utilizing either cash, check, money order, credit or debit cards.
- 3. PAYING BY BANK DRAFT. Having your bill paid automatically by "drafting" your account monthly through your bank. Eliminates penalties, late-fees, cut-offs, etc.
- 4. ONLINE BILL PAYMENT PROCESSING THROUGH THIRD PARTY PROCESSOR
- A. Information to pay the bill is sent electronically by you to your bank requesting they pay your Grady EMC bill. YOUR BANK INSTANTLY DEBITS YOUR ACCOUNT, and electronically transfers that information to a third party payment processor. The third

party processor then writes a check to Grady EMC for the amount of your bill and mails it through the postal service to Grady EMC. AS SOON AS THE CHECK IS RECEIVED AT GRADY EMC, YOUR ACCOUNT IS CREDITED. Grady EMC has no control over the number of days involved from your bank account being debited until your account with your cooperative is credited. A number of days can pass between the third party processor writing a check to Grady EMC and it being received through the postal service.

New:

- 1. PAYING YOUR BILL BY USING GRADY EMC'S AUTOMATED TELE-PHONE SYSTEM
 - A. Allows easy access to your electric account information even when the office is closed. The automated system is available 24 hours per day, seven days per week.
 - B. Your bill can be paid utilizing credit or debit cards.
 - C. You will need your account number available when you call. The procedure to pay your bill by phone is as follows: Call our office at 229/377-4182 (toll-free 1-800-942-4362)
 - D. Simply follow the prompts as directed to complete the payment process.



Congratulations to the Graduates of the Class of 2007

We know this is a day that you have looked forward to for a long time. Your hard work and efforts have finally been rewarded.

The friends and classmates that have preceded you in graduation are now moving on with their lives, whether furthering their education, or entering the workplace. You, the Seniors of '07, will now start doing the same and contributing to your communities and society. You have been equipped to handle the challenges, overcome the objectives, and become a productive individual.

Your families, friends, relatives, and educators have watched you grow and mature and are extremely happy for you and for your accomplishments. Grady EMC also takes pleasure in wishing you much happiness and success in whatever you try to accomplish.

CONGRATULATIONS!!!



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MEMBERSHIP CORPORATION
P.O. BOX 270
CAIRO, GEORGIA 39828

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Grady EMC Congratulates the Georgia High School Association, Its Coaches and Student Athletes

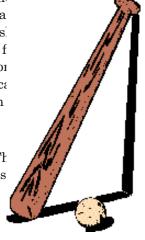
Grady EMC Wraps Up Another Year of GHSA nsorship The 2006-2007 school year had its share of ups downs - and Grady EMC was there every step of the way.

Thanks to our sponsorship of the Georgia High School Association (GHSA), Grady EMC had the opportunity to once again support the student athletes and coaches that make every season of high school competitions one to remember.

While we at Grady EMC are more than pleased to do our part, it is the coaches out there everyday motivating our student athletes that deserve the real credit. As a way of repaying high school coaches for all their hard work, Grady EMC, along with 32 other Georgia EMCs, operated Coaches' Comer hospitality areas at championships throughout the season. Present at events such as the girls' track championship, state basketball finals, and cheerleading competition, the Coaches' Comer is a place where coaches can relax during a competition and enjoy a beverage, receive a free T-shirt, and learn about electric cooperatives.

One of the ways we helped support coaches and was by partnering with Georgia Public Broadca televise some of the GHSA action. The state base in Gwinnett and Macon, the state football semi f Georgia Dome and finals were broadcast live or addition to the competitions, GPB also broadcast Sports Plus, a weekly program featuring high sports highlights.

The newest addition to the sponsorship is Cooperative Spirit Sportsmanship Award. The awards program recently honored high schools that demonstrated exemplary sportsmanship during the 2005-2006 school year. Winners for this school year (2006-2007) will be announced at the end of summer.

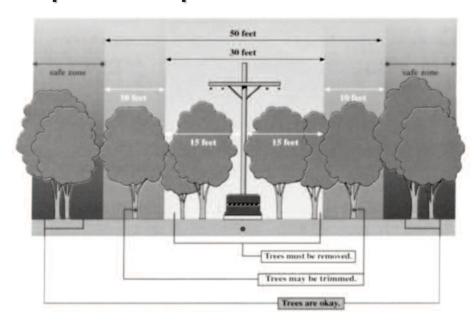


Grady EMC believes that our sponsorship is another way of working with youth, of believing in and supporting their future, which is another way we demonstrate our commiment to community. \blacksquare

For those who have not verified your 911 addresses, please call in immediately to your customer services department. This information is critical in responding to your

needs in a timely manner in cases of emergency. Having this correct information tied to your account prior to the storm season approaching will be a tremendous help for you and your cooperative. Any 911 addresses that have lot numbers must have the lot number included as well.

Help Your Co-op - Plan Before You Plant



Trees are not the only threat to electric distribution lines, but they are the leading cause of power interruptions, both prolonged and momentary. That's why Grady EMC regularly trims trees that could interfere with electrical service and create safety hazards. We maintain our rights of way, as the drawing above indicates, to be in compliance with the National Electrical Safety Code and the Rural Utilities Service, as required.

A significantly growing problem is that of trees being planted near or under power lines. If you're planning to plant, you can assist us-as well as help keep the power on and everyone else safe—by following some simple guidelines:

Evaluate your landscaping: Trees and shrubs are enticing to children who like to play in hedges, climb trees, etc. Before you plant, make sure that accidental contact with power lines cannot be made.

Keep electrical devices accessible: Don't allow shrubs and other landscaping to obstruct transformers, switch cabinets, pedestals and other electrical related devices-Grady EMC needs access to these things to maintain them. Also, don't plant over an underground utility facility because the cable or pipe may require maintenance, which in turn requires digging (thereby ruining plant roots). Plant 10 to 15 feet from these devices.

Keep your distance: plant large trees at least 35 to 40 feet from the center of the pole line. This permits 10 to 15 teet of clearance for mature trees with a branch spread of 40 feet in diameter. New small trees and shrubs can be planted within 35 feet of power lines, but they should not exceed 15 feet in height. Trees that should not be planted near power lines are tall or fast-growing varieties such as pine, poplar, oak, maple, sweet gum, wild cherry, privy hedge, Leyland Cyprus, Bradford pear, cedar or hemlock.

Remember, before you do any digging, Georgia law requires that you call the new, federally mandated national "Call Before You Dig" number, 811, to have underground lines located.

Carefully selected and placed, a tree can provide your family with many years of enjoyment without threatening your electric service. It can even help you conserve energy by providing shade in the summer and serving as a windbreak against cold winter winds. So, plan before you plant. Then enjoy your work for years to come.

Unregulated?

Grady EMC guided by the ultimate regulatory body

"Grady EMC has an unfair advantage since it's not regulated."

"Why are other utilities regulated and you're not?"

From time to time we hear comments like these. If you take them at face value, it would seem Grady EMC is free to do whatever it wants, with no oversight from anyone.

Nothing could be further from the truth. As a matter of fact we're controlled by the ultimate regulatory body—our members.

Grady EMC is a cooperativ business. You paid \$5 membership fee to join the co-op when you applied for service (which is refundable if you ever move off our system).

A cooperative is a business formed and owned by those who can use its services. Anyone who needs Grady EMC's services can join the co-op. Membership is open and non-discriminatory.

Sometimes cooperatives come into being when the free market fails. In our case, investor-owned utilities saw our territory as unprofitable and would not extend their power lines out of the big cities.

So citizens of our commuities banded together and started their own electric company.

Each member is an equal owner, no matter how much or how little electricity they buy. And every member has the same voting power, making our company a true democracy.

Your fellow member-owners set policy and oversee the business on your behalf. You elect these board members at our annual meeting, held every third Friday in October. The fellow member-owners who make up the board are directly accountable to you.

Grady EMC is just like any other private business. It's just that we have many owners rather than one. Those owners are you.