

# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

January 19, 2017

W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Friday, January 27, 2017, at 9:00 a.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis



# Grayson Rural Electric Cooperative Corporation

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January 19, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Friday, the twenty-seventh day of January, 2017 at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On January 27, 2017, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
  2. Invocation
  3. Approval of the Minutes From the December Board Meeting
  4. Operations and Safety Reports – Kyle Clevenger, Manager of Operations
  5. Manager of Technical Services Report – Brian Poling
  6. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for November 2016 – Bradley Cherry
  7. Manager of Marketing & Member Services Report – Kim Bush
  8. Approval of Seventy-Two (72) New Memberships and Retirement of Ninety-Eight (98) Existing Memberships for January 2017
  9. Consider Approval of Accounts to be Charged Off to Reserve \$2,443.18
  10. Consider Approval of President’s Business Expense in the Amount of \$36.74, Director’s Business Expense in the Amount of \$31,156.85 and Attorney’s Business Expense in the Amount of \$459.87
  11. President’s Report – Carol Hall Fraley
  12. Cooperative Legal Matters – W. Jeffrey Scott
  13. KAEC Director’s Report – Jimmy Whitt
  14. EKPC Director’s Report – Ken Arrington
  15. Consider Community Service and/or Donations
  16. Attendance at Meetings – Directors & Employees
  17. No Conflict of Interest Declaration – Board of Directors
  18. Consideration of President and CEO Performance
  19. Confirm Date for the February Board Meeting – February 27, 2017
  20. Additional Business
  21. Adjourn
-



On December 20, 2016 at 9:06 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

- INVOCATION Director Rice gave the invocation.
- APPROVAL OF MINUTES Motion was made by Director Jim Bentley, seconded by Director Eddie Martin, and unanimously agreed to approve the minutes from the November Board Meeting for informational purposes only.
- TECHNICAL SERVICES Andrea McCleese, Technical Services Supervisor, reported on the following:
- DAVEY RESOURCE GROUP We have loaded the first substation update on the GIS mapping from Davey Resource Group for the Pactolus substation. We should see the map updated with Low Gap data after the first of the year. Davey is expected to have circuits 1 and 4 of the Warnock substation completed by the end of the year. Data collection on the Argentum substation will begin near Plum Fork and Rakes Mill Road. There are 3 Davey employees in the field collecting data and another employee will be added in January.
- METERING DEPARTMENT The Metering Department has received a field test device from EKPC that will allow them to test meters in the field, instead of replacing a meter in the field and bringing the meter to the office to test. Metering will be using the device to test EKPC load research meters, as well three phase meters that we would normally have to bring in to test and then put back into replacement stock. This will allow us to decrease the number of three phase meters that we will have to keep in inventory to satisfy the testing requirements. They have to be tested every 4-6 years).
- NETGAIN NetGain has completed a project to install a backup data domain that has been placed in the meter shop (to move the backups to another building). Our data is backed up each night to this device. NetGain is working to set up a secure VPN tunnel to send the recorded data to a facility in Lexington each night for disaster recovery purposes.
- The Davey contract was for 18 months and we feel they will be finished before then. After Robert reviews the data, it will go to Futura. We have good Pactolus data. The men will be able to see this on their iPads sometime in 2017.
- President Fraley will contact Foothills and Mt. Telephone to discuss how telephone attachments are defined. Our mapping program will provide us with the number of times a telephone or cable wire touches our poles. Industry standards have changed and we plan to negotiate for the actual number of attachments. We also plan to ask for an increase in the attachment amounts that will bring the telephone Cooperatives closer to what we charge all other companies.
- OFFICE & FINANCIAL STATISTICAL REPORT Bradley Cherry, Manager of Finance and Accounting presented the Financial Statistical Report for October 2016. Mr. Bradley reported on the following:

FINANCIAL & STATISTICAL REPORT FOR OCTOBER	Kilowatt hour sales for the month of October (10/21-11/20) were 10.54% under budget. Purchases for the time period of 10/1-31 were 6.75% under budget. Line loss for the last twelve months was less than 8.37%. Year to date margins were (\$496,427) compared to the budgeted amount of (\$571,408).
FUEL ADJUSTMENT	The fuel adjustment factor was (0.005493).
ESC	The Environmental Surcharge was 7.97%.
DEGREE DAYS	There were 355 degree days (344 heating degree days and 11 cooling degree days).
OTIER	The rolling O.T.I.E.R is 1.81.
CAPITAL CREDITS	We paid 25 capital credits totaling \$24,110.13. Year to date we have paid 156 capital credits totaling \$154,537.96. There are sixteen applications outstanding for various reasons.
RUS/CFC REFINANCING	GRECC received notice Monday that RUS has been paid in full. We received the necessary paperwork from RUS on Tuesday, December 20, 2016. A letter was mailed from President Fraley, acknowledging receipt thereof.
CFC	Brian Stavish, CFC, congratulated us on refinancing. Interest rates now would have been a percent higher
CFC CERTIFICATE OF RESOLUTION AND INCUMBENCY	Board Secretary Martin signed the CFC Certificate of Resolutions and Incumbency that was approved in November. The Certificate is hereby included below.



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CERTIFICATE OF RESOLUTIONS AND INCUMBENCY  
(CONTINUED)

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY  
(update)

The undersigned, on behalf of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION (the "Company"), hereby certifies that as of the date hereof:

(a) the attached resolutions are true, complete and correct copies of the resolutions of the Board of Directors of the Company duly adopted on the date specified therein;

(b) said resolutions have not been modified, altered or rescinded, and the same are in full force and effect; and

(c) the individual who executed the amendment referred to in the attached resolutions held the position as stated therein on the actual date of execution of said amendment.

IN WITNESS WHEREOF, I have executed this Certificate on behalf of the Company, this 21 day of December, 2016.

(SEAL)

Name: [Signature]  
Title: Secretary

CFC INCUMB  
KY061-A-9019(BURDICM)  
211360-1

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR OCTOBER 2016

Motion was made by Director Trent , seconded by Director Rice and unanimously agreed to approve the Financial and Statistical report for October 2016 as presented, for informational purposes only.

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RUS 3-YEAR AUDIT

The RUS 3-year audit went very well. The period audited was May 2014 to September 2016. Mark Elam from Ohio was the lead auditor, and he was training a new representative for Kentucky, Donald Nolte. Mr. Nolte will replace Gary Foreman who has retired.

The audit produced two minor items findings and recommendations:

- 1) wrong ID code for a piece of material was used on one of the work orders
- 2) special equipment cost had not been updated.

These both have been corrected.

Mark Elam discussed our work order procedures with President Fraley. He asked for a copy of our contract and said it was good and unique.

2017 PROPOSED BUDGET

Chairman Dupuy turned the meeting over to Director Martin, Chairman of the Planning and Review Committee, for the proposed 2017 budget. Director Martin asked President Fraley to give a summary of the proposed 2017 budget, as presented on December 7<sup>th</sup> to the Committee.

She noted the budget was based on zero growth, as we normally do. The only projects included were those necessary to the business at hand for this year. Notable items were: a new roof for the Warehouse, a new box trailer, squeeze on tools for the crews, vehicle rotation and AED's for each crew and the office. Other expenses such as deceased estate capital credits, wages, computer equipment and expenses were all based on historical costs or planned purchases throughout the year. She called upon Bradley Cherry to give the details of the proposed budget.

Mr. Cherry and Andrea McCleese reviewed the proposed 2017 Budget Highlights with the Board of Directors.

The proposed 2017 budget should give us a T.I.E.R. of 1.33 without any unforeseen expenses. We have retained our storm emergency fund of \$500,000. Our goal is to stay within the same dollar range every year, as anticipated for 2017.

President Fraley read the following Planning and Review Committee minutes for Director Martin, as requested:



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PLANNING AND REVIEW COMMITTEE MINUTES  
(CONTINUED)

The Grayson R.E.C.C. Planning and Review Committee met Wednesday, December 7, 2016 at 8:08 a.m. Those present were: Director Billy E. "Eddie" Martin, Chairman of the Planning and Review Committee; Director William Rice; Director Roger Trent; ex-officio Harold Dupuy, Chairman; Carol Hall Fraley, President and CEO; Bradley Cherry, Manager of Finance and Accounting; and Priscilla Sparks, Executive Assistant.

Chairman Dupuy called the meeting to order and gave the invocation. He then turned the meeting over to Director Martin. Director Martin asked President Fraley and Bradley Cherry to present the proposed budget.

President Fraley told the committee that, as usual, the 2017 budget was based on zero growth. Revenue was based on an average of the past three years. The workplan investment of \$4.5 million is based on the work we have planned for that year. On the average, a workplan takes five to six years, but this workplan will actually be done in four years. In 2018 we will decide whether an addendum or extension will be needed. There may be an opportunity to include metering in the next work plan, but the PSC has not been favorable with other Cooperatives that have included it in their rate cases. Our new mapping program is in the current work plan.

President Fraley turned the presentation over to Mr. Cherry. He handed out a list of specific projects included in the 2017 budget (see attached).

We have a contingency in our budget for \$500,000 storm relief money. The projected T.I.E.R. without having to use our storm contingency would be 1.33. If we experience storms up to \$500,000 or beyond, T.I.E.R. could drop to .80 depending upon any FEMA reimbursement. Any paper or cash capital credits from EKPC are not included.

Director Dupuy asked what this would do to GRECC. Bradley said we would be okay this year and next year. If 2017 is a really bad year, it could be used as a test year for a rate increase. With a decent weather year, our current budget projections, based on no growth, would most likely allow us to meet T.I.E.R. requirements. Our T.I.E.R. is never based on what we receive from EKPC.

We do have some prospects coming on line, including Columbia Gas, Family Dollar, Truck Stop in Olive Hill, and a rock crusher. EKP has indicated projections for another year with positive margins and hopefully will not have a rate increase. One variable we must watch is the resolution of the cost of the cancelled Smith Project. Fuel and environmental charges continue to be volatile. Environmental has been high and fuel has been a credit. PJM continues to serve us well and the Bluegrass Generating Station will provide additional generation.

President Fraley and Staff sat down with last year's budget and made a list of needs for the coming year. Bradley also includes consideration of sales and purchases. Our Operating Revenue projections were based on a 3 year weighted average and the 2017 budget was based on actual costs from October 2014 to September 2016. Revenue of \$31,209,074 was up slightly. Purchased Power was a slight increase of \$18,331,259, giving us gross margins of \$12,877,815.



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PLANNING AND REVIEW COMMITTEE MINUTES  
(CONTINUED)

PLANNING AND REVIEW COMMITTEE  
DECEMBER 7, 2016  
PAGE 2

Chairman Martin asked that an overview of the proposed 2017 budget be presented to the Board of Directors at the December 21<sup>st</sup> Board Meeting.

Following thorough discussion, motion was made by Director Trent, seconded by Director Rice to recommend approval of the 2017 Budget to the full Board at the December Board Meeting. Motion was approved unanimously by those present.

Director Martin adjourned at 9:30 a.m.

  
Billy E. "Eddie" Martin  
Planning and Review Committee Chairman



Motion was made by Director Martin, seconded by Director Bentley to accept the 2017 Budget as presented, and unanimously agreed upon.

EKPC SOLAR PROJECT

East Kentucky Power Cooperative has been approved by the Ky. PSC for their Community Solar Farm Project and has asked each Member System to file supporting documents to allow us to participate in sales of the solar panels. Bradley presented the following resolution for participation:

BOARD RESOLUTION

WHEREAS, Grayson Rural Electric Cooperative Corporation ("Grayson") is owned by its Members and endeavors to provide its Members with options to voluntarily utilize renewable energy resources; and

WHEREAS, East Kentucky Power Cooperative, Inc., ("EKPC") was granted approval in Case No. 2016-00269 from the Kentucky Public Service Commission ("PSC") to construct a community solar facility for the benefit of its Member Cooperatives including Grayson; and

WHEREAS, EKPC's wholesale community solar tariff was approved in Case No. 2016-00269; and

WHEREAS, The PSC also approved in Case No. 2016-00269, a retail community solar tariff template and Community Solar Farm Solar Panel License Agreement for use by EKPC's Member Cooperatives who choose to participate in the wholesale community solar tariff; and,

WHEREAS, Grayson chooses to participate in EKPC's wholesale community solar tariff to offer community solar renewable energy to Grayson Members; and

WHEREAS, the Board has received and considered the recommendations of management to participate in EKPC's wholesale community solar tariff and adopt the retail community solar tariff and Community Solar Farm Solar Panel License Agreement that was approved by the PSC;

NOW THEREFORE BE IT RESOLVED BY THE BOARD AS FOLLOWS:

- 1) Grayson management is authorized to prepare and file the retail community solar tariff and Community Solar Farm Solar Panel License Agreement that was approved as a template by the PSC in Case No. 2016-00269; and
- 2) Grayson management is further authorized to take any and all actions necessary or advisable to seek approval of the retail community solar tariff and Community Solar Farm Solar Panel License Agreement with the PSC.

Done this 21st day of December 2016.

I Carol Hall Fraley, President and CEO, certify that the above Resolution to be true and hereby confirmed.

ATTEST: Carol Hall Fraley  
Carol Hall Fraley, President and CEO

December 21, 2016  
Date




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EKPC SOLAR PROJECT  
(CONTINUED)

STATE OF KENTUCKY)  
COUNTY OF CARTER) SS:

The foregoing resolution was subscribed and sworn to before me, a Notary Public, in and for the State and County aforesaid, by Carol Hall Fraley this 21<sup>st</sup> day of December 21, 2016.

My commission expires March 22, 2017.

  
Priscilla Sparks  
Notary Public, State at Large



Director Martin made a motion, seconded by Director Whitt, contingent upon review of Legal Counsel, to adopt the resolution and participate in the program. Motion carried unanimously.

RUS WORK ORDERS

Consider Approval of the Following RUS Work Orders and submit them to RUS:

July 2016	Work Order No. 1248	\$244,026.59
	Work Order No. 1249	\$2,329.27
August 2016	Work Order No. 1250	\$351,220.33
	Work Order No. 1251	\$1,799.52
September 2016	Work Order No. 1252	\$119,911.30
	Work Order No. 1253	\$5,114.73
	Total	\$724,401.74

Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve the following 219 RUS Work Orders for the months of July, August and September 2016 in the amount of 724,401.74.

MANAGER OF MARKETING  
& MEMBER SERVICES  
REPORT

The Manager of Marketing & Member Services Report was given by President Fraley on the following items:

The Mazie Substation Service Orders are almost finished.  
We received two LIHEAP checks in the amounts of \$87,027 and \$94,935; three 30-day extensions; and nine winter hardship reconnects.  
PREPAY: We have 617 prepay accounts totaling \$118,527.39.  
Tina Preece did 6 energy audits, 1 heat pump audit, 2 CARES, 1 commercial lighting in progress and 20 billing insights.  
We assisted Carter Caves State Park with their annual Christmas decorations. 250 families benefited from bag items for Project Merry Christmas. The Board gave to all the Projects Merry Christmas in the counties, as in the past.  
January 4, 2017 will be Jeanie's retirement luncheon.  
Family of 8 (7 children) lost their home to fire in Greenup County and the GRECC employees donated \$1,000. They lived on our lines. We shopped for the kids and bought all 8 family members tennis shoes and Christmas toys. Lowe's donated the household goods.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:

EMPLOYEE/LOST TIME  
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during November:

November 8 – Brian Poling, Manager of Technical Services', meeting was in honor of all Veterans. Kyle reminded everyone to be extra careful on the road today due to election traffic. Cheyenne lead the Pledge to the American Flag and was followed with a breakfast and program to honor veterans. Kim talked about the Honor Flight. Chris Mosier and Scott Speaks gave highlights of their experience with the Veterans they chaperoned on the Honor Flight. Carol Ann asked everyone to be careful during collections.

November 22 – Robert Brown, Geographical Information System Technician, turned the meeting over to KAEC's David White for their monthly safety meeting. He reminded everyone to watch out for burnt poles due to fires. His topic was "Safely Extracting Stuck Vehicles" with Safety Manual References 503.10 Cranes, Derricks, Hoisting Equipment & 503.11 Rigging Equipment. Following the meeting he completed the hurt man exercises.

November 29 – Sherry Buckler, Manager of Accounting & Human Resources, played a DVD on Kentucky Honor Flight. Brian discussed the new radio system. Priscilla had a representative from Washington National Insurance to update and/or sign up for new policies.

CONSTRUCTION

Construction built was one hundred four (104) new work orders for the month of November and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked two hundred forty-five (245) hours of overtime during the month of November. Engineering worked zero (0) hour overtime during the month of November.

DELINQUENT ACCOUNTS      There were 130 delinquents for December. 82 cards were issued to be disconnected and 10 accounts were disconnected by remote meter. Field personal disconnected an additional 4 meters for a total of 14 disconnects and 5 accounts were reconnected on December 7<sup>th</sup>. 8 additional meters were disconnected on December 8<sup>th</sup>.

CONTRACT CREWS      The two Pike crews have been working in the following areas:

Tony Seagraves –has completed the Stark Conversion. His crew is completing a small state highway job and moved on to the RT 173 job.  
Chris Tackett – completed the Campbell Estate job and moved to Iron Hill, Carter City.

RIGHT-OF-WAY CREWS      We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 575 trees, cut 928 trees, and cut 32,905 feet of brush/line and sprayed 75 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties  
3 cutting crews in Rowan and Elliott Counties  
1 bucket truck crew in Carter, Lewis and Greenup Counties  
1 bucket truck crew in Rowan County  
1 bucket truck crew in Elliott County  
1 tractor crew in Carter County  
2 spray crews in Greenup County

Smith Tree Service has a circuit crew working in Elliott County.

ENGINEERING REPORT      The Engineering Department released one hundred forty (140) prints consisting of 2,364 feet of primary line and 3,386 feet of service wire. They currently have two (2) new services to be staked, two (2) to be drawn and twelve (12) miscellaneous jobs to be staked or drawn.

RADIO TOWERS RETIRED      President Fraley asked about the radio towers that were retired and Legal Counsel wasn't sure on what to tell her.

The annual breakfast for the right-of-way and construction crews was held at ZZ's. The Right of Way Crews and the Pike Crews were invited for breakfast.

MAZIE SUBSTATION      We read 1,162 meters on the Mazie Substation. There was 87 retirements, 17 rate/class changes, 33 night light violations, 12 satellite violations and 25 miscellaneous violations.

Director Bentley asked about the progress of the pipeline/gas company. We are still waiting on highway permits which should be here in January. We plan to commence construction on some preliminary lines in the near future.

AUTOCLAVE      Some consumers are concerned about the safety of the autoclave going in on AA. It is a sterilization practice for hazardous medical waste and will be a three-phase load, located on the AA Highway. They have not applied for service at this time.



GREENUP COUNTY SHERIFF DEPARTMENT	The Greenup County Sheriff's Department telephoned about a disconnect involving seventy plus endangered exotic animals. The consumer had called to request his service be disconnected because he was moving. It was a remote disconnect he said we could disconnect any time. We disconnected the account at that time. At the request of the Sheriff's Department, we turned the service back on. The property owner came in the next day and put the service in his name.
ANNUAL MEETING TIMELINE	The annual meeting time line has been prepared by Kim Bush and Legal Counsel Scott proofed and made changes. The time line was given to everyone.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve one hundred two (102 ) new memberships and retirement of ninety-seven (97) existing memberships for November memberships for November 2016.
BAD DEBT WRITE-OFFS	Motion was made by Director Whitt, seconded by Director Martin and unanimously agreed to charge off \$3,671.50 in bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES	Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve the President's business expense of \$320.79, Director's business expenses of \$11,066.75 and Attorney's business expense of \$23.53.
PRESIDENT'S REPORT	President Fraley reported on the following:
FEDERATED	We received a check from Federated Rural Electric Insurance Exchange in the amount of \$4,749 for equity distribution – 100% 2008 balance.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported on the following:  Timeline - he looked over for Kim Bush and made necessary changes. Bob Miller notified him about Del Jessie's off service account and capital credits for the deceased estate. Twenty-six (26) collections letters will be mailed today. His office checked the title in every county for RUS loan. The opinion letter said he did that and no new liens have been filed against us.
KAEC DIRECTOR'S REPORT	Director Whitt reported he attended KAEC's Board Meeting yesterday.  KAEC received only 60% of the CEO performance appraisals. Bishop Lane Property is under contract to sell for \$3.75 million with a construction and infrastructure company. Property was purchased for \$2.82 million for the proposed new headquarters. \$400,000 in renovations will need to be done before moving in. The Board questioned Mr. Perry's authority to purchase the new property. The Board approved placing a contract on the new proposed headquarters, and approved the sale of the Bishop Lane property, as proposed. The sale has a window of six months.
EKPC DIRECTOR	Director Arrington's reported on the following:  •Pending litigation against EKP vs Appalachian Fuels bankruptcy.

EKPC DIRECTOR  
(CONTINUED)

- ♦EKPC vs Power Chemical – Clark County \$27,000 debt.
- ♦PSC Case No. 2013-00281 AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR THE SIXMONTH BILLING PERIODS ENDING JUNE 30, 2014 AND DECEMBER 31, 2014, TWO-YEAR BILLING PERIOD ENDING JUNE 30, 2015, AND THE PASS THROUGH MECHANISM FOR ITS SIXTEEN MEMBER DISTRIBUTION COOPERATIVES.
- ♦Barker case.
- ♦PSC Case No. 2015-00358 (THE APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. FOR DEVIATION FROM) Case No. 2015-00358 OBLIGATION RESULTING FROM CASE NO. 2012-00169.

THANK YOU NOTES

Thank you notes were received from the Oldtown Food Pantry, the NYN Foundation 5K Committee, and the Greenup County Schools for the First Book program.

DONATIONS

President Fraley presented to the Board for their consideration the following donation request:

Foundation for the Tri-State.	\$100
Old Path Baptist Church – Christmas for Kids	\$25
East Carter High School Archery Team – sponsorship	\$100
McDonald House	\$100

Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

Directors Trent will be attending the NRECA Annual Meeting in San Diego California, February 26 – March 1, 2017. No other attendees.  
January 22, 2017 Bradley Cherry will leaves for the MIP.  
Director Bill Rice will be calling in for the January 2017 Board Meeting, as he may be in Florida. His board packet will be mailed to Florida if he goes.

VOTING DELEGATES  
NRECA NATIONAL MEETING

Director Trent would serve as the Voting Delegate to NRECA’s National Meeting and there will not be an Alternate Delegate.

VOTING DELEGATE  
NRTC ANNUAL MEETING

The 2017 Annual Meeting Voting Delegate will be Director Jimmy Whitt and Alternate Voting Delegate, Chairman, Roger Trent.

BOARD MEETING DATE

The next board meeting will be held on Friday, January 27, 2017.

ADDITIONAL BUSINESS

There was no additional business.

ADJOURN

Chairman Dupuy adjourned the meeting at 12:17 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

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W. Jeffrey Scott, Legal Counsel



























President and CEO's Expenses

October – November 2016

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
12/8/16	170506	Visa Expenses:	
		*10/21 GRECC Board Meeting – Meal	\$11.89
		*11/15 Work thru Lunch – Meal	\$10.32
		*11/17 Christmas Décor Shopping – Meal	\$14.53
		Total Expenses	\$36.74

\* Means Prorated





## DIRECTORS & ATTORNEY EXPENSES

November-16

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### KENNETH ARRINGTON

<b>Per Diem</b>	- Region II & III (10/24-28); KAEC Annual Mtg. (11/13-15); GRECC Bd. Mtg. (11/21)	\$ 2,183.83
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
<b>VISA</b>	- Region II & III	409.26
	KAEC Annual Mtg.	410.80
	Lunch GRECC Bd. Mtg.	11.89
<b>KAEC</b>	- KY WIRE Outing - Spouse	25.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 3,704.11</u>

### JIM BENTLEY

<b>Per Diem</b>	- Region II & III (10/24-27); GRECC Bd. Mtg. (11/21)	\$ 1,581.16
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
<b>VISA</b>	- NRECA Winter School (Class Registration)	1,468.74
	Region II & III	366.24
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 4,079.85</u>

### HAROLD DUPUY

<b>Per Diem</b>	- Region II & III (10/24-28); KAEC Annual Mtg. (10/13-15); GRECC Bd. Mtg. (11/21)	\$ 2,745.21
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
<b>VISA</b>	- Region II & III	450.94
	NRECA Winter School (Class Registration)	1,468.74
	KAEC Annual Mtg.	410.80
<b>KAEC</b>	- KY WIRE Outing - Spouse	25.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 5,764.02</u>

### EDDIE MARTN

<b>Per Diem</b>	Region II & III (10/24-27); GRECC Bd. Mtg. (11/21)	\$ 1,676.86
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
<b>VISA</b>	- Region II & III	122.08
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 2,462.65</u>

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**WILLIAM T. RICE**

<b>Per Diem</b>	Region II & III (10/24-28); KAEC Annual Mtg. (11/13-15); GRECC Bd. Mtg. (11/21)	\$ 2,676.86
<b>MISC</b>	Sam's Christmas Gift Card	25.00
<b>VISA</b>	- Region II & III	409.26
	KAEC Annual Mtg.	450.80
	Lunch GRECC Bd. Mtg. (10/21)	11.89
<b>KAEC</b>	- KY WIRE Outing - Spouse	25.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 4,236.93</u>

**ROGER TRENT**

<b>Per Diem</b>	Region II & III (10/24-28); KAEC Annual Mtg. (11/13-15); GRECC Bd. Mtg. (11/21)	\$ 2,638.46
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
<b>VISA</b>	- Region II & III	333.80
	NRECA Winter School (Class Registration)	1,468.74
	KAEC Annual Mtg.	410.80
	Lunch GRECC Bd. Mtg. (10/21)	11.89
<b>KAEC</b>	- KY WIRE Outing - Spouse	25.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 5,551.81</u>

**JIMMY WHITT**

<b>Per Diem</b>	Region II & III (10/25-27); KAEC Annual Mtg. (11/13-15); GRECC Bd. Mtg. (11/21)	\$ 2,247.68
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
<b>VISA</b>	- NRECA Winter School (Class Registration)	1,468.74
	Region II & III (10/25-27); KAEC Annual Mtg. (11/13-15); GRECC Bd. Mtg. (11/21)	506.88
	KAEC Annual Mtg.	433.58
	Lunch GRECC Bd. Mtg. (10/21)	11.89
<b>KAEC</b>	- KY WIRE Outing - Spouse	25.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 5,357.48</u>

**JEFF SCOTT**

<b>Per Diem</b>	- KAEC Annual Mtg. (11/13-14)	\$ 400.00
<b>MISC</b>	- Sam's Christmas Gift Card	25.00
	Mileage	25.00
	Postage (21) Collection Letters	9.87
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 459.87</u>



























# Grayson Rural Electric Financial Report

January 27, 2017

## At A Glance....

November

<u>kWh Sales (11/21 - 12/20)</u>		<u>Margins</u>	
Month	5.90%	Month \$	488,313.02
YTD	-1.79%	YTD \$	(8,114.22)
<u>kWh Purchases (11/01 - 11/31)</u>		<u>OTIER</u>	
Month	-6.06%	Month	7.68
YTD	-2.63%	YTD	1.02
<u>Line Loss</u>			
Month	-14.47%		
YTD	6.41%		

Fuel Adjustment (0.003197)

ESC 10.82%

Degree Days 765

Heating Degree Days 765

Cooling Degree Days 0

## Notes:

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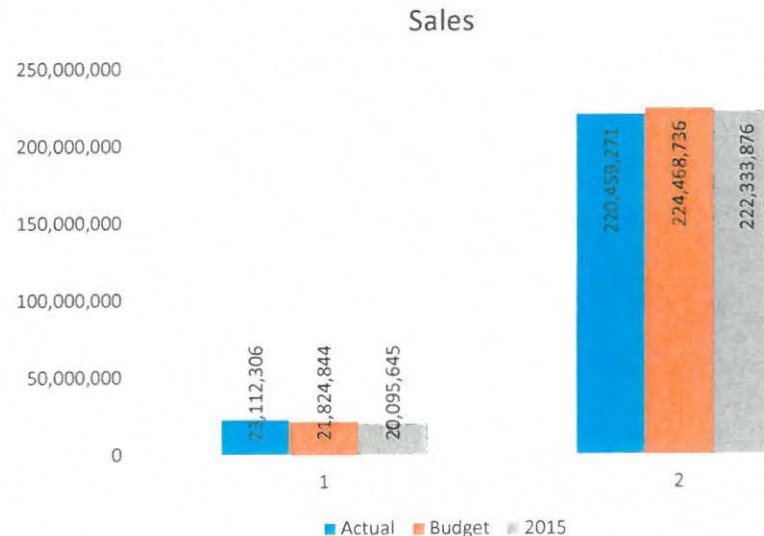




## Sales

### November

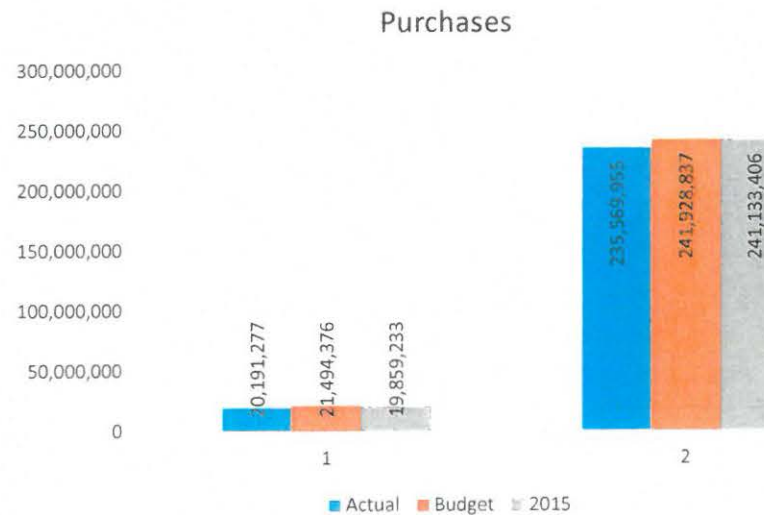
	2016	2015	2015-2013
Actual	23,112,306	20,095,645	23,402,035
Budget	21,824,844		
Difference	1,287,462 5.90%	3,016,661 15.01%	(289,729) -1.24%
<hr/>			
	YTD-2016	YTD-2015	YTD-Prev 3
Actual	220,459,271	222,333,876	226,188,810
Budget	224,468,736		
Difference	(4,009,465)	(1,874,605)	(5,729,539)
% Difference	-1.79%	-0.84%	-2.53%



## Purchases

### November

	2016	2015	2015-2013
Actual	20,191,277	19,859,233	22,536,758
Budget	21,494,376		
Difference	(1,303,099) -6.06%	332,044 1.67%	(2,345,481) -10.41%
<hr/>			
	YTD-2016	YTD-2015	YTD-Prev 3
Actual	235,569,955	241,133,406	242,457,687
Budget	241,928,837		
Difference	(6,358,882)	(5,563,451)	(6,887,732)
% Difference	-2.63%	-2.31%	-2.84%





## REVENUE SUMMARY NOVEMBER 2016

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 453,909.13	\$ (21,920.76)	\$ 5,607.98	\$ 16.50	\$ 2,698.03	\$ 39,866.96	\$ 480,177.84	\$ 7,480.83	\$ -	\$ 10,280.78	2,609	3,847,076
\$ 362,769.88	\$ (17,142.73)	\$ 10,884.13	\$ 30.25	\$ 954.05	\$ 32,864.82	\$ 390,360.40	\$ 4,671.34	\$ -	\$ 8,248.48	2,976	2,998,431
\$ 86,310.69	\$ (4,041.72)	\$ 1,590.16	\$ 5.50	\$ 617.14	\$ 7,653.22	\$ 92,134.99	\$ 1,594.40	\$ -	\$ 1,939.23	690	708,955
\$ 1,041,128.49	\$ (50,800.68)	\$ 17,708.01	\$ 79.75	\$ 2,789.20	\$ 92,767.46	\$ 1,103,672.23	\$ 11,946.51	\$ 15.33	\$ 23,733.22	5,714	8,890,337
\$ -	\$ (54.00)	\$ 1,325.86	\$ 2.75	\$ -	\$ 118.05	\$ 1,392.66	\$ 9.02	\$ 3.33	\$ 34.47	99	9,420
\$ 1,944,118.19	\$ (93,959.89)	\$ 37,116.14	\$ 134.75	\$ 7,058.42	\$ 173,270.51	\$ 2,067,738.12	\$ 25,702.10	\$ 18.66	\$ 44,236.18	12,088	16,454,219
\$ 25,086.47	\$ (749.59)	\$ 510.55	\$ -	\$ 11.33	\$ 2,301.75	\$ 27,160.51	\$ 322.21	\$ -	\$ 380.92	380	130,900
\$ 19,098.14	\$ (526.01)	\$ 269.12	\$ -	\$ 22.66	\$ 1,739.71	\$ 20,603.62	\$ 523.97	\$ 8.88	\$ 269.64	333	91,985
\$ 19,113.09	\$ (429.15)	\$ 724.50	\$ -	\$ 11.33	\$ 1,798.17	\$ 21,217.94	\$ 274.42	\$ 6.44	\$ 370.39	443	74,933
\$ 39,803.52	\$ (1,014.26)	\$ 1,004.10	\$ -	\$ 25.41	\$ 3,687.54	\$ 43,506.31	\$ 346.71	\$ 181.09	\$ 972.74	792	176,341
\$ 7,315.94	\$ (193.39)	\$ 177.23	\$ -	\$ 22.66	\$ 674.06	\$ 7,996.50	\$ 91.73	\$ 36.62	\$ 133.96	139	33,826
\$ 904.92	\$ (19.19)	\$ 39.66	\$ -	\$ -	\$ 85.83	\$ 1,011.22	\$ 9.67	\$ -	\$ 26.63	23	3,349
\$ 781.60	\$ (11.45)	\$ 31.02	\$ -	\$ -	\$ 74.30	\$ 875.47	\$ 3.74	\$ -	\$ 21.49	25	2,002
\$ 112,103.68	\$ (2,943.04)	\$ 2,756.18	\$ -	\$ 93.39	\$ 10,361.36	\$ 122,371.57	\$ 1,572.45	\$ 233.03	\$ 2,175.77	2,135	513,336
\$ 157,893.94	\$ (7,242.34)	\$ 3,332.77	\$ 5.50	\$ 18.33	\$ 14,274.05	\$ 168,282.25	\$ 746.49	\$ 6,976.73	\$ 4,214.94	944	1,264,569
\$ -	\$ (11.94)	\$ 298.30	\$ -	\$ -	\$ 26.56	\$ 312.92	\$ -	\$ 15.25	\$ 9.03	9	2,083
\$ 21,924.49	\$ (1,003.49)	\$ 1,571.29	\$ -	\$ -	\$ 2,084.90	\$ 24,577.19	\$ 51.73	\$ 502.19	\$ 558.65	162	175,207
\$ 179,818.43	\$ (8,257.77)	\$ 5,202.36	\$ 5.50	\$ 18.33	\$ 16,385.51	\$ 193,172.36	\$ 798.22	\$ 7,494.17	\$ 4,782.62	1,115	1,441,859
\$ 179,407.18	\$ (10,195.59)	\$ 997.28	\$ -	\$ -	\$ 15,774.53	\$ 185,983.40	\$ 119.85	\$ 7,130.31	\$ 4,711.12	70	1,780,439
\$ 68.38	\$ (1.15)	\$ -	\$ -	\$ -	\$ 6.23	\$ 73.46	\$ -	\$ 4.41	\$ -	1	200
\$ 45,369.58	\$ (2,649.42)	\$ 481.44	\$ -	\$ -	\$ 4,004.79	\$ 47,206.39	\$ -	\$ -	\$ 1,416.20	8	462,618
\$ 224,845.14	\$ (12,846.16)	\$ 1,478.72	\$ -	\$ -	\$ 19,785.55	\$ 233,263.25	\$ 119.85	\$ 7,134.72	\$ 6,127.32	79	2,243,257
\$ 154,607.65	\$ (14,062.35)	\$ 29.32	\$ -	\$ -	\$ 13,031.27	\$ 153,605.89	\$ -	\$ 6,064.19	\$ 4,608.17	2	2,455,447
\$ 154,607.65	\$ (14,062.35)	\$ 29.32	\$ -	\$ -	\$ 13,031.27	\$ 153,605.89	\$ -	\$ 6,064.19	\$ 4,608.17	2	2,455,447
\$ -	\$ (23.99)	\$ 611.22	\$ -	\$ -	\$ 54.44	\$ 641.67	\$ -	\$ -	\$ 19.25	1	4,188
\$ -	\$ (23.99)	\$ 611.22	\$ -	\$ -	\$ 54.44	\$ 641.67	\$ -	\$ -	\$ 19.25	1	4,188
\$ 2,615,493.09	\$ (132,093.20)	\$ 47,193.94	\$ 140.25	\$ 7,170.14	\$ 232,888.64	\$ 2,770,792.86	\$ 28,192.62	\$ 20,944.77	\$ 61,949.31	15,420	23,112,306
									<b>TOTAL SALES TAX</b>		
									\$ 82,894.08		
<b>TOTAL REVENUE</b>							\$ 2,881,879.56				

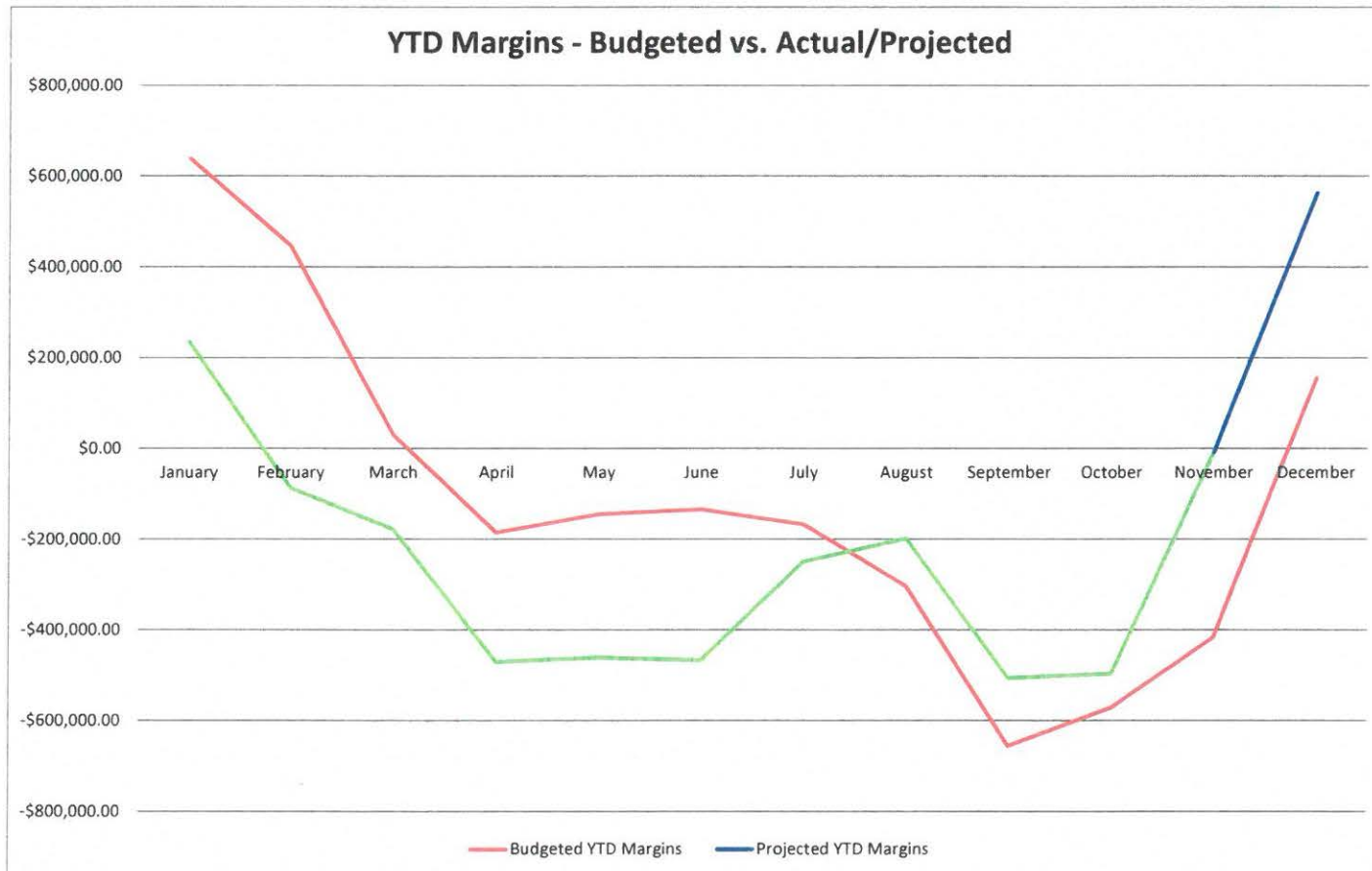


## Monthly Operating Revenue & Expenses

	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016
Revenue	(2,551,088)	(3,194,288)	(3,402,652)	(2,427,161)	(2,183,934)	(1,909,544)	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)
Purchased Power	1,445,835	1,554,316	2,062,778	1,722,707	1,275,270	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264
Gross Margins	(1,105,253)	(1,639,972)	(1,339,874)	(704,454)	(908,664)	(755,419)	(1,114,096)	(1,129,189)	(1,251,747)	(930,952)	(676,259)	(1,012,960)	(1,501,591)
Operations	115,700	81,024	118,020	102,525	109,704	114,899	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439
Maintenance	232,494	(91,200)	321,481	268,062	390,436	327,011	332,410	323,041	308,579	241,629	239,132	224,687	216,900
Customer Service	100,512	27,143	109,060	102,252	102,297	99,706	96,960	96,028	92,739	98,769	107,556	99,297	100,977
Informational Advertising	20,055	18,883	22,519	23,362	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288
Demonstration Advertising	1,548	1,687	1,622	1,971	2,399	1,601	1,589	2,208	1,258	1,460	2,783	1,658	1,565
Admin & General	156,483	165,567	197,561	189,897	158,695	146,925	170,584	154,830	152,473	170,645	131,232	170,663	196,718
Depreciation	273,024	274,242	272,500	273,066	273,644	276,594	277,417	278,260	279,062	280,885	281,062	282,191	283,297
Regulatory	3,455	3,457	3,453	3,453	3,453	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342
Interest - LTD	73,943	73,596	77,872	75,520	75,188	75,839	74,858	75,628	76,423	76,601	75,759	75,748	74,859
Interest - Deposits	122	205	375	372	372	380	378	377	381	379	378	375	378
Miscellaneous Expense	2,146	(28,598)	1,043	3,360	2,800	(12,190)	17,633	2,520	2,300	36,615	5,565	9,631	5,953
Interest Income	(2,454)	(2,464)	(2,462)	(2,492)	(2,513)	(2,490)	(2,451)	(2,444)	(2,441)	(2,449)	(2,421)	(2,441)	(2,449)
Non-Electric Revenue	(8,540)	23,757	(15,463)	(15,403)	(10,255)	(7,596)	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)
Capital Credits	-	(2,489)	-	-	(126,937)	-	-	(312)	-	-	(4,059)	-	(4,884)
Margins	(136,764)	(1,092,673)	(234,785)	321,493	91,495	292,438	(9,587)	5,498	(217,284)	(51,014)	307,900	(9,726)	(500,337)
* ( )s = positive margins													
Operating Expenses	979,482	526,005	1,125,504	1,043,842	1,139,864	1,057,943	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715
Monthly OTIER	2.85	15.85	4.02	(3.26)	(0.22)	(2.86)	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68
Revenue	(31,281,806)	(31,182,099)	(30,731,997)	(30,147,695)	(30,107,328)	(29,970,600)	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)
Purchased Power	18,728,360	18,455,285	18,423,798	17,935,248	17,619,985	17,638,416	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782
Gross Margins	(12,553,446)	(12,726,814)	(12,308,199)	(12,212,447)	(12,487,343)	(12,332,184)	(12,336,752)	(12,449,221)	(12,560,733)	(12,581,231)	(12,559,721)	(12,568,840)	(12,965,178)
Operations	1,087,392	1,103,419	1,111,350	1,111,609	1,157,519	1,173,725	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254
Maintenance	3,610,817	3,191,388	3,227,839	3,243,345	3,166,558	3,205,693	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169
Customer Service	1,183,151	1,114,640	1,120,333	1,124,181	1,136,615	1,131,157	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784
Informational Advertising	226,586	221,933	240,224	244,485	244,191	243,677	252,751	259,747	252,016	251,605	257,795	257,035	255,267
Demonstration Advertising	20,675	20,786	20,915	18,883	18,620	18,440	18,352	19,780	20,264	20,801	21,695	21,784	21,801
Admin & General	2,076,457	2,057,572	2,083,348	2,093,985	2,094,242	2,076,895	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791
Depreciation	3,208,156	3,221,794	3,231,111	3,240,592	3,248,128	3,258,142	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218
Regulatory	41,868	41,437	41,440	41,443	41,446	41,449	41,452	41,339	41,226	41,113	41,000	40,887	40,774
Interest - LTD	908,060	904,235	904,010	904,884	905,934	905,082	903,588	902,836	903,615	904,524	905,309	906,975	907,891
Interest - Deposits	1,234	1,439	1,814	2,062	2,310	2,566	2,821	3,075	3,331	3,586	3,841	4,094	4,350
Miscellaneous Expense	15,582	(13,722)	(12,783)	(10,033)	(9,058)	(23,298)	(6,489)	(4,741)	(3,191)	31,764	33,845	42,826	46,633
Interest Income	(25,676)	(25,567)	(25,422)	(25,328)	(30,492)	(30,302)	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)
Non-Electric Revenue	8,919	31,825	(41,707)	(37,265)	(33,495)	(54,194)	(52,931)	(55,612)	(56,722)	(96,261)	(82,128)	(87,665)	(85,138)
Capital Credits	(152,893)	(152,893)	(155,382)	(155,382)	(135,455)	(135,455)	(135,455)	(135,273)	(135,273)	(135,049)	(136,049)	(138,681)	(138,681)
Margins	(343,119)	(1,008,529)	(561,111)	(414,986)	(680,280)	(518,609)	(216,806)	(205,564)	(502,047)	(724,348)	(727,162)	(733,009)	(1,096,582)
Operating Expense	12,379,978	11,864,920	11,969,599	12,015,436	12,006,505	12,033,526	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932
Rolling 12 Month OTIER	1.38	2.12	1.62	1.46	1.75	1.57	1.24	1.23	1.56	1.80	1.80	1.81	2.21



	2016 Monthly Margins			2016 YTD Margins			2016 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$234,784.64	\$639,433.34	-\$404,648.70	\$234,784.64	\$639,433.34	-\$404,648.70	\$234,784.64
February	-\$321,492.66	-\$193,589.66	-\$127,903.00	-\$86,708.02	\$445,843.68	-\$532,551.70	-\$86,708.02
March	-\$91,495.44	-\$415,250.66	\$323,755.22	-\$178,203.46	\$30,593.02	-\$208,796.48	-\$178,203.46
April	-\$292,437.44	-\$214,966.66	-\$77,470.78	-\$470,640.90	-\$184,373.64	-\$286,267.26	-\$470,640.90
May	\$9,587.63	\$39,636.34	-\$30,048.71	-\$461,053.27	-\$144,737.30	-\$316,315.97	-\$461,053.27
June	-\$5,497.67	\$11,075.34	-\$16,573.01	-\$466,550.94	-\$133,661.96	-\$332,888.98	-\$466,550.94
July	\$217,283.75	-\$32,535.66	\$249,819.41	-\$249,267.19	-\$166,197.62	-\$83,069.57	-\$249,267.19
August	\$51,013.58	-\$136,816.66	\$187,830.24	-\$198,253.61	-\$303,014.28	\$104,760.67	-\$198,253.61
September	-\$307,899.67	-\$352,517.66	\$44,617.99	-\$506,153.28	-\$655,531.94	\$149,378.66	-\$506,153.28
October	\$9,726.04	\$84,124.34	-\$74,398.30	-\$496,427.24	-\$571,407.60	\$74,980.36	-\$496,427.24
November	\$488,313.02	\$156,313.34	\$331,999.68	-\$8,114.22	-\$415,094.26	\$406,980.04	-\$8,114.22
December	\$0.00	\$571,115.26			\$156,021.00		\$563,001.04







## Margins/Tier

### November

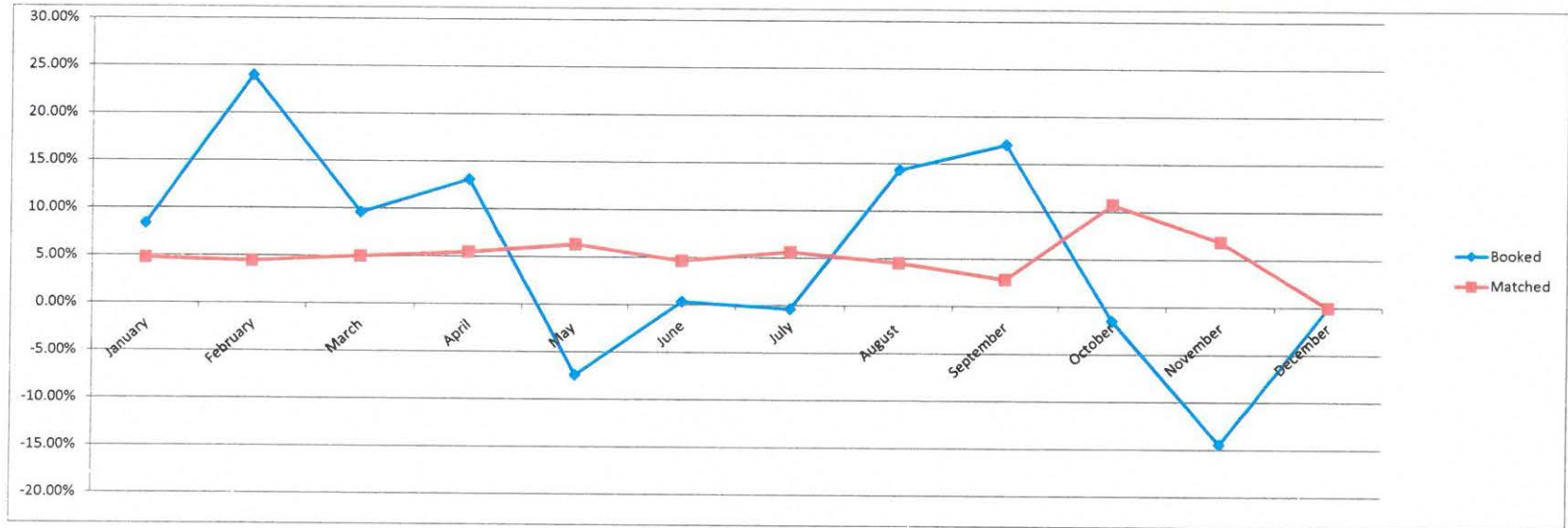
	2016	2015	2015-2013
Revenue	(2,845,855)	(2,551,088)	(2,807,847)
Purchase Power	1,344,264	1,445,835	1,631,976
<i>Gross Margins</i>	(1,501,591)	(1,105,253)	(1,175,871)
Operating Expenses	1,009,715	979,482	978,175
Margins	(500,337)	(136,764)	(346,512)
OTIER	7.68	2.85	5.36

### Year to Date

	2016	2015	2015-2013
Revenue	(27,401,672)	(27,987,811)	(28,647,768)
Purchase Power	16,076,466	16,900,969	17,544,333
<i>Gross Margins</i>	(11,325,206)	(11,086,842)	(11,103,435)
Operating Expenses	11,595,927	11,338,915	11,169,513
Margins	(3,909)	84,144	(166,240)
OTIER	1.02	0.63	1.71



2016	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
<b>Sales</b>	27,838,272.00	19,115,012.00	18,117,196.00	15,364,927.00	18,939,219.00	20,670,504.00	23,406,315.00	20,876,795.00	16,145,867.00	16,872,858.00	23,112,306.00		220,459,271.00
<b>Purchases:</b>													
<b>Booked</b>	30,375,748.00	25,142,335.00	20,037,018.00	17,679,011.00	17,627,730.00	20,740,645.00	23,316,185.00	24,368,761.00	19,463,818.00	16,627,427.00	20,191,277.00		235,569,955.00
<b>Matched</b>	29,247,550.02	20,011,961.90	19,078,652.68	16,256,967.27	20,222,573.64	21,682,297.76	24,808,136.60	21,876,948.00	16,620,566.60	18,913,606.97	24,822,916.86		233,542,178.30
<b>kWh Loss</b>													
<b>Booked</b>	2,537,476.00	6,027,323.00	1,919,822.00	2,314,084.00	-1,311,489.00	70,141.00	-90,130.00	3,491,966.00	3,317,951.00	-245,431.00	-2,921,029.00	0.00	15,110,684.00
<b>Matched</b>	1,409,278.02	896,949.90	961,456.68	892,040.27	1,283,354.64	1,011,793.76	1,401,821.60	1,000,153.00	474,699.60	2,040,748.97	1,710,610.86	0.00	13,082,907.30
<b>% Line Loss</b>													
<b>Booked</b>	8.35%	23.97%	9.58%	13.09%	-7.44%	0.34%	-0.39%	14.33%	17.05%	-1.48%	-14.47%	#DIV/0!	6.41%
<b>Matched</b>	4.82%	4.48%	5.04%	5.49%	6.35%	4.67%	5.65%	4.57%	2.86%	10.79%	6.89%	#DIV/0!	5.55%





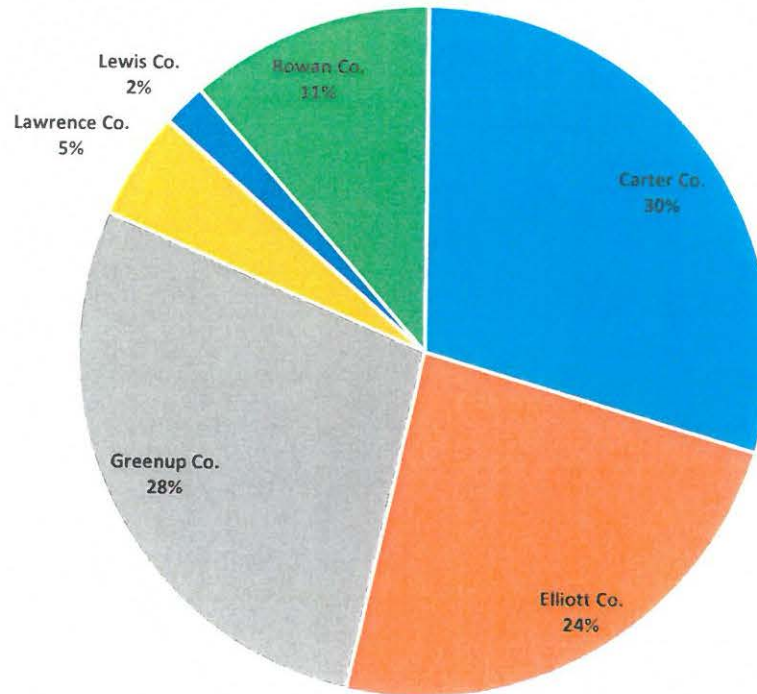
2016							2015								
Current Year							Previous Year								
	Average	HDD	CDD	HDD	CDD	Average		Average	HDD	CDD	HDD	CDD	Average		
21-Nov	37	28	0	0	3	68	1-Nov	21-Nov	47	18	0	9	0	56	1-Nov
22-Nov	35	30	0	0	4	69	2-Nov	22-Nov	32	33	0	6	0	59	2-Nov
23-Nov	39	26	0	0	0	65	3-Nov	23-Nov	31	34	0	4	0	61	3-Nov
24-Nov	52	13	0	12	0	53	4-Nov	24-Nov	43	22	0	0	2	67	4-Nov
25-Nov	46	19	0	15	0	50	5-Nov	25-Nov	45	20	0	0	2	67	5-Nov
26-Nov	41	24	0	14	0	51	6-Nov	26-Nov	57	8	0	0	0	65	6-Nov
27-Nov	41	24	0	8	0	57	7-Nov	27-Nov	59	6	0	12	0	53	7-Nov
28-Nov	49	16	0	10	0	55	8-Nov	28-Nov	57	8	0	18	0	47	8-Nov
29-Nov	60	5	0	18	0	47	9-Nov	29-Nov	47	18	0	21	0	44	9-Nov
30-Nov	54	11	0	17	0	48	10-Nov	30-Nov	47	18	0	20	0	45	10-Nov
1-Dec	43	22	0	12	0	53	11-Nov	1-Dec	54	11	0	21	0	44	11-Nov
2-Dec	35	30	0	22	0	43	12-Nov	2-Dec	45	20	0	8	0	57	12-Nov
3-Dec	39	26	0	21	0	44	13-Nov	3-Dec	35	30	0	17	0	48	13-Nov
4-Dec	41	24	0	21	0	44	14-Nov	4-Dec	36	29	0	22	0	43	14-Nov
5-Dec	46	19	0	17	0	48	15-Nov	5-Dec	40	25	0	19	0	46	15-Nov
6-Dec	47	18	0	12	0	53	16-Nov	6-Dec	40	25	0	18	0	47	16-Nov
7-Dec	42	23	0	10	0	55	17-Nov	7-Dec	42	23	0	9	0	56	17-Nov
8-Dec	31	34	0	4	0	61	18-Nov	8-Dec	44	21	0	0	0	65	18-Nov
9-Dec	25	40	0	16	0	49	19-Nov	9-Dec	44	21	0	10	0	55	19-Nov
10-Dec	28	37	0	27	0	38	20-Nov	10-Dec	51	14	0	23	0	42	20-Nov
11-Dec	39	26	0	28	0	37	21-Nov	11-Dec	60	5	0	18	0	47	21-Nov
12-Dec	43	22	0	30	0	35	22-Nov	12-Dec	64	1	0	33	0	32	22-Nov
13-Dec	38	27	0	26	0	39	23-Nov	13-Dec	59	6	0	34	0	31	23-Nov
14-Dec	33	32	0	13	0	52	24-Nov	14-Dec	61	4	0	22	0	43	24-Nov
15-Dec	20	45	0	19	0	46	25-Nov	15-Dec	47	18	0	20	0	45	25-Nov
16-Dec	22	43	0	24	0	41	26-Nov	16-Dec	49	16	0	8	0	57	26-Nov
17-Dec	51	14	0	24	0	41	27-Nov	17-Dec	47	18	0	6	0	59	27-Nov
18-Dec	51	14	0	16	0	49	28-Nov	18-Dec	31	34	0	8	0	57	28-Nov
19-Dec	30	35	0	5	0	60	29-Nov	19-Dec	33	32	0	18	0	47	29-Nov
20-Dec	27	38	0	11	0	54	30-Nov	20-Dec	34	31	0	18	0	47	30-Nov
	39.5	765	0	452	7	50.2			46.0	569	0	422	4	51.1	
		765		459						569		426			



# Bills by County

	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	Nov-15
Carter Co.	4,562	4,551	4,560	4,588	4,574	4,558	4,550	4,531	4,549	4,538	4,541	4,559	4,550
Elliott Co.	3,679	3,650	3,644	3,672	3,651	3,649	3,650	3,651	3,663	3,661	3,634	3,651	3,680
Greenup Co.	4,326	4,311	4,335	4,332	4,333	4,332	4,325	4,311	4,297	4,300	4,277	4,296	4,309
Lawrence Co.	776	784	789	787	788	794	789	787	788	790	793	803	800
Lewis Co.	312	309	309	310	310	312	305	306	307	309	302	303	304
Rowan Co.	1,765	1,754	1,740	1,754	1,754	1,753	1,739	1,735	1,741	1,748	1,744	1,749	1,748
	15,420	15,359	15,377	15,443	15,410	15,398	15,358	15,321	15,345	15,346	15,291	15,361	15,391

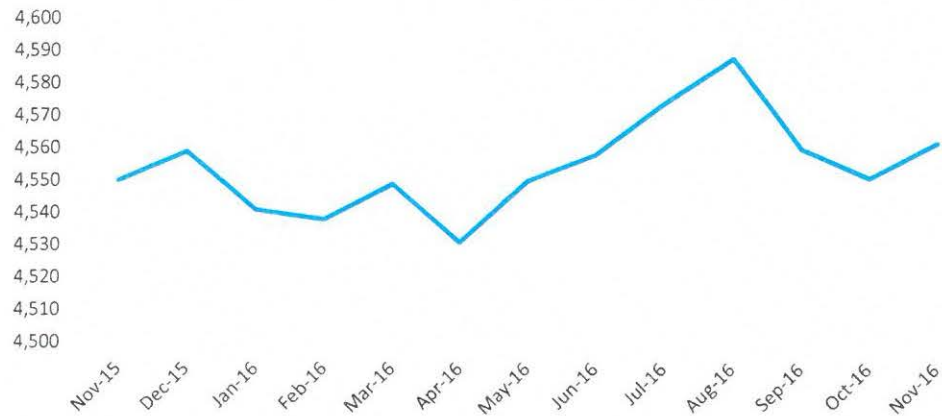
# of Bills  
August 2016



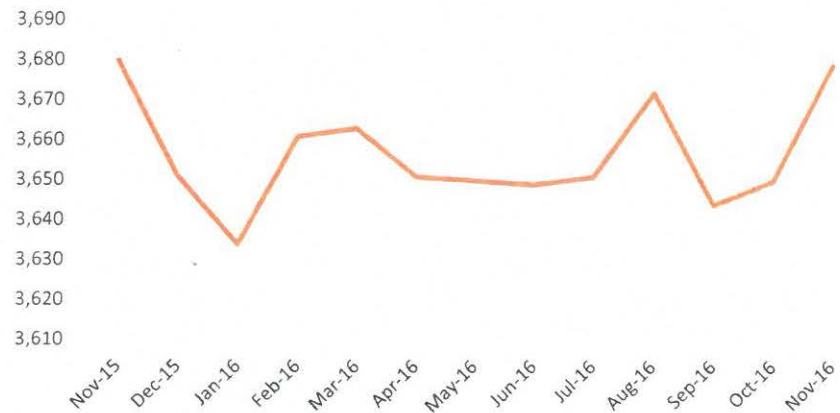




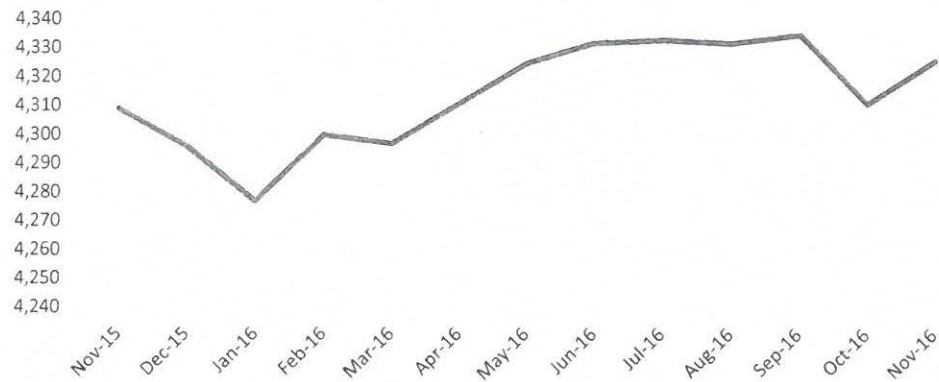
Carter Co.



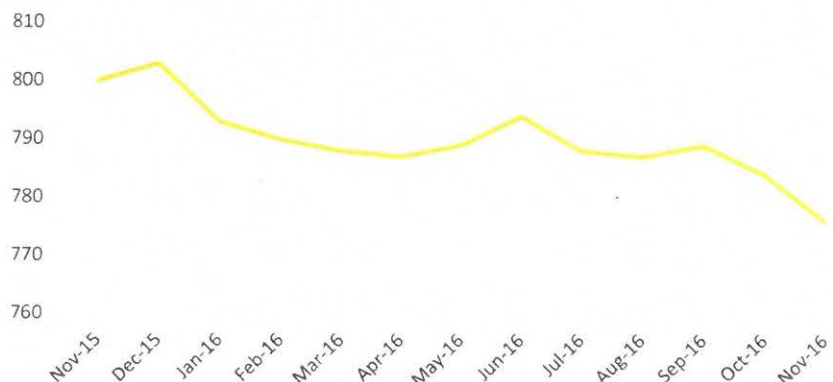
Elliott Co.



Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**NOVEMBER 2016**

**219 ANALYSIS**

<u>W/O</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>	<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>BUDGETED</u> <u>UNIT COST</u>
9	RETIREMENTS		22	413.94	(413.94)		
100	NEW LINE EXTENSIONS		31	97,194.20	97,194.20	3,135.30	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		1	1,250.67	1,250.67	1,250.67	1,920.25
603	SECTIONALIZERS		7	11,460.50	11,460.50		
604	REGULATORS						
606	POLES		28	98,719.06	98,719.06	3,525.68	2,410.75
701	SECURITY LIGHTS		38	22,505.84	22,505.84	592.26	423.50
1600	MINOR PROJECTS		4	4,007.50	4,007.50		
	<b>TOTAL</b>		<b>132</b>	<b>235,551.71</b>	<b>234,723.83</b>		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	METERS	370.00	96	16,498.64	16,498.64	171.86	160.00
	TRANSFORMERS	368.00	30	26,649.60	26,649.60	888.32	1,120.00
	TURTLES	370.10	0	0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0	0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	9	6,509.70	6,509.70	723.30	
	<b>TOTAL</b>		<b>135</b>	<b>49,657.94</b>	<b>49,657.94</b>		
	MATERIAL			<b>87,814.51</b>			
	MATERIAL OH			<b>38,584.09</b>			
	LABOR			<b>22,206.09</b>			
	LABOR OH			<b>67,480.04</b>			



# Grayson Rural Electric Cooperative Corporation

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109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

February 16, 2017

W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on **Wednesday, February 22, 2017, at 1:00 p.m.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis



# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

February 16, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Wednesday, the twenty-second day of February, 2017 at 1:00 p.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis





GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On February 22, 2017, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
  2. Invocation
  3. Approval of the Minutes From the January Board Meeting
  4. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for December 2016 – Bradley Cherry
  5. Manager of Technical Services Report – Brian Poling
  6. Manager of Operations & Safety Reports – Kyle Clevenger
  7. Review Proposal to Begin Investigation of Radio Frequency Metering Program
  8. Manager of Marketing & Member Services Reports – Kim Bush
  9. Approval of Sixty-One (61) New Memberships and Retirement of Seventy-Six (76) Existing Memberships for January 2017
  10. Consider Approval of Accounts to be Charged Off to Reserve \$548.72
  11. Consider Approval of President's Business Expense in the Amount of \$334.82, Director's Business Expense in the Amount of \$17,347.66 and Attorney's Business Expense in the Amount of \$364.04
  12. President's Report – Carol Hall Fraley
  13. Cooperative Legal Matters – W. Jeffrey Scott
  14. KAEC Director's Report – Jimmy Whitt
  15. EKPC Director's Report – Ken Arrington
  16. Consider Community Service and/or Donations
  17. Attendance at Meetings – Directors and Employees
  18. Consideration of President and CEO Performance and Evaluation
  19. Confirm Date for the March Board Meeting, Friday, March 24, 2017
  20. Additional Business
  21. Adjourn
-



On January 27, 2017 at 9:05 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

- INVOCATION Director Dupuy gave the invocation.
- APPROVAL OF MINUTES Motion was made by Director Bentley, seconded by Director Rice and unanimously agreed to approve the minutes from the December Board Meeting for informational purposes only.
- MANAGER OF TECHNICAL SERVICES Brian Poling, Manager of Technical Services reported on the following:
- DAVEY RESOURCE GROUP As of the week ending January 21<sup>st</sup>, Davey Resource Group (DRG) has completed 17,296 GPS points. That same week they tagged 1,126 features. They have now completed Pactolus, Low Gap and Warnock. They are currently finishing Argentum and working on Elliottville. Today is the last day for Joe Burris, the field Supervisor on our project and he will be replaced by Aaron Kline who has been here from the beginning. Robert said they have reported several hazardous conditions and pole attachments.
- DATA BACKUP The reporting of last data month's backup was sent to NetGain in Lexington. It took a couple of weeks to transmit everything. The backup is now completed and future data will be sent incrementally on a daily basis.
- OFFICE INTERNET We are still waiting on AT&T to install our fiber connection, AT&T is waiting on Windstream to run the line and make the connection in their central office for our internet service.
- NEWER TECHNOLOGY We are considering a newer technology to present to the Board for inclusion in the next work plan. Steve, Scott and Brian visited Licking Valley last week to see the radio frequency system at work. They get a reading every 15 minutes and we get 1 a day. Outages are received in 2 minutes due to infrastructure. The system is many times faster, gives more information quicker, and can choose alternating reporting paths. This system can see if a meter has power, if voltage is correct, current meter readings and some health information on the meter, all within about 1-2 minutes. They are going to Clark next week and plan to attend a Landis+Gyr Users Conference in April.
- OFFICE GENERATOR The installation of the office generator has begun. We have applied for a new gas tap with the City of Grayson Utilities. JMK has installed the transfer switch and poured a pad over the hill where the old unit will be located. Our generator has been delivered to Wayne Supply docks. Steve Brown will do the horizontal boring at \$5 per foot.
- IPADS Sixty eight grounds were stolen and had to be replaced on the Pactolus substation. These were reported as part of the data from Davey. This could be a danger to the public. The reclosers use the grounds to determine faults that might be too fast or too slow before they trip out. These grounds are expensive and time consuming to replace. Chris Mosier and Mark Hutchinson have most of them completed.

MANAGER OF FINANCE  
AND ACCOUNTING

Bradley Cherry, Manager of Finance & Accounting, presented the Financial and Statistical Report for November 2016. He reported on the following:

FINANCIAL &  
STATISTICAL REPORT  
FOR NOVEMBER 2016

Kilowatt hour sales for the month of November (11/21-12/20) were 5.90% over budget. Purchases for the time period of (11/1-11/30) were (6.06%) under budget. Line loss for the last twelve months was 6.41%. Year to date margins were (\$8,114) compared to the projected budgeted amount of (\$415,094).

O.T.I.E.R.

The monthly O.T.I.E.R. for this month was 7.68 with the rolling O.T.I.E.R. at 1.02 and we still have December to go. The Environmental Surcharge was 10.82%. It has been a little higher the past couple of months.

DEGREE DAYS

There was 765 heating degree days and 0 cooling degree days.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR NOVEMBER 2016

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the Financial and Statistical report for November 2016 as presented, for informational purposes only.

OPERATIONS REPORT

President Fraley gave the Operations Report for Kyle Clevenger who was attending a Storm Coordination Workshop in Winchester, KY. She reported on the following:

EMPLOYEE/LOST TIME  
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during December 2016:

December 7 – Kim Bush, Manager of Marketing & Member Services, turned the meeting over to David White for the KAEC monthly safety meeting. Mr. White showed a video of the 2016 Lineman Rodeo, reviewed the Federated Contact List, reviewed the Hurt Man Rescue Exercises and showed the top five Coops with the best average of time. Grayson placed first and their time was better than the combined Coops total average. He went over the new APPA safety manual changes, reviewed recent tree cutting issues and referenced Safety Manual 508.1 Tree Trimming page 176.

December 12 – Bradley Cherry, Manager of Finance & Accounting, showed a power point on Holiday Statistics regarding injuries, fires, travel, food preparation, and stress management. Kyle Clevenger went over changes on NESC handout and the importance of the use of rubber gloves, reminding everyone that it was time to replace gloves and sleeves.

December 19 – Kyle Clevenger, Manager of Operations, read out of the safety manual 503 Vehicle Operation, 503.1 General, 503.2 Inspection of Equipment, 503.3 Exhaust Gas, 503.4 Operation, 503.5 Parking, and 503.6 Backing, pages 108-111. President Fraley gave the employees an update on the family that was chosen for Christmas and asked if there were any more needs that we needed to be aware of at this time.

December 27 – Carol Fraley, President and CEO, discussed Board Policies and talked about qualifications of a director. Kyle reviewed an accident involving Bryan Rogers.

SAFETY REPORT  
(CONTINUED) Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

CONSTRUCTION Construction built one hundred thirty-two (132) new work orders for the month of December and worked zero (0) hour of overtime. There was 31 added and 17 retired. We almost have the Mazie Substation finished.

OVERTIME HOURS The Maintenance Department worked three hundred seventeen (317) hours of overtime during the month of December and Engineering worked zero (0) overtime hours.

DELINQUENT NOTICES There were fifty (50) delinquents for January. Thirty-eight (38) cards were issued to be disconnected and twelve (12) accounts were disconnected by remote meter. Field personal disconnected an additional six (6) meters for a total of seventeen (17) disconnects. Four (4) accounts were reconnected on January 12.

CONTRACT CREWS There are two (2) Pike crews working in the following areas:  
  
Tony Seagraves – RT 7 State Job, Line Relocate, Elliott County. They are working on RT 173.  
Chris Tackett – Iron Hill, Carter County

RIGHT-OF-WAY CREWS We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 960 trees, cut 1,305 trees, cut 49,455 feet of brush/line and sprayed 16 spans of line. The crews are working in the following areas:  
  
3 cutting crews in Carter, Lewis and Greenup Counties  
3 cutting crews in Rowan and Elliott Counties  
1 bucket truck crew in Carter, Lewis and Greenup Counties  
1 bucket truck crew in Rowan County  
1 bucket truck crew in Elliott County  
1 tractor crew in Carter County  
  
1 Smith Tree Service in Circuit Crew in Elliott County

ENGINEERING REPORT The Engineering Department released sixty-five (65) prints consisting of 1,885 feet of primary line and 713 feet of service wire. They currently have one (1) new service to be staked, one (1) to be drawn and fourteen (14) miscellaneous jobs to be staked or drawn. This is for the period of December 18, 2016 – January 18, 2017.

JACKSON PURCHASE Josh Franklin, Lineman at Jackson Purchase passed away last Monday due to electric line contact. GRECC employees mailed \$750 to a fund set up for his family.

WAREHOUSE ROOF BIDS We have two bids on the warehouse roof and they were within \$1,000 of each. One had power vents on both ends of the roof and the other bid had one center vent. We accepted the bid with two vents, bidding in at \$17,000.

WAREHOUSE/GARAGE  
PARKING LOT BIDS

Standafer Paving of West Liberty, KY submitted an \$110,000 bid on the warehouse/garage parking lot for re-paving and concrete. We are waiting on Mt. Material's bid. The Directors suggested getting bids from Rick Brown with AA Paving, Greenup, KY; Akins Paving, RT 23, Catlettsburg, KY; and Crouch Paving, Salt Lick, KY.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services, asked Tina Preece to give the report this month.

Tina gave a 2016 review on our energy programs in conjunction with EKPC. We surpassed the goal set by EKPC by reaching 119% combined with residential, commercial and industrial. The residential program that provided the most savings to us was the Heat Pump Retrofit 14 SEER or greater. The Commercial and Industrial Programs that provided the most savings was the lighting retrofit, upgrading to LEDs. The Energy Star Appliance program totaled 159 members receiving a total savings of \$14,339.

ENERGY PROGRAMS

CARES – works with the community action agencies Northeast, Gateway and Licking Valley assisting with electric bill payments.

Billing Insights – guides the member online for their home audits and gives the member a print out of recommended changes and approximate savings. Industrial loads do not get rebates.

Heat Pump Retrofit – replaces a resistance type of heat such as base board, electric furnace, ceiling cable.

HVAC Duct Seal – the consumer seals existing duct work; an audit is completed before and after the work is done. A contractor or the homeowner can do the work.

Button-up – for electric heated homes that are at least 2 years old, and can be used to upgrade windows and doors, and add insulation in floors, walls or attic. Rebates are based on savings.

Manufactured home – the newest program and for homes that are Energy Star rated from the manufacturer. The rebate is paid to the manufacturer. The customer does not pay any extra cost to upgrade.

Commercial (small or large) and Industrial Lighting – upgrades and change old CLF lights to new energy efficient lights and are based on kWh shed.

Appliance Recycling Program – will have your refrigerator or freezer picked up and hauled away and pay the member \$50. The appliance must be in working order, plugged in with the compressor running and there must be a clear path to the appliance.

Director Arrington asked how we advertise. Most advertising is through KY Living Magazine, billboard, WSAZ-TV MIDDAY, WSAZ Weather, Online, Facebook, GRECC link, radio or by word of mouth from our consumers.

Tina works with EKP on all programs, cost share and rebates.

LIHEAP

The 2016/2017 LIHEAP payments were:

\$167,215.36 November 2016 – January 25, 2017 compared to \$142,025.29 the previous year, and \$73,187.48 for January 1-25, 2017 compared to \$55,757.06 in January 2016.

We received five (5) Winter Harship Reconnects and four (4) 30-day extensions through LIHEAP.

PREPAY We have 614 active prepay accounts with 7 inactive accounts. The average balance on accounts is \$49.93 credit. The average kWh usage is 27 a day and the average payment is \$42.35. Total number of payments in 30 days is 3,093 and total payments \$130,974.71.

DEBT MANAGEMENT We have 50 active accounts with debt management.  
Total amount in Debt Management - \$13,419.88  
8% of active PrePay accounts have Debt Management  
Under \$100 – 14                      \$100-\$199 – 14                      \$200-\$299 – 15  
\$300-\$399 – 2                      \$400-\$499 – 2                      over \$500 – 3

ENERGY EFFICIENCY There were thirteen audits for the month:  
Energy Audits – 1    Heap Pump – 1    CARES – 1    Button-Up – 1  
Billing Insights – 8    Commercial Lighting in Progress – 1  
and 2 appliance recycling.

APPLIANCE REBATES Sixteen consumers received Energy Star Appliance Rebates:  
clothes washer – 5    dishwasher – 3    refrigerator – 6    freezer – 1 and heat  
pump – 1.

ANNOUNCEMENTS Annual Meeting is scheduled for Thursday, May 11<sup>th</sup> at the GRECC office.  
  
Scholarships are due February 10<sup>th</sup> and will be judged February 15<sup>th</sup>.  
  
Frankfort Youth Tour – eligible to any high school junior that lives on our lines. They are asked to write and submit a paragraph.  
  
Our Facebook page continues to grow. Posting Sandy Hook’s major outage over the weekend showed the number of people ‘liking’ our page soared, reaching 1.5 thousand people through sharing. A safety message concerning signs, balloons and other materials on utility poles has been posted and has reached 3.2 thousand people, again through sharing. A smaller outage Thursday on Sunset Hill was shared with 207 people in a short time. President Fraley suggested having a post on drones and swimming pools.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve seventy-two (72) new memberships and retirement of ninety-eight (98) existing memberships for January 2017.

BAD DEBT WRITE-OFFS Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to charge off \$2,443.18 worth of bad debts and turned over for collection.

APPROVAL OF CEO’S, DIRECTOR’S & ATTORNEY BUSINESS EXPENSES Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the President’s business expense of \$36.74, Director’s business expenses of \$31,156.85 and Attorney’s business expense of \$459.87.

PRESIDENT’S REPORT President Fraley reported on the following:

CFC CHECK We received a check from CFC in the amount of \$1,622.65 for our system’s amortization earnings from our subordinated certificates in CFC.

PSC – STEVE KINGSOLVER A letter was mailed to PSC’s Steve Kingsolver January 15, 2017 in regards to the January 14, 2017 outage on Circuit One of the Argentum Substation. The areas affected were Schultz, Sheep Hollow, John Will Hollow, Wingo Creek and surrounding areas. Approximately 550 members were out of electric during the approximate 6 hour outage. Over the last two weeks, we had 7 broken poles and 2 substations out. The Sandy Hook Substation had an EKPC transformer that went bad, creating an outage. Warnock Substation had an outage due to a tree falling on the line just outside the substation and breaking two poles.

IRS MILEAGE RATE CHANGE On December 13, 2016 the IRS issued the new standard mileage rates for the use of a car, van, pickup or panel truck effective January 1, 2017. The rate will go down from 54 cents to 53.5 cents per mile.

BOARD SEAT ELECTION Kim Bush and Jeffrey prepared the annual meeting time line and a correction was made since the last board meeting. There was a misprint in the Bylaws published in the Kentucky Living magazine, caused by their proof reader. All four candidates for the Board of Directors were made aware of it.

Four members of Greenup County have signed the Declaration of Intention to Run for Election to the Board of Directors of Grayson Rural Electric Cooperative Corporation for Greenup County. They are: Darrell Sammons, William J. ‘Bill’ Bentley, Mary Kay McGinnis Ruark and Betty Neace Riffe. Directors Dupuy and Martin will be running as incumbents.

GRECC BYLAWS President Fraley is currently working on the Bylaws. After the 2017 board election corrections or additions will need to be considered by the full Board.

JEANIE VIRGIN We had a retirement lunch for Jeanie Virgin January 4<sup>th</sup>. Nancy Madden has moved into Jeanie’s position. Nancy and Peggy Skaggs are sharing Jeanie’s work.

SUBSTATIONS We have finished reading the Sandy Hook Substation. The Newfoundland Substation will be read next. Upon finishing Newfoundland, we will like Warnock, Low Gap and Argentum in the north end of the system.

We have two residences that have meters inside, and a couple of situations with the roof. Twelve violation letters were wrote yesterday and today.

MAGAZINE REPORT The magazine this month told of our accomplishments and the year-end report for 2016.

LEGAL COUNSEL’S REPORT Legal Counsel Scott reported on the following:

Checked several issues in the bylaws regarding director’s eligibility.  
Sent Carol Ann a letter on a bankruptcy filing she received recently.  
Contacted a woman on a deceased account and capital credits. She was told any capital credit balance after the final bill payment would be mailed to her.

COLUMBIA GAS Columbia Gas requested service to their work trailers close to the Goble Memorial Methodist Church. President Fraley told Legal Counsel Scott we are going have to come up with a resolution or solution on where the AEP and GRECC boundaries are, and make them acknowledge them. Legal Counsel said they have a 100 foot buffer.



LEGAL COUNSEL'S REPORT (CONTINUED)	<p>Legal Counsel stated the Commission approved property near mushroom mines for consumer to build her house on AEP and one on Mocabee Creek.</p> <p>President Fraley said she had not heard a word from AEP on the Sand Gap property, other than what Legal Counsel had sent her.</p>								
KAEC DIRECTOR'S REPORT	Director reported there was no KAEC Board Meeting this month.								
EKPC DIRECTOR'S REPORT	Director Arrington reported there was not a meeting this month. Instead they were told it was mandatory to attend the CFC workshop at KAEC in Louisville.								
THANK YOU NOTES	GRECC received thank you notes from Argillite United Methodist Church Food Pantry, Ronald McDonald House Charities of the Tri-State, Lewis County Educational Foundation, Carter County Community Fund, Rowan County Christmas and Elliott County High School for their shirts.								
DONATIONS	<p>President Fraley presented to the Board for their consideration the following donation requests:</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Carter Christian Academy - gym floor renovation</td> <td style="text-align: right;">\$100</td> </tr> <tr> <td>Greenup County High – prom night</td> <td style="text-align: right;">\$50</td> </tr> <tr> <td>Rowan County High – prom night</td> <td style="text-align: right;">\$50</td> </tr> <tr> <td>West Carter Comet Girls – recognized for winning tournament – purchase t-shirts</td> <td></td> </tr> </table> <p>Motion was made by Director Trent, seconded by Director Rice and unanimously agreed to approve the donations as presented.</p>	Carter Christian Academy - gym floor renovation	\$100	Greenup County High – prom night	\$50	Rowan County High – prom night	\$50	West Carter Comet Girls – recognized for winning tournament – purchase t-shirts	
Carter Christian Academy - gym floor renovation	\$100								
Greenup County High – prom night	\$50								
Rowan County High – prom night	\$50								
West Carter Comet Girls – recognized for winning tournament – purchase t-shirts									
MEETING ATTENDANCE	<p>Scott Speaks will be attending the KAEC – NESC Update in Louisville, KY March 8-9, 2017.</p> <p>Mike Martin is attending the VMAK Conference in Lexington, KY March 14-16, 2017.</p> <p>Brian Poling and Steve Bush will be attending a Landis+Gyr conference in Austin, Texas April 10-13, 2017.</p>								
NO CONFLICT OF INTEREST STATEMENT	The No Conflict of Interest Statement were passed out to all Directors to be signed and witnessed.								
BOARD MEETING DATE	The next board meeting will be held on Friday, February 24, 2017.								
ADDITIONAL BUSINESS	Other business discussed was:								
COUNTING SIGNATURES	<p>Petitions are to be filed with the Secretary or President and CEO by 4:30 p.m. on February 27<sup>th</sup>, 2017.</p> <p>Thursday, March 2, 2017, at 10:00 a.m. is the scheduled date to verify the signatures on petitions with Legal Counsel Scott, John Dean, President Fraley and Priscilla Sparks or Bradley Cherry at GRECC's office.</p>								
PRESIDENT AND CEO APPRAISAL	Appraisal of the President and CEO was presented to the Board. Legal Counsel Scott suggested mailing an evaluation to the Directors prior to the February Board Meeting.								

Motion was made by Director Martin to table the President and CEO appraisal until the next Board Meeting, seconded by Director Whitt and unanimously agreed upon.

Chairman Dupuy asked Legal Counsel Scott to mail the performance evaluations prior to the February Board Meeting.

President Fraley will mail her year-end report and goals to the Directors prior to the February Board Meeting.

ADJOURN

Chairman Dupuy adjourned the meeting at 11:39 a.m.

\_\_\_\_\_  
Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel



















































President and CEO's Expenses

November 14, 2016 - December 2016

<u>Check Date</u>	<u>Check #</u>	<u>Description</u>	<u>Amount</u>
12/01/2016	170421	*Grayson Area Chamber of Commerce – 2016 awards dinner	\$30.00
12/19/2016	170592	*Creative Coffee – Christmas gift	\$6.75
12/19/2016	170596	*KAEC – Annual Meeting / WIRE 11/14-15/16, L'ville KY	\$158.48
1/05/2017	170716	Visa Expenses:	
		*11/21/16 GRECC Board Meeting – meal expense	\$13.81
		*12/5/16 worked through lunch – meal expense	\$12.41
		*12/7/16 Planning & Review Meeting – meal expense	\$5.69
		*12/31/16 movie tickets – Christmas gift	\$25.00
1/09/2017	170763	*NRECA renew 2 subscriptions: Rural Electric Magazine Personnel Pointers	\$45.58 \$37.10
		Total Expenses	\$334.82

\* Prorated



# DIRECTORS & ATTORNEY EXPENSES

December-16

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## KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Bd. Mtg. (12/21)	\$ 243.20
<b>MISC</b>	- Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- Movie Ticket - Christmas Gift	25.00
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
<b>KAEC</b>	- Annual Mtg. & WIRE	275.42
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 1,234.28</u>

## JIM BENTLEY

<b>Per Diem</b>	- NRECA Directors Winter School (12/4-6); GRECC Bd. Mtg. (12/21)	\$ 1,135.34
<b>MISC</b>	- Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- NRECA Directors Winter School	305.36
	Movie Ticket - Christmas Gift	25.00
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 2,156.74</u>

## HAROLD DUPUY

<b>Per Diem</b>	- NRECA Directors Winter School (12/2-6); Planning & Review Committee (12/7); GRECC Bd. Mtg. (12/21)	\$ 1,860.04
<b>MISC</b>	- Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- NRECA Directors Winter School	1,100.28
	Lunch Planning & Review Committee	5.69
	Movie Ticket - Christmas	25.00
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
<b>KAEC</b>	- Annual Mtg. & WIRE	275.42
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 3,957.09</u>

## EDDIE MARTN

<b>Per Diem</b>	Planning & Review Committee (12/7); GRECC Bd. Mtg. (12/21)	\$ 417.28
<b>MISC</b>	- Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- Lunch Planning & Review Committee	5.68
	Movie Ticket - Christmas	25.00
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,139.00</u>

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**WILLIAM T. RICE**

<b>Per Diem</b>	Planning & Review Committee (12/7); GRECC Bd. Mtg. (12/21)	\$ 443.20
<b>MISC</b>	Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- Lunch Planning & Review Committee	5.69
	Movie Ticket - Christmas	25.00
	- Renew Subscription - Rural Electric Magazine	45.58
<b>KAEC</b>	- Annual Mtg. & WIRE	275.42
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,439.76</u>

**ROGER TRENT**

<b>Per Diem</b>	NRECA Directors Winter School (12/2-6); Planning & Review Committee (12/7); GRECC Bd. Mtg. (12/21)	\$ 1,817.94
<b>MISC</b>	- Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- NRECA Directors Winter School	1,080.76
	Lunch Planning & Review Committee	5.69
	Movie Ticket - Christmas	25.00
	GRECC Bd. Mtg. (11/21)	13.80
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
<b>KAEC</b>	- Annual Mtg. & WIRE	275.42
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 3,909.06</u>

**JIMMY WHITT**

<b>Per Diem</b>	NRECA Directors Winter School (12/2-5); KAEC Bd. Mtg. 12/19; GRECC Bd. Mtg. (12/21)	\$ 1,783.48
<b>MISC</b>	- Signature Roast Coffee - Christmas	6.75
<b>VISA</b>	- NRECA Directors Winter School	736.79
	Movie Ticket - Christmas	25.00
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
<b>KAEC</b>	- Annual Mtg. & WIRE	275.42
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 3,511.73</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	
<b>MISC</b>	- Signature Roast Coffee - Christmas	\$ 6.75
	Postage (26) Collection Letters	12.22
<b>VISA</b>	- Movie Ticket - Christmas	25.00
<b>NRECA</b>	- Renew Subscription - Rural Electric Magazine	45.58
	Renew Subscription - Personnel Pointers	206.70
<b>KAEC</b>	- Annual Mtg.	67.79
<b>TOTAL</b>	-	<u>\$ 364.04</u>























# Grayson Rural Electric Financial Report

February 24, 2017

## At A Glance....

### December

<u>kWh Sales (12/21 - 1/20)</u>		<u>Margins</u>	
<i>Month</i>	-7.09%	<i>Month</i>	\$ 376,466.87
<i>YTD</i>	-2.35%	<i>YTD</i>	\$ 380,376.00
<u>kWh Purchases (12/01 - 12/31)</u>		<u>OTIER</u>	
<i>Month</i>	11.45%	<i>Month</i>	7.17
<i>YTD</i>	-1.37%	<i>YTD</i>	1.42
<u>Line Loss</u>			
<i>Month</i>	6.64%		
<i>YTD</i>	6.44%		

**Fuel Adjustment** (0.003197)

**ESC** 10.82%

**Degree Days** 715

*Heating Degree Days* 715

*Cooling Degree Days* 0

### Notes:

- Year End Review
- Capital Credits
- SPD/SMM

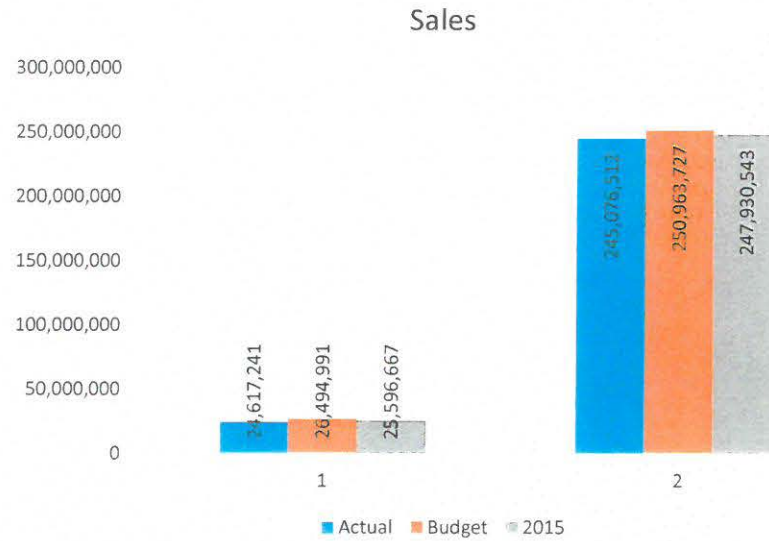




## Sales

### December

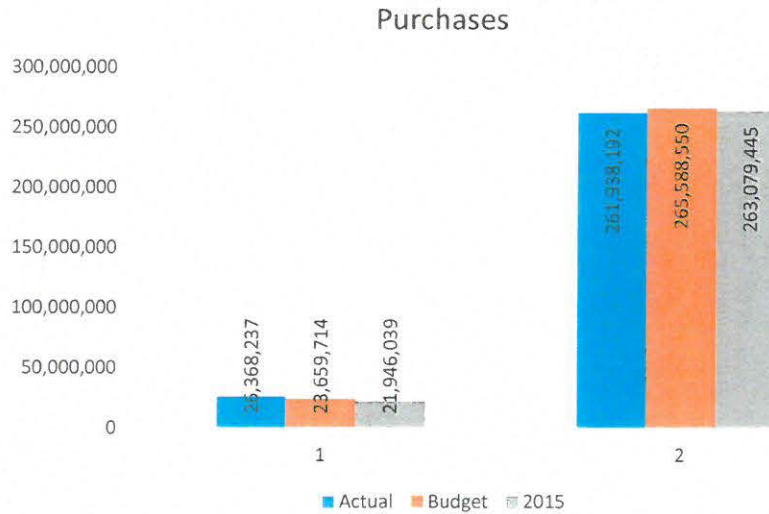
	2016	2015	2015-2013
Actual	24,617,241	25,596,667	27,260,621
Budget	26,494,991		
Difference	(1,877,750)	(979,426)	(2,643,380)
	-7.09%	-3.83%	-9.70%
<b>YTD-2016</b>			
Actual	245,076,512	247,930,543	253,449,431
Budget	250,963,727		
Difference	(5,887,215)	(2,854,031)	(8,372,919)
% Difference	-2.35%	-1.15%	-3.30%



## Purchases

### December

	2016	2015	2015-2013
Actual	26,368,237	21,946,039	25,147,277
Budget	23,659,714		
Difference	2,708,524	4,422,198	1,220,960
	11.45%	20.15%	4.86%
<b>YTD-2016</b>			
Actual	261,938,192	263,079,445	267,604,964
Budget	265,588,550		
Difference	(3,650,358)	(1,141,253)	(5,666,772)
% Difference	-1.37%	-0.43%	-2.12%









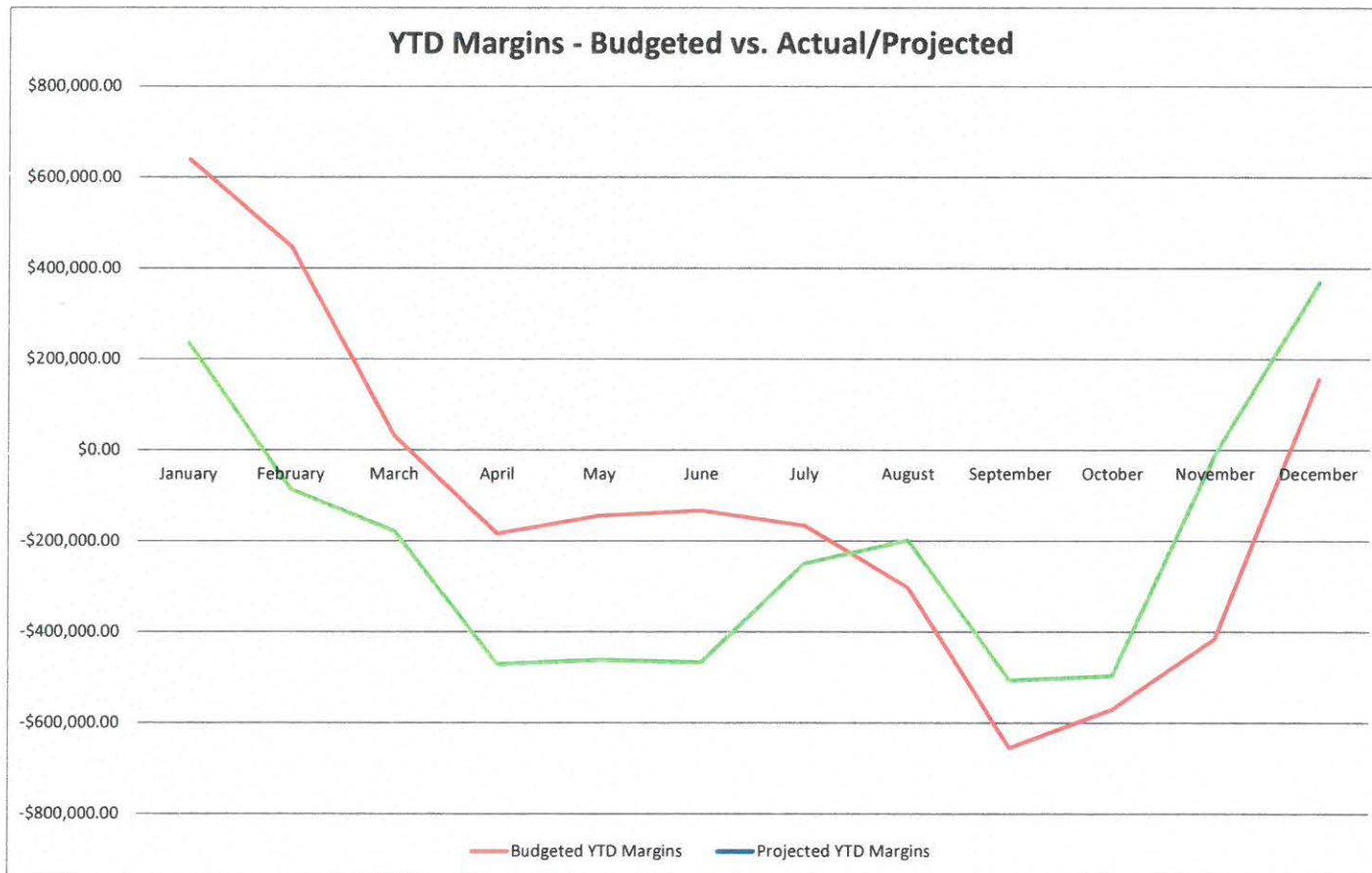
## Monthly Operating Revenue & Expenses

	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016
Revenue	(3,194,288)	(3,402,652)	(2,427,161)	(2,183,934)	(1,909,544)	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)
Purchased Power	1,554,316	2,062,778	1,722,707	1,275,270	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912
Gross Margins	(1,639,972)	(1,339,874)	(704,454)	(908,664)	(755,419)	(1,114,096)	(1,129,189)	(1,251,747)	(930,952)	(676,259)	(1,012,960)	(1,501,591)	(1,268,559)
Operations	81,024	118,020	102,525	109,704	114,899	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439	71,603
Maintenance	(91,200)	321,481	268,062	390,436	327,011	332,410	323,041	308,579	241,629	239,132	224,687	216,900	306,970
Customer Service	27,143	109,060	102,252	102,297	99,706	96,960	96,028	92,739	98,769	107,556	99,297	100,977	(25,625)
Informational Advertising	18,883	22,519	23,362	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450
Demonstration Advertising	1,687	1,622	1,971	2,399	1,601	1,589	2,208	1,258	1,460	2,783	1,658	1,565	1,276
Admin & General	165,567	197,561	189,897	158,695	146,925	170,584	154,830	152,473	170,645	131,232	170,663	196,718	173,417
Depreciation	274,242	272,500	273,066	273,644	276,594	277,417	278,260	279,062	280,885	281,062	282,191	283,297	283,911
Regulatory	3,457	3,453	3,453	3,453	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,345
Interest - LTD	73,596	77,872	75,520	75,188	75,839	74,858	75,628	76,423	76,601	75,759	75,748	74,859	61,057
Interest - Deposits	205	375	372	372	380	378	377	381	379	378	375	378	369
Miscellaneous Expense	(28,598)	1,043	3,360	2,800	(12,190)	17,633	2,520	2,300	36,615	5,565	9,631	5,953	3,092
Interest Income	(2,464)	(2,462)	(2,492)	(2,513)	(2,490)	(2,451)	(2,444)	(2,441)	(2,441)	(2,421)	(2,441)	(2,449)	(2,338)
Non-Electric Revenue	23,757	(15,463)	(15,403)	(10,255)	(7,596)	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)
Capital Credits	(2,489)	(2,489)	-	(126,937)	-	(312)	(312)	-	-	(4,059)	(4,884)	-	-
Margins	(1,092,673)	(234,785)	321,493	91,495	292,438	(9,587)	5,498	(217,284)	(51,014)	307,900	(9,726)	(500,337)	(376,467)
* ( )'s = positive margins													
Operating Expenses	526,005	1,125,504	1,043,842	1,139,864	1,057,943	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866
Monthly OTIER	15.85	4.02	(3.26)	(0.22)	(2.86)	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68	7.17

Revenue	(31,182,099)	(30,731,997)	(30,147,695)	(30,107,328)	(29,970,600)	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(33,147,048)	(30,511,143)
Purchased Power	18,455,285	18,423,798	17,935,248	17,619,985	17,638,416	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	19,076,617	17,917,378
Gross Margins	(12,726,814)	(12,308,199)	(12,212,447)	(12,487,343)	(12,332,184)	(12,336,752)	(12,449,221)	(12,560,733)	(12,581,231)	(12,559,721)	(12,568,840)	(14,070,431)	(12,593,765)
Operations	1,103,419	1,111,350	1,111,609	1,157,519	1,173,725	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,387,954	1,262,833
Maintenance	3,191,388	3,227,839	3,243,345	3,166,558	3,205,693	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,334,663	3,500,339
Customer Service	1,114,640	1,120,333	1,124,181	1,136,615	1,131,157	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,233,296	1,080,016
Informational Advertising	221,933	240,224	244,485	244,191	243,677	252,751	259,747	252,016	251,605	257,795	257,035	275,322	256,835
Demonstration Advertising	20,786	20,915	18,883	18,620	18,440	18,352	19,780	20,264	20,801	21,695	21,784	23,349	21,391
Admin & General	2,057,572	2,083,348	2,093,985	2,094,242	2,076,895	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,162,274	2,013,640
Depreciation	3,221,794	3,231,111	3,240,592	3,248,128	3,258,142	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,605,242	3,341,887
Regulatory	41,437	41,440	41,443	41,446	41,449	41,452	41,339	41,226	41,113	41,000	40,887	44,229	40,662
Interest - LTD	904,235	904,010	904,884	905,934	905,082	903,588	902,836	903,615	904,524	905,309	906,975	981,834	895,352
Interest - Deposits	1,439	1,814	2,062	2,310	2,566	2,821	3,075	3,331	3,586	3,841	4,094	4,472	4,514
Miscellaneous Expense	(13,722)	(12,783)	(10,033)	(9,058)	(23,298)	(6,489)	(4,741)	(3,191)	31,764	33,845	42,826	48,779	78,323
Interest Income	(25,567)	(25,422)	(25,328)	(30,492)	(30,302)	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(31,972)	(29,392)
Non-Electric Revenue	31,825	(41,707)	(37,265)	(33,495)	(54,194)	(52,931)	(55,612)	(56,722)	(96,261)	(82,128)	(87,665)	(93,678)	(114,330)
Capital Credits	(152,893)	(155,382)	(155,382)	(135,455)	(135,455)	(135,455)	(135,273)	(135,273)	(135,273)	(136,049)	(138,681)	(138,681)	(138,681)
Margins	(1,008,529)	(561,111)	(414,986)	(680,280)	(518,609)	(216,806)	(205,564)	(502,047)	(724,348)	(727,162)	(733,009)	(1,233,347)	(380,376)
Operating Expense	11,864,920	11,969,599	12,015,436	12,006,505	12,033,526	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	13,101,415	12,495,793
Rolling 12 Month OTIER	2.12	1.62	1.46	1.75	1.57	1.24	1.23	1.56	1.80	1.80	1.81	2.26	1.42



	2016 Monthly Margins			2016 YTD Margins			2016 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	\$234,784.64	\$639,433.34	-\$404,648.70	\$234,784.64	\$639,433.34	-\$404,648.70	\$234,784.64
February	-\$321,492.66	-\$193,589.66	-\$127,903.00	-\$86,708.02	\$445,843.68	-\$532,551.70	-\$86,708.02
March	-\$91,495.44	-\$415,250.66	\$323,755.22	-\$178,203.46	\$30,593.02	-\$208,796.48	-\$178,203.46
April	-\$292,437.44	-\$214,966.66	-\$77,470.78	-\$470,640.90	-\$184,373.64	-\$286,267.26	-\$470,640.90
May	\$9,587.63	\$39,636.34	-\$30,048.71	-\$461,053.27	-\$144,737.30	-\$316,315.97	-\$461,053.27
June	-\$5,497.67	\$11,075.34	-\$16,573.01	-\$466,550.94	-\$133,661.96	-\$332,888.98	-\$466,550.94
July	\$217,283.75	-\$32,535.66	\$249,819.41	-\$249,267.19	-\$166,197.62	-\$83,069.57	-\$249,267.19
August	\$51,013.58	-\$136,816.66	\$187,830.24	-\$198,253.61	-\$303,014.28	\$104,760.67	-\$198,253.61
September	-\$307,899.67	-\$352,517.66	\$44,617.99	-\$506,153.28	-\$655,531.94	\$149,378.66	-\$506,153.28
October	\$9,726.04	\$84,124.34	-\$74,398.30	-\$496,427.24	-\$571,407.60	\$74,980.36	-\$496,427.24
November	\$488,313.02	\$156,313.34	\$331,999.68	-\$8,114.22	-\$415,094.26	\$406,980.04	-\$8,114.22
December	\$376,466.87	\$571,115.26	-\$194,648.39	\$368,352.65	\$156,021.00	\$212,331.65	\$368,352.65







## Margins/Tier

### December

	2016	2015	2015-2013
Revenue	(3,109,471)	(3,194,288)	(3,385,506)
Purchase Power	1,840,912	1,554,316	1,795,070
<i>Gross Margins</i>	(1,268,559)	(1,639,972)	(1,590,437)
Operating Expenses	899,866	526,005	813,645
Margins	(376,467)	(1,092,673)	(771,062)
OTIER	7.17	15.85	11.05

### Year to Date

	2016	2015	2015-2013
Revenue	(30,511,143)	(31,182,099)	(32,033,274)
Purchase Power	17,917,378	18,455,285	19,339,402
<i>Gross Margins</i>	(12,593,765)	(12,726,814)	(12,693,872)
Operating Expenses	12,495,793	11,864,920	11,983,158
Margins	(380,376)	(1,008,529)	(937,302)
OTIER	1.42	2.12	1.99



**2016**

	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
<b>Sales</b>	27,838,272.00	19,115,012.00	18,117,196.00	15,364,927.00	18,939,219.00	20,670,504.00	23,406,315.00	20,876,795.00	16,145,867.00	16,872,858.00	23,112,306.00	24,617,241.00	245,076,512.00

**Purchases:**

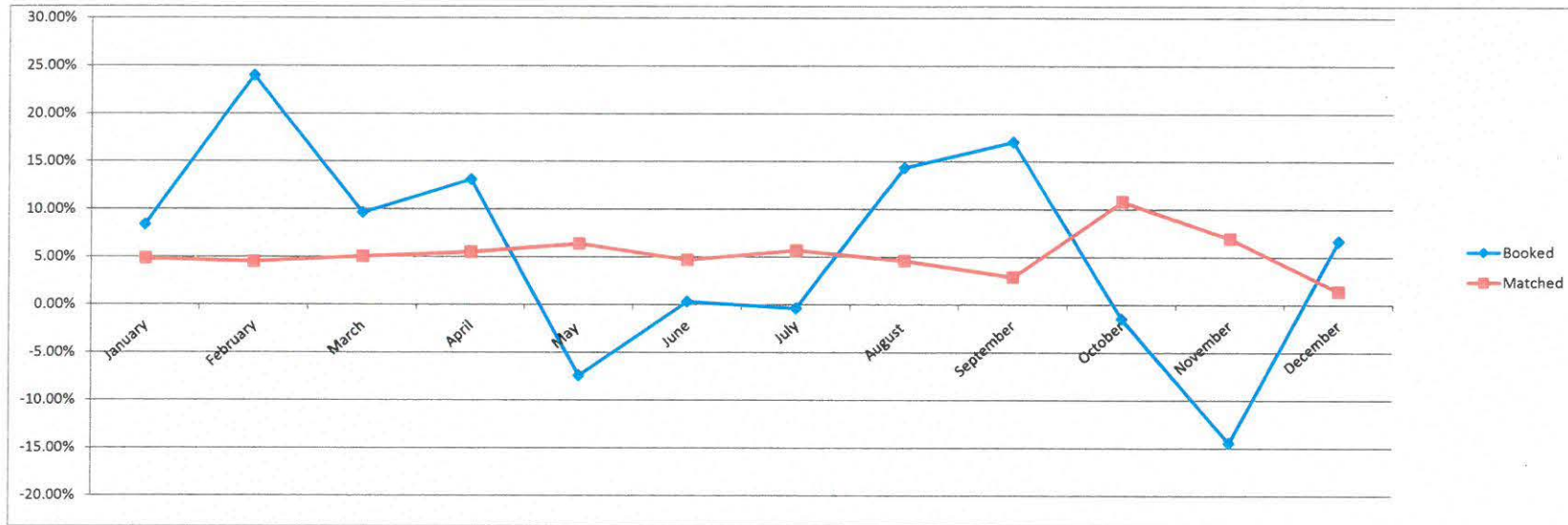
<b>Booked</b>	30,375,748.00	25,142,335.00	20,037,018.00	17,679,011.00	17,627,730.00	20,740,645.00	23,316,185.00	24,368,761.00	19,463,818.00	16,627,427.00	20,191,277.00	26,368,237.00	261,938,192.00
<b>Matched</b>	29,247,550.02	20,011,961.90	19,078,652.68	16,256,967.27	20,222,573.64	21,682,297.76	24,808,136.60	21,876,948.00	16,620,566.60	18,913,606.97	24,822,916.86	24,966,064.10	258,508,242.40

**kWh Loss**

<b>Booked</b>	2,537,476.00	6,027,323.00	1,919,822.00	2,314,084.00	-1,311,489.00	70,141.00	-90,130.00	3,491,966.00	3,317,951.00	-245,431.00	-2,921,029.00	1,750,996.00	16,861,680.00
<b>Matched</b>	1,409,278.02	896,949.90	961,456.68	892,040.27	1,283,354.64	1,011,793.76	1,401,821.60	1,000,153.00	474,699.60	2,040,748.97	1,710,610.86	348,823.10	13,431,730.40

**% Line Loss**

<b>Booked</b>	8.35%	23.97%	9.58%	13.09%	-7.44%	0.34%	-0.39%	14.33%	17.05%	-1.48%	-14.47%	6.64%	6.44%
<b>Matched</b>	4.82%	4.48%	5.04%	5.49%	6.35%	4.67%	5.65%	4.57%	2.86%	10.79%	6.89%	1.40%	5.13%





**2016/2017**

Current Year

	Average	HDD	CDD	HDD	CDD	Average	
21-Dec	37	28	0	22	0	43	1-Dec
22-Dec	39	26	0	30	0	35	2-Dec
23-Dec	36	29	0	26	0	39	3-Dec
24-Dec	45	20	0	24	0	41	4-Dec
25-Dec	50	15	0	19	0	46	5-Dec
26-Dec	63	2	0	18	0	47	6-Dec
27-Dec	52	13	0	23	0	42	7-Dec
28-Dec	39	26	0	34	0	31	8-Dec
29-Dec	41	24	0	40	0	25	9-Dec
30-Dec	35	30	0	37	0	28	10-Dec
31-Dec	38	27	0	26	0	39	11-Dec
1-Jan	46	19	0	22	0	43	12-Dec
2-Jan	54	11	0	27	0	38	13-Dec
3-Jan	56	9	0	32	0	33	14-Dec
4-Jan	40	25	0	45	0	20	15-Dec
5-Jan	26	39	0	43	0	22	16-Dec
6-Jan	19	46	0	14	0	51	17-Dec
7-Jan	15	50	0	14	0	51	18-Dec
8-Jan	17	48	0	35	0	30	19-Dec
9-Jan	22	43	0	38	0	27	20-Dec
10-Jan	44	21	0	28	0	37	21-Dec
11-Jan	53	12	0	26	0	39	22-Dec
12-Jan	59	6	0	29	0	36	23-Dec
13-Jan	43	22	0	20	0	45	24-Dec
14-Jan	39	26	0	15	0	50	25-Dec
15-Jan	38	27	0	2	0	63	26-Dec
16-Jan	47	18	0	13	0	52	27-Dec
17-Jan	58	7	0	26	0	39	28-Dec
18-Jan	47	18	0	24	0	41	29-Dec
19-Jan	45	20	0	30	0	35	30-Dec
20-Jan	57	8	0	27	0	38	31-Dec
	41.9	715	0	809	0	38.9	
		715		809			

**2015/2016**

Previous Year

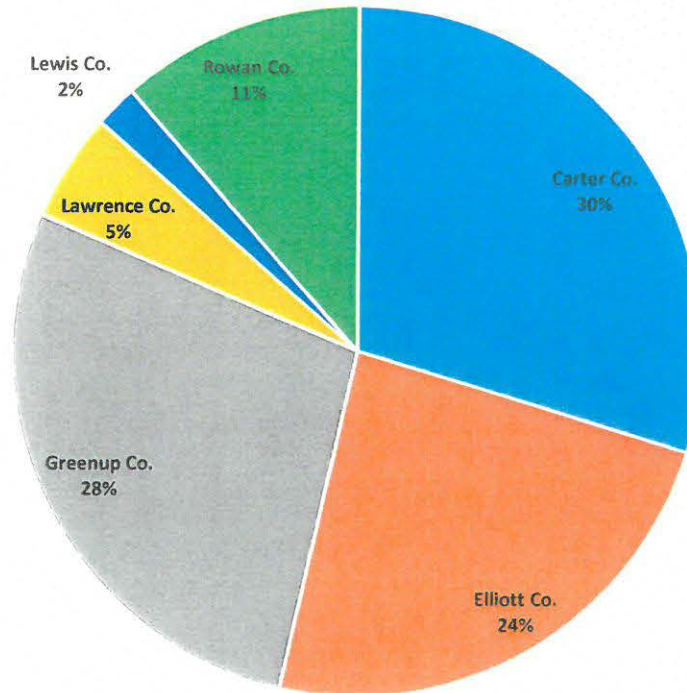
	Average	HDD	CDD	HDD	CDD	Average	
21-Dec	48	17	0	11	0	54	1-Dec
22-Dec	58	7	0	20	0	45	2-Dec
23-Dec	60	5	0	30	0	35	3-Dec
24-Dec	61	4	0	29	0	36	4-Dec
25-Dec	53	12	0	25	0	40	5-Dec
26-Dec	58	7	0	25	0	40	6-Dec
27-Dec	58	7	0	23	0	42	7-Dec
28-Dec	50	15	0	21	0	44	8-Dec
29-Dec	50	15	0	21	0	44	9-Dec
30-Dec	45	20	0	14	0	51	10-Dec
31-Dec	38	27	0	5	0	60	11-Dec
1-Jan	35	30	0	1	0	64	12-Dec
2-Jan	35	30	0	6	0	59	13-Dec
3-Jan	38	27	0	4	0	61	14-Dec
4-Jan	30	35	0	18	0	47	15-Dec
5-Jan	24	41	0	16	0	49	16-Dec
6-Jan	31	34	0	18	0	47	17-Dec
7-Jan	36	29	0	34	0	31	18-Dec
8-Jan	41	24	0	32	0	33	19-Dec
9-Jan	47	18	0	31	0	34	20-Dec
10-Jan	34	31	0	17	0	48	21-Dec
11-Jan	22	43	0	7	0	58	22-Dec
12-Jan	26	39	0	5	0	60	23-Dec
13-Jan	20	45	0	4	0	61	24-Dec
14-Jan	42	23	0	12	0	53	25-Dec
15-Jan	39	26	0	7	0	58	26-Dec
16-Jan	38	27	0	7	0	58	27-Dec
17-Jan	25	40	0	15	0	50	28-Dec
18-Jan	13	52	0	15	0	50	29-Dec
19-Jan	14	51	0	20	0	45	30-Dec
20-Jan	15	50	0	27	0	38	31-Dec
	38.2	831	0	520	0	48.2	
		831		520			



## Bills by County

	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15
<b>Carter Co.</b>	4,559	4,562	4,551	4,560	4,588	4,574	4,558	4,550	4,531	4,549	4,538	4,541	4,559
<b>Elliott Co.</b>	3,645	3,679	3,650	3,644	3,672	3,651	3,649	3,650	3,651	3,663	3,661	3,634	3,651
<b>Greenup Co.</b>	4,283	4,326	4,311	4,335	4,332	4,333	4,332	4,325	4,311	4,297	4,300	4,277	4,296
<b>Lawrence Co.</b>	777	776	784	789	787	788	794	789	787	788	790	793	803
<b>Lewis Co.</b>	311	312	309	309	310	310	312	305	306	307	309	302	303
<b>Rowan Co.</b>	1,754	1,765	1,754	1,740	1,754	1,754	1,753	1,739	1,735	1,741	1,748	1,744	1,749
	15,329	15,420	15,359	15,377	15,443	15,410	15,398	15,358	15,321	15,345	15,346	15,291	15,361

# of Bills  
December 2016



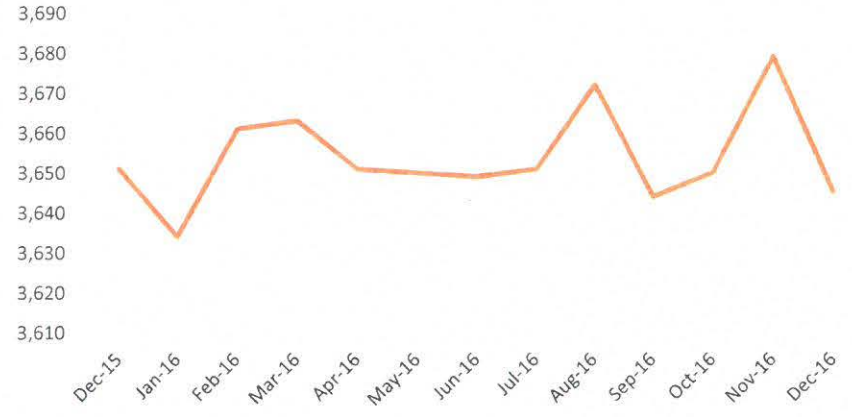




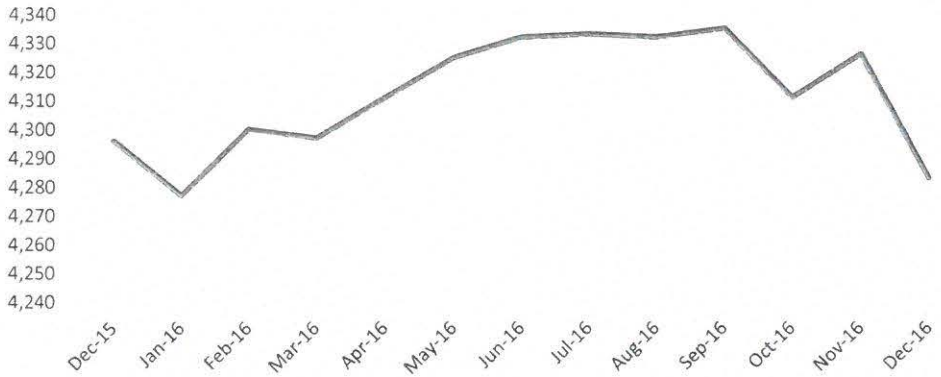
Carter Co.



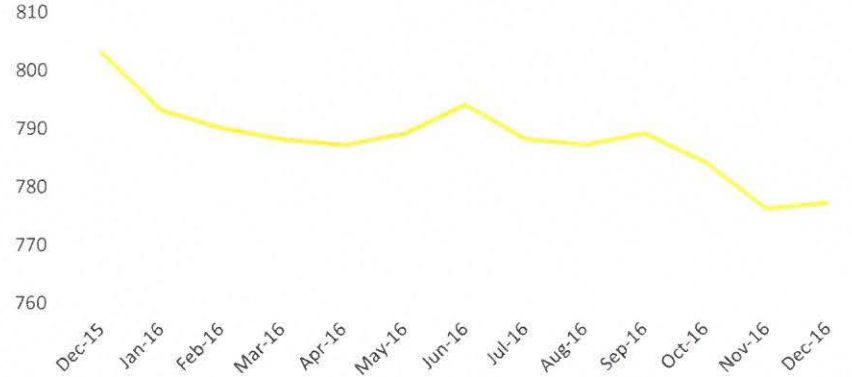
Elliott Co.



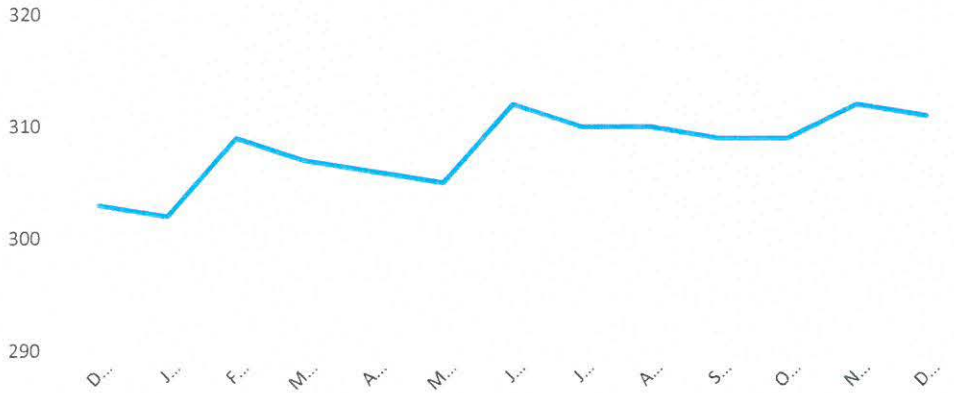
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**DECEMBER 2016**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		23		197.05	(197.05)	
100	NEW LINE EXTENSIONS		18		47,572.02	47,572.02	2,642.89
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		4,878.09	4,878.09	2,439.05
603	SECTIONALIZERS		1		417.83	417.83	
604	REGULATORS						
606	POLES		32	POLES	96,273.49	96,273.49	3,008.55
701	SECURITY LIGHTS		30		19,517.31	19,517.31	650.58
1600	MINOR PROJECTS		5		6,514.28	6,514.28	
	TOTAL		105		<b>175,370.07</b>	<b>174,975.97</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	METERS	370.00	192		45,113.84	45,113.84	234.97
	TRANSFORMERS	368.00	25		23,308.00	23,308.00	932.32
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	TOTAL		217		<b>68,421.84</b>	<b>68,421.84</b>	
	MATERIAL				<b>36,149.73</b>		
	MATERIAL OH				<b>36,675.87</b>		
	LABOR				<b>22,071.47</b>		
	LABOR OH				<b>57,031.15</b>		



2016	RESIDENTIAL						GENERAL					
	Actual			Budget			Actual			Budget		
		\$	UNIT				KWH	\$	UNIT			
JANUARY	20,194,254	\$2,525,986	0.1251	22,267,845	\$2,899,273	0.1302	617,634	\$ 134,293	0.2174	683,482	\$145,594	0.2130
FEBRUARY	12,635,950	\$1,651,108	0.1307	17,127,584	\$2,161,501	0.1262	398,780	\$ 105,128	0.2636	527,946	\$119,651	0.2266
MARCH	11,745,605	\$1,481,125	0.1261	12,362,589	\$1,583,648	0.1281	398,327	\$ 102,171	0.2565	391,695	\$102,522	0.2617
APRIL	9,285,270	\$1,221,575	0.1316	10,301,341	\$1,311,361	0.1273	356,902	\$ 98,358	0.2756	351,013	\$93,651	0.2668
MAY	12,330,030	\$1,584,122	0.1285	12,278,323	\$1,554,436	0.1266	501,264	\$ 120,162	0.2397	462,151	\$111,024	0.2402
JUNE	13,701,174	\$1,774,959	0.1295	13,049,863	\$1,757,817	0.1347	543,740	\$ 127,924	0.2353	498,706	\$124,310	0.2493
JULY	15,887,527	\$2,057,081	0.1295	13,685,712	\$1,809,251	0.1322	623,655	\$ 140,578	0.2254	535,685	\$125,694	0.2346
AUGUST	13,567,697	\$1,772,099	0.1306	12,204,600	\$1,619,550	0.1327	547,960	\$ 128,349	0.2342	487,640	\$120,215	0.2465
SEPTEMBER	9,831,783	\$1,313,710	0.1336	9,624,943	\$1,303,217	0.1354	422,947	\$ 109,026	0.2578	387,137	\$104,729	0.2705
OCTOBER	10,742,825	\$1,407,601	0.1310	12,455,450	\$1,636,646	0.1314	397,141	\$ 105,495	0.2656	435,601	\$114,040	0.2618
NOVEMBER	16,454,219	\$2,067,738	0.1257	15,207,959	\$1,989,201	0.1308	513,336	\$ 122,372	0.2384	485,984	\$125,335	0.2579
DECEMBER	17,511,089	\$2,261,669	0.1292	19,235,545	\$2,458,303	0.1278	569,940	\$ 133,278	0.2338	588,191	\$135,343	0.2301
	163,887,423	21,118,772	\$0.1289	169,801,756	22,084,204	\$0.1301	5,891,626	\$1,427,134	\$0.2422	5,835,231	\$1,422,110	\$0.2437
				169,801,756		-3.48%				5,835,231		0.97%



2016	SMALL COMMERCIAL						LARGE POWER					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	1,801,043	\$ 236,831	0.1315	1,906,237	\$261,302	0.1371	2,576,085	\$ 251,954	0.0978	2,733,380	\$286,195	0.1047
FEBRUARY	1,298,909	\$ 179,311	0.1380	1,569,838	\$209,892	0.1337	2,122,517	\$ 223,796	0.1054	2,327,755	\$240,536	0.1033
MARCH	1,245,690	\$ 165,584	0.1329	1,301,089	\$175,652	0.1350	2,080,718	\$ 201,184	0.0967	2,197,112	\$216,921	0.0987
APRIL	1,109,203	\$ 152,100	0.1371	1,178,501	\$158,099	0.1342	2,080,753	\$ 207,762	0.0998	2,139,497	\$208,097	0.0973
MAY	1,316,626	\$ 177,676	0.1349	1,358,840	\$180,700	0.1330	2,325,700	\$ 225,539	0.0970	2,459,255	\$231,884	0.0943
JUNE	1,368,390	\$ 187,004	0.1367	1,382,774	\$195,769	0.1416	2,382,801	\$ 236,697	0.0993	2,371,311	\$245,294	0.1034
JULY	1,496,089	\$ 204,043	0.1364	1,437,631	\$199,720	0.1389	2,652,609	\$ 263,313	0.0993	2,548,943	\$255,623	0.1003
AUGUST	1,381,306	\$ 189,122	0.1369	1,355,050	\$187,802	0.1386	2,584,197	\$ 260,272	0.1007	2,396,007	\$243,736	0.1017
SEPTEMBER	1,197,953	\$ 165,201	0.1379	1,162,281	\$164,353	0.1414	2,130,349	\$ 225,456	0.1058	2,080,209	\$218,988	0.1053
OCTOBER	1,117,377	\$ 155,721	0.1394	1,267,167	\$176,136	0.1390	2,118,680	\$ 220,581	0.1041	2,155,661	\$220,524	0.1023
NOVEMBER	1,441,859	\$ 193,172	0.1340	1,426,355	\$198,977	0.1395	2,243,257	\$ 233,263	0.1040	2,188,356	\$233,060	0.1065
DECEMBER	1,574,380	\$ 215,078	0.1366	1,669,086	\$226,829	0.1359	2,385,854	\$ 244,966	0.1027	2,372,273	\$243,158	0.1025
	16,348,825	\$2,220,843	\$0.1358	17,014,847	\$2,335,231	\$0.1372	27,683,520	\$2,794,784	\$0.1010	27,969,759	\$2,844,015	\$0.1017
				17,014,847	-3.91%					27,969,759	-1.02%	





2016	LARGE INDUSTRIAL						STREET LIGHTING					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	2,645,047	\$ 165,000	0.0624	2,593,807	\$181,047	0.0698	4,209	\$ 628	0.1492	4,257	\$653	0.1535
FEBRUARY	2,654,647	\$ 174,516	0.0657	2,362,927	\$152,971	0.0647	4,209	\$ 624	0.1482	4,257	\$623	0.1464
MARCH	2,642,647	\$ 156,073	0.0591	2,370,487	\$144,470	0.0609	4,209	\$ 597	0.1420	4,257	\$600	0.1410
APRIL	2,528,647	\$ 154,300	0.0610	2,261,167	\$134,156	0.0593	4,152	\$ 603	0.1452	4,257	\$595	0.1398
MAY	2,461,447	\$ 148,713	0.0604	2,492,287	\$147,904	0.0593	4,152	\$ 614	0.1479	4,257	\$605	0.1421
JUNE	2,670,247	\$ 170,772	0.0640	2,612,647	\$176,589	0.0676	4,152	\$ 626	0.1507	4,257	\$643	0.1510
JULY	2,742,247	\$ 177,350	0.0647	2,711,287	\$181,538	0.0670	4,188	\$ 658	0.1570	4,257	\$640	0.1503
AUGUST	2,791,447	\$ 180,130	0.0645	2,693,647	\$170,223	0.0632	4,188	\$ 650	0.1552	4,257	\$627	0.1474
SEPTEMBER	2,558,647	\$ 162,612	0.0636	2,512,447	\$162,378	0.0646	4,188	\$ 637	0.1521	4,257	\$621	0.1459
OCTOBER	2,492,647	\$ 158,437	0.0636	2,542,807	\$157,145	0.0618	4,188	\$ 635	0.1516	4,223	\$622	0.1474
NOVEMBER	2,455,447	\$ 153,606	0.0626	2,511,967	\$161,017	0.0641	4,188	\$ 642	0.1532	4,223	\$634	0.1502
DECEMBER	2,571,847	\$ 166,788	0.0649	2,625,667	\$169,093	0.0644	4,131	\$ 662	0.1604	4,230	\$640	0.1512
	31,214,964	\$1,968,298	\$0.0631	30,291,144	\$1,938,531	\$0.0640	50,154	\$7,576	\$0.1511	50,990	\$7,504	\$0.1472
				30,291,144	3.05%							



2016	TOTAL SALES						
	KWH	Actual			Budget		
		\$	UNIT		\$		
JANUARY	27,838,272	\$ 3,314,693	0.1191	30,189,008	\$ 3,774,065	0.1250	
FEBRUARY	19,115,012	\$ 2,334,483	0.1221	23,920,307	\$ 2,885,174	0.1206	
MARCH	18,117,196	\$ 2,106,733	0.1163	18,627,230	\$ 2,223,814	0.1194	
APRIL	15,364,927	\$ 1,834,697	0.1194	16,235,777	\$ 1,905,958	0.1174	
MAY	18,939,219	\$ 2,256,827	0.1192	19,055,112	\$ 2,226,552	0.1168	
JUNE	20,670,504	\$ 2,497,983	0.1208	19,919,559	\$ 2,500,421	0.1255	
JULY	23,406,315	\$ 2,843,023	0.1215	20,923,516	\$ 2,572,466	0.1229	
AUGUST	20,876,795	\$ 2,530,622	0.1212	19,141,200	\$ 2,342,154	0.1224	
SEPTEMBER	16,145,867	\$ 1,976,642	0.1224	15,771,274	\$ 1,954,286	0.1239	
OCTOBER	16,872,858	\$ 2,048,470	0.1214	18,860,909	\$ 2,305,115	0.1222	
NOVEMBER	23,112,306	\$ 2,770,793	0.1199	21,824,844	\$ 2,708,224	0.1241	
DECEMBER	24,617,241	\$ 3,022,440	0.1228	26,494,991	\$ 3,233,365	0.1220	
	245,076,512	\$29,537,408	\$0.1205	250,963,727	\$30,631,595	\$0.1221	

Actual vs. Budget				
24,617,241	Month	2016	26,494,991	-7.09%
245,076,512	YTD		250,963,727	-2.35%
Compared to				
24,617,241	Month	2015	25,596,667	-3.83%
245,076,512	YTD		247,930,543	-1.15%



**TOTAL PURCHASES**

2016	Actual					Budget		
	DEMAND	KWH	\$	UNIT	LD FCT			
JANUARY	63,141	30,375,748	\$ 2,062,778	0.0679	66.82%	31,488,776	\$2,147,516	0.0682
FEBRUARY	51,878	25,142,335	\$ 1,722,707	0.0685	67.31%	29,189,056	\$2,091,649	0.0717
MARCH	42,678	20,037,018	\$ 1,275,270	0.0636	65.21%	24,142,763	\$1,651,949	0.0684
APRIL	40,283	17,679,011	\$ 1,154,125	0.0653	60.95%	17,338,856	\$1,133,811	0.0654
MAY	40,150	17,627,730	\$ 1,213,145	0.0688	60.98%	18,421,772	\$1,199,802	0.0651
JUNE	47,614	20,740,645	\$ 1,449,292	0.0699	60.50%	20,618,908	\$1,502,232	0.0729
JULY	52,107	23,316,185	\$ 1,677,929	0.0720	62.15%	21,935,573	\$1,617,887	0.0738
AUGUST	49,051	24,368,761	\$ 1,686,525	0.0692	69.00%	21,267,145	\$1,491,855	0.0701
SEPTEMBER	47,042	19,463,818	\$ 1,381,234	0.0710	57.47%	18,201,065	\$1,319,689	0.0725
OCTOBER	33,779	16,627,427	\$ 1,109,197	0.0667	68.37%	17,830,547	\$1,233,874	0.0692
NOVEMBER	41,969	20,191,277	\$ 1,344,264	0.0666	66.82%	21,494,376	\$1,564,791	0.0728
DECEMBER	54,904	26,368,237	\$ 1,840,912	0.0698	66.70%	23,659,714	\$1,675,108	0.0708
		\$261,938,192	\$ 17,917,378	\$0.0684		265,588,550	\$18,630,161	\$0.0701

Actual vs. Budget			
2015			
26,368,237	Month	23,659,714	11.45%
261,938,192	YTD	265,588,550	-1.37%



2016	GROSS MARGINS							
	Actual	Budget	Variance	Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
JANUARY	\$1,251,915	\$ 1,626,549	(\$374,634)	8.35%	(0.004307)	(118,833)	9.72%	293,457
FEBRUARY	\$611,776	\$ 793,526	(\$181,750)	23.97%	(0.003494)	(67,329)	8.31%	179,713
MARCH	\$831,463	\$ 571,865	\$259,598	9.58%	(0.006631)	(118,549)	6.17%	123,403
APRIL	\$680,572	\$ 772,147	(\$91,575)	13.09%	(0.007619)	(116,615)	7.87%	132,686
MAY	\$1,043,682	\$ 1,026,750	\$16,932	-7.44%	(0.007341)	(139,183)	9.73%	198,586
JUNE	\$1,048,691	\$ 998,190	\$50,501	0.34%	(0.005851)	(121,983)	10.56%	237,400
JULY	\$1,165,094	\$ 954,579	\$210,515	-0.39%	(0.004284)	(101,312)	10.86%	277,743
AUGUST	\$844,097	\$ 850,299	(\$6,202)	14.33%	(0.367300)	(77,123)	9.11%	212,117
SEPTEMBER	\$595,408	\$ 634,598	(\$39,190)	17.05%	(0.004478)	(71,917)	7.50%	138,422
OCTOBER	\$939,273	\$ 1,071,241	(\$131,968)	-1.48%	(0.005493)	(92,091)	7.97%	150,439
NOVEMBER	\$1,426,529	\$1,143,434	\$283,095	-14.47%	(0.005727)	(132,093)	9.27%	232,889
DECEMBER	\$1,181,528	\$1,558,257	(\$376,728)	6.64%	(0.003197)	(81,033)	10.82%	293,002
			<b>(\$4,676)</b>	6.44%	(0.035477)	<b>(1,238,062)</b>	8.99%	<b>2,469,856</b>





LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1.00		440.10		RESIDENTIAL SALES	21,132,027.62-	22,084,204.00-	952,176.38-	4.3
1.00		440.40		CAMP & BARN SALES	1,413,281.12-	1,422,108.00-	8,826.88-	.6
1.00		442.10		SMALL COMMERCIAL SALES	2,220,843.44-	2,335,231.00-	114,387.56-	4.9
1.00		442.20		LARGE POWER SALES	2,794,784.06-	2,844,016.00-	49,231.94-	1.7
1.00		442.30		LARGE INDUSTRIAL(OVER 1,000 KVA)	1,968,298.34-	1,938,526.00-	29,772.34	1.5-
1.00		444.00		STREET LIGHT SALES	7,576.47-	7,503.00-	73.47	1.0-
1.00		450.00		FORFEITED DISCOUNTS	417,225.51-	475,000.00-	57,774.49-	12.2
1.00		454.00		RENT FROM ELECTRIC PROPERTY	498,723.96-	500,000.00-	1,276.04-	.3
1.00		456.00		OTHER ELECTRIC SERVICE	58,382.81-	65,000.00-	6,617.19-	10.2
1.00				TOTAL	30,511,143.33-	31,671,588.00-	1,160,444.67-	3.7
3.00		555.00		PURCHASED POWER	17,917,378.00	18,630,163.00	712,785.00	3.8
3.00				TOTAL	17,917,378.00	18,630,163.00	712,785.00	3.8
6.00		583.00		OVERHEAD LINE EXPENSE	528,258.12	531,096.00	2,837.88	.5
6.00		586.00		METER EXPENSE	484,179.00	503,199.00	19,020.00	3.8
6.00		586.10		METER OPERATION SURVEY	23,635.40	14,971.00	8,664.40-	57.9-
6.00		586.20		AUTOMATED METER EQUIP EXPENSE	33,903.24	27,832.00	6,071.24-	21.8-
6.00		588.00		MAPPING EXPENSE	183,608.92	52,975.00	130,633.92-	246.6-
6.00		588.10		MAPPING OPERATIONS	9,248.66	17,871.00	8,622.34	48.2
6.00				TOTAL	1,262,833.34	1,147,944.00	114,889.34-	10.0-
7.00		590.00		MAINTENANCE SUPERVISION	294,078.46	293,943.00	135.46-	.0
7.00		593.00		MAINTENANCE OF OVERHEAD LINES	1,275,761.98	1,250,017.00	25,744.98-	2.1-
7.00		593.10		MAINTENANCE OF LINE RIGHT-OF-WAY	1,684,139.30	1,638,093.00	46,046.30-	2.8-
7.00		593.20		MAINTENANCE STORM EXPENSES	175,378.41	501,563.00	326,184.59	65.0
7.00		594.00		MAINTENANCE OF UNDERGROUND LINES	.00	50.00	50.00	100.0-



LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
7.00		595.00		MAINTENANCE OF TRANSFORMERS	24,509.42	27,271.00	2,761.58	10.1
7.00		596.00		MAINTENANCE OF STREET LIGHTS	458.38	489.00	30.62	6.3
7.00		598.00		MAINTENANCE-MISC DISTRIBUTION	46,012.85	56,910.00	10,897.15	19.1
7.00				TOTAL	3,500,338.80	3,768,336.00	267,997.20	7.1
8.00		901.00		SUPERVISION - BILLING	140,492.91	140,176.00	316.91-	.2-
8.00		902.00		METER READING EXPENSE	198.90	.00	198.90-	100.0-
8.00		903.00		CUSTOMERS RECORDS & COLLECTIONS	936,584.18	966,019.00	29,434.82	3.0
8.00		903.10		CASH DRAWER-OVERAGES & SHORTAGES	10.42	.00	10.42-	100.0-
8.00		904.00		UNCOLLECTIBLE ACCOUNTS	2,729.98	80,000.00	77,270.02	96.6
8.00				TOTAL	1,080,016.39	1,186,195.00	106,178.61	9.0
9.00		909.00		INFORMATIONAL ADVERTISING	256,835.05	251,805.00	5,030.05-	2.0-
9.00				TOTAL	256,835.05	251,805.00	5,030.05-	2.0-
10.00		912.00		DEMONSTRATION & SELLING EXPENSE	20,354.40	20,732.00	377.60	1.8
10.00		913.00		ADVERTISING	1,036.10	3,900.00	2,863.90	73.4
10.00				TOTAL	21,390.50	24,632.00	3,241.50	13.2
11.00		920.00		ADMINISTRATIVE-GENERAL SALERIES	1,119,223.15	1,163,508.00	44,284.85	3.8
11.00		921.00		OFFICE SUPPLIES & EXPENSES	146,503.41	234,850.00	88,346.59	37.6
11.00		923.00		OUTSIDE SERIVCES	63,205.58	124,450.00	61,244.42	49.2
11.00		926.00		EMPLOYEE BENEFITS	.00	1.00-	1.00-	100.0-
11.00		926.10		EMPLOYEE PENSION & BENEFITS	.00	.00	.00	.0
11.00		928.00		REGULATORY COMMISSION EXPENSES	.00	6,521.00	6,521.00	100.0-
11.00		930.20		ANNUAL MEETING EXPENSES	89,361.18	75,803.00	13,558.18-	17.9-
11.00		930.30		MISCELLANEOUS GENERAL EXPENSES	25,151.92	22,218.00	2,933.92-	13.2-
11.00		930.40		MISC FIELD TRAINING	43,675.39	25,984.00	17,691.39-	68.1-



LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
11.00		930.60		BOARD OF DIRECTOR'S EXPENSES	143,678.43	159,590.00	15,911.57	10.0
11.00		930.70		DUES - NRECA & KAEC	57,677.83	58,250.00	572.17	1.0
11.00		932.00		MAINTENANCE OF GENERAL PLANT	325,148.40	305,434.00	19,714.40-	6.5-
11.00				TOTAL	2,013,625.29	2,176,607.00	162,981.71	7.5
13.00		403.60		DEPRECIATION-DISTRIBUTION PLANT	3,108,024.11	3,222,924.00	114,899.89	3.6
13.00		403.70		DEPRECIATION-GENERAL PLANT	233,863.45	252,684.00	18,820.55	7.4
13.00				TOTAL	3,341,887.56	3,475,608.00	133,720.44	3.8
14.00		408.60		REGULATORY COMMISSION ASSESSMENT	40,662.40	42,500.00	1,837.60	4.3
14.00				TOTAL	40,662.40	42,500.00	1,837.60	4.3
15.00		408.20		TAXES - FEDERAL UNEMPLOYMENT	.00	.00	.00	.0
15.00		408.30		TAXES - FICA	.00	.00	.00	.0
15.00		408.40		TAXES - STATE UNEMPLOYMENT	.00	.00	.00	.0
15.00				TOTAL	.00	.00	.00	.0
16.00		427.10		INTEREST-RUS	373,972.97	400,000.00	26,027.03	6.5
16.00		427.20		INTEREST - COBANK	405,880.58	450,000.00	44,119.42	9.8
16.00		427.30		INTEREST-CFC	36,355.81	55,000.00	18,644.19	33.9
16.00		427.60		INTEREST - FFB	79,142.49	35,000.00	44,142.49-	126.1-
16.00				TOTAL	895,351.85	940,000.00	44,648.15	4.7
18.00		431.30		INTEREST-REFUND CUSTOMER DEPOSIT	4,513.52	2,500.00	2,013.52-	80.5-
18.00				TOTAL	4,513.52	2,500.00	2,013.52-	80.5-
19.00		426.10		MISCELLANEOUS DEDUCTION-DONATION	43,273.50	12,500.00	30,773.50-	246.2-
19.00		430.00		INTEREST ASSOCIATED ORGANIZATION	35,049.50	28,500.00	6,549.50-	23.0-



LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
19.00				TOTAL	78,323.00	41,000.00	37,323.00-	91.0-
22.00	419.00			INTEREST INCOME NON-OPERATING	29,016.64-	28,550.00-	466.64	1.6-
22.00	419.20			NOW ACCOUNT INTEREST	239.45-	300.00-	60.55-	20.2
22.00	419.30			COMMERCIAL PAPER INTEREST	137.29-	1,200.00-	1,062.71-	88.6
22.00				TOTAL	29,393.38-	30,050.00-	656.62-	2.2
25.00	415.00			REVENUE-MERCHANDISE, JOB, CONTRACT	342.50-	.00	342.50	100.0-
25.00	415.40			RENTAL PROPERTY - REVENUE	4,800.00-	.00	4,800.00	100.0-
25.00	415.50			MACED REVENUE	16,521.28-	.00	16,521.28	100.0-
25.00	416.00			INCENTIVES/GEOTHERMAL, ETS, MISC	96,612.49-	17,500.00-	79,112.49	452.1-
25.00	416.10			HOMEGUARD EXPENSE	89.23	.00	89.23-	100.0-
25.00	416.40			RENTAL PROPERTY - EXPENSE	.00	375.00	375.00	100.0-
25.00	416.50			MACED EXPENSE	3,294.93	22,947.00	19,652.07	85.6
25.00	421.00			MISC NON-OPERATING INCOME	749.04-	2,045.00-	1,295.96-	63.4
25.00	421.20			LOSS/GAIN DISPOSITION PROPERTY	13,335.29	.00	13,335.29-	100.0-
25.00				TOTAL	102,305.86-	3,777.00	106,082.86	2808.7
26.00	423.00			G & T CAPITAL CREDITS	1,223,639.89-	.00	1,223,639.89	100.0-
26.00				TOTAL	1,223,639.89-	.00	1,223,639.89	100.0-
27.00	424.00			OTHER CAP CR & PATRONAGE ALLOC	138,680.76-	145,450.00-	6,769.24-	4.7
27.00				TOTAL	138,680.76-	145,450.00-	6,769.24-	4.7
				TOTAL FOR 400 TO 999	1,592,007.52-	156,021.00-	1,435,986.52	920.4-





Month	Heating Degree Days								
	normal	2016	change from	2015	2014	2013	2012	2011	2010
January	990	949	-18%	1153	1175	905	850	1124	1128
February	787	440	-41%	747	908	828	717	737	1006
March	606	337	3%	327	714	799	300	568	563
April	312	141	-25%	187	202	296	284	220	196
May	111	6	-84%	38	89	81	31	145	72
June	8	0		0	0	0	16	0	0
July	0	0		0	2	0	0	0	0
August	0	0		20	0	1	0	0	0
September	51	58	-66%	172	28	17	73	82	29
October	271	344	0%	343	219	264	327	319	205
November	562	765	34%	569	759	642	660	450	536
December	900	715	-14%	831	815	831	714	746	1158
Annual Total	<u>4598</u>	<u>3755</u>	-14%	<u>4387</u>	<u>4911</u>	<u>4664</u>	<u>3972</u>	<u>4391</u>	<u>4893</u>
Year to Date	4598	3755	-14.4%	4387	4911	4664	3972	4391	4893



Month	Cooling Degree Days								
	normal	2016	change from	2015	2014	2013	2012	2011	2010
January	0	0		0	0	0	0	0	0
February	0	5	#DIV/0!	0	0	0	0	0	0
March	0	18	100%	9	0	0	34	0	0
April	21	50	-44%	90	15	30	15	4	38
May	83	239	-5%	252	138	123	153	121	135
June	242	337	28%	264	305	269	249	260	356
July	341	459	55%	296	264	301	484	455	412
August	322	354	82%	194	345	316	295	326	415
September	145	117	333%	27	166	163	125	113	210
October	23	11	175%	4	26	44	7	6	19
November	0	0		0	0	0	0	1	0
December	0	0		0	0	0	0	0	0
Annual Total	<u>1177</u>	<u>1590</u>	#DIV/0!	<u>1136</u>	<u>1259</u>	<u>1246</u>	<u>1362</u>	<u>1286</u>	<u>1585</u>
Year to Date	1177	1590	40%	1136	1259	1246	1362	1286	1585
		<span style="border: 1px solid black; padding: 2px;">39.96%</span>							



**Overtime Hours  
2015**

	BUDGET per Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
OFFICE	20	5	10	97	12	30	9	156	42	18	19	9	29	<u>436</u>
CONSTRUCTION	42	0	0	0	0	0	10	20	0	0	0	0	0	<u>30</u>
ENGINEERING		0	0	12	0	0	0	0	0	0	0	0	0	<u>12</u>
MAINTENANCE	350	201	354	1336	422	297	539	1524	654	306	358	148	226	<u>6365</u>
	<u>412</u>	<u>206</u>	<u>364</u>	<u>1445</u>	<u>434</u>	<u>327</u>	<u>558</u>	<u>1700</u>	<u>696</u>	<u>324</u>	<u>377</u>	<u>157</u>	<u>255</u>	<u>6843</u>

**Overtime Hours  
2016**

	BUDGET per Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
OFFICE	20	1	3	44	42	18	3	6	12	21		11	18	<u>179</u>
CONSTRUCTION	42	0	0	0	0	14	0	0	0	0		0	0	<u>14</u>
ENGINEERING		7	0	0	0	4	4	10	0	3		0	0	<u>28</u>
MAINTENANCE	350	217	306	824	622	494	594	636	486	253		245	317	<u>4994</u>
	<u>412</u>	<u>225</u>	<u>309</u>	<u>868</u>	<u>664</u>	<u>530</u>	<u>601</u>	<u>652</u>	<u>498</u>	<u>277</u>	<u>0</u>	<u>256</u>	<u>335</u>	<u>5215</u>



# Grayson Rural Electric Financial Report

March 24, 2017

## At A Glance....

January

<u>kWh Sales (1/21 - 2/20)</u>		<u>Margins</u>	
Month	-24.65%	Month	\$ (93,390.00)
YTD	-24.65%	YTD	\$ (93,390.00)
<u>kWh Purchases (01/01 - 01/31)</u>		<u>OTIER</u>	
Month	-21.73%	Month	(0.07)
YTD	-21.73%	YTD	(0.07)
<u>Line Loss</u>			
Month	11.76%		
YTD	11.76%		

Fuel Adjustment (0.003431)

ESC 9.16%

Degree Days 666

Heating Degree Days 666

Cooling Degree Days 0

### Notes:

- Capital Credits

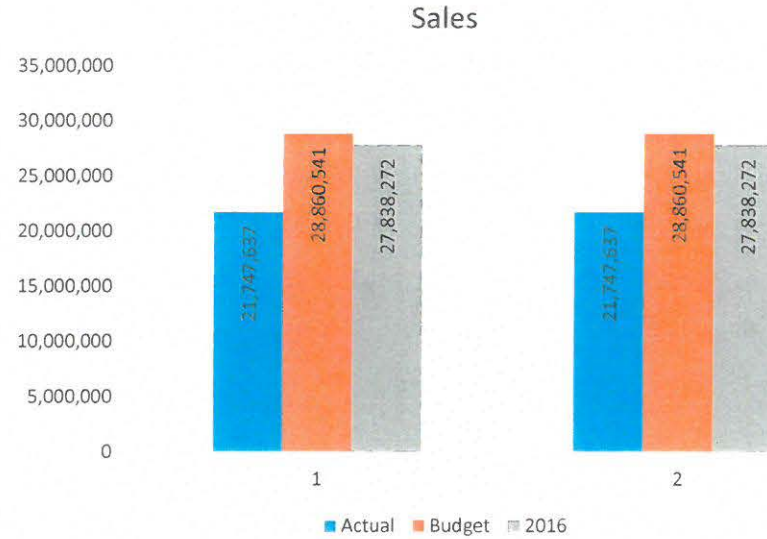




## Sales

### January

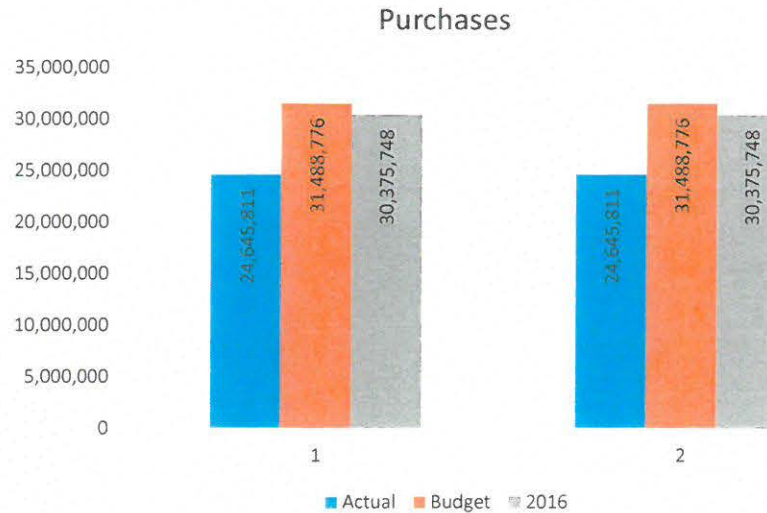
	2017	2016	2016-2014
Actual	21,747,637	27,838,272	29,731,075
Budget	28,860,541		
Difference	(7,112,904)	(6,090,635)	(7,983,438)
	-24.65%	-21.88%	-26.85%
<hr/>			
	YTD-2016	YTD-2015	YTD-Prev 3
Actual	21,747,637	27,838,272	29,731,075
Budget	28,860,541		
Difference	(7,112,904)	(6,090,635)	(7,983,438)
% Difference	-24.65%	-21.88%	-26.85%



## Purchases

### January

	2017	2016	2016-2014
Actual	24,645,811	30,375,748	32,001,041
Budget	31,488,776		
Difference	(6,842,965)	(5,729,937)	(7,355,230)
	-21.73%	-18.86%	-22.98%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	24,645,811	30,375,748	32,001,041
Budget	31,488,776		
Difference	(6,842,965)	(5,729,937)	(7,355,230)
% Difference	-21.73%	-18.86%	-22.98%





## REVENUE SUMMARY JANUARY 2017

	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCF
<b>44010 RESIDENTIAL</b>										
Class 10 (All Electric Mobile Home)	\$ 405,971.86	\$ (11,631.43)	\$ 5,410.91	\$ 16.50	\$ 2,196.35	\$ 37,285.99	\$ 439,250.18	\$ 12,025.56	\$ -	\$
Class 11 (Non-Electric House)	\$ 343,103.63	\$ (9,633.06)	\$ 10,696.33	\$ 30.43	\$ 809.70	\$ 31,751.01	\$ 376,758.04	\$ 6,725.46	\$ 97.22	\$
Class 13 (Non-Electric Mobile Home)	\$ 78,554.30	\$ (2,181.37)	\$ 1,581.25	\$ 5.50	\$ 487.82	\$ 7,254.81	\$ 85,702.31	\$ 2,480.16	\$ -	\$
Class 14 (All Electric House)	\$ 967,416.19	\$ (28,115.10)	\$ 17,556.49	\$ 74.25	\$ 2,224.60	\$ 88,314.17	\$ 1,047,470.60	\$ 18,474.94	\$ 7.15	\$
Class 61 (Security Light)	\$ -	\$ (32.30)	\$ 1,326.27	\$ 2.75	\$ -	\$ 118.28	\$ 1,415.00	\$ 6.64	\$ 3.38	\$
<b>44010 TOTALS</b>	<b>\$ 1,795,045.98</b>	<b>\$ (51,593.26)</b>	<b>\$ 36,571.25</b>	<b>\$ 129.43</b>	<b>\$ 5,718.47</b>	<b>\$ 164,724.26</b>	<b>\$ 1,950,596.13</b>	<b>\$ 39,712.76</b>	<b>\$ 107.75</b>	<b>\$</b>
<b>44040 GENERAL SALES</b>										
Class 12 (Camps & Barns)	\$ 23,682.47	\$ (415.43)	\$ 510.55	\$ -	\$ 9.33	\$ 2,179.16	\$ 25,966.08	\$ 469.65	\$ -	\$
Class 15 (Camps)	\$ 17,239.68	\$ (269.64)	\$ 269.33	\$ -	\$ 18.66	\$ 1,583.88	\$ 18,841.91	\$ 546.65	\$ 12.00	\$
Class 16 (Barns)	\$ 19,031.82	\$ (254.12)	\$ 724.57	\$ -	\$ 9.33	\$ 1,786.99	\$ 21,298.59	\$ 296.32	\$ 10.94	\$
Class 17 (Garages, Out-buildings)	\$ 41,529.67	\$ (595.74)	\$ 981.49	\$ -	\$ 21.41	\$ 3,636.74	\$ 45,573.57	\$ 453.97	\$ 178.88	\$
Class 18 (Meters on Poles)	\$ 6,680.05	\$ (99.56)	\$ 207.21	\$ -	\$ 18.66	\$ 624.55	\$ 7,430.91	\$ 136.00	\$ 38.12	\$
Class 19 (Un-Inhabitable Houses)	\$ 813.47	\$ (9.12)	\$ 39.66	\$ -	\$ -	\$ 77.28	\$ 921.29	\$ 10.58	\$ -	\$
Class 20 (Miscellaneous)	\$ 966.17	\$ (11.39)	\$ 31.02	\$ -	\$ -	\$ 90.27	\$ 1,076.07	\$ 2.50	\$ -	\$
<b>44040 TOTALS</b>	<b>\$ 109,943.33</b>	<b>\$ (1,655.00)</b>	<b>\$ 2,763.83</b>	<b>\$ -</b>	<b>\$ 77.39</b>	<b>\$ 9,978.87</b>	<b>\$ 121,108.42</b>	<b>\$ 1,915.67</b>	<b>\$ 239.94</b>	<b>\$</b>
<b>44210 SMALL COMMERCIAL</b>										
Class 25 (Small Commercial<50KVA)	\$ 155,708.90	\$ (4,348.40)	\$ 3,204.41	\$ 5.50	\$ 10.00	\$ 14,363.49	\$ 168,943.90	\$ 567.71	\$ 7,158.95	\$
Class 26 (Security Light)	\$ -	\$ (7.16)	\$ 298.30	\$ -	\$ -	\$ 26.65	\$ 317.79	\$ -	\$ 15.50	\$
Class 28 (Churches)	\$ 20,156.67	\$ (549.24)	\$ 1,566.19	\$ -	\$ -	\$ 1,927.66	\$ 23,101.28	\$ 71.08	\$ 499.05	\$
<b>44210 TOTALS</b>	<b>\$ 175,865.57</b>	<b>\$ (4,904.80)</b>	<b>\$ 5,068.90</b>	<b>\$ 5.50</b>	<b>\$ 10.00</b>	<b>\$ 16,317.80</b>	<b>\$ 192,362.97</b>	<b>\$ 638.79</b>	<b>\$ 7,673.50</b>	<b>\$</b>
<b>44220 LARGE POWER</b>										
Class 46 (Large Commercial<50KVA)	\$ 181,462.97	\$ (6,407.15)	\$ 1,000.49	\$ -	\$ -	\$ 16,126.71	\$ 192,183.02	\$ 614.09	\$ 7,560.17	\$
Class 47 (Pumping Station)	\$ 73.77	\$ (0.82)	\$ -	\$ -	\$ -	\$ 6.68	\$ 79.63	\$ -	\$ 4.78	\$
Class 79 (All Electric School)	\$ 45,207.35	\$ (1,595.48)	\$ 481.44	\$ -	\$ -	\$ 4,038.96	\$ 48,132.27	\$ -	\$ -	\$
<b>44220 TOTALS</b>	<b>\$ 226,744.09</b>	<b>\$ (8,003.45)</b>	<b>\$ 1,481.93</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,172.35</b>	<b>\$ 240,394.92</b>	<b>\$ 614.09</b>	<b>\$ 7,564.95</b>	<b>\$</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>										
Class 74 (Smithfield & Elliott Co. Prison)	\$ 149,860.68	\$ (8,259.96)	\$ 29.32	\$ -	\$ -	\$ 12,973.32	\$ 154,603.36	\$ -	\$ 5,356.65	\$
<b>44230 TOTALS</b>	<b>\$ 149,860.68</b>	<b>\$ (8,259.96)</b>	<b>\$ 29.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,973.32</b>	<b>\$ 154,603.36</b>	<b>\$ -</b>	<b>\$ 5,356.65</b>	<b>\$</b>
<b>44400 STREET LIGHTS</b>										
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (14.17)	\$ 610.95	\$ -	\$ -	\$ 54.67	\$ 651.45	\$ -	\$ -	\$
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (14.17)</b>	<b>\$ 610.95</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 54.67</b>	<b>\$ 651.45</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>
<b>TOTALS</b>	<b>\$ 2,457,459.65</b>	<b>\$ (74,430.64)</b>	<b>\$ 46,526.18</b>	<b>\$ 134.93</b>	<b>\$ 5,805.86</b>	<b>\$ 224,221.27</b>	<b>\$ 2,659,717.25</b>	<b>\$ 42,881.31</b>	<b>\$ 20,942.79</b>	<b>\$</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,783,220.68</b>		<b>TOTAL T</b>
										<b>\$</b>

TOTAL T  
\$

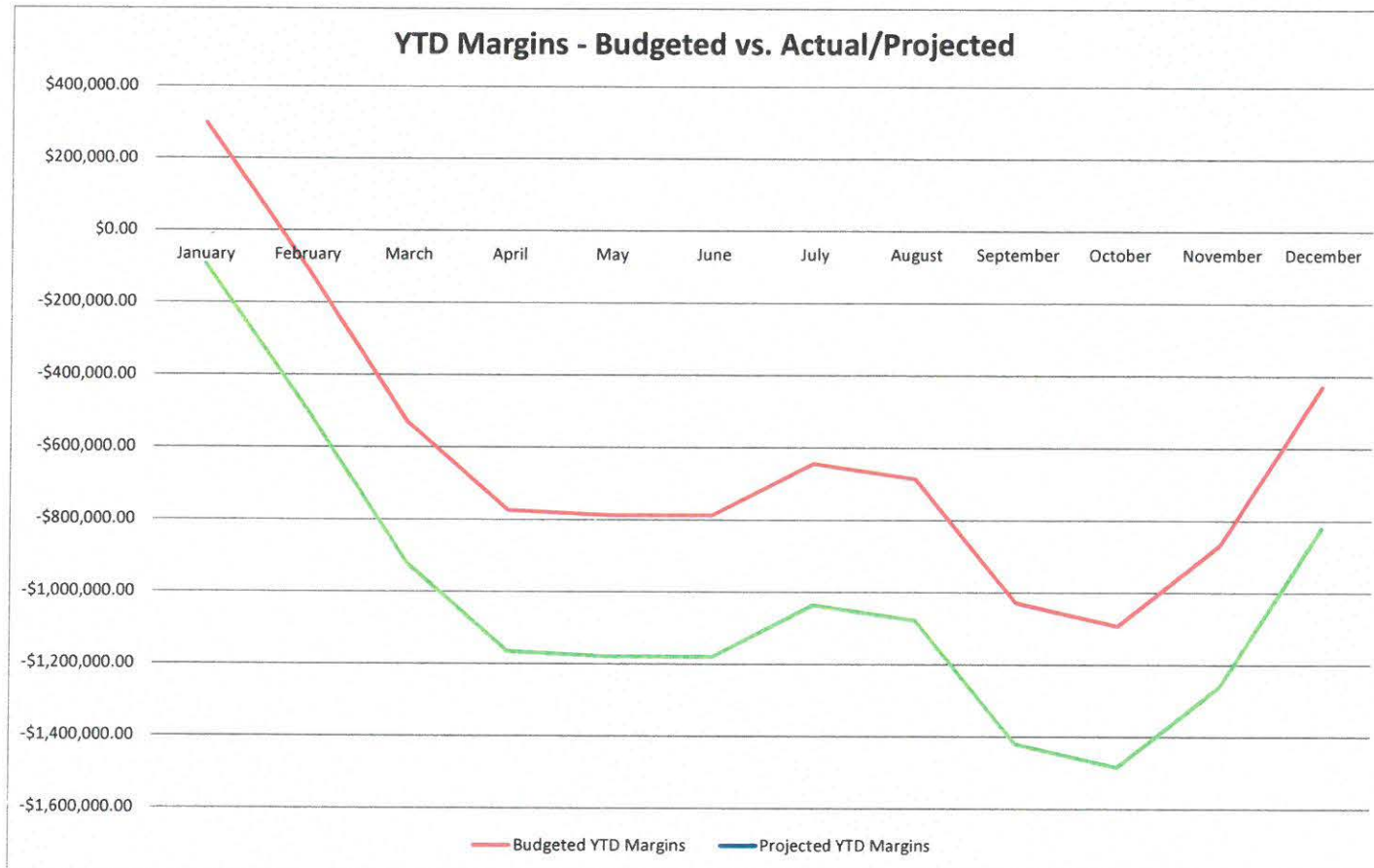


### Monthly Operating Revenue & Expenses

	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017
Revenue	(3,402,652)	(2,427,161)	(2,183,934)	(1,909,544)	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)
Purchased Power	2,062,778	1,722,707	1,275,270	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480
Gross Margins	(1,339,874)	(704,454)	(908,664)	(755,419)	(1,114,096)	(1,129,189)	(1,251,747)	(930,952)	(676,259)	(1,012,960)	(1,501,591)	(1,268,559)	(995,620)
Operations	118,020	102,525	109,704	114,899	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439	71,603	125,057
Maintenance	321,481	268,062	390,436	327,011	332,410	323,041	308,579	241,629	239,132	224,687	216,900	306,970	301,310
Customer Service	109,060	102,252	102,297	99,706	96,960	96,028	92,739	98,769	107,556	99,297	100,977	(25,625)	103,387
Informational Advertising	22,519	23,362	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	21,735
Demonstration Advertising	1,622	1,971	2,399	1,601	1,589	2,208	1,258	1,460	2,783	1,658	1,565	1,276	2,314
Admin & General	197,561	189,897	158,695	146,925	170,584	154,830	152,473	170,645	131,232	170,663	196,718	173,417	156,210
Depreciation	272,500	273,066	273,644	276,594	277,417	278,260	279,062	280,885	281,062	282,191	283,297	283,911	284,902
Regulatory	3,453	3,453	3,453	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,345	3,389
Interest - LTD	77,872	75,520	75,188	75,839	74,858	75,628	76,423	76,601	75,759	75,748	74,859	61,057	87,616
Interest - Deposits	375	372	372	380	378	377	381	379	378	375	378	369	666
Miscellaneous Expense	1,043	3,360	2,800	(12,190)	17,633	2,520	2,300	36,615	5,565	9,631	5,953	3,092	6,114
Interest Income	(2,462)	(2,492)	(2,513)	(2,490)	(2,451)	(2,444)	(2,441)	(2,441)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)
Non-Electric Revenue	(15,463)	(15,403)	(10,255)	(7,596)	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)
Capital Credits	(2,489)	-	(126,937)	-	(312)	-	-	-	(4,059)	(4,884)	-	-	-
Margins	(234,785)	321,493	91,495	292,438	(9,587)	5,498	(217,284)	(51,014)	307,900	(9,726)	(500,337)	(376,467)	93,390
* ( )s = positive margins													
Operating Expenses	1,125,504	1,043,842	1,139,864	1,057,943	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699
Monthly OTIER	4.02	(3.26)	(0.22)	(2.86)	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68	7.17	(0.07)
Revenue	(30,731,997)	(30,147,695)	(30,107,328)	(29,970,600)	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)
Purchased Power	18,423,798	17,935,248	17,619,985	17,638,416	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080
Gross Margins	(12,308,199)	(12,212,447)	(12,487,343)	(12,332,184)	(12,336,752)	(12,449,221)	(12,560,733)	(12,581,231)	(12,559,721)	(12,568,840)	(12,965,178)	(12,593,765)	(12,249,511)
Operations	1,111,350	1,111,609	1,157,519	1,173,725	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871
Maintenance	3,227,839	3,243,345	3,166,558	3,205,693	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167
Customer Service	1,120,333	1,124,181	1,136,615	1,131,157	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344
Informational Advertising	240,224	244,485	244,191	243,677	252,751	259,747	252,016	251,605	257,795	257,035	255,267	256,835	256,050
Demonstration Advertising	20,915	18,883	18,620	18,440	18,352	19,780	20,264	20,801	21,695	21,784	21,801	21,391	22,083
Admin & General	2,083,348	2,093,985	2,094,242	2,076,895	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289
Depreciation	3,231,111	3,240,592	3,248,128	3,258,142	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290
Regulatory	41,440	41,443	41,446	41,449	41,452	41,339	41,226	41,113	41,000	40,887	40,774	40,662	40,598
Interest - LTD	904,010	904,884	905,934	905,082	903,588	902,836	903,615	904,524	905,309	906,975	907,891	895,352	905,097
Interest - Deposits	1,814	2,062	2,310	2,566	2,821	3,075	3,331	3,586	3,841	4,094	4,350	4,514	4,805
Miscellaneous Expense	(12,783)	(10,033)	(9,058)	(23,298)	(6,489)	(4,741)	(3,191)	31,764	33,845	42,826	46,633	78,323	83,394
Interest Income	(25,422)	(25,328)	(30,492)	(30,302)	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)
Non-Electric Revenue	(41,707)	(37,265)	(33,495)	(54,194)	(52,931)	(55,612)	(56,722)	(96,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)
Capital Credits	(155,382)	(155,382)	(135,455)	(135,455)	(135,455)	(135,273)	(135,273)	(135,273)	(136,049)	(138,681)	(138,681)	(138,681)	(136,192)
Margins	(561,111)	(414,986)	(680,280)	(518,609)	(216,806)	(205,564)	(502,047)	(724,348)	(727,162)	(733,009)	(1,096,582)	(380,376)	(52,201)
Operating Expense	11,969,599	12,015,436	12,006,505	12,033,526	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988
Rolling 12 Month OTIER	1.62	1.46	1.75	1.57	1.24	1.23	1.56	1.80	1.80	1.81	2.21	1.42	1.06



	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$0.00	-\$403,953.00			-\$105,713.72		-\$497,343.46
March	\$0.00	-\$424,876.72			-\$530,590.44		-\$922,220.18
April	\$0.00	-\$243,866.72			-\$774,457.16		-\$1,166,086.90
May	\$0.00	-\$13,323.72			-\$787,780.88		-\$1,179,410.62
June	\$0.00	-\$31.72			-\$787,812.60		-\$1,179,442.34
July	\$0.00	\$143,434.28			-\$644,378.32		-\$1,036,008.06
August	\$0.00	-\$41,828.72			-\$686,207.04		-\$1,077,836.78
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$1,420,471.50
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$1,484,167.22
November	\$0.00	\$223,335.28			-\$869,202.20		-\$1,260,831.94
December	\$0.00	\$439,275.94			-\$429,926.26		-\$821,556.00







## Margins/Tier

	January		
	2017	2016	2016-2014
Revenue	(2,747,100)	(3,402,652)	(3,710,651)
Purchase Power	1,751,480	2,062,778	2,210,713
<i>Gross Margins</i>	(995,620)	(1,339,874)	(1,499,938)
Operating Expenses	1,092,699	1,125,504	1,037,090
Margins	93,390	(234,785)	(448,486)
OTIER	(0.07)	4.02	6.65

	Year to Date		
	2017	2016	2016-2014
Revenue	(2,747,100)	(3,402,652)	(3,710,651)
Purchase Power	1,751,480	2,062,778	2,210,713
<i>Gross Margins</i>	(995,620)	(1,339,874)	(1,499,938)
Operating Expenses	1,092,699	1,125,504	1,037,090
Margins	93,390	(234,785)	(448,486)
OTIER	-0.07	4.02	6.64

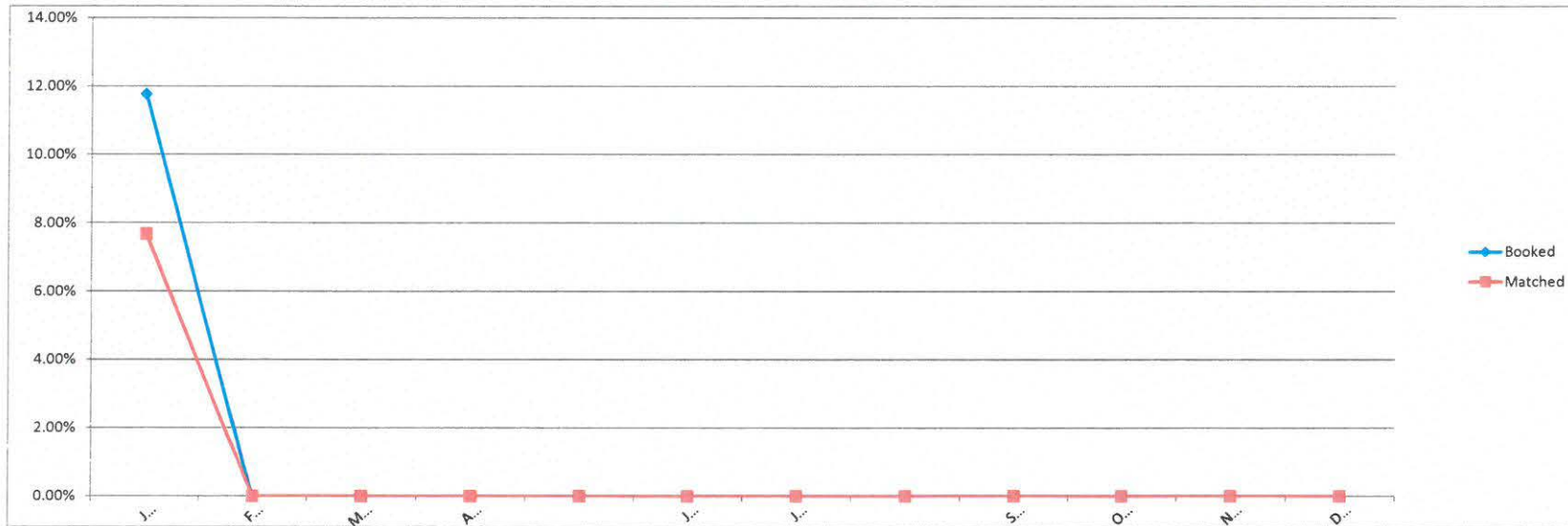


**2016**      January      February      March      April      May      June      July      August      September      October      November      December      Total 2016  
 Sales 21,747,637.00

**Purchases:**  
**Booked** 24,645,811.00  
**Matched** 23,554,988.67

kWh Loss  
**Booked** 2,898,174.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      2,898,174.00  
**Matched** 1,807,351.67      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      0.00      1,807,351.67

% Line Loss  
**Booked** 11.76%      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!  
**Matched** 7.67%      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!      #DIV/0!





**2016/2017**  
Current Year

	Average	HDD	CDD	HDD	CDD	Average	
21-Jan	55	10	0	19	0	46	1-Jan
22-Jan	53	12	0	11	0	54	2-Jan
23-Jan	49	16	0	9	0	56	3-Jan
24-Jan	43	22	0	25	0	40	4-Jan
25-Jan	48	17	0	39	0	26	5-Jan
26-Jan	46	19	0	46	0	19	6-Jan
27-Jan	32	33	0	50	0	15	7-Jan
28-Jan	39	26	0	48	0	17	8-Jan
29-Jan	34	31	0	43	0	22	9-Jan
30-Jan	30	35	0	21	0	44	10-Jan
31-Jan	41	24	0	12	0	53	11-Jan
1-Feb	46	19	0	6	0	59	12-Jan
2-Feb	36	29	0	22	0	43	13-Jan
3-Feb	28	37	0	26	0	39	14-Jan
4-Feb	25	40	0	27	0	38	15-Jan
5-Feb	43	22	0	18	0	47	16-Jan
6-Feb	47	18	0	7	0	58	17-Jan
7-Feb	64	1	0	18	0	47	18-Jan
8-Feb	46	19	0	20	0	45	19-Jan
9-Feb	27	38	0	8	0	57	20-Jan
10-Feb	36	29	0	10	0	55	21-Jan
11-Feb	61	4	0	12	0	53	22-Jan
12-Feb	56	9	0	16	0	49	23-Jan
13-Feb	41	24	0	22	0	43	24-Jan
14-Feb	42	23	0	17	0	48	25-Jan
15-Feb	40	25	0	19	0	46	26-Jan
16-Feb	37	28	0	33	0	32	27-Jan
17-Feb	51	14	0	26	0	39	28-Jan
18-Feb	55	10	0	31	0	34	29-Jan
19-Feb	47	18	0	35	0	30	30-Jan
20-Feb	51	14	0	24	0	41	31-Jan
	43.5	666	0	720	0	41.8	
		666		720			

**2015/2016**  
Previous Year

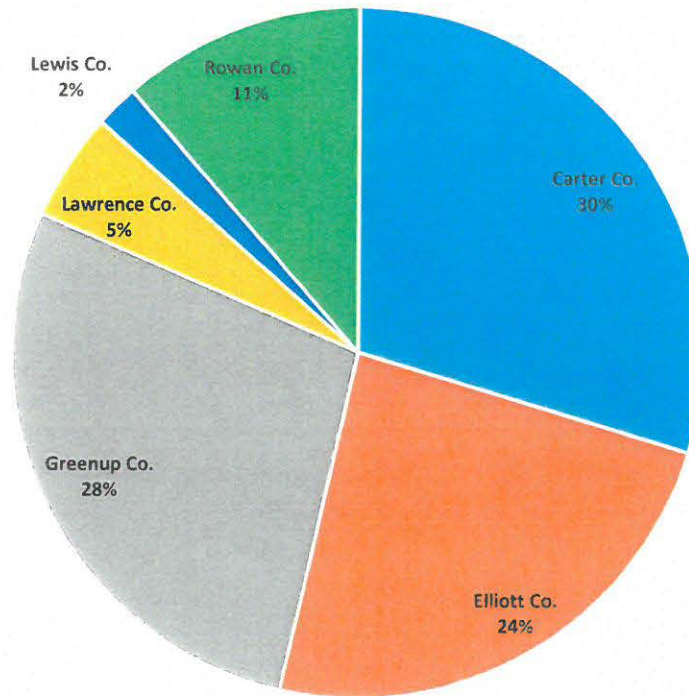
	Average	HDD	CDD	HDD	CDD	Average	
21-Jan	22	43	0	30	0	35	1-Jan
22-Jan	22	43	0	30	0	35	2-Jan
23-Jan	23	42	0	27	0	38	3-Jan
24-Jan	16	49	0	35	0	30	4-Jan
25-Jan	25	40	0	41	0	24	5-Jan
26-Jan	42	23	0	34	0	31	6-Jan
27-Jan	32	33	0	29	0	36	7-Jan
28-Jan	35	30	0	24	0	41	8-Jan
29-Jan	33	32	0	18	0	47	9-Jan
30-Jan	44	21	0	31	0	34	10-Jan
31-Jan	59	6	0	43	0	22	11-Jan
1-Feb	49	16	0	39	0	26	12-Jan
2-Feb	50	15	0	45	0	20	13-Jan
3-Feb	53	12	0	23	0	42	14-Jan
4-Feb	37	28	0	26	0	39	15-Jan
5-Feb	33	32	0	27	0	38	16-Jan
6-Feb	38	27	0	40	0	25	17-Jan
7-Feb	40	25	0	52	0	13	18-Jan
8-Feb	38	27	0	51	0	14	19-Jan
9-Feb	27	38	0	50	0	15	20-Jan
10-Feb	21	44	0	43	0	22	21-Jan
11-Feb	23	42	0	43	0	22	22-Jan
12-Feb	24	41	0	42	0	23	23-Jan
13-Feb	17	48	0	49	0	16	24-Jan
14-Feb	17	48	0	40	0	25	25-Jan
15-Feb	30	35	0	23	0	42	26-Jan
16-Feb	35	30	0	33	0	32	27-Jan
17-Feb	33	32	0	30	0	35	28-Jan
18-Feb	38	27	0	32	0	33	29-Jan
19-Feb	49	16	0	21	0	44	30-Jan
20-Feb	61	4	0	6	0	59	31-Jan
	34.4	949	0	1057	0	30.9	
		949		1057			



## Bills by County

	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16
Carter Co.	4,546	4,559	4,562	4,551	4,560	4,588	4,574	4,558	4,550	4,531	4,549	4,538	4,541
Elliott Co.	3,653	3,645	3,679	3,650	3,644	3,672	3,651	3,649	3,650	3,651	3,663	3,661	3,634
Greenup Co.	4,287	4,283	4,326	4,311	4,335	4,332	4,333	4,332	4,325	4,311	4,297	4,300	4,277
Lawrence Co.	775	777	776	784	789	787	788	794	789	787	788	790	793
Lewis Co.	312	311	312	309	309	310	310	312	305	306	307	309	302
Rowan Co.	1,744	1,754	1,765	1,754	1,740	1,754	1,754	1,753	1,739	1,735	1,741	1,748	1,744
	15,317	15,329	15,420	15,359	15,377	15,443	15,410	15,398	15,358	15,321	15,345	15,346	15,291

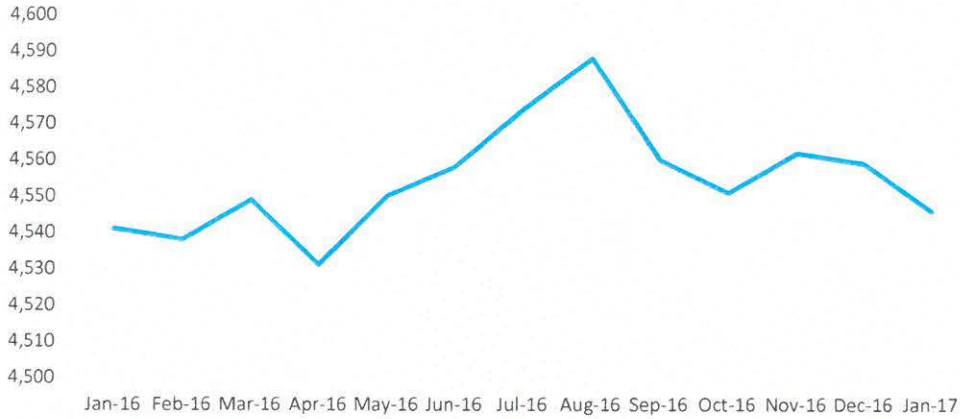
# of Bills  
January 2017



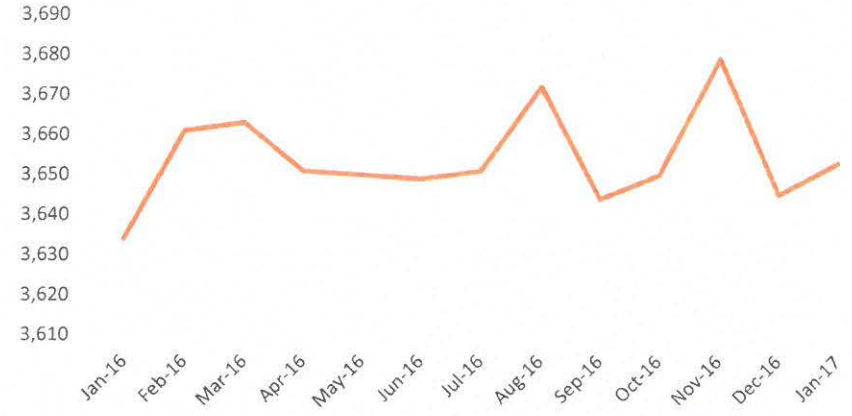




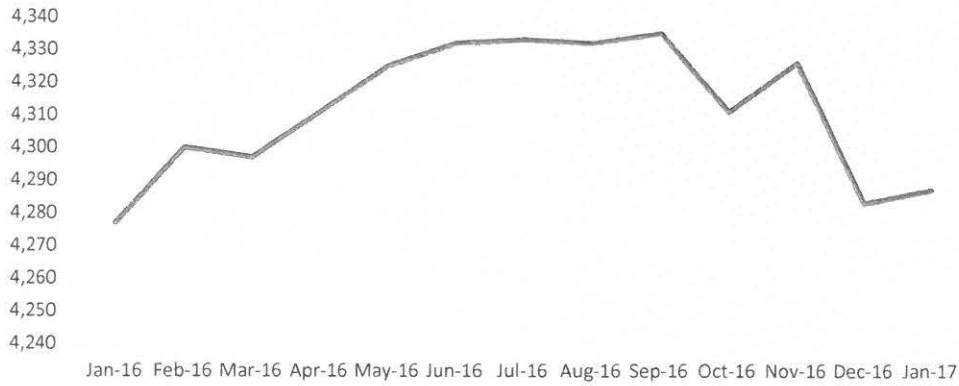
Carter Co.



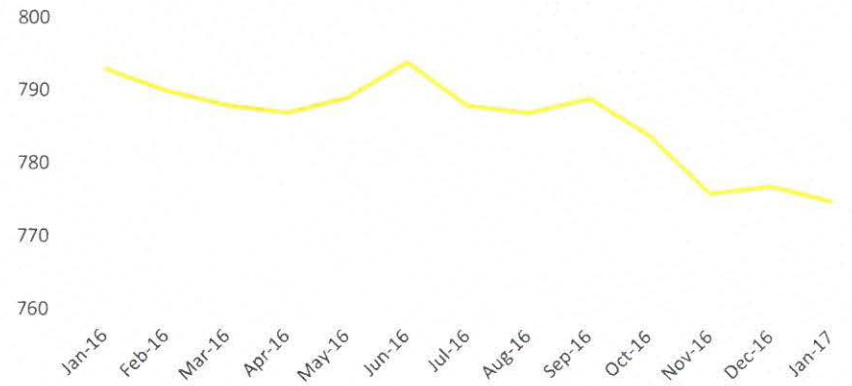
Elliott Co.



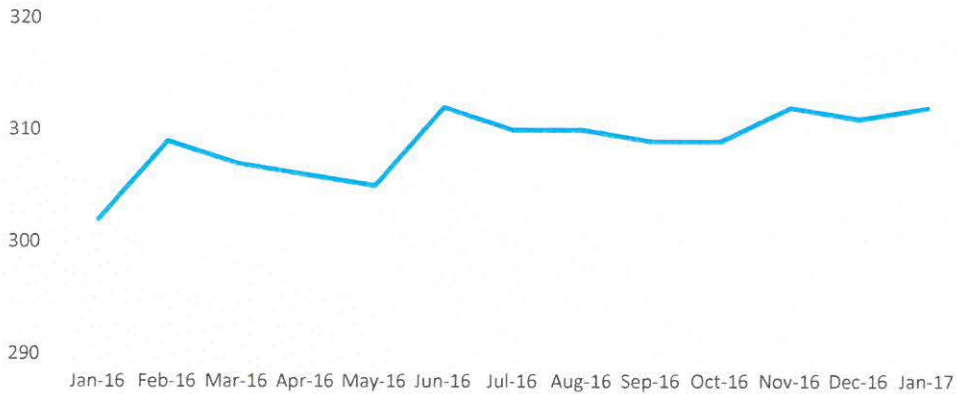
Greenup Co.



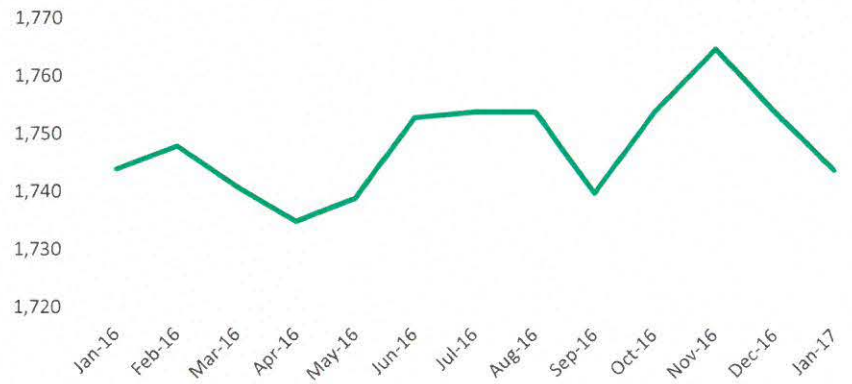
Lawrence Co.



Lewis Co.



Rowan Co.





**JANUARY 2017**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		33		290.89	(290.89)	
100	NEW LINE EXTENSIONS		16		58,863.42	58,863.42	3,678.96
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES						0.00
603	SECTIONALIZERS		2		4,901.70	4,901.70	
604	REGULATORS						
606	POLES		22	POLES	92,583.78	92,583.78	4,208.35
701	SECURITY LIGHTS		31		26,891.60	26,891.60	867.47
1600	MINOR PROJECTS		7		11,753.53	11,753.53	
	TOTAL		108		<b>195,284.92</b>	<b>194,703.14</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	20		17,491.40	17,491.40	874.57
	METERS	370.00	195		33,581.94	33,581.94	172.22
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	TOTAL		215		<b>51,073.34</b>	<b>51,073.34</b>	
	MATERIAL				<b>22,387.45</b>		
	MATERIAL OH				<b>49,201.07</b>		
	LABOR				<b>22,169.95</b>		
	LABOR OH				<b>49,322.16</b>		



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On Monday, April 24, 2017 at 9:00 a.m., the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
  2. Invocation
  3. Approval of the Minutes from the March 2017 Board Meeting
  4. Technical Services Report – Brian Poling, Manger of Technical Services
  5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for February 2017 – Bradley Cherry, Manager of Finance & Accounting
  6. Manager of Marketing & Member Services Report – Kim Bush
  7. Operations and Safety Report – Kyle Clevenger, Manager of Operations
  8. Approval of Ninety-Seven (97) New Memberships and Retirement of Seventy-Seven (77) Existing Memberships for March 2017
  9. Consider Approval of Accounts to be Charged Off to Reserve \$3,164.49
  10. Consider Approval of President’s Business Expense in the Amount of \$44.83, Director’s Business Expense in the Amount of \$6,859.32 and Attorney’s Business Expense in the Amount of \$64.64
  11. President’s Report – Carol Hall Fraley
  12. Cooperative Legal Matters – W. Jeffrey Scott
  13. KAEC Director’s Report – Jimmy Whitt
  14. EKPC Director’s Report – Kenneth Arrington
  15. Consider Community Service and/or Donations
  16. Report of Any Meetings Held
  17. Approval of Attendance at Meetings – Directors & Employees
  18. Consideration of President and CEO Performance and Evaluation
  19. Confirm Date for Organizational Meeting of the Board of Directors
  20. Confirm Date for Next Regular Board Meeting – Friday, May 26<sup>th</sup>
  21. Additional Business
  22. Adjourn
-



On March 24, 2017 at 10:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: W. Jeffrey Scott, Legal Counsel, Carol Hall Fraley, President and CEO and Priscilla Sparks, Executive Assistant.

EMPLOYEES	Janet Whitt's husband, Billy Richard has been in the hospital. Andrea McCleese had surgery and is doing well.
INVOCATION	Director Whitt gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Rice and unanimously agreed to approve the minutes from the February 2017 Board Meeting.  Chairman Dupuy said the March 24, 2017 agenda was amended to include RUS work orders inspected by Jim Bridges for the months October, November and December 2016.
MANAGER OF TECHNICAL SERVICES	Brian Poling reported on the following:
DAVEY RESOURCE	The Davey Resource group has completed 27,832 GPS points as of March 18 <sup>th</sup> . This completes Elliottville substation meters and two Carter City circuits. They are down to one employee after this week.  We have completed data for Pactolus and Low Gap so far.
OFFICE GENERATOR	The new office generator is installed. Caterpillar has to perform a final inspection and will be here on the 28 <sup>th</sup> for that and load testing. The old unit has been installed over the hill and is functional.
MAPPING	Our new AT&T internet line and all of the associated components have been installed. AT&T has to test before we can start contacting all our vendors that have interfaces with us to make the change over.  We met with three different RF AMI vendors: Sensus (through NRTC), Eaton (which was Cooper Power) and Landis+Gyr (through IRBY). GE has been contacted (through Brownstown).  We will be sending out the necessary information in the next few weeks, to each of the vendors so they can develop a propagation study. That study allows them to design a system based on signal strengths across the system. Once that study is completed, we will talk to them about their design.  Steve and Brian will be going to Landis+Gyr's User's Conference to learn more about their RF system and get some questions answered.  Mr. Poling explained how net metering works and that it would still be compatible with our proposed new metering.
FINANCIAL & STATISTICAL REPORT FOR JANUARY 2017	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for January 2017:

SALES AND PURCHASES Kilowatt hour sales for the month of January (01/21-02/20) were (24.65%) under budget. Purchases for the month of January (1/1-1/31) were (21.73%) under budget. Line loss for the last twelve months was 11.76%. Year to date margins were (\$93,390) compared to the budgeted amount of \$298,239.

FUEL ADJUSTMENT The fuel adjustment for January was (0.003431).

ESC The environmental surcharge was 9.16%.

DEGREE DAYS There were 666 heating degree days and 0 cooling degree days.

T.I.E.R January 2017's monthly T.I.E.R. was (.066) with the rolling 12 month O.T.I.E.R. of 1.06.

EKPC BILLING President Fraley explained the way EKPC bills GRECC. The lag time to our consumers was changed several years ago due to the way our members received their social security checks at that time. We can change back, but it could cause hardship for our members during the time span of the billing change.

Legal Counsel suggested at the next audit the auditor do an analysis on how a change would impact the balance sheet and how it would impact our members.

President Fraley said it would create a financial hardship on the Cooperative as well as the members during the time frame of the change. She agrees with having an auditor take a look at the impact of having the billing changed back to a calendar month like East Kentucky Power.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR JANUARY 2017 Motion was made by Director Bentley, seconded by Director Trent and unanimously agreed to approve the Financial and Statistical Report for January 2017, as presented for informational purposes only.

MAJOR PROJECTS President Fraley presented the cost of major projects completed. They are:

Major Projects		Budget	Actual	Status		Budget Variance
301 Airport Road - Rattlesnake Rd.	2015	\$29,730				
371 Airport Road - Dudley	2015	\$238,770	\$266,424.66	Plant	10/31/2015	(\$27,654.66)
316 Airport - Bruin	2015	\$123,420	\$109,333.26	Plant	9/30/2016	\$14,086.74
305 Argentum - RT 7	2015	\$107,580	\$105,371.65	Plant	6/30/2015	\$2,208.35
306 Argentum - Timberlake Meadows	2015	\$18,990				
310 Newfoundland - Stark	2015	\$606,270	\$1,076,853.50	In Progress		(\$470,583.50)
315 Warnock - Montgomery Rd	2015	\$357,000	\$283,729.65	Plant	4/30/2016	\$73,270.35
302 Argentum - Shultz	2016	\$145,860	\$126,716.08	Completed		\$19,143.92
378 Elliottville - 173	2016	\$255,780	\$163,630.11	In Progress		\$92,149.89
307 Low Gap - Alcorn	2016	\$174,970	\$74,063.44	In Progress		\$100,906.56



311 Pactolus - Iron Hill	2016	\$80,490	\$46,086.87	In Progress		\$34,403.13	
312 Pactolus - Campbell Lane	2016	\$107,060	\$94,418.61	Completed		\$12,641.39	
303 Argentum - Shultz to Sheep Hlw.	2017	\$11,920	\$36,649.06	Plant	12/31/2015	(\$24,729.06)	
375 Carter City - Lost Creek	2017	\$166,700					
385 Mazie - Blaine	2017	\$120,980					
309 Mazie - Cains Creek	2018	\$232,790					
313 Pelfrey - Prater Road	2018	\$6,760					
314 Pelfrey - Bailey Hollow	2018	\$68,310					
		\$2,853,380	\$2,383,277			(\$174,157)	\$68,967.03

Overall we are \$2 million under budget.

COLUMBIA GULF

Columbia Gulf paid us an initial aid to construction deposit of \$50,000. They have recently used all of the first deposit, and still need \$20,000 for an OCR, and we project another \$116,000 in labor, trucks and small materials. We plan to ask them for another cash advance to cover projected costs. They want the project up and running by June. Columbia has been excellent to work with. It takes two months to get the overhead expenses on these jobs included in the final tally, and we don't want to bill them such a large amount two months after the project has been completed. We plan to send them an itemized statement for the first \$50,000 installment.

LOST CREEK

Director Martin asked when Lost Creek was scheduled to be started. The Lost Creek job is on the Kehoe Side and should start this fall or early spring.

BRADLEY CHERRY

Bradley Cherry and Stacy Brown will be getting married April 22 and everyone is invited to the reception located at the Boyd County Community Center at 5:30 p.m.

MIP

Bradley will be leaving Sunday for two weeks to attend the MIP in Madison, Wisconsin.

RUS WORK ORDERS

RUS work orders for the months of October, November and December 2016 were presented to the board of directors for approval:

October 2016	Work Order No. 1254	\$170,199.29
	Work Order No. 1255	\$ 5,627.45
November 2016	Work Order No. 1256	\$230,716.33
	Work Order No. 1257	\$4,007.50
December 2016	Work Order No. 1258	\$168,461.69
	Work Order No. 1259	\$6,514.28
	Total	\$585,526.54

RUS WORK ORDERS (CONTINUED)	Motion was made by Director Rice, seconded by Director Martin and unanimously agreed to approve said work orders as presented and submit them to RUS.
MANAGER OF MARKETING AND MEMBER SERVICES	President Fraley gave the Manager of Marketing and Member Services Report:
LIHEAP	LIHEAP continues to grow. To date (11/2016-3/2017) we have received \$244,976 compared to \$219,251 in 11/2015-3/2016. We have 25 winter hardship reconnects and 9 30-day extensions through LIHEAP.
PREPAY	There are currently 631 active prepay accounts with an average credit balance of \$50.88. We have received 2,533 payments in 30 days totaling \$103,825.93.
ANNUAL MEETING	Kim continues to work on plans for our Annual Membership Meeting scheduled for May 11 <sup>th</sup> . She is also working with Provost John Dean on the preparation and mailing of ballots.
DEBT MANAGEMENT	There are 37 active accounts on debt management totaling \$2,353.78 with 6% of active accounts on debt management.  We had one consumer stealing by using an unauthorized consumer's bank routing number. He had the following charges placed back on his account: \$420 in checks plus \$25 check fee per check totaling \$745. There will be more charges.  Another consumer was caught stealing electric by using a beer can in his meter base for a jumper.
ENERGY AUDITS	Tina performed 10 energy audits, 2 CARES, 1 commercial lighting in progress, 1 button-up and 6 billing insights. There were 16 energy star rebates (5 clothes washers, 2 dishwashers, 2 refrigerators and 7 energy star heat pumps).
ANNOUNCEMENTS	The following announcements were read:  Frankfort Youth Tour, April 13 National Lineman Day, April 10 Annual Meeting, May 11 Washington Youth Tour June 9-16 Camp Co-op June 13, 14 and 15 (day camp for students 3 <sup>rd</sup> - 5 <sup>th</sup> grades) Annual Meeting – 1,500 buckets, hotdogs and ice cream sandwiches. We will not be using Statewide, as we can handle the meeting ourselves.
OPERATIONS & SAFETY REPORTS	Kyle Clevenger, Manager of Operations gave the Operations and Safety Reports. Mr. Clevenger reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.
SAFETY REPORT	The following safety meetings were held during February 2017:  February 9 - Sherry Buckler, Manager of Accounting & Human Resources, turned the meeting over to David White, KAEC Safety Instructor, who talked

SAFETY REPORT  
(CONTINUED)

about “Three Things that Influence What We Do”, 1. Fear, 2. Obligations, and 3. Love. He referenced safety manual’s General Rules and PPE 407 Use and Care of Rubber Gloves items c,d,and e, and he showed how simple and quick you can put on your gloves. Carol Ann reminded everyone to be careful.

February 17 - Kim Bush, Manager of Marketing and Member Accounts, turned the meeting over to EKPC’s Joe Suttles who gave a presentation on Cooperative Solar. He discussed the construction, cost of panels, how to sign up, overall goals and Benefits of the Cooperative Solar. Kyle Clevenger reminded everyone to work safe and have a safe weekend.

February 20 - Bradley Cherry, Manager of Finance and Accounting, had a Presidential trivia in honor of President’s Day; said we would be receiving the Summary of Benefits Covered and the Summary Plan Description sometime this week; and explained what forms would be needed for taxes. Carol Ann Fraley discussed the upcoming board election and the timeline of dates. Kyle Clevenger asked everyone to watch for slips, trips and falls.

February 27 - Kyle Clevenger, Manager of Operations, read from the Safety Manual 503.8 Hauling Poles or Ladders, 503.9 Industrial Trucks—Fork Lifts, and 503.10 Cranes, Derricks, Hoisting Equipment. He discussed our RESAP program and asked for everyone to continue to keep the trucks and work space clean and up-to-date. Kyle reminded everyone to watch for slips, trips and falls.

CONSTRUCTION

The Construction Department built one hundred nine (109) new work orders for the month of February and worked zero (0) hours of overtime.

OVERTIME HOURS

The Maintenance Department worked two hundred seven (207) hours of overtime during the month of February 2017 and the Engineering Department worked zero (0) hours of overtime.

DELINQUENT NOTICES

The Maintenance Departments collected on the following in March.

There were ninety-six (96) delinquents for March. Seventy-nine (79) cards were issued and seventeen (17) accounts were disconnected by remote meter. Field personal disconnected an additional ten (10) meters for a total of twenty-seven (27) disconnects and thirteen (13) accounts were reconnected on March 7, 2017. On March 8, 2017 there were zero (0) meters disconnected. A total of one (1) meter was reconnected.

CONTRACT CREWS

We have two (2) Pike crews that have been working in the following areas:

Tony Seagraves – ST RT 173 Upgrade, Elliott County, and Columbia Gulf.  
Travis Grizzell – Campbell Lane and Iron Hill in Carter County are finished.  
Travis started on Alcorn in Greenup County.

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew’s trimmed 790 trees, cut 1,278 trees, and cut 34,441 feet of brush/line. The crews are working in the following areas:

3 cutting crews in Carter, Lewis and Greenup Counties  
3 cutting crews in Rowan and Elliott Counties  
1 bucket truck crew in Carter, Lewis and Greenup Counties

RIGHT-OF-WAY CREWS (CONTINUED)	1 bucket truck crew in Rowan County 1 bucket truck crew in Elliott County 1 tractor crew in Greenup County The Smith Tree Service have a circuit crew in Elliott County.
ENGINEERING REPORT	The Engineering Department released one hundred nine (109) prints consisting of 8,632 feet of primary line and 1,973 feet of service wire. They currently have two (2) new services to be staked and one (1) to be drawn. They have approximately ten (10) miscellaneous jobs to be staked or drawn.
SANDY HOOK SUBSTATION METER READING	President Fraley reported the Sandy Hook substation reading results. There were 1,096 meters read, 19 reclassifications, 64 service orders opened, 55 retirements and 88 personal items found on our poles (36 satellite dishes, 8 night lights and 44 miscellaneous).  To date we have read 8 substations. The statistics on these are 9,672 meters read, 755 service orders opened, 520 retirements and 230 reclassifications.  We plan on reading the Newfoundland Substation in April and may be able to read the Warnock Substation in May. This would leave Low Gap and Argentum to be read in the fall. Reading with iPads was a great improvement over hand written reports.
2017 VOTING BALLOT	President Fraley passed out to the Board a copy of the official ballot with proposed changes. Legal Counsel explained he reworded the voting ballot to make it clearer to the member.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve seventy-five (75) new memberships and retirement of seventy (70) existing memberships for February 2017.
BAD DEBT WRITE-OFFS	Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to charge off \$263.07 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES	Motion was made by Director Marin, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$105.56, Director's business expenses of \$6,727.05 and Attorney's business expense of \$ 82.65.
PRESIDENT'S REPORT	President Fraley reported on the following:
COBANK	Two CoBank representatives visited with us this week.
MIKE NORMAN	We will be meeting with Mike Norman on April 20, 2017.
WAGE & SALARY	Plans are to have a wage and salary survey in the near future.
FEDERATED REIE	Federated Rural Electric Insurance Exchange issued a check in the amount of \$11,380 for our 2016 margin distribution.
COBANK PATRONAGE	GRECC received from CoBank a Statement of Qualified Patronage Distribution for 2016. The total qualified patronage distribution was

COBANK PATRONAGE (CONTINUED)	\$89,339.47. The 3/15/17 equity balance was \$176,399.93 and the cash payment summary was \$67,004.60, which was directly deposited.
SEDC	We received a check from SEDC in the amount of \$2,014.70 for patronage allocation based on 22% of tax basis margins for fiscal year ending June 30, 2016.
CFC	We received several interest rates from CFC in the form of commercial paper confirmation receipts. Sherry Buckler and Bradley Cherry keep these.
KAEC PHONE CONFERENCE	A meeting for Coop Managers was held via telephone asking coops to help them work with the Public Service Commission.
COOP CAMP	We will be having a coop camp for kids in 3rd, 4th and 5th grades June 19-23 and/or June 26-30. There will be a maximum of 25 kids each session. Activities include art, solar and safety demo. Kim, Tina, and Julie will be working on it.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported on the following:  Signatures were counted since the last board meeting.
KAEC DIRECTOR'S REPORT	Director Whitt reported the following on the KAEC Board Meeting this month:  Motion made to form a governance committee. Chris Perry commented on the smart meter bill. Discussed recent media regarding AMI meters. Financial personnel said there was reporting of too many accounts grouped together. There are less employees and paying more in salaries. Motion passed to sign the document to finalize the sale of the Bishop Lane property. (Meeting before last wasn't confirmed sold, but it is sold.)
SCHOLARSHIPS	Chairman Dupuy and President Fraley presented ten scholarships to the following recipients:  Elliott County High School – Emma Dickerson Elliott County High School – Kayleana Simmons Elliott County High School – Destiny Tussey Greenup County High School – Jana Elkins Greenup County High School – Heather May Greenup County High School – Sarah Meadows Greenup County High School – Austin Spradlin Rowan County High School – Hayley Boyd West Carter High School – Dalton Brown West Carter High School – Dillon Dean
EKPC DIRECTOR'S REPORT	Director Arrington reported the following on the EKPC Board Meeting this month:  EKPC responded quickly to the March 1 storm damage. The storm affected 13 substations, 46,000 members and 7 coops. Largest day outage since 2009 ice storm.

EKPC DIRECTOR'S REPORT  
(CONTINUED)

Brad Thomas, Associate Manager of Economic Development reported that EKPC's PowerVision and PowerMap is drawing attention outside of the US. New US facility had a Japan company requested to visit 10 sites on PowerVision video. It has helped create 5,500 job in coops. EKP is having trouble retaining employees and have lost 6 engineers in the last 6 months. They are putting together an incentive package of 2.35% increase and a merit raise to keep employees. With the 401 retirement accounts you can change jobs and take it with you making it easier to leave a company. The old type pension employees have retired.

EKPC DIRECTOR

The EKPC designated employees are to file the paperwork for background check on all of their directors. Kenneth Arrington is the current director representing GRECC.

Motion was made for Director Kenneth Arrington to keep the EKPC director seat and unanimously agreed upon.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

- CoBank sponsors No Barriers Camp – sponsors up to 50 disabled veterans.
- CoBank – sponsors a program for food bank – Blaine Food Pantry
- Director Arrington said the pantry is in need of a new cooler and have applied for grant money to get one. A letter of support is needed.
- Morehead Quilt Show \$100
- Elliott Co. 4-H Camping Program – registration & transportation fees \$185
- Greenup County Genealogy & Historical Society \$50
- Grayson Meals on Wheels \$100
- Raccoon Baptist Church – clothing pantry \$100
- ECHS JROTC – expenses \$100
- Elliott County Lady Lions Softball – softball equipment \$50
- Penny Mart – sponsorship 16<sup>th</sup> regional boys basketball tournament \$200
- Carter County Homemakers Quilt Show \$100

Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

BOARD MEETING DATE

The April Board Meeting is scheduled for Monday April 24, 2017.

PRESIDENT AND CEO

President Fraley's appraisal will be postponed until the April Meeting.

ADDITIONAL BUSINESS

There was no additional business.

ADJOURN

Chairman Dupuy adjourned the meeting at 12:26 p.m. A luncheon followed with our Scholarship Winners and their parents.

\_\_\_\_\_  
Harold L. Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel





























President and CEO's Expenses

February 2017

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
2/08/17	171067	2017 KAEC Manager Association Dues	\$300.00
2/28/17	171198	Visa:	
		*1/27 GECC Board Meeting, Grayson, KY – meal	\$9.07
		*2/06 working through lunch – meal	\$11.83
		*2/08 metering meter – meal	\$14.94
		*2/24 working through lunch– meal	\$8.99
		Total Expenses	\$344.83
*prorated expense			

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## DIRECTORS & ATTORNEY EXPENSES

February-17

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### KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (2/22)	\$ 242.80
MISC -	-
VISA - Honey Baked Ham - Christmas Gift	64.64
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
<b>TOTAL -</b>	<b>\$ 945.56</b>

### JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (2/22)	\$ 201.07
MISC -	-
VISA - Honey Baked Ham - Christmas Gift	64.64
Lunch - GRECC Bd. Mtg. (1/27)	9.07
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
<b>TOTAL</b>	<b>\$ 913.49</b>

### HAROLD DUPUY

Per Diem - GRECC Bd. Mtg. (2/22)	\$ 232.10
MISC -	-
VISA - Honey Baked Ham - Christmas Gift	64.64
Lunch - GRECC Bd. Mtg. (1/27)	9.07
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
<b>TOTAL -</b>	<b>\$ 944.14</b>

### EDDIE MARTN

Per Diem GRECC Bd. Mtg. (2/22)	\$ 208.56
MISC -	-
VISA - Honey Baked Ham - Christmas Gift	64.64
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	1.08
<b>TOTAL -</b>	<b>\$ 911.91</b>

### WILLIAM T. RICE

Per Diem GRECC Bd. Mtg. (2/22)	\$ 221.40
MISC -	-
VISA - Honey Baked Ham - Christmas Gift	64.64
Lunch - GRECC Bd. Mtg. (1/27)	9.07
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
<b>TOTAL -</b>	<b>\$ 933.23</b>

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**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (2/22)	\$ 237.45
<b>MISC</b>	-	-
<b>VISA</b>	- Honey Baked Ham - Christmas Gift	64.64
	Lunch - GRECC Bd. Mtg. (1/27)	9.07
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 949.28</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. Travel Day (2/21); GRECC Bd. Mtg. (2/22)	\$ 558.36
<b>MISC</b>	-	-
<b>VISA</b>	- Honey Baked Ham - Christmas Gift	64.64
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,261.71</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	
<b>MISC</b>	-	
<b>VISA</b>	- Honey Baked Ham - Christmas Gift	64.64
<b>TOTAL</b>	-	<u>\$ 64.64</u>





























## Priscilla Sparks

---

**From:** Priscilla Sparks  
**Sent:** Tuesday, April 11, 2017 10:00 AM  
**To:** W JEFFREY SCOTT  
**Subject:** March 2017 Board Minutes  
**Attachments:** 2017 March Board Meeting Minutes.doc

Good Morning Jeffrey,

Please find attached the March Board Meeting Minutes for you to read and note any changes.

The board packets would normally be mailed out this Friday, but since the office is closed for Good Friday they will be mailed this Thursday afternoon. If this hasn't given you enough time to read I will mail packets Monday, April 17<sup>th</sup>. I apologize for getting them to you late. Carol Ann has been in and out of the hospital for two weeks and I was off last week, so she made her final changes yesterday.

Have a good day, week and Easter weekend.

*Priscilla*

*Priscilla Sparks*

*Executive Assistant*

Grayson Rural Electric Cooperative Corporation

109 Bagby Park

Grayson, KY 41143

Phone: 606-474-5136

Direct: 606-474-2132

Direct Fax: 606-475-2230

GRECC Fax: 606-474-5862

[priscilla.sparks@graysonrecc.com](mailto:priscilla.sparks@graysonrecc.com)

[www.graysonrecc.com](http://www.graysonrecc.com)

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**W J Scott**

---

**From:** Priscilla Sparks <priscilla.sparks@GraysonRECC.com>  
**Sent:** Tuesday, April 11, 2017 10:00 AM  
**To:** W JEFFREY SCOTT  
**Subject:** March 2017 Board Minutes  
**Attachments:** 2017 March Board Meeting Minutes.doc

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Have a good day, week and Easter weekend.


Priscilla

Priscilla Sparks  
Executive Assistant  
Grayson Rural Electric Cooperative Corporation  
109 Bagby Park  
Grayson, KY 41143  
Phone: 606-474-5136  
Direct: 606-474-2132  
Direct Fax: 606-475-2230  
GRECC Fax: 606-474-5862  
[priscilla.sparks@graysonrecc.com](mailto:priscilla.sparks@graysonrecc.com)  
[www.graysonrecc.com](http://www.graysonrecc.com)

*Priscilla,  
I have read the  
minutes and they are  
fine*  


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 Scanned



## Priscilla Sparks

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**From:** Draper, Jim <JDraper@thinkHWI.com>  
**Sent:** Tuesday, April 04, 2017 4:02 PM  
**To:** Priscilla Sparks  
**Subject:** 2017 Scramble for Lewis Co High School  
**Attachments:** 2017 LCHS Sponsor Letter.pdf; Scramble Brochure final 2017.pdf

Priscilla

Last year Grayson Rural Electric Cooperative Corporation was so grateful to sponsor our High School Golf Program Scramble and it was well appreciated. Attached my request to see if you all are in a position to help these student athletes again. We had a great season because of organizations like Grayson Rural Electric Cooperative.

2016 Sponsorship was as listed  
Gold Sponsor \$100

Thanks in advance for your consideration.

***LCHS Boys & Girls Golf Coach***

Jim Draper  
South Shore Plant  
HarbisonWalker International  
606.932.3131 ext 247 tel | 606.932.3137 fax  
[jdraper@thinkHWI.com](mailto:jdraper@thinkHWI.com)

This communication may contain proprietary or confidential information. If you believe you have received this e-mail in error, please contact the sender and delete this e-mail immediately.





# Grayson Rural Electric Financial Report

April 24, 2017

## At A Glance....

February

<u>kWh Sales (2/21 - 3/20)</u>		<u>Margins</u>	
Month	-519.00%	Month	\$ 72,896.00
YTD	-16.43%	YTD	\$ (20,494.00)
<u>kWh Purchases (02/01 - 02/28)</u>		<u>OTIER</u>	
Month	-30.80%	Month	1.99
YTD	-26.10%	YTD	0.87
<u>Line Loss</u>			
Month	1.08%		
YTD	6.95%		

Fuel Adjustment (0.004516)

ESC 5.86%

Degree Days 580

Heating Degree Days 579

Cooling Degree Days 1

### Notes:

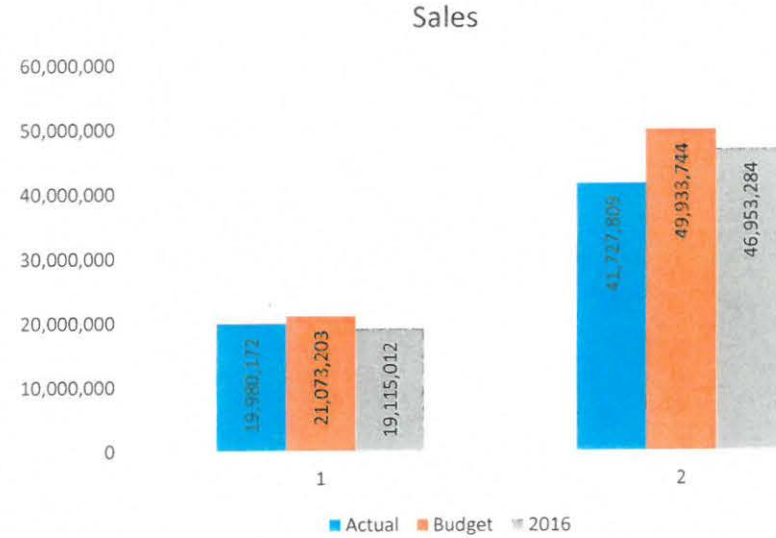
- Capital Credits



## Sales

### February

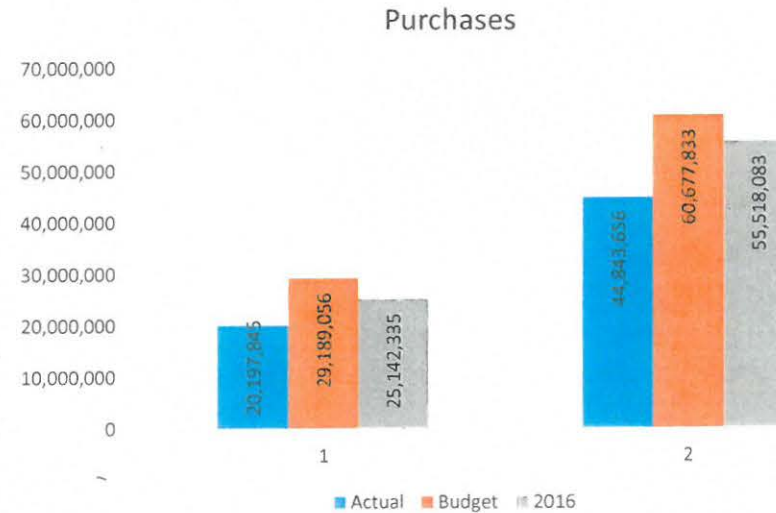
	2017	2016	2016-2014
Actual	19,980,172	19,115,012	22,337,753
Budget	21,073,203		
Difference	(1,093,031)	865,160	(2,357,581)
	-5.19%	4.53%	-10.55%
<hr/>			
	YTD-2016	YTD-2015	YTD-Prev 3
Actual	41,727,809	46,953,284	52,068,828
Budget	49,933,744		
Difference	(8,205,935)	(5,225,475)	(10,341,019)
% Difference	-16.43%	-11.13%	-19.86%



## Purchases

### February

	2017	2016	2016-2014
Actual	20,197,845	25,142,335	27,653,101
Budget	29,189,056		
Difference	(8,991,211)	(4,944,490)	(7,455,256)
	-30.80%	-19.67%	-26.96%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	44,843,656	55,518,083	59,654,142
Budget	60,677,833		
Difference	(15,834,177)	(10,674,427)	(14,810,486)
% Difference	-26.10%	-19.23%	-24.83%









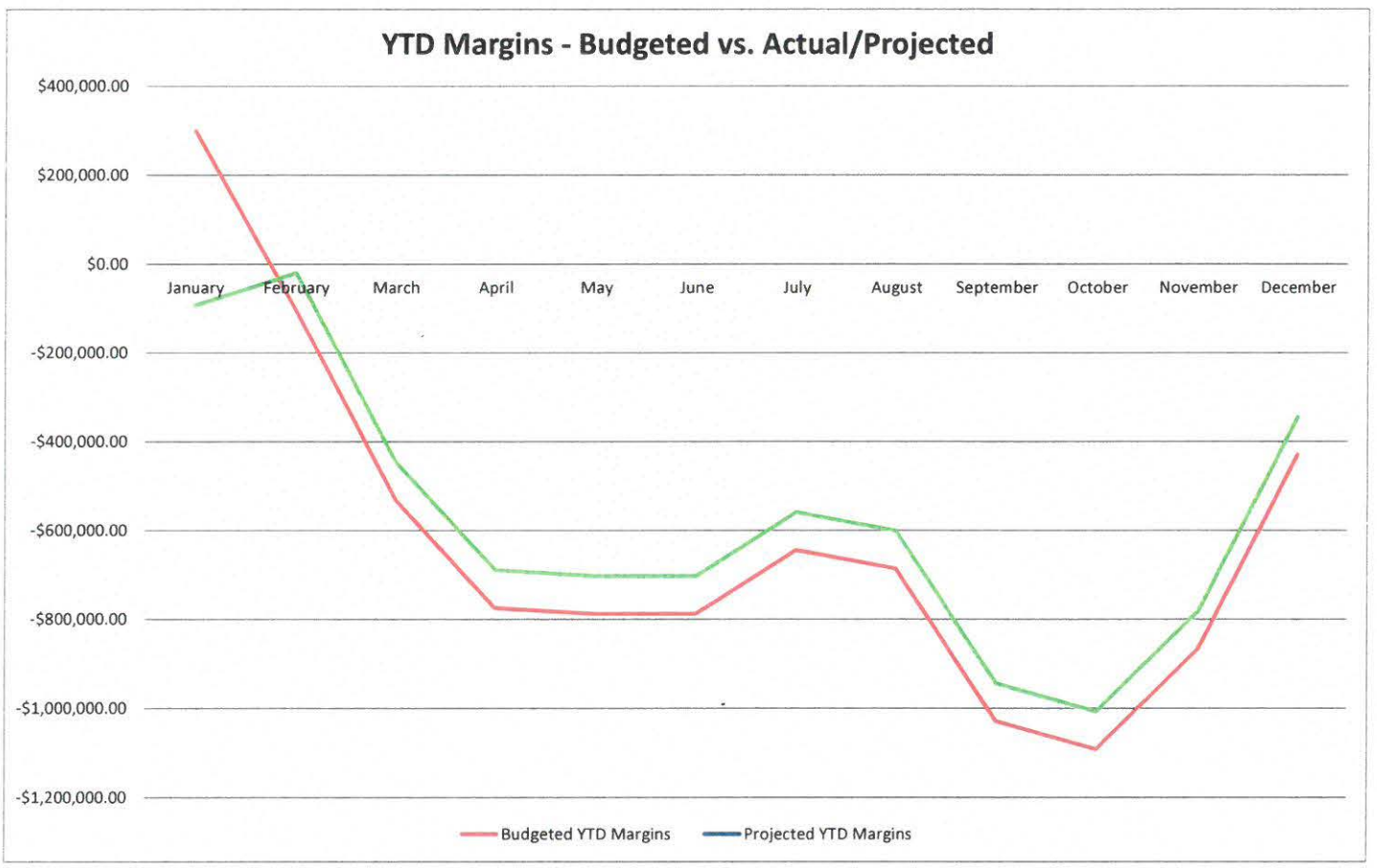
### Monthly Operating Revenue & Expenses

	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017
Revenue	(2,427,161)	(2,183,934)	(1,909,544)	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)
Purchased Power	1,722,707	1,275,270	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578
<b>Gross Margins</b>	<b>(704,454)</b>	<b>(908,664)</b>	<b>(755,419)</b>	<b>(1,114,096)</b>	<b>(1,129,189)</b>	<b>(1,251,747)</b>	<b>(930,952)</b>	<b>(676,259)</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>
Operations	102,525	109,704	114,899	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439	71,603	125,057	107,653
Maintenance	268,062	390,436	327,011	332,410	323,041	308,579	241,629	239,132	224,687	216,900	306,970	301,310	260,849
Customer Service	102,252	102,297	99,706	96,960	96,028	92,739	98,769	107,556	99,297	100,977	(25,625)	103,387	92,262
Informational Advertising	23,362	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	21,735	22,152
Demonstration Advertising	1,971	2,399	1,601	1,589	2,208	1,258	1,460	2,783	1,658	1,565	1,276	2,314	1,641
Admin & General	189,897	158,695	146,925	170,584	154,830	152,473	170,645	131,232	170,663	196,718	173,417	156,210	142,366
Depreciation	273,066	273,644	276,594	277,417	278,260	279,062	280,885	281,062	282,191	283,297	283,911	284,902	285,509
Regulatory	3,453	3,453	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,345	3,389	3,389
Interest - LTD	75,520	75,188	75,859	74,858	75,628	76,423	76,601	75,759	75,748	74,859	61,057	87,616	73,542
Interest - Deposits	372	372	380	378	377	381	379	378	375	378	369	666	665
Miscellaneous Expense	3,360	2,800	(12,190)	17,633	2,520	2,300	36,615	5,565	9,631	5,953	3,092	6,114	2,889
Interest Income	(2,492)	(2,513)	(2,490)	(2,451)	(2,444)	(2,441)	(2,449)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)
Non-Electric Revenue	(15,403)	(10,255)	(7,596)	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)
Capital Credits	-	(126,937)	-	-	(312)	-	-	(4,059)	(4,884)	-	-	-	-
<b>Margins</b>	<b>321,493</b>	<b>91,495</b>	<b>292,438</b>	<b>(9,587)</b>	<b>5,498</b>	<b>(217,284)</b>	<b>(51,014)</b>	<b>307,900</b>	<b>(9,726)</b>	<b>(500,337)</b>	<b>(376,467)</b>	<b>93,390</b>	<b>(72,896)</b>
* ( )'s = positive margins													
Operating Expenses	1,043,842	1,139,864	1,057,943	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918
Monthly OTIER	(3.26)	(0.22)	(2.86)	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68	7.17	(0.07)	1.99
Revenue	(30,147,695)	(30,107,328)	(29,970,600)	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)
Purchased Power	17,935,248	17,619,985	17,638,416	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951
<b>Gross Margins</b>	<b>(12,212,447)</b>	<b>(12,487,343)</b>	<b>(12,332,184)</b>	<b>(12,336,752)</b>	<b>(12,449,221)</b>	<b>(12,560,733)</b>	<b>(12,581,231)</b>	<b>(12,559,721)</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>
Operations	1,111,609	1,157,519	1,173,725	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999
Maintenance	3,243,345	3,166,558	3,205,693	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954
Customer Service	1,124,181	1,136,615	1,131,157	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353
Informational Advertising	244,485	244,191	243,677	252,751	259,747	252,016	251,605	257,795	257,035	255,267	256,835	256,050	254,840
Demonstration Advertising	18,883	18,620	18,440	18,352	19,780	20,264	20,801	21,695	21,784	21,801	21,391	22,083	21,753
Admin & General	2,093,985	2,094,242	2,076,895	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758
Depreciation	3,240,592	3,248,128	3,258,142	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733
Regulatory	41,443	41,446	41,449	41,452	41,339	41,226	41,113	41,000	40,887	40,774	40,662	40,598	40,534
Interest - LTD	904,884	905,934	905,082	903,588	902,836	903,615	904,524	905,309	906,975	907,891	895,352	905,097	903,119
Interest - Deposits	2,062	2,310	2,566	2,821	3,075	3,331	3,586	3,841	4,094	4,350	4,514	4,805	5,098
Miscellaneous Expense	(10,033)	(9,058)	(23,298)	(6,489)	(4,741)	(3,191)	31,764	33,845	42,826	46,633	78,323	83,394	82,924
Interest Income	(25,328)	(30,492)	(30,302)	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)
Non-Electric Revenue	(37,265)	(33,495)	(54,194)	(52,931)	(55,612)	(56,722)	(56,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)
Capital Credits	(155,382)	(135,455)	(135,455)	(135,455)	(135,273)	(135,273)	(135,273)	(135,273)	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)
<b>Margins</b>	<b>(414,986)</b>	<b>(680,280)</b>	<b>(518,609)</b>	<b>(216,806)</b>	<b>(205,564)</b>	<b>(502,047)</b>	<b>(724,348)</b>	<b>(727,162)</b>	<b>(733,009)</b>	<b>(1,096,582)</b>	<b>(380,376)</b>	<b>(52,201)</b>	<b>(446,589)</b>
Operating Expense	12,015,436	12,006,505	12,033,526	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064
Rolling 12 Month OTIER	1.46	1.75	1.57	1.24	1.23	1.56	1.80	1.80	1.81	2.21	1.42	1.06	1.49





	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	\$0.00	-\$424,876.72			-\$530,590.44		-\$445,371.91
April	\$0.00	-\$243,866.72			-\$774,457.16		-\$689,238.63
May	\$0.00	-\$13,323.72			-\$787,780.88		-\$702,562.35
June	\$0.00	-\$31.72			-\$787,812.60		-\$702,594.07
July	\$0.00	\$143,434.28			-\$644,378.32		-\$559,159.79
August	\$0.00	-\$41,828.72			-\$686,207.04		-\$600,988.51
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$943,623.23
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$1,007,318.95
November	\$0.00	\$223,335.28			-\$869,202.20		-\$783,983.67
December	\$0.00	\$439,275.94			-\$429,926.26		-\$344,707.73





## Margins/Tier

### January

	2017	2016	2016-2014
Revenue	(2,464,532)	(2,427,161)	(2,828,904)
Purchase Power	1,411,578	1,722,707	1,966,962
<i>Gross Margins</i>	(1,052,954)	(704,454)	(861,942)
Operating Expenses	992,918	1,043,842	1,140,103
Margins	(72,896)	321,493	259,601
OTIER	1.99	(3.26)	(2.39)

### Year to Date

	2017	2016	2016-2014
Revenue	(5,211,632)	(5,829,814)	(6,539,555)
Purchase Power	3,163,058	3,785,485	4,177,675
<i>Gross Margins</i>	(2,048,574)	(2,044,329)	(2,361,880)
Operating Expenses	2,085,617	2,169,346	2,177,193
Margins	20,494	86,708	(188,885)
OTIER	0.87	0.43	2.21



2017	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
Sales	21,747,637.00	19,980,172.00											

**Purchases:**

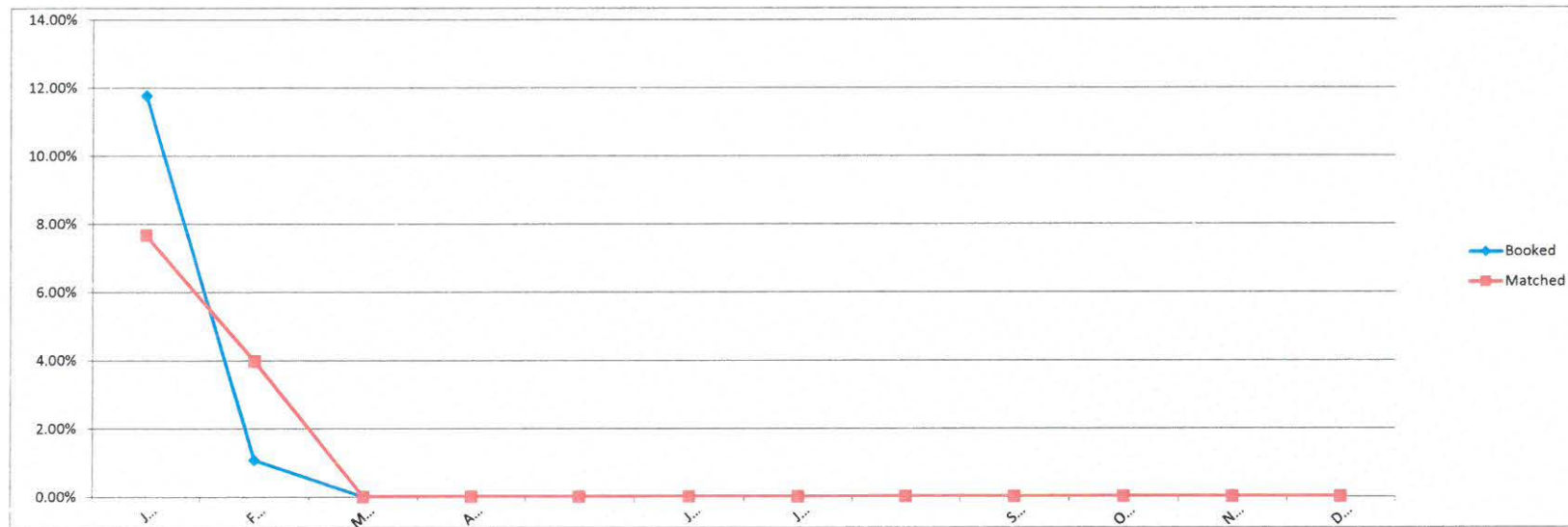
<b>Booked</b>	24,645,811.00	20,197,845.00
<b>Matched</b>	23,554,988.67	20,806,194.72

**kWh Loss**

<b>Booked</b>	2,898,174.00	217,673.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,115,847.00
<b>Matched</b>	1,807,351.67	826,022.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,633,374.39

**% Line Loss**

<b>Booked</b>	11.76%	1.08%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
<b>Matched</b>	7.67%	3.97%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!





**2017**  
Current Year

	Average	HDD	CDD	HDD	CDD	Average	
21-Feb	60	5	0	19	0	46	1-Feb
22-Feb	56	9	0	29	0	36	2-Feb
23-Feb	58	7	0	37	0	28	3-Feb
24-Feb	66	0	1	40	0	25	4-Feb
25-Feb	51	14	0	22	0	43	5-Feb
26-Feb	37	28	0	18	0	47	6-Feb
27-Feb	42	23	0	1	0	64	7-Feb
28-Feb	48	17	0	19	0	46	8-Feb
1-Mar	57	8	0	38	0	27	9-Feb
2-Mar	41	24	0	29	0	36	10-Feb
3-Mar	34	31	0	4	0	61	11-Feb
4-Mar	31	34	0	9	0	56	12-Feb
5-Mar	48	17	0	24	0	41	13-Feb
6-Mar	56	9	0	23	0	42	14-Feb
7-Mar	55	10	0	25	0	40	15-Feb
8-Mar	51	14	0	28	0	37	16-Feb
9-Mar	56	9	0	14	0	51	17-Feb
10-Mar	45	20	0	10	0	55	18-Feb
11-Mar	30	35	0	18	0	47	19-Feb
12-Mar	32	33	0	14	0	51	20-Feb
13-Mar	42	23	0	5	0	60	21-Feb
14-Mar	27	38	0	9	0	56	22-Feb
15-Mar	26	39	0	7	0	58	23-Feb
16-Mar	32	33	0	0	1	66	24-Feb
17-Mar	31	34	0	14	0	51	25-Feb
18-Mar	49	16	0	28	0	37	26-Feb
19-Mar	40	25	0	23	0	42	27-Feb
20-Mar	41	24	0	17	0	48	28-Feb
	44.4	579	1	524	1	46.3	
		580		525			

**2016**  
Previous Year

	Average	HDD	CDD	HDD	CDD	Average	
21-Feb	52	13	0	16	0	49	1-Feb
22-Feb	42	23	0	15	0	50	2-Feb
23-Feb	53	12	0	12	0	53	3-Feb
24-Feb	52	13	0	28	0	37	4-Feb
25-Feb	36	29	0	32	0	33	5-Feb
26-Feb	34	31	0	27	0	38	6-Feb
27-Feb	42	23	0	25	0	40	7-Feb
28-Feb	54	11	0	27	0	38	8-Feb
29-Feb	50	15	0	38	0	27	9-Feb
1-Mar	51	14	0	44	0	21	10-Feb
2-Mar	33	32	0	42	0	23	11-Feb
3-Mar	30	35	0	41	0	24	12-Feb
4-Mar	35	30	0	48	0	17	13-Feb
5-Mar	37	28	0	48	0	17	14-Feb
6-Mar	43	22	0	35	0	30	15-Feb
7-Mar	49	16	0	30	0	35	16-Feb
8-Mar	62	3	0	32	0	33	17-Feb
9-Mar	59	6	0	27	0	38	18-Feb
10-Mar	67	0	2	16	0	49	19-Feb
11-Mar	56	9	0	4	0	61	20-Feb
12-Mar	61	4	0	13	0	52	21-Feb
13-Mar	64	1	0	23	0	42	22-Feb
14-Mar	66	0	1	12	0	53	23-Feb
15-Mar	67	0	2	13	0	52	24-Feb
16-Mar	64	1	0	29	0	36	25-Feb
17-Mar	56	9	0	31	0	34	26-Feb
18-Mar	50	15	0	23	0	42	27-Feb
19-Mar	44	21	0	11	0	54	28-Feb
20-Mar	41	24	0	15	0	50	29-Feb
	50.0	440	5	757	0	38.9	
		445		757			



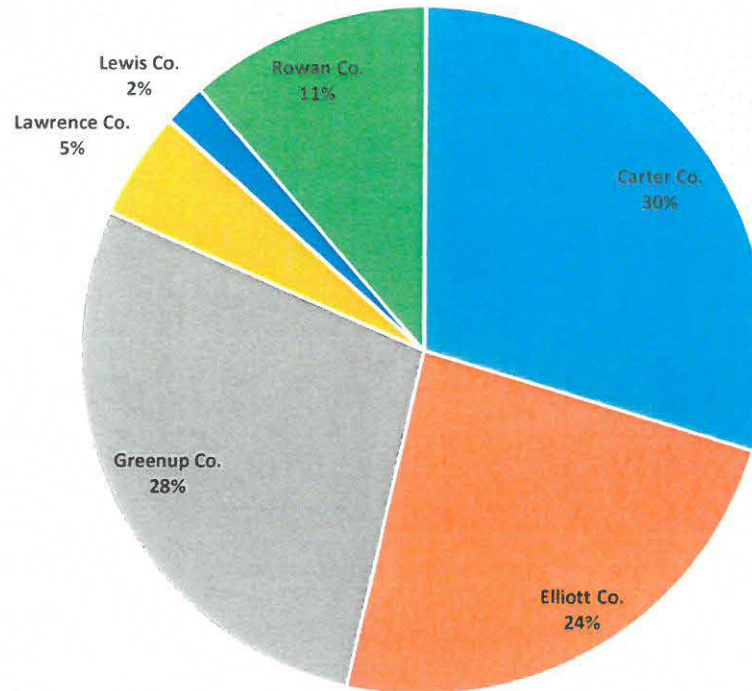




## Bills by County

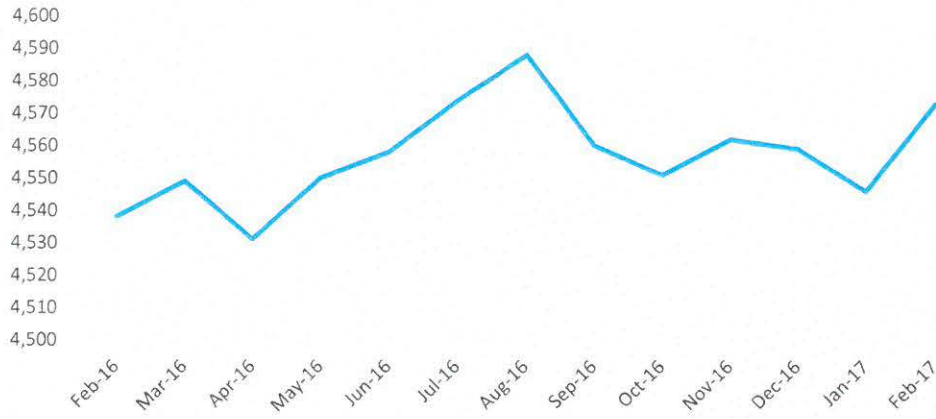
	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16
Carter Co.	4,573	4,546	4,559	4,562	4,551	4,560	4,588	4,574	4,558	4,550	4,531	4,549	4,538
Elliott Co.	3,668	3,653	3,645	3,679	3,650	3,644	3,672	3,651	3,649	3,650	3,651	3,663	3,661
Greenup Co.	4,323	4,287	4,283	4,326	4,311	4,335	4,332	4,333	4,332	4,325	4,311	4,297	4,300
Lawrence Co.	777	775	777	776	784	789	787	788	794	789	787	788	790
Lewis Co.	310	312	311	312	309	309	310	310	312	305	306	307	309
Rowan Co.	1,751	1,744	1,754	1,765	1,754	1,740	1,754	1,754	1,753	1,739	1,735	1,741	1,748
	15,402	15,317	15,329	15,420	15,359	15,377	15,443	15,410	15,398	15,358	15,321	15,345	15,346

# of Bills  
January 2017

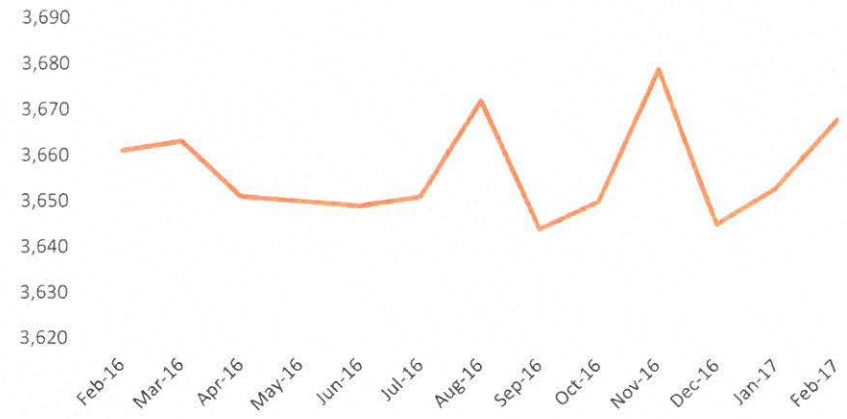




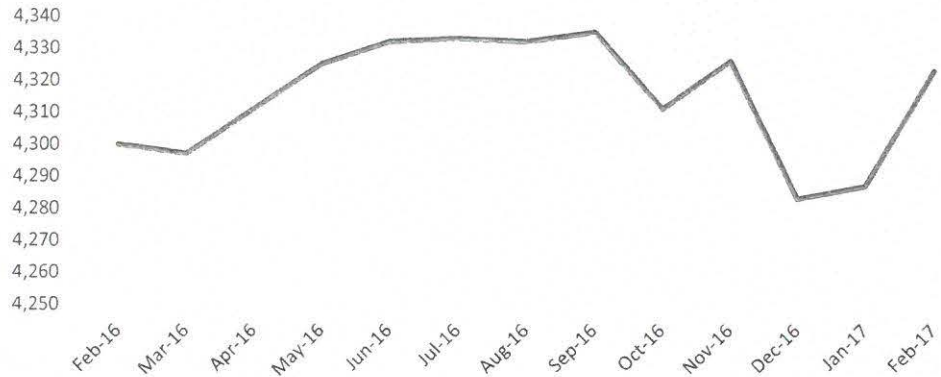
Carter Co.



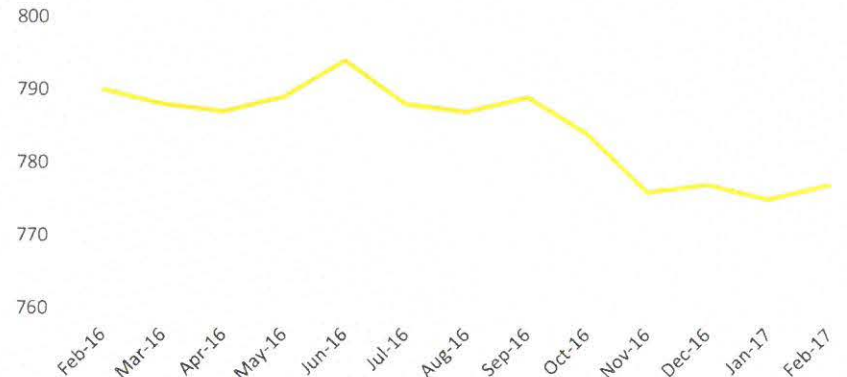
Elliott Co.



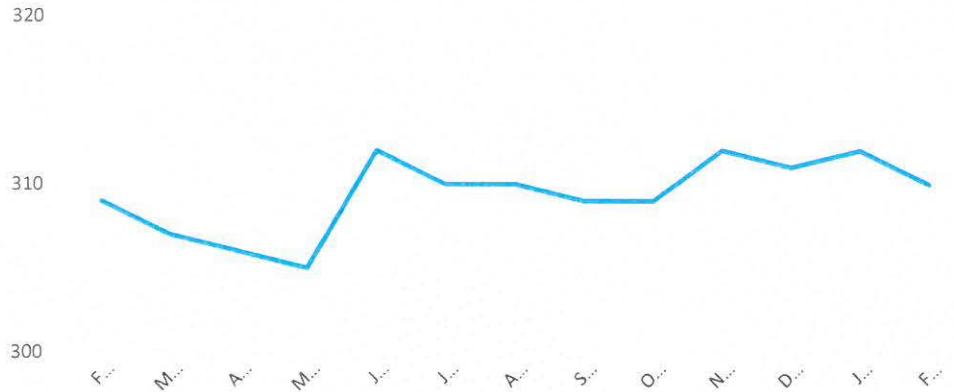
Greenup Co.



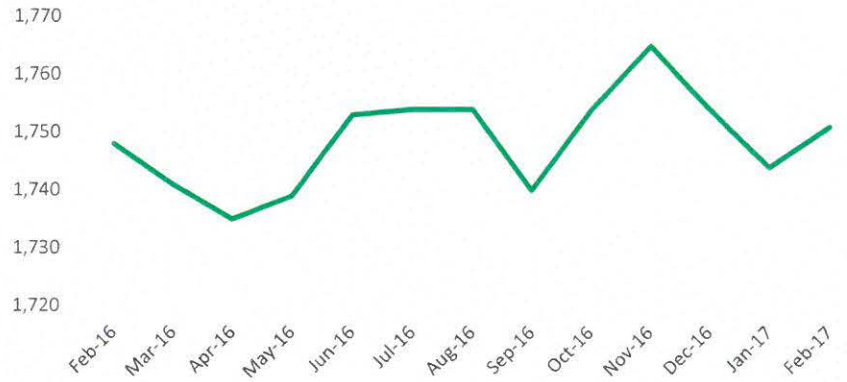
Lawrence Co.



Lewis Co.



Rowan Co.





**FEBRUARY 2017**

**219 ANALYSIS**

W/O							BUDGETED
<u>NBRS</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>		<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>
							<u>UNIT COST</u>
9	RETIREMENTS		55		304.96	(304.96)	
100	NEW LINE EXTENSIONS		14		42,740.45	42,740.45	3,052.89
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		4,468.28	4,468.28	2,234.14
603	SECTIONALIZERS						
604	REGULATORS						
606	POLES		15	POLES	49,907.05	49,907.05	3,327.14
701	SECURITY LIGHTS		36		33,707.14	33,707.14	936.31
1600	MINOR PROJECTS		4		13,884.67	13,884.67	
	<b>TOTAL</b>		<b>125</b>		<b>145,012.55</b>	<b>144,402.63</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	0		0.00	0.00	0.00
	METERS	370.00	195		45,916.46	45,916.46	235.47
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	<b>TOTAL</b>		<b>195</b>		<b>45,916.46</b>	<b>45,916.46</b>	
	MATERIAL				<b>18,341.19</b>		
	MATERIAL OH				<b>45,406.75</b>		
	LABOR				<b>14,915.33</b>		
	LABOR OH				<b>52,068.73</b>		



# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

May 18, 2017

W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, May 26, 2017 at 9:00 a.m.

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis





# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

May 18, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and Friday, the twenty-sixth day of May, 2017 at 9:00 a.m., for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis

Handwritten text, possibly a signature or name, oriented vertically.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On May 26, 2017 at 8:00 a.m. the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the April 2017 Board Meeting
4. Approval of the Minutes from the May 11, 2017 Organizational Board Meeting
5. Manager of Technical Services Report – Brian Poling
6. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for May 2017 – Bradley Cherry
7. Manager of Marketing & Member Services Report – Kim Bush
8. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
9. Approval of One Hundred One (101) New Memberships and Retirement Eighty-Eight (88) Existing Memberships for June 2017
10. Consider Approval of Accounts to be Charged Off to Reserve \$3,398.62
11. Consider Approval of President’s Business Expense in the Amount of \$9.73, Director’s Business Expense in the Amount of \$6,472.75 and Attorney’s Business Expense in the Amount of \$9.10
12. President’s Report – Carol Hall Fraley
13. Cooperative Legal Matters – W. Jeffrey Scott
14. KAEC Director’s Report – Jimmy Whitt
15. EKPC Director’s Report – Kenneth Arrington
16. Consider Community Service and/or Donations
17. Attendance at Meetings – Directors & Employees
18. Report of Any Meetings Held
19. Additional Business
20. Confirm Date for the June Board Meeting – Friday, June 23, 2017
21. Adjourn



On April 27, 2017 at 9:05 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Trent called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION

Director Dupuy gave the invocation.

APPROVAL OF MINUTES

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the minutes from the March 2017 Board Meeting.

Chairman Dupuy reported briefly on the upcoming GRECC Greenup and Lewis counties board election.

MANAGER OF  
TECHNICAL SERVICES

Brian Poling, Manager of Technical Services reported on the following:

The Davey Resource Group (DRG) has completed 30,030 GPS points as of April 15<sup>th</sup>. They have finished the GPS in Carter City and are currently working on Pelfrey. Davey currently has 2 men working in the field.

The new generator is operational and working well. A recent test showed no interruption of service.

We are currently scheduled to change over our internet to AT&T fiber on May 22<sup>nd</sup>. That was the first date that everyone involved could dedicate time to the project. There will be some short outages during the changeover that will affect consumers making payments and accessing their accounts.

RF METERING

Radio Frequency Metering update: NRTC notified us last Wednesday that they no longer were associated with Sensus. NRTC is now partnering with Silver Spring Networks, which is geared more toward large utilities and IOU's. They hope to work out pricing for utilities under 20,000 meters. The current issue is the price of Oracle licensing. NRTC is currently working with Cumberland Valley to acquire pricing on Silver Spring Networks for their system.

LANDIS & GYR'S MEETING

Steve Bush and Brian Poling attended the Landis & Gyr's Users Conference last week in Austin, TX and got some good information on the RF Network, as well as gas and water equipment. We found that Landis & Gyr wants to contract the total number of meters we might service, including any gas and water in our area. We are contacting water and gas companies to see if there is any interest. Propagation study data would be based on the total number of meters for each utility we might partner with.

Brian asked if there was an opportunity for remote disconnect water meters. Apparently water and gas are more proprietary than electric.

Adams Rural Electric, in Ohio, is converting to an Eaton's Radio Frequency system. Brian, Steve and Andrea will be meeting with Eaton's next Tuesday.

MIKE NORMAN, RUS REP

Mike Norman from RUS met with us last week and we discussed adding the RF meter upgrade to our current work plan, the timing and financing. He said with the money we have in the current work plan for meter replacements we

MIKE NORMAN, RUS REP  
(CONTINUED)

did not need to wait on a new work plan to get started. He said we have the money in the budget now and could include any additional expenses to the next work plan. Brian said more details will have to be looked at to see if it will work, such as PSC timeline, approval, etc.

Mr. Norman said our current loan looked good and would like to meet later this year to determine when a new Construction Work Plan would need to be completed. Apparently, the loan applications are currently taking a full 12 months to be processed through RUS.

President Fraley was concerned about the work plan's low construction project, and the use of planning and purchased equipment would be more than the construction work, but with day to day it would be ok. The last time we only had two construction bids.

Chairman Dupuy asked how the utilities agreeing to participate would be transmitting their data. Mr. Poling explained the software for water / gas utilities would be separate and does allow us to save some money through the transmitting. Their bill would be separate, as the water and gas companies would still do their own billing and we would only bill the utility companies for their use.

MAPPING PROGRAM

The mapping program is ahead of schedule and will have other capabilities when finished and ready for the new work plan. The new work plan will include a lot of mapping and coordination. Some preliminary work will need to be done within the next year to get ready for the new work plan. The current union contract ends midnight December 31, 2017. Negotiations will commence in September or October.

As metering progresses, we will have a timeline followed by wrapping up mapping. Mapping will provide several opportunities we have not been able to do before. The Wage and Salary Plan will be done soon.

BILLING CHANGE TO  
MONTHLY

President Fraley, Sherry Buckler and Andrea McCleese explained how we might want to reconcile our billing period with East Kentucky Power's billing cycle. We changed our billing cycle in the past to match delivery of social security checks arriving on the third of each month. Now social security checks come all month. Bills were mailed on the 1<sup>st</sup>, due 15<sup>th</sup>, overdue on the 25<sup>th</sup> and eligible for disconnection after 27 day. This caused bills to have 60 to 90 days usage before we disconnected. Bradley, Andrea and Sherry Buckler checked and changing from 1<sup>st</sup> to 5<sup>th</sup> could be accomplished. Changing would take place in October and would have less effect on our members because it is a low usage month. Social security checks are on a cycle now.

If we change back to a calendar month, we could go to two cycle billing and spread out our work. This could help us not have to hire some new people. The months would not change in the accounting department.

Andrea McCleese explained 2 cycles of billing. One cycle could be on the 5<sup>th</sup> and about one week later another cycle would go out. Cycle billing would be on location, for example north and south. This would cause two billings, collections and due dates. Service men would be collecting by their service locations daily and spread them out instead of having 20 or more at a time.

BILLING CHANGE TO  
MONTHLY (CONTINUED)

Director Whitt said Elliott County gets SSI checks the first of each month. President Fraley said she would ask if they could keep those members on SSI on first of the month.

Legal Counsel Scott asked how it would affect EKPC. Sherry Buckler said the one month would be rough, but after that it would be back to normal. If the Board is interested we could have it ready to be effective in September and October. It would help the co-op with numbers, degree days, forecasting, and more actual instead of prorated data.

Director Martin made a motion to change the billing cycle to coincide with East Kentucky Power Electric's billing, seconded by Director Rice and unanimously agreed upon.

Andrea said the best time to make the change would be the billing from August 20<sup>th</sup> to September 20<sup>th</sup>, and change from September 20<sup>th</sup> to October 1<sup>st</sup>, as they are the lowest time period.

President Fraley said we would start advertising in the magazine in June. The November billing would be for October 1-30 usage. The November bill would go out on the 5<sup>th</sup>. We can't disconnect after 20 days.

MANAGER OF FINANCE  
& ACCOUNTING REPORT

Sherry Buckler, Manager of Accounting gave the Financial & Statistical Report for February 2017. The following was reported:

FINANCIAL & STATISTICAL  
REPORT FOR FEBRUARY  
2017

Kilowatt hour sales for the month of February (02/21-03/20) were (5.19 %) over budget. Purchases for the time period of (2/1-28) were (30.80%) over budget. Line loss for the last twelve months was 6.95%. Year to date margins were (\$20,494) compared to budgeted (\$105,714).

FUEL ADJUSTMENT

The fuel adjustment factor was (0.004516).

ESC

The environmental surcharge was 5.86%.

DEGREE DAYS

There were 579 heating degree days and 1 cooling degree days.

O.T.I.E.R

The monthly O.T.I.E.R. was 1.99 and the rolling 12 month O.T.I.E.R. was 1.49 with the year to date 0.87.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR FEBRUARY 2017

Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical report for February 2017 as presented for informational purposes only.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Julie Lewis gave Kim Bush's report. She reported on the following:

LIHEAP

We received \$245,731 from LIHEAP which was \$25,606 more than the previous year.

WINTERSHIP HARDSHIP

There was 25 winter hardship reconnects.

PREPAY ACCOUNTS

We have 627 active Pre-Pay accounts with an average balance of (\$44.27). The total payment amount is \$78,599.01.

DEBT MANAGEMENT	We have 38 active accounts with debt management. The total amount in debt management is \$10,861.36.
ADDITIONAL DEPOSIT	We mailed 100 additional deposit letters this month.
ENERGY AUDITS	We had 35 rebates for the month. Twelve of those were billing insights.
SCHOOL PROGRAMS	<p>We had three students for the Frankfort Youth Tour. The three students were Seth Kiser – East Carter High School, Morgan Waggoner – Rowan County High School and Heather Smith – Elliott County High School. We always send two on the Washington Youth Tour, but we would like to ask to send the third student as they were all excellent students. The cost is about \$1,500.</p> <p>Director Bentley made a motion to allow the three high school juniors to attend the Washington Youth Tour this year, seconded by Director Trent and unanimously agreed upon.</p>
4-H NIGHT	We had 4-H communication night with 250 kids.
GRECC ANNUAL MEETING	The GRECC Annual Meeting is Thursday, May 11, 2017.
CAMP CO-OP	Camp Co-op is a 3 day camp planned for students who have completed 3 <sup>rd</sup> – 5 <sup>th</sup> grades. More details to come.
BALLOTS	<p>President Fraley said the Greenup/Lewis counties ballots will be mailed tomorrow and they will have until May 8<sup>th</sup> to get them in. Provost John Dean will pickup up the ballots at 9:00 a.m. on May 8<sup>th</sup> and they will be counted at 10:00 a.m. in the meeting room. There will be 21 different combinations of voting with six people counting at separate tables. John Dean and Legal Counsel Scott will oversee the election and will explain the process to the candidates or their representatives. The signed envelopes will be removed and then the unsigned inner envelope. Votes will be bundled into groups of 25 and verified by the Provost and Legal Counsel.</p> <p>The directors, representative or candidate can be in the room.</p>
ANNUAL MEETING	<p>Kim Bush and Sha Thomas from EKPC will be going to WSAZ the day before annual meeting to discuss the honors flight and annual meeting.</p> <p>Several nice door prizes will be given away after the buiness meeting. Two of them are a small refrigerator and a high efficiency clothes washer. Members do not have to be present to win the door prizes.</p>
OPERATIONS REPORT	Kyle Clevenger, Manager of Operations, gave the Operations Report. He reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.
SAFETY REPORT	The following safety meetings were held during March 2017:
SAFETY MEETING	March 6 – President Fraley’s meeting was given by Robert Brown, who presented a power point on Distracted Driving and Defensive Driving. A discussion with co-workers followed. Kyle Clevenger said a consumer on



SAFETY MEETING  
(CONTINUED)

Bethel Hill praised the crew for doing a great job in the area last week. Kyle also wanted to thank everyone for a job well done on the previous storm and requested that everyone work safe.

March 13 – Mike Martin, Assistant Manager of Operations, turned the meeting over to President Fraley who read Board Policies 508 – Safety Practices and 509 – Safety Incentive and had a discussion with employees. She also presented employees with a Safety incentive check for 2016 and the monthly safety money was given out. Kyle Clevenger requested everyone to use common sense today and work safe.

March 23 – Andrea McCleese, Technical Services Supervisor, turned the meeting over to Kendall Bush, KAEC Safety Instructor. He went over a current contact and discussed correct ways to work a line, stressed how important it was to always wear your gloves and sleeves, and suggested a few mottos to go by: “Don’t Enter Zone Without Gloves On”, “Don’t Get Out of Safety Training and Get Good at Hurt Man Rescue”. Kyle Clevenger requested everyone to be careful and No Short Cuts.

March 27 – Brian Poling, Manager of Technical Services, discussed feeders with the most outages, minutes per feeder, number of outages per month, consumer minutes by cause and the correct codes to use when restoring outages. President Fraley asked everyone to be careful and remind everyone that it will be wet and slippery and to have a good week.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

Director Whitt thanked President Fraley, Kyle Clevenger, Mike Martin and the crew putting up the names at the gymnasiums. Last week we changed out lights for them.

Pike Electric is working on the 3-phase on RT 173 and on Trans Canada at Pactolus. The majority of the poles have been set. We have coordinated the line work with the Department of Transportation to pull the electric line across I-64 on May 21<sup>st</sup> at 7:00 a.m. The state will run ads on the radio and newspaper making people aware of the temporary road closing on the Trans Canada job. We did not have to interconnect with the Green Valley line with East Kentucky Power.

President Fraley has asked Trans Canada for another contribution to Aid to Construction. The problem with our jobs is it takes two months before the job is closed.

NEWFOUNDLAND  
SUBSTATION

We are reading the Newfoundland Substation. If possible, President Fraley would like to read the Warnock Substation next, leaving two more substations in the fall. Her next project is to refine service orders, giving us more control over idle services. She would also like to develop a better method of handling right-of-way notes on yard trees, trees over service wires and trees leaning over houses.

Chairman Dupuy said the right-of-way clearing has worked and the Lewis County consumers made mention of that while he was campaigning.

CONSTRUCTION The Construction Department built one twenty-five (125) work orders. Fourteen (14) services were added and forty-nine (49) services retired, for the month of March. Construction did not work any overtime this month.

OVERTIME HOURS The Maintenance Department worked three hundred sixty-nine (369) overtime hours and the Engineering Department worked zero (0) hours overtime during the month of March 2017.

DELINQUENT NOTICES There were 140 delinquents for April with 121 cards issued to be disconnected and 19 accounts disconnected by remote meter. Field personal disconnected an additional 12 meters for a total of 31 disconnects. Nine accounts were reconnected on April 5.

ENGINEERING REPORT The Engineering Department released one hundred ten (110) prints consisting of 2,669 feet primary line, 1,798 feet of service wire and 0 feet of underground service. They currently have one (1) new service to be staked and one (1) to be drawn. They have approximately nine (9) miscellaneous jobs to be staked or drawn.

CONTRACT CREWS We have two (2) Pike crews working:  
  
Tony Seagraves – Trans Canada, Carter County  
Travis Grizzell – Alcorn, Greenup County

RIGHT-OF-WAY CREWS We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 796 trees, cut 1,080 trees, cut 37,275 feet of brush/line and sprayed 19 spans of line. The crews are working in the following areas:  
  
1 cutting crew in Carter, Lewis and Greenup Counties  
3 cutting crews in Rowan and Elliott Counties  
1 bucket truck crew in Carter, Lewis and Greenup Counties  
1 bucket truck crew in Rowan County  
1 bucket truck crew in Elliott County  
1 tractor crew in Greenup County  
2 spray crews in Greenup County  
  
Smith Tree Service is working a circuit crew in Elliott County – Rowe Flats and into North Ruin.

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve ninety-seven (97) new memberships and retire seventy-seven (77) existing memberships for March 2017.

BAD DEBT WRITE-OFFS Motion was made by Director Trent, seconded by Director Rice and unanimously agreed to charge off \$3,164.49 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the President's business expense of \$44.83, Director's business expenses of \$6,859.32 and Attorney's business expense of \$64.64.

PRESIDENT’S REPORT

President Fraley reported on the following:

STAFF MEETING

The staff met and discussed the budget and keeping costs down. The blacktop over the hill will cost over \$100,000, so we will hold this job until next year. President Fraley has asked everyone to watch their budget due to possible rate increase. We may have to do a test year if a rate increase becomes necessary.

Greenbo Lake State Park will be opening this summer.

President Fraley has been working on changes that need to be made to the Bylaws.

Under our Administrative Guidelines, a water pump, electric fence, camper, anything small like that are only entitled to a 150’ service drop. Extension cords cannot be used to extend the length. Barns qualify for 300 feet and commercial agriculture will get 1,000 feet.

LEGAL COUNSEL REPORT

Legal Counsel Scott said he had no report.

KAEC DIRECTOR’S REPORT

Director Whitt reported there was no meeting this month due to the Manager’s Spring Meeting.

EKPC DIRECTOR’S REPORT

Director Arrington reported on the following:

Spurlock outages have been traced to the effects of high-sulfur coal and are blamed for tube leaks in Spurlock Station’s unit #2. Scrubbers have been installed on the older substation in the past decade to reduce sulfur emissions, allowing units to be compliant. EKPC plans to replace much of the tubing that has been affected. The forced outages have cost the co-op in penalties and the purchase of replacement power.

Robin Hayes, Director of Financial Planning and Analysis, reported on the quarterly KPI and noted the forced plant outages so far in 2017 have had a significant effect on generation measures.

Mike McNalley, Chief Financial Officer and Executive Vice President, said unseasonably warm weather has led to much lower revenue than projected in 2017. Revenue and other income are under budget \$30m and sales are \$11m under budget in February. Year-to-date margins are under budget by \$6.8m.

EK approved awarding a contract for an engineering service and submitted an application to KPSC for approval of modifications at Spurlock Station to ensure compliance at the power plant

THANK YOU NOTES

We received a thank you note from the Greenup County High School Senior scholarship recipients.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

King Daughters Health Foundation – 2017 Rocky Adkins golf tournament sponsor	\$250
Grayson Area Chamber of Commerce – Art in the Park	\$200
Commercial Bank – Christmas in July 5K Run	\$100
Rocky J Adkins Elliott County Public Library – read program	\$100

DONATIONS (CONTINUED)	Elliott County Conservation District – 4 <sup>th</sup> Grade Field Day	\$50
	Elliott County Little League – Field Sponsorship	\$175
	Lewis County Football Team – sponsor 4 holes annual golf scramble	\$100
	Lewis County High School – boys & girls golf team sponsorship	<u>\$100</u>
		\$1,075

Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE Employees have been asked to submit a list of any sessions they attend and any breakout sessions when they attend a meeting. Directors were asked to do the same. This will help us with the KPSC when we have a rate increase application.

GRECC ORGANIZATIONAL MEETING The Organizational Meeting of the Board of Directors will be held on Thursday May 11<sup>th</sup> following the business meeting at the GRECC Annual Meeting.

BOARD MEETING DATE The regular monthly May Board Meeting will be held Friday, May 26<sup>th</sup>.

ADDITIONAL BUSINESS There was no additional business.

PRESIDENT / CEO APPRASIAL Chairman Dupuy called for Executive Session for the Board to discuss appraisal of the President and CEO

ADJOURN There being no additional business to come before the Board, Chairman Trent adjourned the meeting at 11:45 a.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

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W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the April 24, 2017 GRECC Board Meeting

On April 24, 2017 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

Chairman Dupuy called for an Executive Session at 11:30 a.m. and unanimously agreed upon, excusing Carol Hall Fraley, President and CEO; and Priscilla Sparks, Executive Assistant, from the board meeting.

President Fraley's evaluation was presented by Legal Counsel Scott. Everything was good.

Motion was made to give President Fraley a one-time \$1,500 bonus for the year by Director Martin, seconded by Director Bentley and unanimously agree upon.

Motion was made by Director Trent, seconded by Director Rice and unanimously voted to come out of Executive Session at 11:42 a.m.

\_\_\_\_\_  
Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel































President and CEO's Expenses

March 2017

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
4/03/17	171372	VISA Expenses: *2/20 Working thru lunch	\$9.73
		Total Expenses	\$9.73

\*prorated expense

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## DIRECTORS & ATTORNEY EXPENSES

March-17

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### KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (3/24)	\$ 242.80
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
TOTAL -	<u>\$ 883.92</u>

### JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (3/24)	\$ 201.07
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	1.08
TOTAL	<u>\$ 842.78</u>

### HAROLD DUPUY

Per Diem - GRECC Bd. Mtg. (3/24)	\$ 232.10
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24-Hr. Insurance	0.70
TOTAL -	<u>\$ 873.43</u>

### EDDIE MARTN

Per Diem GRECC Bd. Mtg. (3/24)	\$ 208.56
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	1.08
TOTAL -	<u>\$ 850.27</u>

### WILLIAM T. RICE

Per Diem GRECC Bd. Mtg. (3/24)	\$ 221.40
MISC - Annual Fee - VISA	3.00
VISA -	-
Cash in Lieu of Insurance	637.63
24 - Hr. Insurance	0.49
TOTAL -	<u>\$ 862.52</u>

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**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (3/24)	\$	237.45
<b>MISC</b>	- Annual Fee - VISA		3.00
<b>VISA</b>	-		-
	<b>Cash in Lieu of Insurance</b>		637.63
	24 - Hr. Insurance		0.49
<b>TOTAL</b>	-	\$	<u>878.57</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (3/24)	\$	608.65
<b>MISC</b>	- Annual Fee - VISA		3.00
<b>VISA</b>	- KAEC Bd. Mtg. (2/21)		30.90
	<b>Cash in Lieu of Insurance</b>		637.63
	24 - Hr. Insurance		1.08
<b>TOTAL</b>	-	\$	<u>1,281.26</u>

**JEFF SCOTT**

<b>Per Diem</b>	-		
<b>MISC</b>	- Annual Fee - VISA		3.00
<b>VISA</b>	- Lunch - Verify Election Petitions		6.10
<b>TOTAL</b>	-	\$	<u>9.10</u>





























On May 11, 2017, 6:34 p.m., the Directors of Grayson Rural Electric Cooperative Corporation held an Organizational Meeting at its office in Grayson, Kentucky, for the purpose of electing officers for the coming year.

Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors. All were present. Others present included: Bradley Cherry, Manager of Finance and Accounting; W. Jeffrey Scott, Legal Counsel; and Priscilla Spark, Executive Assistant.

ELECTION OF OFFICERS	Chairman Dupuy announced that the first order of business was the election of officers for the ensuing year. He then turned the meeting over to Legal Counsel Scott to conduct the election of officers.
CHAIRMAN	Legal Counsel Scott announced the distribution of ballots for the office of Chairman. Director Martin made a motion to elect the following slate of officers by acclamation: Harold Dupuy, Chairman; Jim Bentley, Vice Chairman; and Eddie Martin, Secretary/Treasurer. The motion was seconded by Director Rice. The question was called and this slate of officers was unanimously elected.
KAEC DIRECTOR	Director Arrington made a motion to elect Director Whitt to represent Grayson RECC on the KAEC Board. Motion was seconded by Director Rice and unanimously approved.
COMMITTEE MEETINGS	Chairman Dupuy will appoint the Planning & Review Committee and the Negotiating Committee at the May Board Meeting.
ADJOURNMENT	Motion was made by Director Arrington to adjourn the meeting at 6:40 p.m.

\_\_\_\_\_  
Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel



# Grayson Rural Electric Financial Report

May 26, 2017

## At A Glance....

March

<u>kWh Sales (3/21 - 4/20)</u>		<u>Margins</u>	
Month	-8.19%	Month	\$ (402,230.47)
YTD	-14.23%	YTD	\$ (422,725.66)
<u>kWh Purchases (03/01 - 03/31)</u>		<u>OTIER</u>	
Month	-8.38%	Month	(4.53)
YTD	-21.05%	YTD	(0.81)
<u>Line Loss</u>			
Month	24.58%		
YTD	12.77%		

Fuel Adjustment (0.007547)

ESC 6.89%

Degree Days 218

Heating Degree Days 178

Cooling Degree Days 40

### Notes:

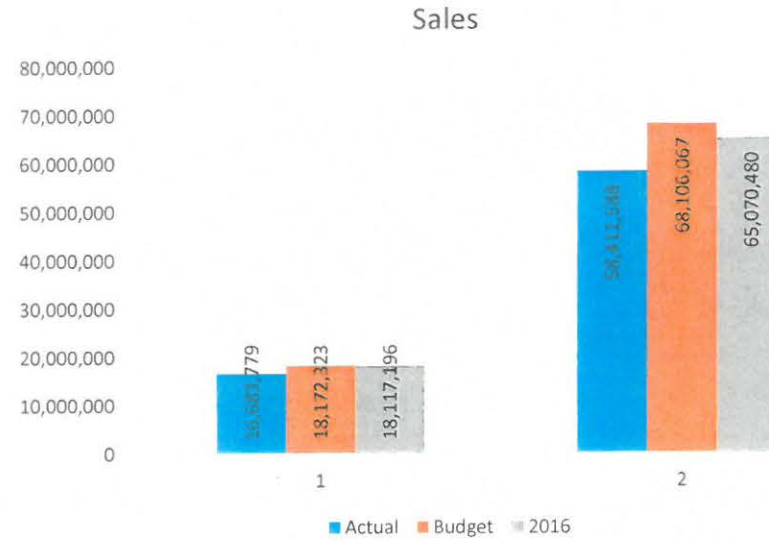
- Capital Credits (March)



## Sales

### March

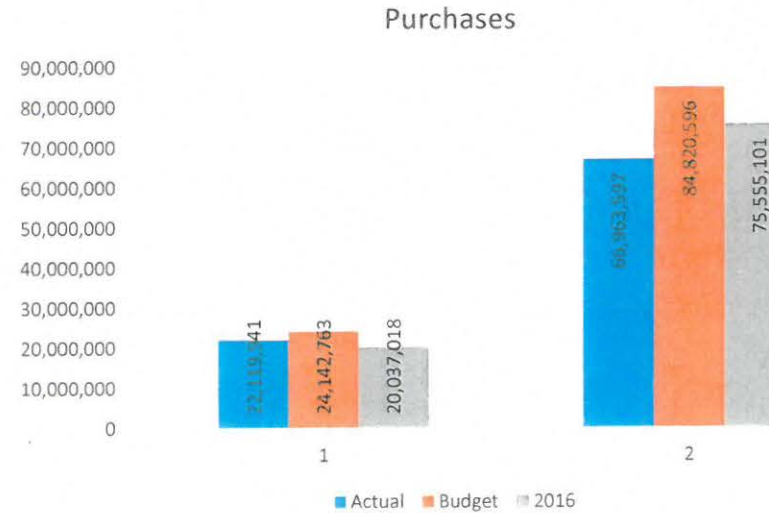
	2017	2016	2016-2014
Actual	16,683,779	18,117,196	18,433,087
Budget	18,172,323		
Difference	(1,488,544)	(1,433,417)	(1,749,308)
	-8.19%	-7.91%	-9.49%
<hr/>			
	YTD-2016	YTD-2015	YTD-Prev 3
Actual	58,411,588	65,070,480	70,501,916
Budget	68,106,067		
Difference	(9,694,479)	(6,658,892)	(12,090,328)
% Difference	-14.23%	-10.23%	-17.15%



## Purchases

### March

	2017	2016	2016-2014
Actual	22,119,941	20,037,018	22,817,184
Budget	24,142,763		
Difference	(2,022,822)	2,082,923	(697,243)
	-8.38%	10.40%	-3.06%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	66,963,597	75,555,101	82,471,326
Budget	84,820,596		
Difference	(17,856,999)	(8,591,504)	(15,507,729)
% Difference	-21.05%	-11.37%	-18.80%







## REVENUE SUMMARY MARCH 2017

	<u>ENERGY</u>	<u>FUEL</u>	<u>LIGHTS</u>	<u>GREEN POWER</u>	<u>PRE-PAY FEE</u>	<u>SUR-CHARGE</u>	<u>SUB-TOTAL</u>	<u>PENALTY</u>	<u>SALES TAX</u>	<u>SCH</u>
<b>44010 RESIDENTIAL</b>										
Class 10 (All Electric Mobile Home)	\$ 269,646.85	\$ (15,682.86)	\$ 5,526.75	\$ 16.50	\$ 2,330.84	\$ 17,604.33	\$ 279,442.41	\$ 8,525.62	\$ -	\$ -
Class 11 (Non-Electric House)	\$ 265,370.98	\$ (15,652.84)	\$ 10,733.42	\$ 24.75	\$ 864.41	\$ 17,846.25	\$ 279,186.97	\$ 4,867.10	\$ -	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 59,757.34	\$ (3,410.07)	\$ 1,557.02	\$ 5.50	\$ 486.66	\$ 3,939.83	\$ 62,336.28	\$ 1,622.06	\$ -	\$ -
Class 14 (All Electric House)	\$ 682,874.05	\$ (41,571.84)	\$ 17,707.48	\$ 74.25	\$ 2,327.91	\$ 45,130.96	\$ 706,542.81	\$ 13,577.67	\$ 5.65	\$ -
Class 61 (Security Light)	\$ -	\$ (70.42)	\$ 1,327.37	\$ 2.75	\$ -	\$ 86.30	\$ 1,346.00	\$ 6.51	\$ 3.23	\$ -
<b>44010 TOTALS</b>	<b>\$ 1,277,649.22</b>	<b>\$ (76,388.03)</b>	<b>\$ 36,852.04</b>	<b>\$ 123.75</b>	<b>\$ 6,009.82</b>	<b>\$ 84,607.67</b>	<b>\$ 1,328,854.47</b>	<b>\$ 28,598.96</b>	<b>\$ 8.88</b>	<b>\$ -</b>
<b>44040 GENERAL SALES</b>										
Class 12 (Camps & Barns)	\$ 18,820.03	\$ (640.67)	\$ 500.28	\$ -	\$ 9.66	\$ 1,286.64	\$ 19,975.94	\$ 411.28	\$ -	\$ -
Class 15 (Camps)	\$ 15,433.94	\$ (471.41)	\$ 255.54	\$ -	\$ 45.30	\$ 1,044.08	\$ 16,307.45	\$ 246.30	\$ 9.03	\$ -
Class 16 (Barns)	\$ 16,589.92	\$ (416.74)	\$ 724.57	\$ -	\$ 9.66	\$ 1,163.83	\$ 18,071.24	\$ 288.13	\$ 4.90	\$ -
Class 17 (Garages, Out-buildings)	\$ 36,077.60	\$ (1,095.62)	\$ 1,029.12	\$ -	\$ 22.07	\$ 2,479.90	\$ 38,513.07	\$ 415.97	\$ 148.43	\$ -
Class 18 (Meters on Poles)	\$ 6,167.56	\$ (187.22)	\$ 216.87	\$ -	\$ 19.32	\$ 425.41	\$ 6,641.94	\$ 137.45	\$ 39.07	\$ -
Class 19 (Un-Inhabitable Houses)	\$ 784.36	\$ (17.47)	\$ 39.66	\$ -	\$ -	\$ 55.56	\$ 862.11	\$ -	\$ -	\$ -
Class 20 (Miscellaneous)	\$ 674.24	\$ (8.92)	\$ 20.68	\$ -	\$ -	\$ 47.25	\$ 733.25	\$ 4.77	\$ -	\$ -
<b>44040 TOTALS</b>	<b>\$ 94,547.65</b>	<b>\$ (2,838.05)</b>	<b>\$ 2,786.72</b>	<b>\$ -</b>	<b>\$ 106.01</b>	<b>\$ 6,502.67</b>	<b>\$ 101,105.00</b>	<b>\$ 1,503.90</b>	<b>\$ 201.43</b>	<b>\$ -</b>
<b>44210 SMALL COMMERCIAL</b>										
Class 25 (Small Commercial<50KVA)	\$ 141,198.28	\$ (8,365.77)	\$ 3,373.75	\$ 5.50	\$ 10.00	\$ 9,380.77	\$ 145,602.53	\$ 909.12	\$ 6,344.79	\$ -
Class 26 (Security Light)	\$ -	\$ (15.59)	\$ 300.37	\$ -	\$ -	\$ 19.48	\$ 304.26	\$ -	\$ 14.73	\$ -
Class 28 (Churches)	\$ 13,319.34	\$ (719.26)	\$ 1,615.00	\$ -	\$ -	\$ 979.37	\$ 15,194.45	\$ 85.40	\$ 325.85	\$ -
<b>44210 TOTALS</b>	<b>\$ 154,517.62</b>	<b>\$ (9,100.62)</b>	<b>\$ 5,289.12</b>	<b>\$ 5.50</b>	<b>\$ 10.00</b>	<b>\$ 10,379.62</b>	<b>\$ 161,101.24</b>	<b>\$ 994.52</b>	<b>\$ 6,685.37</b>	<b>\$ -</b>
<b>44220 LARGE POWER</b>										
Class 46 (Large Commercial<50KVA)	\$ 175,541.52	\$ (13,591.02)	\$ 1,000.49	\$ -	\$ -	\$ 11,216.32	\$ 174,167.31	\$ -	\$ 6,844.65	\$ -
Class 47 (Pumping Station)	\$ 73.77	\$ (1.81)	\$ -	\$ -	\$ -	\$ 4.96	\$ 76.92	\$ -	\$ 4.62	\$ -
Class 79 (All Electric School)	\$ 37,679.19	\$ (2,793.58)	\$ 481.44	\$ -	\$ -	\$ 2,436.80	\$ 37,803.85	\$ -	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 213,294.48</b>	<b>\$ (16,386.41)</b>	<b>\$ 1,481.93</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,658.08</b>	<b>\$ 212,048.08</b>	<b>\$ -</b>	<b>\$ 6,849.27</b>	<b>\$ -</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>										
Class 74 (Smithfield & Elliott Co. Prison)	\$ 160,200.46	\$ (19,518.41)	\$ 29.32	\$ -	\$ -	\$ 9,695.02	\$ 150,406.39	\$ -	\$ 5,725.88	\$ -
<b>44230 TOTALS</b>	<b>\$ 160,200.46</b>	<b>\$ (19,518.41)</b>	<b>\$ 29.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,695.02</b>	<b>\$ 150,406.39</b>	<b>\$ -</b>	<b>\$ 5,725.88</b>	<b>\$ -</b>
<b>44400 STREET LIGHTS</b>										
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (30.75)	\$ 610.68	\$ -	\$ -	\$ 39.96	\$ 619.89	\$ -	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (30.75)</b>	<b>\$ 610.68</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 39.96</b>	<b>\$ 619.89</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 1,900,209.43</b>	<b>\$ (124,262.27)</b>	<b>\$ 47,049.81</b>	<b>\$ 129.25</b>	<b>\$ 6,125.83</b>	<b>\$ 124,883.02</b>	<b>\$ 1,954,135.07</b>	<b>\$ 31,097.38</b>	<b>\$ 19,470.83</b>	<b>\$ -</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,048,585.39</b>		
									<b>TOTAL TAX</b>	<b>\$ -</b>

TOTAL TAX  
\$ -



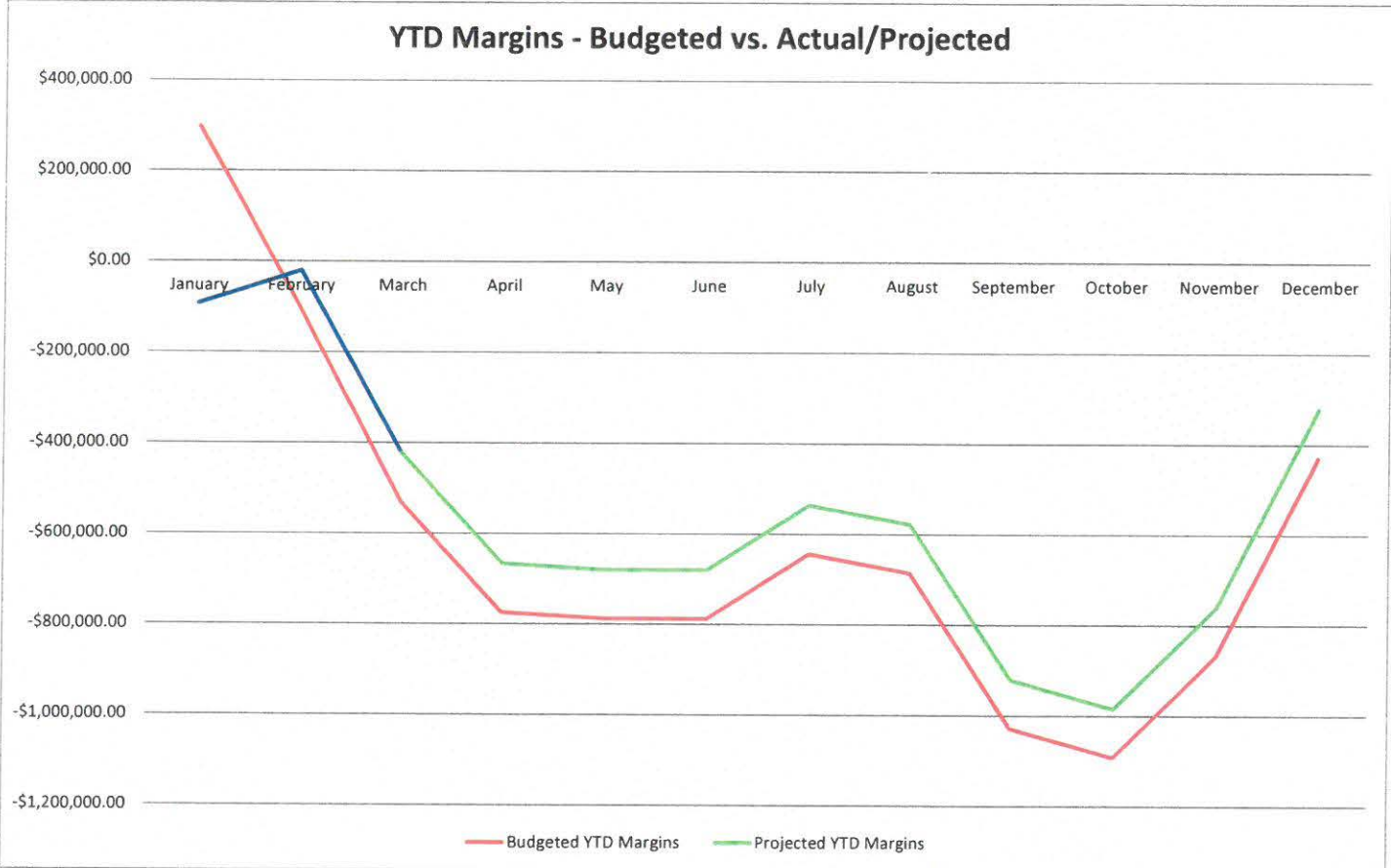
### Monthly Operating Revenue & Expenses

	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017
Revenue	(2,183,934)	(1,909,544)	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)
Purchased Power	1,275,270	1,154,125	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615
<b>Gross Margins</b>	<b>(908,664)</b>	<b>(755,419)</b>	<b>(1,114,096)</b>	<b>(1,129,189)</b>	<b>(1,251,747)</b>	<b>(930,952)</b>	<b>(676,259)</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>	<b>(612,007)</b>
Operations	109,704	114,899	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439	71,603	125,057	107,653	109,697
Maintenance	390,436	327,011	332,410	323,041	308,579	241,629	239,132	224,687	216,900	306,970	301,310	260,849	318,113
Customer Service	102,297	99,706	96,960	96,028	92,739	98,769	107,556	99,297	100,977	(25,625)	103,387	92,262	97,131
Informational Advertising	20,876	23,724	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	21,735	22,152	21,158
Demonstration Advertising	2,399	1,601	1,589	2,208	1,258	1,460	2,783	1,658	1,565	1,276	2,314	1,641	2,166
Admin & General	158,695	146,925	170,584	154,830	152,473	170,645	131,232	170,663	196,718	173,417	156,210	142,366	163,245
Depreciation	273,644	276,594	277,417	278,260	279,062	280,885	281,062	282,191	283,297	283,911	284,902	285,509	286,723
Regulatory	3,453	3,453	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,342	3,389	3,389	3,389
Interest - LTD	75,188	75,839	74,858	75,628	76,423	76,601	75,759	75,748	74,859	61,057	87,616	73,542	72,685
Interest - Deposits	372	380	378	377	381	379	378	375	378	369	666	665	663
Miscellaneous Expense	2,800	(12,190)	17,633	2,520	2,300	36,615	5,565	9,631	5,953	3,092	6,114	2,889	1,099
Interest Income	(2,513)	(2,490)	(2,451)	(2,444)	(2,441)	(2,449)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)
Non-Electric Revenue	(10,255)	(7,596)	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)
Capital Credits	(126,937)	-	-	(312)	-	-	(4,059)	(4,884)	-	-	-	-	(53,470)
Margins	91,495	292,438	(9,587)	5,498	(217,284)	(51,014)	307,900	(9,726)	(500,337)	(376,467)	93,390	(72,896)	402,230
* ( )'s = positive margins													
Operating Expenses	1,139,864	1,057,943	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068
Monthly OTIER	(0.22)	(2.86)	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68	7.17	(0.07)	1.99	(4.53)

Revenue	(30,107,328)	(29,970,600)	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)
Purchased Power	17,619,985	17,638,416	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296
<b>Gross Margins</b>	<b>(12,487,343)</b>	<b>(12,332,184)</b>	<b>(12,336,752)</b>	<b>(12,449,221)</b>	<b>(12,560,733)</b>	<b>(12,581,231)</b>	<b>(12,559,721)</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>	<b>(12,301,354)</b>
Operations	1,157,519	1,173,725	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991
Maintenance	3,166,558	3,205,693	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630
Customer Service	1,136,615	1,131,157	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187
Informational Advertising	244,191	243,677	252,751	259,747	252,016	251,605	257,795	257,035	255,267	256,835	256,050	254,840	255,123
Demonstration Advertising	18,620	18,440	18,352	19,780	20,264	20,801	21,695	21,784	21,801	21,391	22,083	21,753	21,520
Admin & General	2,094,242	2,076,895	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307
Depreciation	3,248,128	3,258,142	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812
Regulatory	41,446	41,449	41,452	41,339	41,226	41,113	41,000	40,887	40,774	40,662	40,598	40,534	40,470
Interest - LTD	905,934	905,082	903,588	902,836	903,615	904,524	905,309	906,975	907,891	895,352	905,097	903,119	900,616
Interest - Deposits	2,310	2,566	2,821	3,075	3,331	3,586	3,841	4,094	4,350	4,514	4,805	5,098	5,389
Miscellaneous Expense	(9,058)	(23,298)	(6,489)	(4,741)	(3,191)	31,764	33,945	42,826	46,633	78,323	83,394	82,924	81,222
Interest Income	(30,492)	(30,302)	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)
Non-Electric Revenue	(33,495)	(54,194)	(52,931)	(55,612)	(56,722)	(96,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)
Capital Credits	(135,455)	(135,455)	(135,455)	(135,273)	(135,273)	(135,273)	(136,049)	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)
Margins	(680,280)	(518,609)	(216,806)	(205,564)	(502,047)	(724,348)	(727,162)	(733,009)	(1,096,582)	(380,376)	(52,201)	(446,589)	(135,854)
Operating Expense	12,006,505	12,033,526	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268
Rolling 12 Month OTIER	1.75	1.57	1.24	1.23	1.56	1.80	1.80	1.81	2.21	1.42	1.06	1.49	1.15



	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	\$0.00	-\$243,866.72			-\$774,457.16		-\$666,592.38
May	\$0.00	-\$13,323.72			-\$787,780.88		-\$679,916.10
June	\$0.00	-\$31.72			-\$787,812.60		-\$679,947.82
July	\$0.00	\$143,434.28			-\$644,378.32		-\$536,513.54
August	\$0.00	-\$41,828.72			-\$686,207.04		-\$578,342.26
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$920,976.98
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$984,672.70
November	\$0.00	\$223,335.28			-\$869,202.20		-\$761,337.42
December	\$0.00	\$439,275.94			-\$429,926.26		-\$322,061.48





## Margins/Tier

### March

	2017	2016	2016-2014
Revenue	(2,031,622)	(2,183,934)	(2,275,577)
Purchase Power	1,419,615	1,275,270	1,533,642
<i>Gross Margins</i>	(612,007)	(908,664)	(741,935)
Operating Expenses	1,076,068	1,139,864	1,084,525
Margins	402,230	91,495	188,471
OTIER	(4.53)	(0.22)	(1.51)

### Year to Date

	2017	2016	2016-2014
Revenue	(7,243,253)	(8,013,747)	(8,815,133)
Purchase Power	4,582,673	5,060,755	5,711,317
<i>Gross Margins</i>	(2,660,580)	(2,952,992)	(3,103,816)
Operating Expenses	3,161,685	3,309,210	3,261,718
Margins	422,725	178,203	(414)
OTIER	-0.81	0.22	1.00





**2017**

	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
<b>Sales</b>	21,747,637.00	19,980,172.00	16,683,779.00										58,411,588.00

**Purchases:**

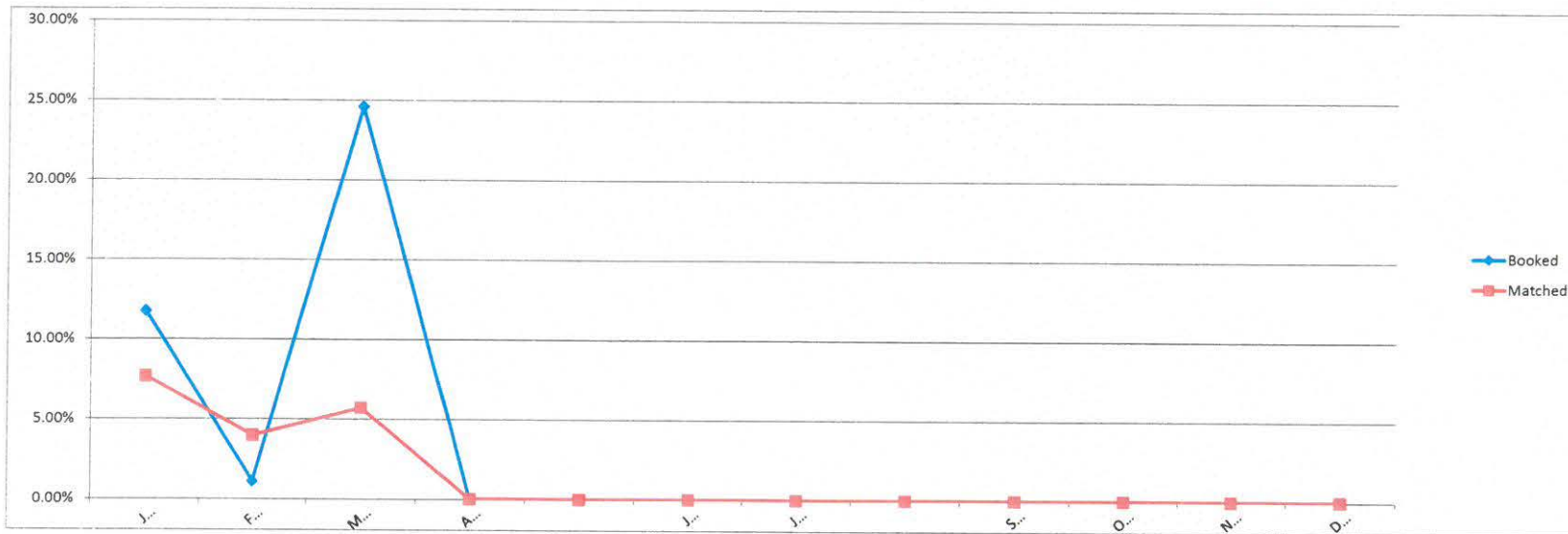
<b>Booked</b>	24,645,811.00	20,197,845.00	22,119,941.00										66,963,597.00
<b>Matched</b>	23,554,988.67	20,806,194.72	17,692,391.74										62,053,575.13

**kWh Loss**

<b>Booked</b>	2,898,174.00	217,673.00	5,436,162.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,552,009.00
<b>Matched</b>	1,807,351.67	826,022.72	1,008,612.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,641,987.13

**% Line Loss**

<b>Booked</b>	11.76%	1.08%	24.58%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	12.77%
<b>Matched</b>	7.67%	3.97%	5.70%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.44%





**2017**

**Current Year**

	Average	HDD	CDD	HDD	CDD	Average	
21-Mar	54	11	0	8	0	57	1-Mar
22-Mar	42	23	0	24	0	41	2-Mar
23-Mar	46	19	0	31	0	34	3-Mar
24-Mar	63	2	0	34	0	31	4-Mar
25-Mar	67	0	2	17	0	48	5-Mar
26-Mar	62	3	0	9	0	56	6-Mar
27-Mar	65	0	0	10	0	55	7-Mar
28-Mar	61	4	0	14	0	51	8-Mar
29-Mar	55	10	0	9	0	56	9-Mar
30-Mar	64	1	0	20	0	45	10-Mar
31-Mar	61	4	0	35	0	30	11-Mar
1-Apr	48	17	0	33	0	32	12-Mar
2-Apr	56	9	0	23	0	42	13-Mar
3-Apr	57	8	0	38	0	27	14-Mar
4-Apr	64	1	0	39	0	26	15-Mar
5-Apr	65	0	0	33	0	32	16-Mar
6-Apr	49	16	0	34	0	31	17-Mar
7-Apr	44	21	0	16	0	49	18-Mar
8-Apr	48	17	0	25	0	40	19-Mar
9-Apr	58	7	0	24	0	41	20-Mar
10-Apr	69	0	4	11	0	54	21-Mar
11-Apr	70	0	5	23	0	42	22-Mar
12-Apr	63	2	0	19	0	46	23-Mar
13-Apr	62	3	0	2	0	63	24-Mar
14-Apr	66	0	1	0	2	67	25-Mar
15-Apr	71	0	6	3	0	62	26-Mar
16-Apr	70	0	5	0	0	65	27-Mar
17-Apr	69	0	4	4	0	61	28-Mar
18-Apr	67	0	2	10	0	55	29-Mar
19-Apr	68	0	3	1	0	64	30-Mar
20-Apr	73	0	8	4	0	61	31-Mar
	60.5	178	40	553	2	47.2	
		218		555			

**2016**

**Previous Year**

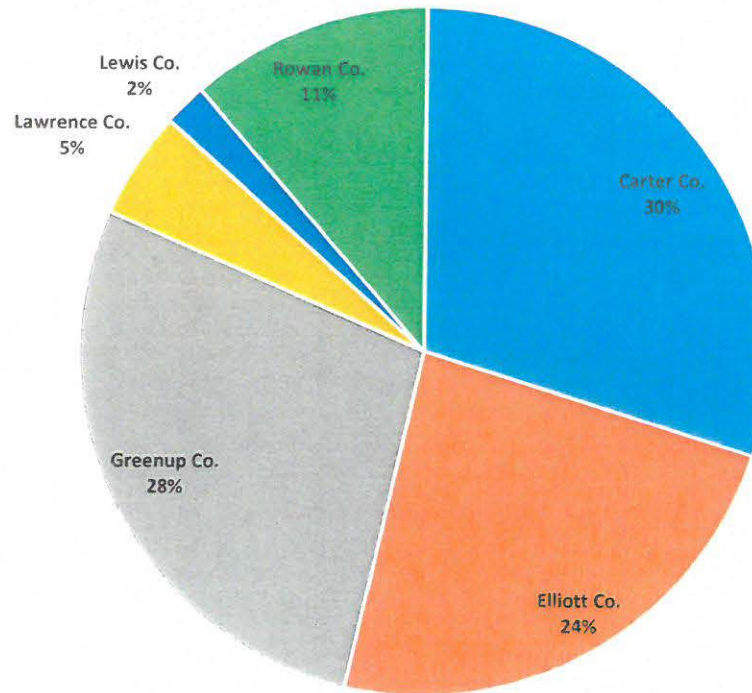
	Average	HDD	CDD	HDD	CDD	Average	
21-Mar	42	23	0	14	0	51	1-Mar
22-Mar	53	12	0	32	0	33	2-Mar
23-Mar	63	2	0	35	0	30	3-Mar
24-Mar	63	2	0	30	0	35	4-Mar
25-Mar	51	14	0	28	0	37	5-Mar
26-Mar	53	12	0	22	0	43	6-Mar
27-Mar	59	6	0	16	0	49	7-Mar
28-Mar	55	10	0	3	0	62	8-Mar
29-Mar	51	14	0	6	0	59	9-Mar
30-Mar	55	10	0	0	2	67	10-Mar
31-Mar	69	0	4	9	0	56	11-Mar
1-Apr	62	3	0	4	0	61	12-Mar
2-Apr	47	18	0	1	0	64	13-Mar
3-Apr	45	20	0	0	1	66	14-Mar
4-Apr	53	12	0	0	2	67	15-Mar
5-Apr	39	26	0	1	0	64	16-Mar
6-Apr	48	17	0	9	0	56	17-Mar
7-Apr	47	18	0	15	0	50	18-Mar
8-Apr	42	23	0	21	0	44	19-Mar
9-Apr	35	30	0	24	0	41	20-Mar
10-Apr	44	21	0	23	0	42	21-Mar
11-Apr	66	0	1	12	0	53	22-Mar
12-Apr	50	15	0	2	0	63	23-Mar
13-Apr	52	13	0	2	0	63	24-Mar
14-Apr	58	7	0	14	0	51	25-Mar
15-Apr	60	5	0	12	0	53	26-Mar
16-Apr	63	2	0	6	0	59	27-Mar
17-Apr	63	2	0	10	0	55	28-Mar
18-Apr	68	0	3	14	0	51	29-Mar
19-Apr	69	0	4	10	0	55	30-Mar
20-Apr	71	0	6	0	4	69	31-Mar
	54.7	337	18	375	9	53.2	
		355		384			



**Bills by County**

	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16
Carter Co.	4,579	4,573	4,546	4,559	4,562	4,551	4,560	4,588	4,574	4,558	4,550	4,531	4,549
Elliott Co.	3,640	3,668	3,653	3,645	3,679	3,650	3,644	3,672	3,651	3,649	3,650	3,651	3,663
Greenup Co.	4,300	4,323	4,287	4,283	4,326	4,311	4,335	4,332	4,333	4,332	4,325	4,311	4,297
Lawrence Co.	774	777	775	777	776	784	789	787	788	794	789	787	788
Lewis Co.	310	310	312	311	312	309	309	310	310	312	305	306	307
Rowan Co.	1,743	1,751	1,744	1,754	1,765	1,754	1,740	1,754	1,754	1,753	1,739	1,735	1,741
	15,346	15,402	15,317	15,329	15,420	15,359	15,377	15,443	15,410	15,398	15,358	15,321	15,345

**# of Bills  
March 2017**

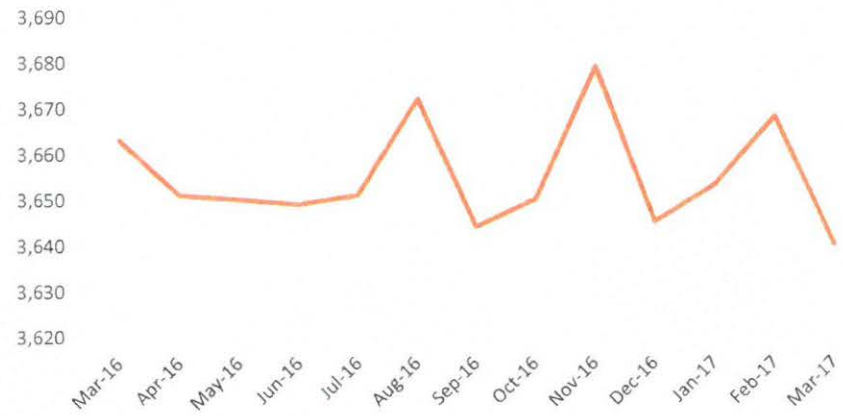




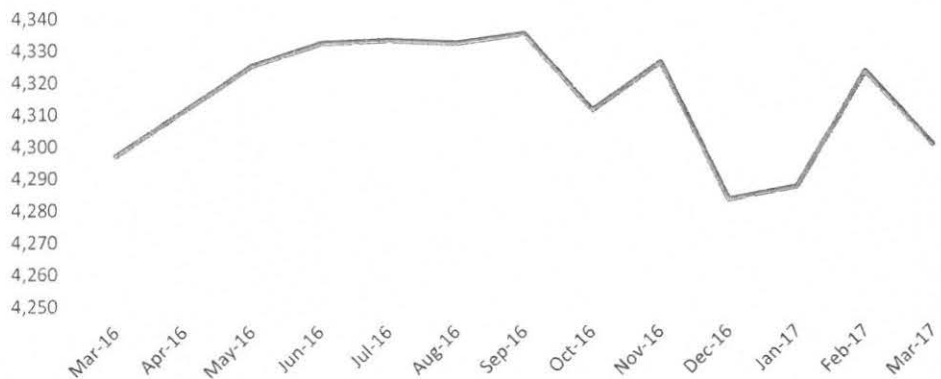
Carter Co.



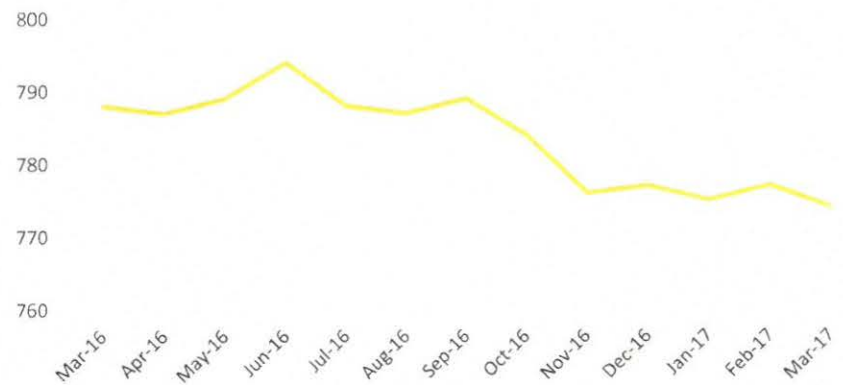
Elliott Co.



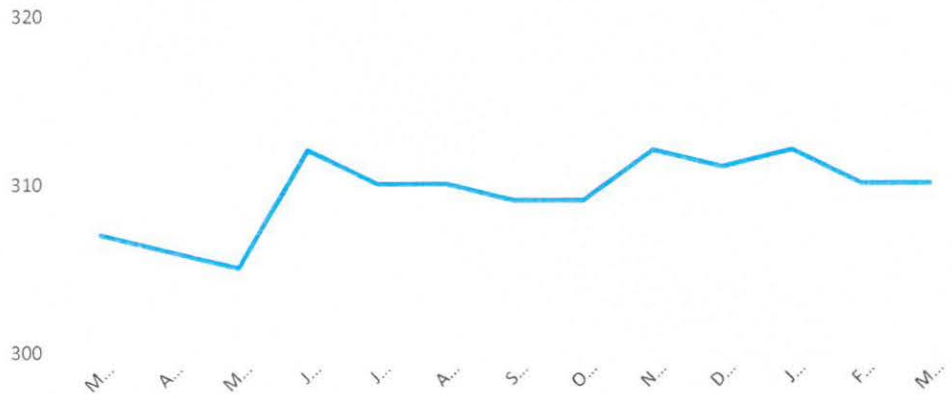
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







**MARCH 2017**

**219 ANALYSIS**

W/O							BUDGETED
NBR	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
9	RETIREMENTS		25		0.00	0.00	
100	NEW LINE EXTENSIONS		13		26,844.60	26,844.60	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		1,458.54	1,458.54	1,920.25
603	SECTIONALIZERS		6		12,804.35	12,804.35	
604	REGULATORS						
606	POLES		42	POLES	157,651.70	157,651.70	2,410.75
701	SECURITY LIGHTS		24		15,440.27	15,440.27	423.50
1600	MINOR PROJECTS		10		17,640.30	17,640.30	
	<b>TOTAL</b>		<b>113</b>		<b>231,839.76</b>	<b>231,839.76</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	25		22,483.00	22,483.00	1,120.00
	METERS	370.00	101		31,823.16	31,823.16	160.00
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	1		20,062.66	20,062.66	20,062.66
	<b>TOTAL</b>		<b>127</b>		<b>74,368.82</b>	<b>74,368.82</b>	
	MATERIAL				<b>74,697.75</b>		
	MATERIAL OH				<b>53,997.27</b>		
	LABOR				<b>23,839.90</b>		
	LABOR OH				<b>60,775.75</b>		







# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

July 20, 2017

W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143


Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Friday, July 28, 2017 at 9:00 a.m.

**As a reminder, please arrive at 8:30 a.m. for reviewing the proposed Bylaw changes.**

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

*Per W. Jeffrey Scott 7/13/2017,  
Minutes are good. Priscilla Sparks*



# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

July 20, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Friday, the twenty-eighth day of July at 9:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

**As a reminder, please arrive at 8:30 a.m. for reviewing the proposed Bylaw changes.**

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis





GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On July 28, 2017 at 8:30 a.m. the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the June 2017 Board Meeting
4. Manager of Technical Services Report – Brian Poling
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for May 2017 – Bradley Cherry
6. Manager of Marketing & Member Services Report – Kim Bush
7. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
8. Approval of One Hundred Nineteen (119) New Memberships and Retirement of Ninety-Four (94) Existing Memberships for June 2017
9. Consider Approval of Accounts to be Charged Off to Reserve \$3,170.19
10. Consider Approval of President’s Business Expense in the Amount of \$87.24, Director’s Business Expense in the Amount of \$6,621.64 and Attorney’s Business Expense in the Amount of \$7.00
11. President’s Report – Carol Hall Fraley
12. Cooperative Legal Matters – W. Jeffrey Scott
13. KAEC Director’s Report – Jimmy Whitt
14. EKPC Director’s Report – Kenneth Arrington
15. Consider Community Service and/or Donations
16. Attendance at Meetings – Directors and Employees
17. Report of Any Meetings Held
18. Review and Consider Approval of Bylaws Changes
19. Confirm Date for the August Board Meeting – Friday, August 25, 2017
20. Additional Business
21. Adjourn



On June 23, 2017, at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at Greenbo Lake State Park, Greenup, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

- INVOCATION Director Rice gave the invocation.
- APPROVAL OF MINUTES Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the minutes from the May Board Meeting.
- EKPC DIRECTOR'S REPORT Director Arrington gave the EKPC Board Report:
- EKPC Annual Meeting was held June 6, 2017.  
Margins and equity are running about the same for the month.  
There will be a mining tour at Illinois Basin Coal. Spurlock's coal comes from Illinois Basin Coal.  
GRECC Board appointed Director Arrington to EKPC's Board for a year.  
EKPC elected Board Joe Spaulding, Chairman; Alan Ahrman, Vice Chairman; and the Secretary-Treasurer position has been divided. Landis Cornett will serve as Secretary and Jody Hughes as Treasurer. The Executive Committee will now consist of five people.  
Director Arrington was appointed to oversee openings of Contracts (gas, coal, etc).  
Licking Valley RECC appointed Ted Holbrook to the Board after Mike Adam's death.  
Allen Anderson is no longer President and CEO at South Kentucky R.E.C.C. Bobby Sexton will serve as CEO at Big Sandy R.E.C.C.
- KAEC DIRECTOR'S REPORT Director Whitt stated there was no KAEC Board Meeting this month.
- PRESIDENT'S REPORT President Fraley reported the following:
- KAEC has hired some new safety directors. KAEC safety director for GRECC is Robert Thornton.  
David White, KAEC Safety Director, went to work for Owen Electric.  
RESAP program inspection will be any day, unannounced. This is our safety accreditation program. We have our new defibrillators in the building and in the construction trucks.
- RADIO TOWERS President Fraley said she has received two bids on removing the two radio towers. One was from Landen Daniels, Ashland, KY, for \$2,500. This includes removing fencing, block building and tower. The concrete pad will be left. She received a second quote from Herb Rice with Lab-Tronics, Catlettsburg, KY, for \$2,500. He would remove everything for resale. Lanham Scrap Iron and Metal, Paint Lick, KY has not submitted a bid yet. Bidders must provide us with certificates of insurance. A dozer has to be used to build a road to the tower in Lawrence County. Director Martin suggested to have Adam Wells look at it, as he has a large excavator.
- PIKE ELECTRIC Pike requested an amendment to their contract. President Fraley sent an email to decline and thanked them for their continued business association.

PHYSICAL INVENTORY

GRECC's annual inventory has been completed. President Fraley reported a remarkable difference in over and under of \$82. Roger and Marsha did a good job.

For the period May 1, 2016 to April 30, 2017, the average material and supplies physical inventory was \$284,684.34. The adjustment amount was .03%. President Fraley was very pleased with the inventory.

Physical Count

Amount over	\$ 14,542.10
Amount under	<u>\$(14,460.01)</u>
Difference	\$ 82.09

Inventory Totals

Beginning balance	\$242,455.92
Purchases	\$672,841.13
Sales	\$ (4,231.27)
Adjustments	\$ 2,432.81
Physical count adj's	\$ 82.09
Construction	<u>\$(456,191.65)</u>
Ending balance	\$ 457,389.03

CO-OP CAMP

We had 15 kids to attend Co-op Camp. They participated in several activities about energy. KY Living magazine has interviewed us and this will most likely will go on to NRECA.

COLUMBIA GULF

Columbia Gulf paid additional construction of \$190,000 this week.

RONALD MCDONALD HOUSE

We will participate in The Ronald McDonald house of Lexington and Louisville Touchstone challenge for supplies.

BILLING CYCLE

President Fraley wrote the first billing change article for the Kentucky Living Magazine to come out in August.

WAGE & SALARY

Bradley has set up a wage and salary review with Daniel Bruning, Sr. of NRECA's National Consulting Group the last week in October. The last survey was done by June Lane about twenty years ago.

SEPTEMBER BOARD MEETING

September 22<sup>nd</sup> is our board meeting and fish fry hosted by Brownstown.

GRECC BYLAWS

President Fraley has been spending a lot of time on the GRECC Bylaws and proposes to meet at 8:30 a.m. at the July 28, 2017 Board Meeting to discuss the GRECC Bylaws changes.

2017 BOARD MEETINGS CALENDAR EVENTS

President Fraley went over the Proposed Board Meetings and Events 2017 calendar.

PROPOSED BOARD MEETINGS AND EVENTS 2017

JULY 28	8:30 A.M. – 10:30 A.M. BYLAWS STUDY 10:30 A.M. – 12:00 P.M. BOARD MEETING
AUGUST 25	9:00 A.M. BOARD MEETING
SEPTEMBER 22	9:00 A.M. BOARD MEETING AND FISH FRY

2017 BOARD MEETINGS  
CALENDAR EVENTS  
(CONTINUED)

SEPTEMBER 28-29 KAEC LINEMAN RODEO, Jackson Energy, London KY  
OCTOBER 12-13 NRECA REGIONS 2 & 3 MEETING, Chattanooga, TN  
(pre-regional director's education is October 11th)  
OCTOBER 25-27 WAGE AND SALARY STUDY, DAN BRUNING  
OCTOBER 30, Monday 9:00 A.M. BOARD MEETING  
NOVEMBER 1-3 PRELIMINARY UNION MEETING (CF, BC, AND KC)  
NOVEMBER 15-17 1) UNION NEGOTIATING COMMITTEE  
2) WAGE AND SALARY/PLANNING & REVIEW  
COMMITTEE  
NOVEMBER 20-21 KAEC ANNUAL MEETING, Louisville, KY  
NOVEMBER 23-24 THANKSGIVING BREAK  
NOVEMBER 29, Wednesday 9:00 A.M. BOARD MEETING  
DECEMBER 1-6 NRECA DIRECTOR'S WINTER SCHOOL, Nashville, TN  
DECEMBER 8 CHRISTMAS AWARDS DINNER/PARTY  
DECEMBER 14-15 BUDGET MEETING/PLANNING & REVIEW  
COMMITTEE  
DECEMBER 21, Thursday BOARD MEETING AND CHRISTMAS LUNCH  
DECEMBER 25-26 CHRISTMAS BREAK (Monday and Tuesday)

PLANNING AND REVIEW COMMITTEE:  
EDDIE - CHAIR, BILLY T AND ROGER

NEGOTIATING COMMITTEE:  
JIMMY - CHAIR, KEN AND JIM

HAROLD, EX OFFICIO TO BOTH COMMITTEES

CFC DISTRICT 3 MANAGERS

Chris Perry, President & CEO of KAEC, is on the District 3 2017 Nominating Committee and they are developing a slate of candidates for the director seat (Position D) on the CFC Board of Directors.

BIG SANDY RECC

We receive an email from Kelli Gibson, KAEC Assistant to the CEO/ Board Liaison, stating Bobby Sexton has been named the Interim General Manager of Big Sandy RECC and Bruce Aaron Davis has been appointed as Assistant General Manager.

MANAGER OF FINANCE  
AND ACCOUNTING

Bradley Cherry, Manager of Finance and Accounting, presented the Financial and Statistical Report for April 2017.

FINANCIAL & STATISTICAL  
REPORT FOR APRIL 2017

Kilowatt hour sales for the month of April (4/21-5/20) were 1.46% under budget. Purchases for the time period of (4/01-4/30) were (2.51%) over budget. Line loss for the last twelve months was 11.25%. The April margins were (\$173,610) compared to the year to date margins (\$596,336).

FUEL ADJUSTMENT

The fuel adjustment was (0.007371) for April.

ESC

The environmental surcharge (ESC) was 8.88%.

DEGREE DAYS

There were 220 degree days – 129 heating degree days and 91 cooling degree days.

APRIL O.T.I.E.R.

The monthly O.T.I.E.R. for April was (1.17) with the year-to-date (.90). The 2016 monthly O.T.I.E.R. was (2.86) and rolling 12 month O.T.I.E.R. 1.57 compared to April 2017's 1.28.

CFC CONFERENCE

Bradley attended the CFC Conference in San Antonio, Texas and stated it was an excellent conference.

CAPITAL CREDITS

In June we paid out 28 capital credits in the amount of \$31,205.63. There are 25 outstanding applications; 22 incomplete and 3 new applications received. Year to date totals paid are 39 capital credits totaling \$65,310.53.

Letter of credits are still in effect even in case of bankruptcy.

Automatic stay is invoked in a bankruptcy.

President Fraley said Kmart did not pay their bill for a couple of months, so we recovered payment from their capital credits, at the recommendation of legal counsel.

KY Power's proposed rate increase will make them 1.5% higher than GRECC. They will file on the 26<sup>th</sup> or 28<sup>th</sup>.

APPROVAL OF FINANCIAL  
& STATISTICAL REPORT  
FOR APRIL 2017

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the Financial and Statistical report for April 2017, as presented, for informational purposes only.

LEGAL COUNSEL'S REPORT

Legal Counsel Brendon Music reported on the following:

Introduced Legal Counsel Whitley Hill Bailey who earlier addressed questions on letters of credits.

Legal Counsel Scott reviewed the minutes.

Legal Counsel Scott reviewed Columbia contract and the Smithfield contract.

Legal Counsel Scott, Bradley Cherry and the Bylaw committee have been working on changes in the bylaws.

Sky Global contract was sent in and will be presented at the July Board Meeting.

EXECUTIVE SESSION

Director Arrington called for an Executive Session.

AARON THOMPSON

Chairman Dupuy introduced Aaron Thompson, field representative for Governor Bevin's office. He is a graduate of Greenup County High School and majored in political science. He works from home and is responsible for twenty counties, from along the Ohio River in Carroll County to Pike County to Mt. Sterling. Every day is a different work load for him.

LEGISLATIVE

He reported two legislative sessions thus far. The first session was working on the budget and tremendous pension problem in Kentucky. A special session is to be called after August 15<sup>th</sup>. The Governor is currently soliciting feedback from the area and is working hand in hand on a tax cut. He asked us to communicate with our representatives and senators.

All the representatives and senators in the area are engaged in this process.

JOBS/WORK FORCE

Mr. Thompson reported the Governor is working on making KENTUCKY the manufacturing hub of North America. The biggest obstacle is training for jobs we can do in our area. The work ready programs will provide 32 credit hours of free tuition. Four major investments that have been made are: Amazon will be bringing 2,000 jobs located near the KY Cincinnati Airport; \$1.3 billion invested in the Toyota plant; \$900 million will be invested in the Ford plant in Louisville; and Braden Industry at South Shore will produce a lightweight aluminum steel and that will be used in auto and airplane manufacturing. One out of eleven cars in the US is produced in Kentucky and Kentucky is the 2<sup>nd</sup> largest in the aerospace industry behind Washington (airplane breaks are manufactured in northern Kentucky). This should allow

JOBS/WORK FORCE  
(CONTINUED)

more to locate to KY. He has worked with EKPC and Rodney Hitch on electricity rates.

President Fraley asked how the new plant in South Shore was going to be successful when other aluminum factories like the ones at Big Rivers were not. He replied, "It is a specialty product and only 3 companies make it."

President Fraley suggested that when Commissioners are appointed by the governor's office that they use people that are qualified and with a utility background. The Commission's role is to protect the consumer.

APPROVAL OF NEW  
MEMBERSHIPS &  
RETIREMENT OF  
EXISTING MEMBERSHIPS

Motion was made by Director Rice, seconded by Director Trent and unanimously agreed to approve one hundred (100) new memberships and retirement of seventy-one (71) existing memberships for May 2017.

APPROVAL OF CEO'S,  
DIRECTOR'S & ATTORNEY  
BUSINESS EXPENSES

Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the President's business expense of \$21.19, Director's business expenses of \$7,439.16 and Attorney's business expense of \$0.00.

THANK YOU LETTERS

GRECC received a thank you note from Mindy and Dan Click for the \$150 donation to the Grayson Gallery & Art Center for the "Heart of the Parks" art show. Thank you letters were received from Grayson Meals on Wheels, King's Daughters Health Foundation and Rocky Adkins golf outing. The three Washington Youth Tour representatives, Seth Kiser – East Carter High School, Morgan Waggoner – Rowan County High School and Heather Smith – Elliott County High School mailed thank you cards.

DONATION REQUEST

President Fraley presented to the board for their consideration the following donation requests:

Grayson Sluggers – sponsor	\$150
Funtober Fest – gold sponsorship	\$150
Lewis County Educational Foundation – sponsor Back to School Fair	\$100
Elliott Co. Family Resource/Youth Serv. Cntr. – Back to School Redi-Fest	\$100
52 <sup>nd</sup> Annual Greenup Old Fashion Days – festival	\$100
Softball Parents Club – sponsor EC Lady Raider Softball	\$200
4-J-C Committee – July 4 <sup>th</sup> fireworks	<u>\$100</u>
	\$900

Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the donations as presented.

MANAGER OF  
TECHNICAL SERVICES

Andrea McCleese, Technical Services reported on the following:

DAVEY RESOURCE GROUP

GIS: Davey Resource Group is currently doing our mapping project field inventory on the Airport Road substation with an estimated completion date of July 7. Once Airport Road is complete, they will be moving to Newfoundland, Sandy Hook, and then Mazie. Currently, Davey has four contractors working on Airport Road with a fifth possibly being added in mid-July. Data for 4 substations are on our maps, with Elliottville, Carter City and Pelfrey being reviewed by the Davey office. The field inventory

DAVEY RESOURCE GROUP  
(CONTINUED)

began July 25, 2016, and Robert anticipates the field work will be complete by December 2017.

Metering Project: Requests for quotes have been sent to Landis + Gyr, Aclara and Eaton. Aclara will return next month to give a more in-depth presentation on their power line carrier product, TWACS.

AT&T fiber internet connection project has been completed. Bandwidth was increased from 3.5 Mbps to 50 Mbps. Firewall devices were configured for true redundancy; if one falls the other device will take over. Also, if the AT&T internet is down, the Windstream connection will take over.

Andrea, Brian, and Kim attended the SEDC Users' Conference this week. Cybersecurity and PCI Compliance remains a top priority in the information systems environment. Credit card devices that will encrypt the card number can be ordered after the installation of the next software version, which should occur sometime next month.

BAD DEBT WRITE-OFFS

Motion was made by Director Trent seconded by Director Bentley and unanimously agreed to charge off \$4,827.80, worth of bad debts and turn them over for collection. President Fraley reported Mr. Kyle Suttles paid his bad debt of \$1,669.46 leaving a charge off total of \$3,158.34 for March.

Director Whitt pointed out to Mr. Thompson the impact of LIHEAP. If this is cut out, our members will really be affected. Mr. Thompson thought it was all federal funded. President Fraley says she believes the state provides a percentage of matching funds. He will work with the community action agency program and see what is happening and get back with us. Director Whitt stated we received \$245,000 in LIHEAP this past winter and asked for continued assistance with LIHEAP.

MANAGER OF MARKETING  
AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services, was not present to give her report.

OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report, along with Mike Martin, Assistant Manager of Operations. Mr. Clevenger reported on the following:

EMPLOYEE/LOST TIME  
ACCIDENT

There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during May:

May 1 – Bradley Cherry, Manager of Finance and Accounting, discussed Capital Credits and explained allocations, retirement and application of Capital Credits. Kyle Clevenger reminded everyone to work safe.

May 9 – Kyle Clevenger, Manager of Operations, turned the meeting over to Kim Bush, who went over new procedures and the positions that everyone would be working during Annual Meeting on Thursday, May 11, 2017. Kyle Clevenger reminded everyone that it was going to be wet, to be careful and watch out for each other.



SAFETY REPORT  
(CONTINUED)

May 15 – Carol Ann Fraley, President and CEO, discussed the annual meeting and the road crossing that is scheduled for Columbia Gulf Transmission. Bradley Cherry to discuss our new AEDs. Kyle Clevenger reminded everyone to be careful.

May 22 – Mike Martin, Assistant Manager of Operations, read an article from The Incident Prevention magazine about Stepping up to Safety. He discussed Hazard Recognition, Three Way Communication/Peer Check and Effective Three-Way Communication. Kyle Clevenger reminded everyone to have a good day and safe day.

May 30 – Andrea McCleese, Technical Services Supervisor, discussed the new billing cycle changes and how they would be broken down by the North and South territories. This will be scheduled for November billings. Carol Ann Fraley presented Ryan Rice a Certificate for Advanced Hot Line Skills Workshop. Kyle Clevenger asked everyone to check their first aid kits and to keep spraying and checking for ticks. Kyle Clevenger reminded everyone to be safe and watch over each other.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the importance of using ground chains. A line is not dead until it is grounded.

Copper thefts are increasing. 65 pole grounds were stolen off poles in the Pactolus substation area.

CONSTRUCTION

Construction built eighty (80) new work orders (includes 15 new services added and 7 services retired) for the month of May and worked twenty-five (25) hours of overtime. Engineering department worked three (3) hours overtime.

OVERTIME HOURS

Maintenance Department worked five hundred seventeen (517) hours of overtime during the month of May and worked one hundred forty-one (141) hours work order overtime hours.

DELINQUENT NOTICES

There were 96 delinquents for June with 66 cards issued to be disconnected. 25 accounts were disconnected by remote meter. Field personal disconnected an additional 4 meters for a total of 29 disconnects and 9 accounts were reconnected on June 7. On June 8 there were 2 meters disconnected. A total of 4 meters was reconnected.

CONTRACT CREWS

We have two (2) Pike crews working in the following areas:

Tony Seagraves – Columbia Gulf, Carter County  
Travis Grizzell – Alcorn, Greenup County

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crews trimmed 868 trees, cut 668 trees, cut 39,110 feet of brush/line and sprayed 152 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties  
2 cutting crews in Rowan and Elliott Counties  
1 bucket truck crew in Carter, Lewis and Greenup Counties

RIGHT-OF-WAY CREWS (CONTINUED)	<p>1 bucket truck crew in Rowan County  1 bucket truck crew in Elliott County  1 tractor crew in Greenup County  3 spray crews in Greenup County</p> <p>Smith Tree Service circuit crew in Elliott County on Fannin Road, North Ruin.</p>
ENGINEERING REPORT	The Engineering Department released one hundred eight (108) prints consisting of 3,163 feet of primary line and 1,381 feet of service wire. We currently have two (2) new services to be staked and one (1) to be drawn. We have approximately six (6) miscellaneous jobs to be staked or drawn.
MEETING ATTENDANCE	The NRECA Regions 2 & 3 Meeting is in Chattanooga, Tennessee. Directors Dupuy and Trent will attend. The date is October 12-13, 2017 with the pre-regional director's education on October 11, 2017.
KAEC LINEMAN RODEO	The KAEC Lineman Rodeo will be held September 28 <sup>th</sup> and 29 <sup>th</sup> at Jackson Energy, London, KY. Directors Dupuy and Trent plan to attend.
ADDITIONAL BUSINESS	President Fraley will be having her second heart ablation on Thursday, June 29 <sup>th</sup> at King's Daughter Medical Center at 6:30 a.m. and will stay overnight.
BOARD MEETING DATE	The next board meeting will be held on Friday, July 28, 2017 AT 8:30 a.m.
ADJOURN	Chairman Dupuy adjourned the meeting at 11:05 a.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

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W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the June 23, 2017 GRECC Board Meeting

On June 23, 2017 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION                      Director Arrington called for an Executive Session at 10:01 a.m., seconded by Director Rice and unanimously agreed upon.

JUNE 2017 PER DIEM                      A question in regards to June 2017's per diem was presented, answered and unanimously agreed upon.

Motion was made by Director Bentley, seconded by Director Trent and unanimously voted to come out of Executive Session at 10:07 a.m.

Chairman Dupuy adjourned the meeting.

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Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel































President and CEO's Expenses

April 2017 – May 2017

<u>Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
6/05/17	171826	VISA Expenses:	
		*4/20 – RUS Mtg. w/Mike Norman	\$15.62
		*4/24 – GRECC BOARD Mtg.	\$15.36
		*5/3 – Annual Meeting Planning	\$19.20
		*5/8 – Election Ballot Counting –Greenup County	\$10.11
		*5/9 – Maintenance & Construction Meeting	\$15.72
		*5/11 – Annual Meeting	\$4.23
5/25/17	171826	*5/26 – GRECC Board Meeting	\$7.00
		Total Expenses	\$87.24

\*prorated expense



## DIRECTORS & ATTORNEY EXPENSES

May-17

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### KENNETH ARRINGTON

<b>Per Diem</b> - GRECC Bd. Mtg. (5/26)	\$	242.80
<b>MISC</b> - Lunch GRECC Bd. Mtg. (5/26)		7.00
Background Check		64.00
<b>VISA</b> - Lunch GRECC Bd, Mtg. (4/24)		15.36
<b>Cash in Lieu of Insurance</b>		637.63
24 - Hr. Insurance		0.49
<b>TOTAL -</b>	<b>\$</b>	<b>967.28</b>

### JIM BENTLEY

<b>Per Diem</b> - GRECC Bd. Mtg. (5/26)	\$	201.07
<b>MISC</b> - Lunch GRECC Bd. Mtg. (5/26)		7.00
<b>VISA</b> -		-
<b>Cash in Lieu of Insurance</b>		637.63
24-Hr. Insurance		1.08
<b>TOTAL</b>	<b>\$</b>	<b>846.78</b>

### HAROLD DUPUY

<b>Per Diem</b> - GRECC Bd. Mtg. (5/26)	\$	232.10
<b>MISC</b> - Lunch GRECC Bd. Mtg. (5/26)		7.00
<b>VISA</b> -		-
<b>Cash in Lieu of Insurance</b>		637.63
24-Hr. Insurance		0.70
<b>TOTAL -</b>	<b>\$</b>	<b>877.43</b>

### EDDIE MARTN

<b>Per Diem</b> GRECC Bd. Mtg. (5/26)	\$	208.56
<b>MISC</b> - Lunch GRECC Bd. Mtg. (5/26)		7.00
<b>VISA</b> - Lunch GRECC Bd. Mtg. (4/24)		15.36
<b>Cash in Lieu of Insurance</b>		637.63
24 - Hr. Insurance		1.08
<b>TOTAL -</b>	<b>\$</b>	<b>869.63</b>

### WILLIAM T. RICE

<b>Per Diem</b> GRECC Bd. Mtg. (5/26)	\$	221.40
<b>MISC</b> - Lunch GRECC Bd. Mtg. (5/26)		7.00
<b>VISA</b> -		-
<b>Cash in Lieu of Insurance</b>		637.63
24 - Hr. Insurance		0.49
<b>TOTAL -</b>	<b>\$</b>	<b>866.52</b>

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**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (5/26)	\$ 237.45
<b>MISC</b>	- Lunch GRECC Bd. Mtg. (5/26)	7.00
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (4/24)	15.36
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 897.93</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (5/15); GRECC Bd. Mtg. (5/26)	\$ 617.21
<b>MISC</b>	- Lunch GRECC Bd. Mtg. (5/26)	7.00
<b>VISA</b>	- KAEC Bd. Mtg. (5/16-17)	33.15
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,296.07</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	- Lunch GRECC Bd. Mtg. (5/26)	7.00
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 7.00</u>

































# Grayson Rural Electric Financial Report

July 28, 2017

## At A Glance....

May

<u>kWh Sales (5/21 - 6/20)</u>		<u>Margins</u>	
Month	-4.10%	Month \$	21,689.00
YTD	-9.95%	YTD \$	(596,335.77)
<u>kWh Purchases (05/01 - 05/31)</u>		<u>OTIER</u>	
Month	-4.52%	Month	1.27
YTD	-15.86%	YTD	(0.46)
<u>Line Loss</u>			
Month	-3.72%		
YTD	8.66%		

Fuel Adjustment (0.005565)

ESC 8.77%

Degree Days 206

Heating Degree Days 15

Cooling Degree Days 191

### Notes:

- Capital Credits
- Retirement Plan Restatement
- CFC KRTA
- Humana Post 65

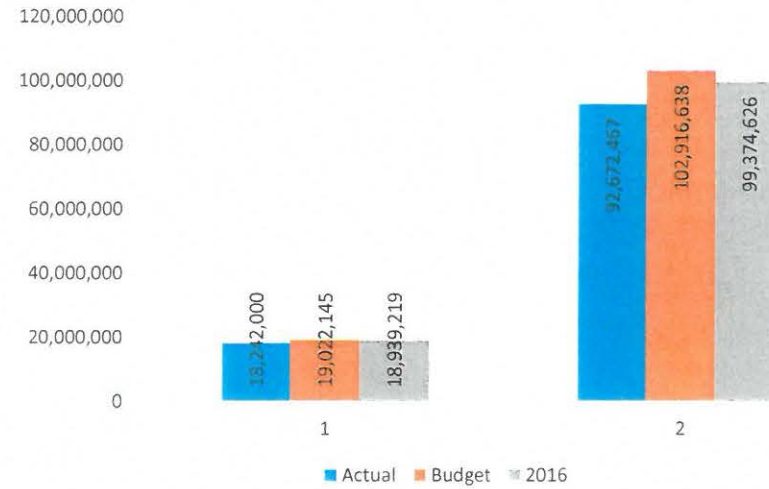


### Sales

#### May

	2017	2016	2016-2014
Actual	18,242,000	18,939,219	18,967,301
Budget	19,022,145		
Difference	(780,145)	(697,219)	(725,301)
	-4.10%	-3.68%	-3.82%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	92,672,467	99,374,626	105,283,308
Budget	102,916,638		
Difference	(10,244,171)	(6,702,159)	(12,610,841)
% Difference	-9.95%	-6.74%	-11.98%

### Sales

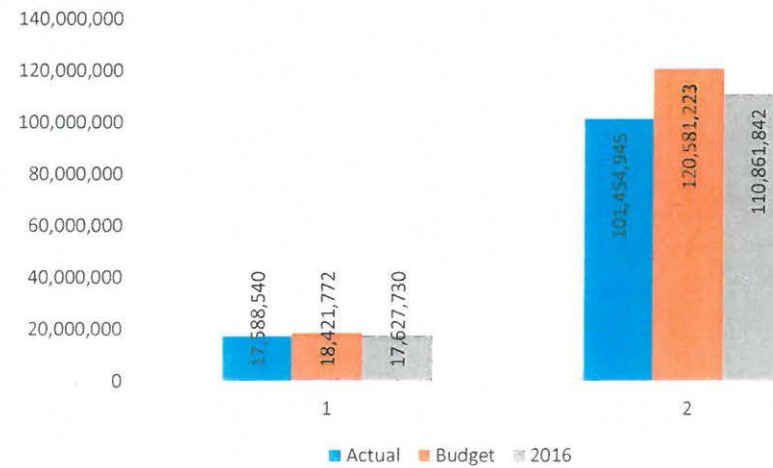


### Purchases

#### May

	2017	2016	2016-2014
Actual	17,588,540	17,627,730	18,101,388
Budget	18,421,772		
Difference	(833,232)	(39,190)	(512,848)
	-4.52%	-0.22%	-2.83%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	101,454,945	110,861,842	117,918,877
Budget	120,581,223		
Difference	(19,126,278)	(9,406,897)	(16,463,932)
% Difference	-15.86%	-8.49%	-13.96%

### Purchases





# REVENUE SUMMARY

MAY 2017

44010 RESIDENTIAL	ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL
Class 10 (All Electric Mobile Home)	\$ 278,783.87	\$ (12,965.26)	\$ 5,533.52	\$ 16.50	\$ 2,612.47	\$ 23,830.93	\$ 297,812.03	\$ 6,122.62	\$ -	\$ -
Class 11 (Non-Electric House)	\$ 296,269.76	\$ (13,429.43)	\$ 10,609.24	\$ 24.75	\$ 1,074.00	\$ 25,747.93	\$ 320,296.25	\$ 4,080.98	\$ -	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 66,452.25	\$ (3,035.78)	\$ 1,591.05	\$ 5.50	\$ 531.01	\$ 5,708.10	\$ 71,252.13	\$ 1,275.47	\$ -	\$ -
Class 14 (All Electric House)	\$ 777,092.67	\$ (36,381.61)	\$ 18,198.03	\$ 74.25	\$ 2,571.57	\$ 66,572.65	\$ 828,127.56	\$ 11,321.49	\$ 7.73	\$ -
Class 61 (Security Light)	\$ -	\$ (45.22)	\$ 1,167.59	\$ 2.75	\$ -	\$ 98.62	\$ 1,223.74	\$ 8.91	\$ 2.66	\$ -
<b>44010 TOTALS</b>	<b>\$ 1,418,598.55</b>	<b>\$ (65,857.30)</b>	<b>\$ 37,099.43</b>	<b>\$ 123.75</b>	<b>\$ 6,789.05</b>	<b>\$ 121,958.23</b>	<b>\$ 1,518,711.71</b>	<b>\$ 22,809.47</b>	<b>\$ 10.39</b>	<b>\$ -</b>
<b>44040 GENERAL SALES</b>										
Class 12 (Camps & Barns)	\$ 20,428.60	\$ (540.83)	\$ 510.69	\$ -	\$ -	\$ 1,788.74	\$ 22,187.20	\$ 266.42	\$ -	\$ -
Class 15 (Camps)	\$ 22,476.60	\$ (634.84)	\$ 271.82	\$ -	\$ 61.64	\$ 1,940.53	\$ 24,115.75	\$ 378.03	\$ 11.68	\$ -
Class 16 (Barns)	\$ 17,569.09	\$ (351.32)	\$ 724.64	\$ -	\$ 10.66	\$ 1,573.43	\$ 19,526.50	\$ 274.98	\$ 4.34	\$ -
Class 17 (Garages, Out-buildings)	\$ 40,859.95	\$ (1,004.30)	\$ 1,012.88	\$ -	\$ 34.73	\$ 3,584.45	\$ 44,487.71	\$ 419.61	\$ 207.28	\$ -
Class 18 (Meters on Poles)	\$ 7,906.29	\$ (216.23)	\$ 203.42	\$ -	\$ 21.32	\$ 692.43	\$ 8,607.23	\$ 129.66	\$ 38.78	\$ -
Class 19 (Un-Inhabitable Houses)	\$ 753.58	\$ (11.56)	\$ 39.66	\$ -	\$ -	\$ 68.53	\$ 850.21	\$ 10.90	\$ -	\$ -
Class 20 (Miscellaneous)	\$ 782.38	\$ (11.78)	\$ 21.02	\$ -	\$ 8.33	\$ 69.49	\$ 869.44	\$ 9.36	\$ -	\$ -
<b>44040 TOTALS</b>	<b>\$ 110,776.49</b>	<b>\$ (2,770.86)</b>	<b>\$ 2,784.13</b>	<b>\$ -</b>	<b>\$ 136.68</b>	<b>\$ 9,717.60</b>	<b>\$ 120,644.04</b>	<b>\$ 1,488.96</b>	<b>\$ 262.08</b>	<b>\$ -</b>
<b>44210 SMALL COMMERCIAL</b>										
Class 25 (Small Commercial<50KVA)	\$ 151,064.72	\$ (6,701.14)	\$ 3,406.06	\$ 5.50	\$ 14.33	\$ 12,960.66	\$ 160,750.13	\$ 591.61	\$ 7,159.47	\$ -
Class 26 (Security Light)	\$ -	\$ (11.52)	\$ 296.23	\$ -	\$ -	\$ 24.97	\$ 309.68	\$ -	\$ 15.75	\$ -
Class 28 (Churches)	\$ 13,214.44	\$ (542.88)	\$ 1,566.77	\$ -	\$ -	\$ 1,250.13	\$ 15,488.46	\$ 20.45	\$ (105.63)	\$ -
<b>44210 TOTALS</b>	<b>\$ 164,279.16</b>	<b>\$ (7,255.54)</b>	<b>\$ 5,269.06</b>	<b>\$ 5.50</b>	<b>\$ 14.33</b>	<b>\$ 14,235.76</b>	<b>\$ 176,548.27</b>	<b>\$ 612.06</b>	<b>\$ 7,069.59</b>	<b>\$ -</b>
<b>44220 LARGE POWER</b>										
Class 46 (Large Commercial<50KVA)	\$ 191,663.82	\$ (11,114.82)	\$ 1,000.56	\$ -	\$ -	\$ 15,921.89	\$ 197,471.45	\$ 156.67	\$ 7,400.83	\$ -
Class 47 (Pumping Station)	\$ 132.17	\$ (5.56)	\$ -	\$ -	\$ -	\$ 11.10	\$ 137.71	\$ -	\$ 8.26	\$ -
Class 79 (All Electric School)	\$ 27,992.43	\$ (1,684.96)	\$ 481.51	\$ -	\$ -	\$ 2,349.39	\$ 29,138.37	\$ -	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 219,788.42</b>	<b>\$ (12,805.34)</b>	<b>\$ 1,482.07</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,282.38</b>	<b>\$ 226,747.53</b>	<b>\$ 156.67</b>	<b>\$ 7,409.09</b>	<b>\$ -</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>										
Class 74 (Smithfield & Elliott Co. Prison)	\$ 160,789.41	\$ (14,071.93)	\$ 29.32	\$ -	\$ -	\$ 12,869.69	\$ 159,616.49	\$ -	\$ 6,494.74	\$ -
<b>44230 TOTALS</b>	<b>\$ 160,789.41</b>	<b>\$ (14,071.93)</b>	<b>\$ 29.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,869.69</b>	<b>\$ 159,616.49</b>	<b>\$ -</b>	<b>\$ 6,494.74</b>	<b>\$ -</b>
<b>44400 STREET LIGHTS</b>										
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (22.35)	\$ 610.41	\$ -	\$ -	\$ 51.57	\$ 639.63	\$ -	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (22.35)</b>	<b>\$ 610.41</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51.57</b>	<b>\$ 639.63</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,074,232.03</b>	<b>\$ (102,783.32)</b>	<b>\$ 47,274.42</b>	<b>\$ 129.25</b>	<b>\$ 6,940.06</b>	<b>\$ 177,115.23</b>	<b>\$ 2,202,907.67</b>	<b>\$ 25,067.16</b>	<b>\$ 21,245.89</b>	<b>\$ -</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,297,704.19</b>		
										<b>TOTAL TAXE</b>
										<b>\$</b>



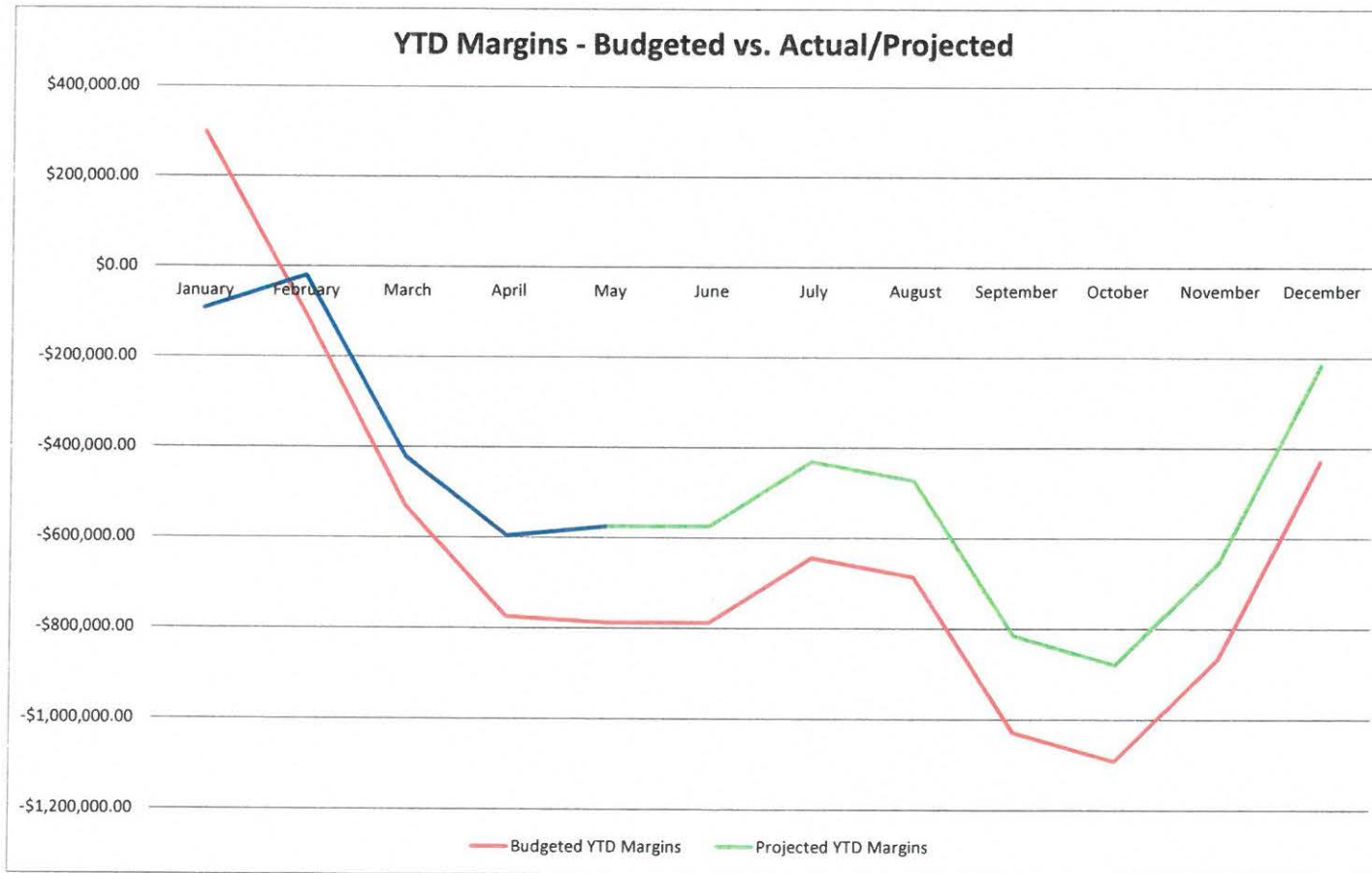


### Monthly Operating Revenue & Expenses

	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017
Revenue	(2,327,241)	(2,578,481)	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)	(2,008,830)	(2,274,060)
Purchased Power	1,213,145	1,449,292	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615	1,138,407	1,202,985
<b>Gross Margins</b>	<b>(1,114,096)</b>	<b>(1,129,189)</b>	<b>(1,251,747)</b>	<b>(930,952)</b>	<b>(676,259)</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>	<b>(612,007)</b>	<b>(870,423)</b>	<b>(1,071,075)</b>
Operations	105,478	197,987	113,125	(17,430)	107,241	132,244	107,439	71,603	125,057	107,653	109,697	139,866	101,961
Maintenance	332,410	323,041	308,579	241,629	239,132	224,687	216,900	306,970	301,310	260,849	318,113	286,651	287,387
Customer Service	96,960	96,028	92,739	98,769	107,556	99,297	100,977	(25,625)	103,387	92,262	97,131	92,360	96,019
Informational Advertising	29,832	19,263	7,349	18,752	32,916	19,504	18,288	20,450	21,735	22,152	21,158	19,678	26,985
Demonstration Advertising	1,589	2,208	1,258	1,460	2,783	1,658	1,565	1,276	2,314	1,641	2,166	1,751	2,267
Admin & General	170,584	154,830	152,473	170,645	131,232	170,663	196,718	173,417	156,210	142,366	163,245	141,462	166,710
Depreciation	277,417	278,260	279,062	280,885	281,062	282,191	283,297	283,911	284,902	285,509	286,723	288,292	288,987
Regulatory	3,453	3,342	3,342	3,342	3,342	3,342	3,342	3,345	3,389	3,389	3,389	3,389	3,389
Interest - LTD	74,858	75,628	76,423	76,601	75,759	75,748	74,859	61,057	87,616	73,542	72,685	80,130	79,188
Interest - Deposits	378	377	381	379	378	375	378	369	666	665	663	665	677
Miscellaneous Expense	17,633	2,520	2,300	36,615	5,565	9,631	5,953	3,092	6,114	2,889	1,099	1,004	693
Interest Income	(2,451)	(2,444)	(2,441)	(2,449)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)
Non-Electric Revenue	(3,631)	(16,043)	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)
Capital Credits		(312)	-	-	(4,059)	(4,884)	-	-	-	-	(53,470)	-	-
Margins	(9,587)	5,498	(217,284)	(51,014)	307,900	(9,726)	(500,337)	(376,467)	93,390	(72,896)	402,230	173,610	(21,689)
* ( )'s = positive margins													
Operating Expenses	1,110,592	1,153,485	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068	1,055,247	1,054,262
Monthly OTIER	1.13	0.93	3.84	1.67	(3.06)	1.13	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27
Revenue	(29,968,630)	(30,019,290)	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)	(29,839,936)	(29,786,754)
Purchased Power	17,631,878	17,570,069	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296	17,423,578	17,413,418
<b>Gross Margins</b>	<b>(12,336,752)</b>	<b>(12,449,221)</b>	<b>(12,560,733)</b>	<b>(12,581,231)</b>	<b>(12,559,721)</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>	<b>(12,301,354)</b>	<b>(12,416,358)</b>	<b>(12,373,336)</b>
Operations	1,188,094	1,277,899	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991	1,299,959	1,296,441
Maintenance	3,469,608	3,502,084	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630	3,360,269	3,315,246
Customer Service	1,133,813	1,132,751	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187	1,051,840	1,050,899
Informational Advertising	252,751	259,747	252,016	251,605	257,795	257,035	255,267	256,835	256,050	254,840	255,123	251,076	248,229
Demonstration Advertising	18,352	19,780	20,264	20,801	21,695	21,784	21,801	21,391	22,083	21,753	21,520	21,670	22,348
Admin & General	2,065,534	2,050,415	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307	1,923,844	1,919,970
Depreciation	3,268,943	3,279,320	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812	3,391,510	3,403,080
Regulatory	41,452	41,339	41,226	41,113	41,000	40,887	40,774	40,662	40,598	40,534	40,470	40,406	40,342
Interest - LTD	903,588	902,836	903,615	904,524	905,309	906,975	907,891	895,352	905,097	903,119	900,616	904,907	909,237
Interest - Deposits	2,821	3,075	3,331	3,586	3,841	4,094	4,350	4,514	4,805	5,098	5,389	5,674	5,973
Miscellaneous Expense	(6,489)	(4,741)	(3,191)	31,764	33,845	42,826	46,633	78,323	83,394	82,924	81,222	94,416	77,476
Interest Income	(30,134)	(29,962)	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)
Non-Electric Revenue	(52,931)	(55,612)	(56,722)	(56,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)
Capital Credits	(135,455)	(135,273)	(135,273)	(135,273)	(136,049)	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)
Margins	(216,806)	(205,564)	(502,047)	(724,348)	(727,162)	(733,009)	(1,096,582)	(380,376)	(52,201)	(446,589)	(135,854)	(254,682)	(266,785)
Operating Expense	12,338,466	12,464,504	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268	12,345,572	12,289,242
Rolling 12 Month OTIER	1.24	1.23	1.56	1.80	1.80	1.81	2.21	1.42	1.06	1.49	1.15	1.28	1.29



	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	-\$173,610.11	-\$243,866.72	\$70,256.61	-\$596,335.77	-\$774,457.16	\$178,121.39	-\$596,335.77
May	\$21,689.25	-\$13,323.72	\$35,012.97	-\$574,646.52	-\$787,780.88	\$213,134.36	-\$574,646.52
June	\$0.00	-\$31.72			-\$787,812.60		-\$574,678.24
July	\$0.00	\$143,434.28			-\$644,378.32		-\$431,243.96
August	\$0.00	-\$41,828.72			-\$686,207.04		-\$473,072.68
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$815,707.40
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$879,403.12
November	\$0.00	\$223,335.28			-\$869,202.20		-\$656,067.84
December	\$0.00	\$439,275.94			-\$429,926.26		-\$216,791.90





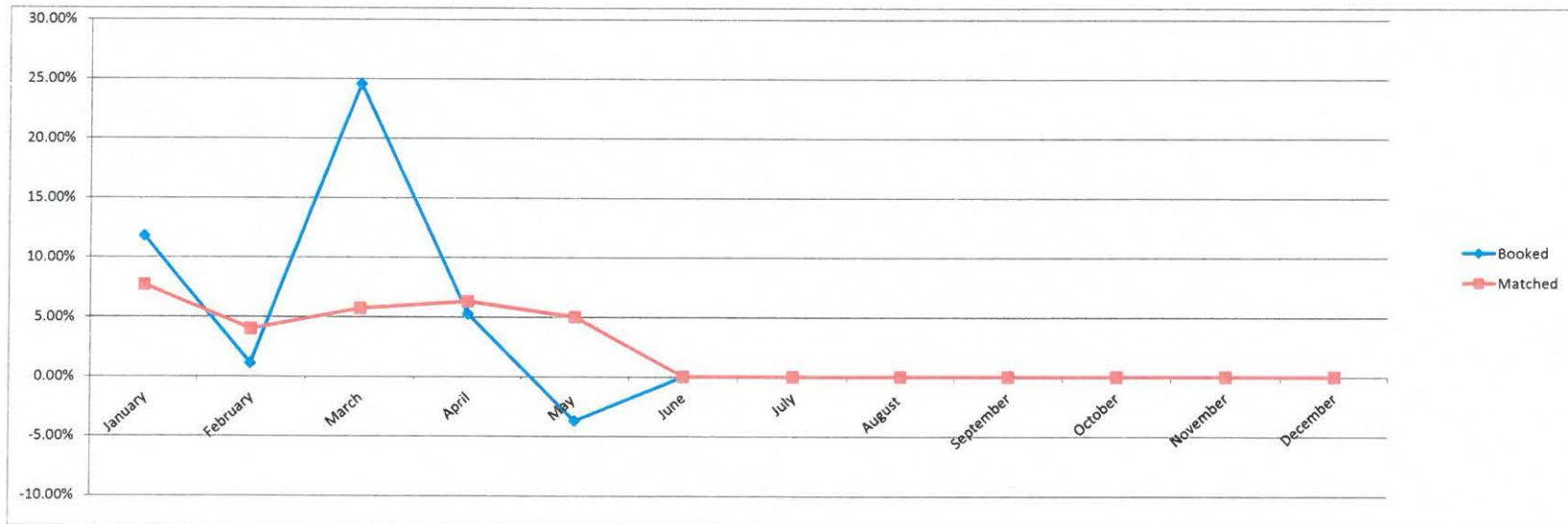
## Margins/Tier

	May		
	2017	2016	2016-2014
Revenue	(2,274,060)	(2,327,241)	(2,377,798)
Purchase Power	1,202,985	1,213,145	1,262,886
<i>Gross Margins</i>	(1,071,075)	(1,114,096)	(1,114,911)
Operating Expenses	1,054,262	1,110,592	976,556
Margins	(21,689)	(9,587)	(146,592)
OTIER	1.27	1.13	2.90

	Year to Date		
	2017	2016	2016-2014
Revenue	(11,526,143)	(12,250,532)	(13,208,183)
Purchase Power	6,924,065	7,428,025	8,179,634
<i>Gross Margins</i>	(4,602,078)	(4,822,507)	(5,028,548)
Operating Expenses	5,271,194	5,477,745	5,276,614
Margins	574,646	461,055	84,707
OTIER	-0.46	-0.22	0.78



2017	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
<b>Sales</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00								92,672,467.00
<b>Purchases:</b>													
<b>Booked</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00	17,588,540.00								101,454,945.00
<b>Matched</b>	23,554,988.67	20,806,194.72	17,692,391.74	17,094,704.33	19,204,241.23								98,352,520.69
<b>kWh Loss</b>													
<b>Booked</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,782,478.00
<b>Matched</b>	1,807,351.67	826,022.72	1,008,612.74	1,075,825.33	962,241.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,680,053.69
<b>% Line Loss</b>													
<b>Booked</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	8.66%
<b>Matched</b>	7.67%	3.97%	5.70%	6.29%	5.01%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.60%







2017 Current Year						
	Average	HDD	CDD	HDD	CDD	Average
21-May	70	0	5	0	2	67
22-May	62	3	0	4	0	61
23-May	63	2	0	10	0	55
24-May	65	0	0	4	0	61
25-May	59	6	0	9	0	56
26-May	67	0	2	12	0	53
27-May	74	0	9	13	0	52
28-May	70	0	5	15	0	50
29-May	73	0	8	14	0	51
30-May	73	0	8	0	3	68
31-May	68	0	3	0	4	69
1-Jun	69	0	4	7	0	58
2-Jun	67	0	2	3	0	62
3-Jun	71	0	6	0	3	68
4-Jun	71	0	6	0	3	68
5-Jun	68	0	3	0	6	71
6-Jun	67	0	2	0	11	76
7-Jun	61	4	0	0	12	77
8-Jun	66	0	1	0	7	72
9-Jun	66	0	1	0	10	75
10-Jun	70	0	5	0	5	70
11-Jun	76	0	11	3	0	62
12-Jun	78	0	13	2	0	63
13-Jun	78	0	13	0	0	65
14-Jun	76	0	11	6	0	59
15-Jun	77	0	12	0	2	67
16-Jun	77	0	12	0	9	74
17-Jun	79	0	14	0	5	70
18-Jun	81	0	16	0	8	73
19-Jun	76	0	11	0	8	73
20-Jun	73	0	8	0	3	68
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			206		203	

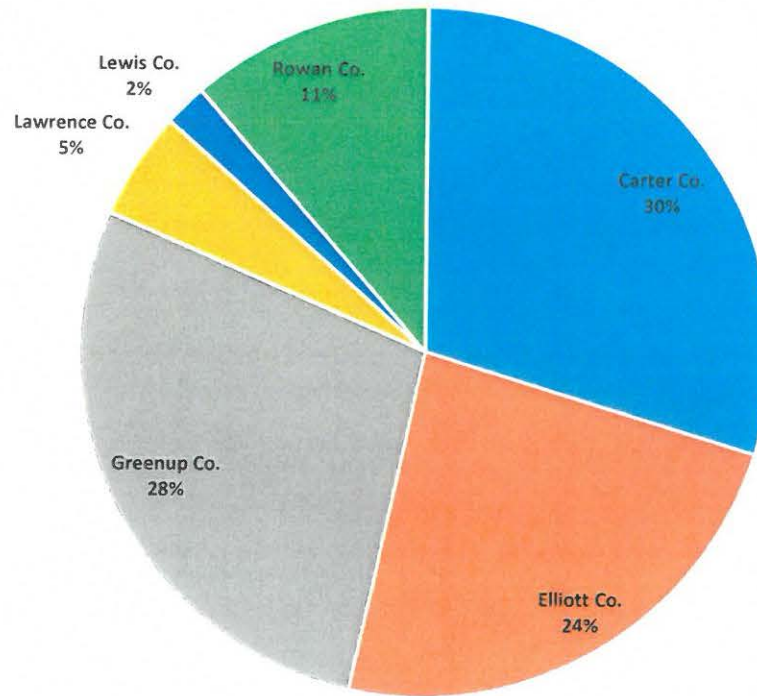
2016 Previous Year						
	Average	HDD	CDD	HDD	CDD	Average
21-May	64	1	0	0	4	69
22-May	64	1	0	0	4	69
23-May	62	3	0	7	0	58
24-May	67	0	2	8	0	57
25-May	70	0	5	14	0	51
26-May	73	0	8	5	0	60
27-May	77	0	12	5	0	60
28-May	77	0	12	5	0	60
29-May	74	0	9	5	0	60
30-May	75	0	10	0	3	68
31-May	74	0	9	0	6	71
1-Jun	75	0	10	0	9	74
2-Jun	74	0	9	2	0	63
3-Jun	76	0	11	11	0	54
4-Jun	76	0	11	13	0	52
5-Jun	75	0	10	15	0	50
6-Jun	73	0	8	14	0	51
7-Jun	69	0	4	8	0	57
8-Jun	64	1	0	6	0	59
9-Jun	66	0	1	4	0	61
10-Jun	73	0	8	1	0	64
11-Jun	79	0	14	1	0	64
12-Jun	76	0	11	3	0	62
13-Jun	68	0	3	0	2	67
14-Jun	72	0	7	0	5	70
15-Jun	78	0	13	0	8	73
16-Jun	79	0	14	0	12	77
17-Jun	75	0	10	0	12	77
18-Jun	74	0	9	0	9	74
19-Jun	73	0	8	0	10	75
20-Jun	76	0	11	0	9	74
	72.5	6	239	127	93	63.9
			245		220	



**Bills by County**

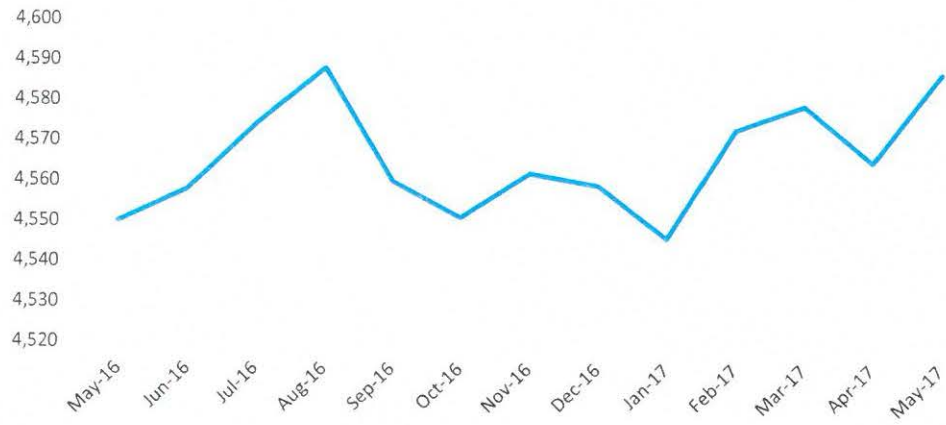
	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16
Carter Co.	4,587	4,565	4,579	4,573	4,546	4,559	4,562	4,551	4,560	4,588	4,574	4,558	4,550
Elliott Co.	3,642	3,638	3,640	3,668	3,653	3,645	3,679	3,650	3,644	3,672	3,651	3,649	3,650
Greenup Co.	4,334	4,342	4,300	4,323	4,287	4,283	4,326	4,311	4,335	4,332	4,333	4,332	4,325
Lawrence Co.	776	779	774	777	775	777	776	784	789	787	788	794	789
Lewis Co.	311	313	310	310	312	311	312	309	309	310	310	312	305
Rowan Co.	1,757	1,752	1,743	1,751	1,744	1,754	1,765	1,754	1,740	1,754	1,754	1,753	1,739
	15,407	15,389	15,346	15,402	15,317	15,329	15,420	15,359	15,377	15,443	15,410	15,398	15,358

**# of Bills  
May 2017**

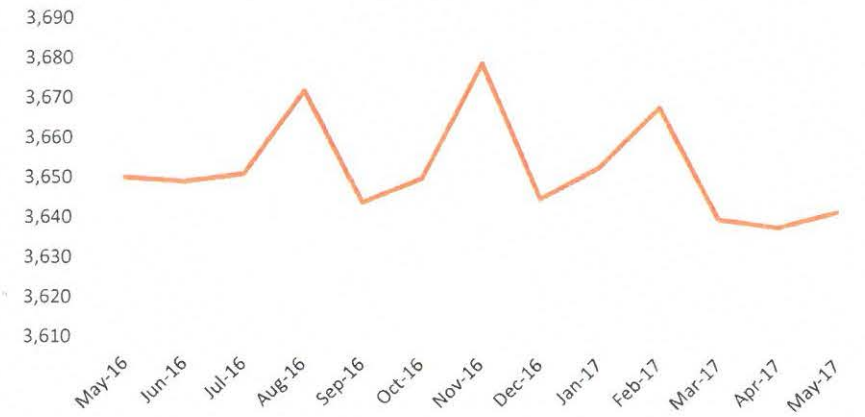




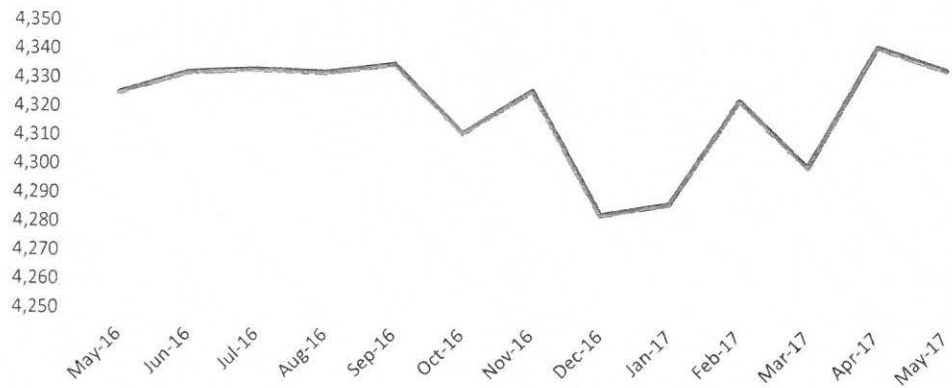
Carter Co.



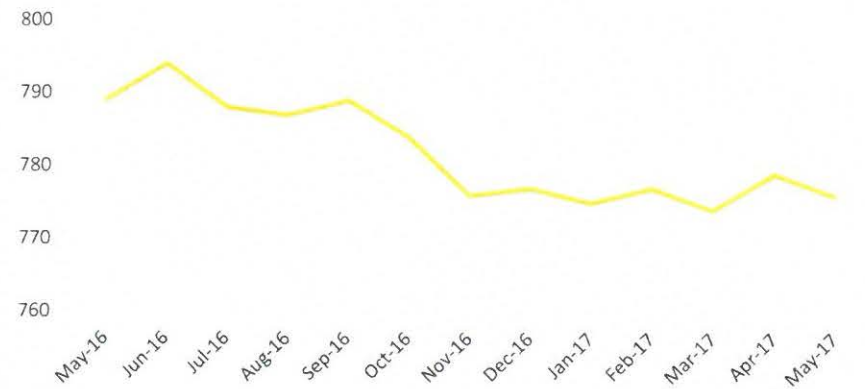
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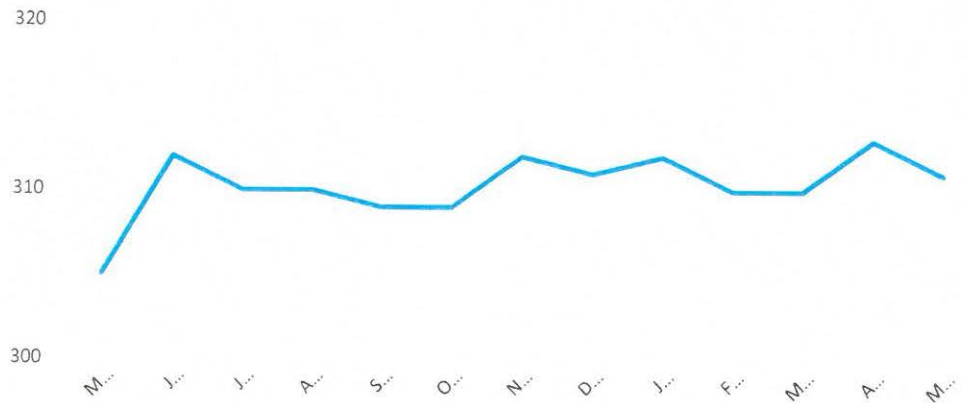
Greenup Co.



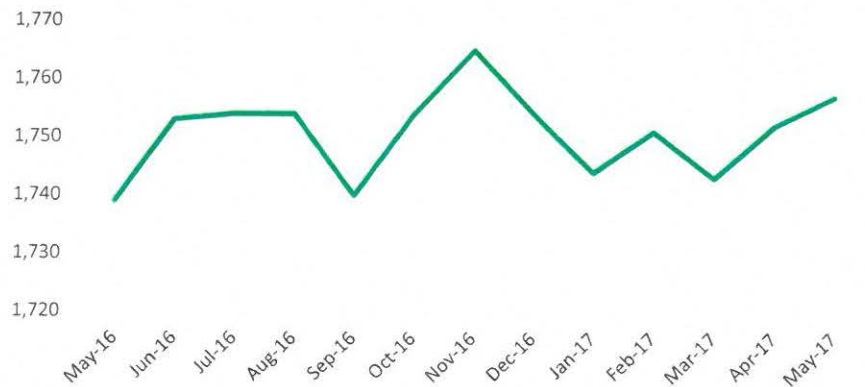
Lawrence Co.



Lewis Co.



Rowan Co.





**MAY 2017**

**219 ANALYSIS**

W/O							BUDGETED	
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST	UNIT COST
9	RETIREMENTS		5		162.18	(162.18)		
100	NEW LINE EXTENSIONS		22		70,504.07	70,504.07	3,204.73	3,229.93
200	TIE LINES							
300	MAJOR PROJECTS							
602	SERVICE UPGRADES		2		2,258.53	2,258.53	1,129.27	1,920.25
603	SECTIONALIZERS		7		9,532.79	9,532.79		
604	REGULATORS							
606	POLES		31	POLES	116,786.73	116,786.73	3,767.31	2,410.75
701	SECURITY LIGHTS		35		25,633.52	25,633.52	732.39	423.50
1600	MINOR PROJECTS		1		1,580.33	1,580.33		
	TOTAL		102		<b>226,458.15</b>	<b>226,133.79</b>		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>						
	TRANSFORMERS	368.00	38		34,246.16	34,246.16	901.21	1,120.00
	METERS	370.00	96		16,531.20	16,531.20	172.20	160.00
	TURTLES	370.10	0		0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00	
	TOTAL		134		<b>50,777.36</b>	<b>50,777.36</b>		
	MATERIAL				<b>28,123.51</b>			
	MATERIAL OH				<b>41,185.53</b>			
	LABOR				<b>24,916.90</b>			
	LABOR OH				<b>54,262.67</b>			









# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

September 15, 2017

W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Monday, September 25, 2017, at 10:00 a.m.

Brownstown will have a fish fry for GRECC employees and Board following the board meeting.

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis



# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

September 15, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and **Monday, the twenty-fifth day of September 2017 at 10:00 a.m.**, for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

**Brownstown will have a fish fry for GRECC employees and Board following the board meeting.**

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On Monday, September 25, 2017, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
  2. Invocation
  3. Approval of the Minutes From the August Board Meeting
  4. Approval of One Hundred Fifteen (115) New Memberships and Retirement of Ninety-Six (96) Existing Memberships for August 2017
  5. Consider Approval of Accounts to be Charged Off to Reserve \$1,158.93
  6. Consider Approval of President's Business Expense in the Amount of \$891.43, Director's Business Expense in the Amount of \$7,434.37 and Attorney's Business Expense in the Amount of \$26.86
  7. Consider Approval of the Following RUS Work Orders and Submit Them to RUS:

April 2017	Work Order No. 1266	\$480,118.11
	Work Order No. 1267	\$961.87
May 2017	Work Order No. 1268	\$224,553.46
	Work Order No. 1269	\$1,580.33
June 2017	Work Order No. 1270	\$160,681.04
	Work Order No. 1271	\$5,886.32
	Total	\$873,781.13
  8. Manager of Marketing & Member Services Report – Kim Bush
  9. Manager of Technical Services Report – Brian Poling
  10. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for July 2017 – Bradley Cherry
  11. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
  12. Review and Consider Approval of Proposed Changes in Bylaws (Table?)
  13. President's Report – Carol Hall Fraley
  14. Cooperative Legal Matters – W. Jeffrey Scott
  15. KAEC Director's Report – Jimmy Whitt
  16. EKPC Director's Report – Kenneth Arrington
  17. Consider Community Service and/or Donations
-

18. Attendance at Meetings – Directors & Employees
19. Confirm Date for the October Board Meeting – Monday, October 30, 2017
20. Additional Business
21. Adjourn

**Don't forget lunch today will be hosted by Brownstown, who will be having a fish fry for all employees and the Board.**



On August 25, 2017 at 9:03 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Dupuy gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the minutes from the July Board Meeting for informational purposes only.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manager of Technical Services reported on the following:
DAVEY RESOURCE GROUP	Davey Resource Group has completed 45,262 GPS points as of August 19th. There are currently three men working on the Sandy Hook Substation. They are expected to finish next week and will move to Mazie.
FUTURA	<p>Futura has mapped five of thirteen of the substations with Elliottville entered last. Robert is checking on three of the four Carter City Substation circuits and plans on having it delivered to us in 2-3 weeks. As we receive data it automatically updates the maps on the men's laptops.</p> <p>Brian and Robert Brown went to Futura's Users Conference last month. Next year plans are to take Scott Speaks so he can get more training on staking and newer features.</p>
MOBILE SERVICELINK	A Mobile ServiceLink is used by men to get updates for more accurate locations for their service order as we receive more mapping data. This is making their truck travel more efficient by planning their daily routes using the maps.
CARRYMAP	The service men are able to search anything about a customer and their location, even without cellular coverage by using "CarryMap". This aids in locating trouble calls more quickly, as well as measuring line footage for right-of-way estimates.
SOUTH KENTUCKY RECC	<p>Brian Poling, Steve Bush and Andrea McCleese visited South Kentucky to see their AMI (Advanced Metering Infrastructure) equipment. They have been using TWACS Power Line Carrier, since 2010. Plans are to visit Clark Energy, who currently use the Landis+Gyr RF system.</p> <p>We are still awaiting estimates from vendors. Easton has asked for meeting to present their quotes. Plans are to present quotes to the Board in September.</p>
ALAN ZUMSTEIN – AUDIT	<p>Alan Zumstein, CPA, presented the Management Letter and the results of the Audit for the Fiscal Year for June 1, 2016 through May 31, 2017. He stated the following:</p> <p>The Financial Statement was found to be in good order and reflected a good clean opinion. Equity is 34% of our assets. East Kentucky contributes to approximately 15% of our equity.</p>

ALAN ZUMSTEIN - AUDIT  
(CONTINUED)

Income statement shows energy (kWh) sales has decreased, like other Kentucky coops. Revenue decreased about \$180,000 and operating cost of power decreased about \$220,000. Looking at the operating expenses, less the power bill, basically there were no percentage changes from last year to this year. He said the Cooperative has done a good job controlling our operating expenses in light of no growth in sales.

Residential sales decreased 9% resulting in revenue loss of \$2.3 million. Times Interest Earned Ratio (T.I.E.R.) is 1.2% this year compared to .51% last year. Patronage capital refunded was approximately \$190,000. The money flow shows the majority spent on plant additions.

We advanced more from FFB on our long term debt. The composite interest rate is 2% and should stay low.

We paid an advance on our NRECA pension plan a few years ago, which keeps the contribution steady. We are fortunate not to record the liability on our books. Director Arrington questioned the 20% we are liable for and its equivalency, which is one five hundredth out of 600 co-ops.

Mr. Zumstein was very pleased with the results of our inventory. There were no audit adjustments made. Overall the audit went well. Mr. Zumstein's detailed report was followed by offering to answer any questions the Board might have. No questions were asked.

Motion was made by Director Rice to accept the 2016-2017 Financial Audit as presented, seconded by Director Martin and unanimously agreed upon.

NRECA has selected us to participate in a field audit. Mr. Zumstein will perform the audit while he is here.

FINANCIAL AND  
STATISTICAL  
REPORT FOR JUNE 2017

Bradley Cherry, Manager of Finance and Accounting, presented the Financial and Statistical Report for June 2017 as:

Kilowatt hour sales for the month (6/21-7/20) were 1.19% above budget. Purchases for the time period of (6/1-30) were 4.7 % under budget. There was only one (1) kWh difference between last year and this year. Line loss for the last twelve months was 6.51%. Year to date margins were (\$472,793) compared to budgeted (\$787,813).

T.I.E.R

T.I.E.R. was 2.28 for the month and the year-to-date O.T.I.E.R. was zero (0).

FUEL ADJUSTMENT

The Fuel Adjustment for the month was a credit of (0.004803).

ESC

The Environmental Surcharge was 11.27%.

DEGREE DAYS

There were 318 cooling degree days and 0 heating degree days.

REVENUE SUMMARY

Our two large powers, Smithfield and the Elliott County Prison, are over 1,000 kVA each. Together they contribute to 2,723,047 kWh's of the total 20,538,661 kWh we sold. Columbia Gulf will help with revenue, but our largest revenue sales comes from residential.

AE8 LOAN

Bradley presented a summary of the below AE8 Loan sheet, showing where we are in our work plan. See top of page 3.

AE8 LOAN (CONTINUED)

Work plan to Date - Thru 6/12/17							
							Budgeted
	Number	Budget	Cost	Budget	Unit Cost	Unit Cost	
Retirements	678	0	\$ 8,731.62	-			
New Line Extensions	612	888	\$ 1,684,827.96	\$ 3,261,906.00	\$ 2,752.99	\$ 3,673.32	
Tie Lines	0	0	-	-			
Major Projects	0	0	\$ 2,491,534.43	\$ 2,853,380.00			
Meters	3772	13296	\$ 858,121.38	\$ 2,130,684.00	\$ 227.50	\$ 160.25	
Transformers	685	1188	\$ 672,632.79	\$ 2,294,076.00	\$ 981.95	\$ 1,931.04	
Other Special Equipment (padmount)	0 98	0 0	- \$ 195,745.96	- -			
Service Upgrades	68	220	\$ 149,913.02	\$ 444,272.00	\$ 2,204.60	\$ 2,019.42	
Sectionalizers	124	0	\$ 182,296.09	\$ 1,691,463.00			
Regulators	0	0	-	\$ 593,920.00			
Pole Replacements	874	1688	\$ 3,080,557.63	\$ 6,074,690.00	\$ 3,524.67	\$ 2,410.75	
New Security Lights	756	888	\$ 534,466.83	\$ 563,880.00	\$ 706.97	\$ 635.00	
Minor Items		0	\$ 240,990.13	-			
<b>Total Routine</b>			<b>\$ 7,608,283</b>	<b>\$ 17,054,891</b>			
<b>Major Projects</b>			<b>\$ 2,491,534</b>	<b>\$ 2,853,380</b>			
<b>Total Work plan</b>			<b>\$ 10,099,818</b>	<b>\$ 19,908,271</b>			
as of :							
<b>Total Advanced to Date</b>			<b>\$ 4,000,000</b>	<b>\$ 7,688,920</b>			
<b>Amount Encumbered - not advanced</b>			<b>\$ 3,688,920</b>				
<b>Yet to be Encumbered</b>			<b>\$ 11,636,080</b>				
<b>Total Loan</b>			<b>\$ 19,325,000</b>				
<b>Unadvanced Loan Funds</b>			<b>\$ 15,325,000</b>				

We have spent approximately \$10 million and still have \$8.2 million in our work plan, as far as work goes, and \$15 million to draw down on.

No change as of April on our work projects. We have spent approximately \$5 million dollars on our regular projects and compared to what we had budgeted for, we were over budget \$282,000 due to the Newfoundland and Stark line costing more due to a problem that was run into. The work plan is good. The total loan amount of \$19,325,000 for the work plan does include \$675,000 for

AE8 LOAN (CONTINUED)	mapping, which they consider a separate loan. We have only drawn down \$4 million dollars and will probably draw more down toward the end of the year.
CUSTOMERS BILLED	We billed 15,452 consumers in June compared to 15,398 last year. By county, bills mailed were: Carter 4,588 (30%), Greenup 4,352 (28%), Elliott 3,665 (24%), Rowan 1,755 (11%), Lawrence 781 (5%) and Lewis 311 (2%).
CAPITAL CREDITS	Capital credits paid were 20 applications totaling \$19,700.46. Year to date we have processed 99 applications year to date paid totaling \$96,451.85. We have 16 outstanding applications that are incomplete.
BUDGET	<p>Budget midpoint for this year is coming in well under budget. We will need to purchase a remit processor for mail, three in green for 2018 – MDM2. Futura light integration and FieldPro will be moved to the 2018, along with blacktop over the hill</p> <p>January – June operating: a lot of FFB interest is low variable rate; treasury has went up causing our interest to go up.</p> <p>We need to pay \$2.25 million off a year on our debt. If we spend \$19 million we will be about equal to what we spend on our work plans. If interest starts going up we can refinance, fixed term to variable terms and scale back on our work plan. If our \$1.5 million with CFC, doesn't maintain T.I.E.R. of 1.5, we have to borrow all money from CFC, which is concern to Director Martin. There is no indication at this time of interest rates changing to where it would affect us.</p>
HEALTH BENEFITS	<p>Rates on retirement health insurance increased 2.5%. There will be a 3% increase for retirement, medical insurance rate and it will be going up 2.95%, a \$26,000 increase for the year. With two employees retired and one retiree dependent removal, there was a decrease of around \$2,500, so there will not be a medical increase. NRECA has the best plan with the premium and coverage that suits our employees and retirees needs.</p> <p>Motion was made by Director Martin to accept the insurance rate proposal as presented, seconded by Director Whitt and unanimously agreed upon.</p>
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR JUNE 2017	Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for June 2017 as presented, for informational purposes only.
MANAGER OF MARKETING & MEMBER SERVICES	Kim Bush, Manager of Marketing and Member Services gave her report.
ANNUAL MEETING BUDGET	<p>The budget for the Director's election was \$10,500 and final cost was \$6,000. The projected budget for annual meeting was \$46,000 and we spent around \$36,252. We had 2 more members register than last year.</p> <p>The percentage per county attending was 51% from Carter; 29% Elliott; 16% Greenup; 2% Lawrence; 2% Rowan and less than 1% from Lewis. Kim will immediately start planning on the 2018 annual meeting. Next year, three counties could have elections, and postage will be going up, so the cost will be more.</p>
CAMP CO-OP	Camp Co-op with fifteen kids involved was a success. We talked to them about safety, conservation, solar energy and other Coop related issues. Camp

CAMP CO-OP (CONTINUED) Co-op was featured in an article in the Kentucky Living magazine, NRECA picked up the story, as well as Touchstone Energy.

CHRISTMAS BUDGET Mrs. Bush reviewed the Christmas Activities and Service Awards Budget in the amount of \$18,200. Motion was made by Director Martin and seconded by Director Rice to approve the Christmas budget. The vote was unanimous.

PREPAY SUMMARY We have 654 active PrePay accounts with 15 inactive accounts. The average balance is (\$40.83). We received 3,164 payments in 30 days averaging \$32.03 per payment. Total payments received totaled \$101,346.68. PrePay continues to grow each month.

DEBT MANAGAEMENT We have 49 active accounts with Debt Management totaling \$15,863.03. Seven percent of active accounts have Debt Management. We have:

Under \$100 – 8	\$100-\$199 – 14	\$200-\$299 – 9
\$300-\$399 – 5	\$400-\$499 – 9	over \$500 – 4

ENERGY EFFICIENCY Tina’s audits included 12 Energy Audits, 2 CARES, 1 Commercial Lighting Audits, and 1 Billing Insight. There was 4 appliances recycled. There were Energy Star rebates on 5 clothes washers and 1 on Energy Star heat pump.

SCHOOL PROGRAMS Blaine Elementary School Readifest – 300 students; Peggy Wells and Julie (donated school supplies)  
Carter City Elementary Camp – 25 kids  
Shrine Club Horse Show – awarded 5 medals/trophies  
KCU – welcome back 200 students

ANNOUNCEMENTS September 1 , Greenup County Fair – Kids in the Fair  
September 15, company picnic at Co-op  
September 16, Honor Flight – Veterans, Harlen Scaggs and Benjamin Carter, Roger Kithchen, guardian  
September 16, Welcome Home for Honor Flight at Lexington Airport  
September 22<sup>nd</sup>, fish fry with the Board  
September 28-29, Lineman’s Rodeo, Shelby Energy  
October 9, Columbus Day, office will be closed for our annual cleaning day  
October 10<sup>th</sup>, GRECC hosting Grayson Chamber – GRECC’s cooperative month.  
October 10<sup>th</sup>, hosting the First Responders Training session with KAEC.  
December 8<sup>th</sup>, 6 p.m., Service Awards Dinner

Flu shots have not been scheduled.

Director Arrington said tours would be available at the EKPC solar farm. Some sections have been completed in case the directors or staff would like to go.

OPERATIONS REPORT Kyle Clevenger, Manager of Operations, gave the Operations Report and the Safety Report. He reported on the following:

EMPLOYEE/LOST TIME ACCIDENT There were no lost time accidents to report this month.

SAFETY REPORT

The following safety meetings were held during July:

July 3 – Kim Bush, Manager of Marketing & Member Services, turned the meeting over to Bradley Cherry, who went over the Warehouse Project Improvement Plan concerning the total adjustments and contributing factors. Kyle Clevenger went over safety suggestions from our recent RESAP evaluation. He also said we were short-handed and with the hot weather everyone needed to watch out and take care of each other.

July 12 – Bradley Cherry, Manager of Finance and Accounting, turned the meeting over to Robert Thornton from KAEC. He discussed safety questions and went over policies regarding the questions. Kyle Clevenger asked about decibel testing on chain saws and other small equipment. Kyle asked everyone to work safe and have a good week.

July 17 – Kyle Clevenger, Manager of Operations, started the meeting with a fire drill and everything went very well. The 2017 Lineman’s rodeo team was selected, Bryan Rogers, Shane McDavid, Steven Burton, Tony Brewer and Justin Staniford. Kyle notified everyone that on July 24<sup>th</sup> East KY Power will have transmission lines between Newfoundland and Mazie out of service and Newfoundland will feed out of Sandy Hook and Leon and Mazie will feed out of Skaggs Switching Station at Terryville. This will take approximately 180 days. Kyle reminded everyone to work safe.

July 31 – Mike Martin, Assistant Manager of Operations, read an article on Don’t Blame People for Human Error from Incident-Prevention. Four human errors were Mistakes, Mismatches, Non-Compliance or Violations, and Slips and Lapses. Kyle Clevenger reminded everyone to get all inspections in for the first of the month and to be careful and watch over each other.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and use of ground chains. A line is not dead until it is grounded.

CONSTRUCTION

Construction built one hundred twelve (112) new work orders, which included twenty-one (21) services added and fourteen (14) services retired for the month of July and worked zero (0) hours of overtime.

DELINQUENT NOTICES

There were one hundred three (103) delinquents for August. Eighty-four (84) cards were issued to be disconnected and nineteen (19) accounts were disconnected by remote meter. Field personnel disconnected an additional three (3) meters for a total of twenty-two (22) disconnects. Eight (8) accounts were reconnected on August 8<sup>th</sup>, one (1) meter was disconnected on August 9<sup>th</sup> making a total of two (2) meters reconnected.

OVERTIME HOURS

The Maintenance Department worked six hundred thirty-nine (639) hours of overtime. The Engineering Department worked zero (0) hours of overtime.

CONTRACT CREWS

We have three (3) Pike crews working in the following areas:

- Tony Seagraves – State Route 173, Rowan County
- Bruce Wynn – Alcorn, Greenup County
- Kenny Anderson – July 5-27, Pole Changes, Rowan County

RIGHT-OF-WAY CREWS We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 1,253 trees, cut 816 trees, cut 57,460 feet of brush/line and sprayed 225 spans of line. The crews are working in the following areas:

- 1 cutting crew in Carter, Lewis and Greenup Counties
- 2 cutting crews in Rowan and Elliott Counties
- 1 bucket truck crew in Carter, Lewis and Greenup Counties
- 1 bucket truck crew in Rowan County
- 1 bucket truck crew in Elliott County
- 1 tractor crew in Greenup County
- 3 spray crews in Carter County

1 Smith Tree Service, circuit crew in Elliott County on RT 556, Ruin

ENGINEERING REPORT The Engineering Department released one hundred twenty-six (126) prints consisting of 14,907 feet of primary line and 2,505 feet of service wire.

They currently have four (4) new services to be staked and four (4) to be drawn. There are twelve (12) miscellaneous jobs to be staked or drawn.

PIKE ELECTRIC The Board inquired about how Pike Electric were working out. President Fraley and Mr. Clevenger replied that they were satisfied for the time being.

MAPPING We plan on preliminary work on metering. We need a CPCN, approved by the Public Service Commission and that should take about six months.

Money is budgeted in the work plan for metering to buy meters ahead. We need 3<sup>rd</sup> generation and will have to get permission from PSC to do this. We hope to start buying meters following the 6 months process with PSC. This has to be staged to not violate any PSC rules. If we have money left over we want to see if we can amend the work plan on this.

CORRAL PARK President Fraley gave an update on Corral Park. In July we had 8-9 outages due to animals in Corral Park. It is time to place it in the right of way rotation. Jim Bridges evaluated the proposed project and strongly suggested it to be fixed now. The cost would be approximately \$450,000. We will start the right-of-way the second week in September on the left side of the subdivision and will be ground to sky, 40 feet wide. Next phase will include pole replacements. We will see what we can cost share with the telephone and cable companies due to their attachments and the disrepair of their lines. In the spring we will do the right side of the subdivision. A letter will be mailed to residences on the left side notifying them of the plan. Mike Norman, NRECA Field Rep, said the plan allows us to do this.

WAGE & SALARY EVALUATIONS Evaluations for wage and salary is always September 1. Dan Bruning will be here in October. The Planning and Review Committee will meet in November. Any increases will be retroactive.

BAYSO BAR The Bayso Bar next door has loud music and Pat McGuire called complaining. We are considering having it surveyed and have a fence put up. Their patrons drive across the grassy area beside the office and often drop bottles, needles and other trash. They also annoy our renter with loud music.

BILLING CYCLE CHANGE	Our billing change begins in November. There will be some effect with fuel charge. The Public Service Commission ordered East Kentucky Power to change the way they billed for the Fuel Charge and it will make a difference in our own bills.
BLACK TOP	The black top on top of the hill will be resealed at a cost of \$6,000.
JOE MAUK	A letter was mailed to Joe Mauk. A note will be put on the account stating Mr. Mauk was unaware of the line removal and when he does build a house he would be considered for one thousand feet of wire put back without cost.
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Martin, seconded by Director Trent and unanimously agreed to approve ninety (90) new memberships and retirement of ninety-three (93) existing memberships for July 2017.
BAD DEBT WRITE-OFFS	Motion was made by Director Bentley seconded by Director Trent and unanimously agreed to charge off \$1,997.66 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSES	Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$213.77, Director's business expenses of \$15,085.42 and Attorney's business expense of \$20.65.
PRESIDENT'S REPORT	President Fraley reported she covered her items throughout the meeting in each department.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported that all of his items was discussed earlier.
KAEC DIRECTOR'S REPORT	Director Whitt reported KAEC did not meet during the month of August due to the Fall Manager's Meeting.
EKPC DIRECTOR'S REPORT	Director Arrington gave a report on EKPC's August Board Meeting.
SOLAR FARM	EKPC's Solar Farm construction is on track and getting attention. When completed, Coop Solar Farm One will feature 32,300 solar panels capable of producing up to 8.5 megawatts. As of August 1, almost 10,000 solar panels had been installed. For a one-time payment of \$460 per panel, members of EKPC's 16 Coops can purchase power produced by these units.
SOLAR ENERGY	Mike Steffes, President & CEO ACES Power Marketing, discussed solar energy's growing share of the US power generation market which is driven by falling prices, improving technology and government incentives, and mandates.
KY COAL ASSOCIATION	Presentation was made from KY Coal Association's Tyler White. The coal industry has lost nearly 12,000 jobs in the past decade.
EKPC MARGINS	The margins are running about the same.
EKPC CAPITAL CREDITS	Mr. Campbell thought EKPC would pay some capital credits next year.
THANK YOU NOTES	We received a thank you note from the Ronald McDonald House in Winchester and Lexington.



DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

The Galaxy Project – 1 <sup>st</sup> annual monster dash 5K run/walk	\$50
Kentucky Christian University – men/women golf tournament	\$50
Hope’s Place – golf scramble – hole sponsorship	\$100
Carter City Elementary School – fall festival	\$50
Unity Baptist Church – Blaine Autumn Festival	\$100
Blaine High School Reunion – alumni scholarship	\$125
Lawrence County Food Bank – donation	\$250
Greenup County Cheerleader – golf scramble	\$100

Motion was made by Director Martin, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

CFC MEETING

Director Whitt will serve as the voting delegate and Roger Trent as the alternate at the CFC Meeting.

MEETING ATTENDANCE

The following upcoming meetings were presented for attendance this month:

Joe Sargent and Roger Kitchen will be attending a HAZ-MAT Meeting.

Directors will be attending the Regions 2 & 3 Directors School and/or Meeting in Chattanooga, Tennessee on October 11-13, 2017.

The KAEC Annual Meeting is November 14-15 in Louisville.

GRECC BYLAWS

Director Martin made a motion to table the Bylaws until next month, seconded by Director Whitt and unanimously agreed upon.

BOARD MEETING DATE

The September Board Meeting will be confirmed at a later date.

ADDITIONAL BUSINESS

There was no additional business to bring before the Board of Directors.

ADJOURN

Chairman Dupuy adjourned the meeting at 12:08 p.m.

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Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel





























President and CEO's Expenses

July 2017

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
8/03/17	172302	Verizon Wireless – replace cell phone	\$348.74
8/7/17	172341	Visa charges: *6/23 – GRECC Bd. Mtg. / Delegation, Greenup, KY *7/3 – worked thru lunch *7/10 – worked thru lunch IPAD for CEO IPAD case for CEO Printer for CEO Correct sales / usage tax – July Visa	\$13.43 \$12.75 \$10.92 \$348.77 \$56.16 \$100.26 \$.40
		Total Expenses	\$891.43

\*Prorated





## DIRECTORS & ATTORNEY EXPENSES

July-17

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### KENNETH ARRINGTON

<b>Per Diem</b>	- GRECC Bd. Mtg. (7/28)	\$ 342.80
	Additional Mileage June Bd. Mtg. Greenbo (6/23)	10.17
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	26.84
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,017.93</u>

### JIM BENTLEY

<b>Per Diem</b>	- GRECC Bd. Mtg. (7/28)	\$ 310.17
	Additional Mileage June Bd. Mtg. Greenbo (6/23)	1.07
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	26.86
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 976.81</u>

### HAROLD DUPUY

<b>Per Diem</b>	- GRECC Bd. Mtg. (7/28)	\$ 332.10
	Additional Mileage June Bd. Mtg. Greenbo (6/23)	(5.35)
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	26.84
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 991.92</u>

### EDDIE MARTN

<b>Per Diem</b>	GRECC Bd. Mtg. (7/28)	\$ 308.56
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	26.84
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 974.11</u>

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**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (7/28)	\$ 321.40
	Additional Mileage June Bd. Mtg. Greenbo (6/23)	10.17
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	26.86
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 996.55</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (7/28)	\$ 337.45
	Additional Mileage June Bd. Mtg. Greenbo (6/23)	10.17
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 985.74</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (7/17); GRECC Bd. Mtg. (7/28)	\$ 806.51
	Additional Mileage June Bd. Mtg. Greenbo (6/23)	10.17
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	13.42
<b>VISA</b>	- KAEC Bd. Mtg.	22.50
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,491.31</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	- Lunch Greenbo Bd. Mtg. (6/23)	26.86
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ 26.86</u>

































# Grayson Rural Electric Financial Report

September 25, 2017

## At A Glance....

July

<u>kWh Sales (07/21 - 08/20)</u>		<u>Margins</u>	
Month	-8.27%	Month \$	(123,799.30)
YTD	-8.14%	YTD \$	(596,592.15)
<u>kWh Purchases (07/01 - 07/30)</u>		<u>OTIER</u>	
Month	6.60%	Month	(0.45)
YTD	-11.44%	YTD	(0.26)
<u>Line Loss</u>			
Month	11.55%		
YTD	7.33%		

Fuel Adjustment (0.006429)

ESC 10.13%

Degree Days 286

Heating Degree Days 0

Cooling Degree Days 286

### Notes:

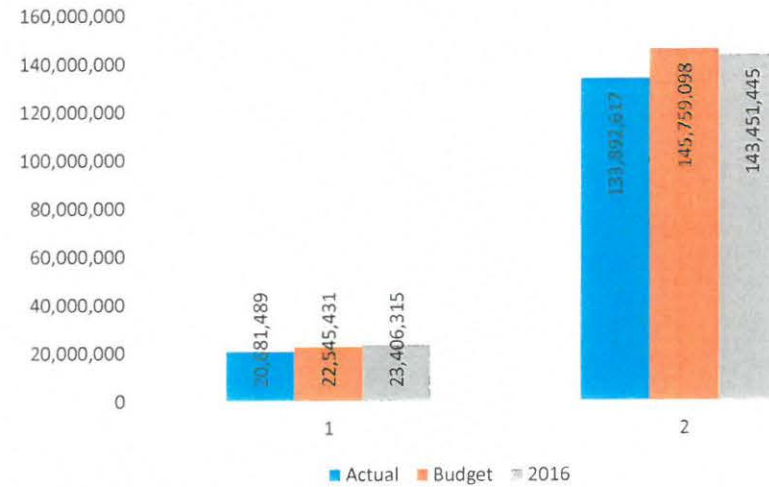
- Capital Credits



## Sales

### July

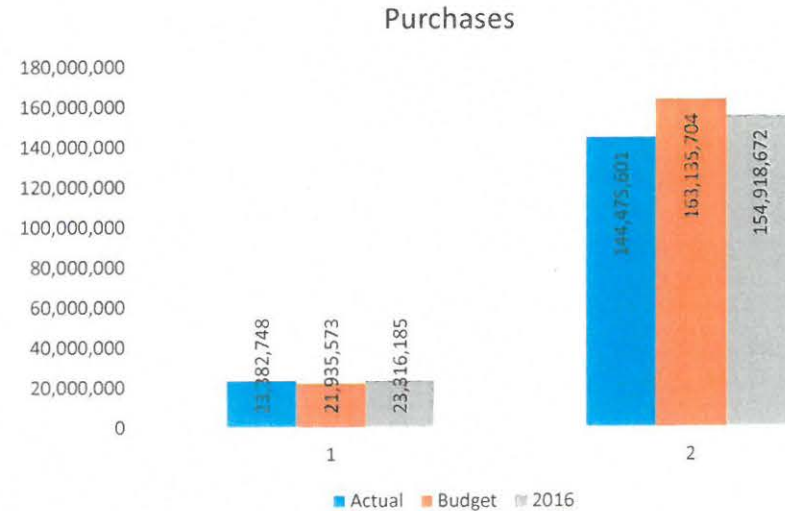
	2017	2016	2016-2014
Actual	20,681,489	23,406,315	21,552,539
Budget	22,545,431		
Difference	(1,863,942)	(2,724,826)	(871,050)
	-8.27%	-11.64%	-4.04%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	133,892,617	143,451,445	146,984,929
Budget	145,759,098		
Difference	(11,866,481)	(9,558,828)	(13,092,312)
% Difference	-8.14%	-6.66%	-8.91%



## Purchases

### July

	2017	2016	2016-2014
Actual	23,382,748	23,316,185	22,225,579
Budget	21,935,573		
Difference	1,447,175	66,563	1,157,169
	6.60%	0.29%	5.21%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	144,475,601	154,918,672	160,815,506
Budget	163,135,704		
Difference	(18,660,103)	(10,443,071)	(16,339,905)
% Difference	-11.44%	-6.74%	-10.16%





## REVENUE SUMMARY JULY 2017

	<u>ENERGY</u>	<u>FUEL</u>	<u>LIGHTS</u>	<u>GREEN POWER</u>	<u>PRE-PAY FEE</u>	<u>SUR-CHARGE</u>	<u>SUB-TOTAL</u>	<u>PENALTY</u>	<u>SALES TAX</u>	<u>SCH</u>
<b>44010 RESIDENTIAL</b>										
Class 10 (All Electric Mobile Home)	\$ 305,552.69	\$ (15,541.10)	\$ 5,552.26	\$ 16.50	\$ 2,768.54	\$ 30,341.50	\$ 328,690.39	\$ 8,048.09	\$ -	\$ -
Class 11 (Non-Electric House)	\$ 334,073.08	\$ (17,330.25)	\$ 10,816.92	\$ -	\$ 1,126.99	\$ 33,352.11	\$ 362,063.60	\$ 5,421.83	\$ 1.98	\$ -
Class 13 (Non-Electric Mobile Home)	\$ 74,435.03	\$ (3,753.04)	\$ 1,583.91	\$ -	\$ 609.48	\$ 7,413.52	\$ 80,294.40	\$ 1,893.00	\$ -	\$ -
Class 14 (All Electric House)	\$ 869,422.90	\$ (46,334.81)	\$ 18,259.50	\$ 74.25	\$ 2,793.65	\$ 85,668.84	\$ 929,884.33	\$ 15,939.84	\$ 12.26	\$ -
Class 61 (Security Light)	\$ -	\$ (59.72)	\$ 1,341.42	\$ 2.75	\$ -	\$ 130.03	\$ 1,414.48	\$ 16.85	\$ 2.86	\$ -
<b>44010 TOTALS</b>	<b>\$ 1,583,483.70</b>	<b>\$ (83,018.92)</b>	<b>\$ 37,554.01</b>	<b>\$ 123.75</b>	<b>\$ 7,298.66</b>	<b>\$ 156,906.00</b>	<b>\$ 1,702,347.20</b>	<b>\$ 31,319.61</b>	<b>\$ 17.10</b>	<b>\$ -</b>
<b>44040 GENERAL SALES</b>										
Class 12 (Camps & Barns)	\$ 21,421.32	\$ (669.85)	\$ 506.90	\$ -	\$ -	\$ 2,156.44	\$ 23,414.81	\$ 384.68	\$ -	\$ -
Class 15 (Camps)	\$ 25,194.45	\$ (837.17)	\$ 293.19	\$ -	\$ 56.65	\$ 2,503.77	\$ 27,210.89	\$ 764.20	\$ 13.48	\$ -
Class 16 (Barns)	\$ 18,806.71	\$ (463.49)	\$ 716.09	\$ -	\$ 16.66	\$ 1,932.52	\$ 21,008.49	\$ 328.96	\$ 4.71	\$ -
Class 17 (Garages, Out-buildings)	\$ 43,078.29	\$ (1,244.51)	\$ 1,013.09	\$ -	\$ 50.74	\$ 4,347.08	\$ 47,244.69	\$ 531.67	\$ 226.55	\$ -
Class 18 (Meters on Poles)	\$ 8,190.22	\$ (257.14)	\$ 187.57	\$ -	\$ 22.66	\$ 825.17	\$ 8,968.48	\$ 142.26	\$ 38.40	\$ -
Class 19 (Un-Inhabitable Houses)	\$ 775.37	\$ (14.40)	\$ 39.66	\$ -	\$ -	\$ 81.10	\$ 881.73	\$ 12.93	\$ -	\$ -
Class 20 (Miscellaneous)	\$ 769.63	\$ (9.69)	\$ 10.34	\$ -	\$ 9.33	\$ 78.63	\$ 858.24	\$ 9.50	\$ -	\$ -
<b>44040 TOTALS</b>	<b>\$ 118,235.99</b>	<b>\$ (3,496.25)</b>	<b>\$ 2,766.84</b>	<b>\$ -</b>	<b>\$ 156.04</b>	<b>\$ 11,924.71</b>	<b>\$ 129,587.33</b>	<b>\$ 2,174.20</b>	<b>\$ 283.14</b>	<b>\$ -</b>
<b>44210 SMALL COMMERCIAL</b>										
Class 25 (Small Commercial<50KVA)	\$ 159,648.75	\$ (8,200.95)	\$ 3,370.29	\$ 5.50	\$ 10.00	\$ 15,698.49	\$ 170,532.08	\$ 1,024.76	\$ 7,687.17	\$ -
Class 26 (Security Light)	\$ -	\$ (13.02)	\$ 298.37	\$ -	\$ -	\$ 28.91	\$ 314.26	\$ 7.84	\$ 15.98	\$ -
Class 28 (Churches)	\$ 14,919.04	\$ (708.05)	\$ 1,556.50	\$ -	\$ -	\$ 1,597.26	\$ 17,364.75	\$ 25.85	\$ 351.47	\$ -
<b>44210 TOTALS</b>	<b>\$ 174,567.79</b>	<b>\$ (8,922.02)</b>	<b>\$ 5,225.16</b>	<b>\$ 5.50</b>	<b>\$ 10.00</b>	<b>\$ 17,324.66</b>	<b>\$ 188,211.09</b>	<b>\$ 1,058.45</b>	<b>\$ 8,054.62</b>	<b>\$ -</b>
<b>44220 LARGE POWER</b>										
Class 46 (Large Commercial<50KVA)	\$ 215,514.73	\$ (14,604.03)	\$ 1,000.56	\$ -	\$ -	\$ 20,453.61	\$ 222,364.87	\$ 352.26	\$ 8,363.56	\$ -
Class 47 (Pumping Station)	\$ 128.35	\$ (4.88)	\$ -	\$ -	\$ -	\$ 12.51	\$ 135.98	\$ -	\$ 8.16	\$ -
Class 79 (All Electric School)	\$ 34,773.13	\$ (2,307.37)	\$ 481.51	\$ -	\$ -	\$ 3,337.56	\$ 36,284.83	\$ -	\$ -	\$ -
<b>44220 TOTALS</b>	<b>\$ 250,416.21</b>	<b>\$ (16,916.28)</b>	<b>\$ 1,482.07</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 23,803.68</b>	<b>\$ 258,785.68</b>	<b>\$ 352.26</b>	<b>\$ 8,371.72</b>	<b>\$ -</b>
<b>44230 LARGE POWER OVER 1,000KVA</b>										
Class 74 (Smithfield & Elliott Co. Prison)	\$ 187,164.47	\$ (19,234.59)	\$ 29.32	\$ -	\$ -	\$ 17,014.27	\$ 184,973.47	\$ -	\$ 7,692.47	\$ -
<b>44230 TOTALS</b>	<b>\$ 187,164.47</b>	<b>\$ (19,234.59)</b>	<b>\$ 29.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,014.27</b>	<b>\$ 184,973.47</b>	<b>\$ -</b>	<b>\$ 7,692.47</b>	<b>\$ -</b>
<b>44400 STREET LIGHTS</b>										
Class 57 (Sandy Hook Street Lights)	\$ -	\$ (25.47)	\$ 610.14	\$ -	\$ -	\$ 59.23	\$ 643.90	\$ -	\$ -	\$ -
<b>44400 TOTALS</b>	<b>\$ -</b>	<b>\$ (25.47)</b>	<b>\$ 610.14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 59.23</b>	<b>\$ 643.90</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTALS</b>	<b>\$ 2,313,868.16</b>	<b>\$ (131,613.53)</b>	<b>\$ 47,667.54</b>	<b>\$ 129.25</b>	<b>\$ 7,464.70</b>	<b>\$ 227,032.55</b>	<b>\$ 2,464,548.67</b>	<b>\$ 34,904.52</b>	<b>\$ 24,419.05</b>	<b>\$ -</b>
							<b>TOTAL REVENUE</b>	<b>\$ 2,578,432.44</b>		
									<b>TOTAL TA</b>	
									<b>\$</b>	

TOTAL TA  
\$



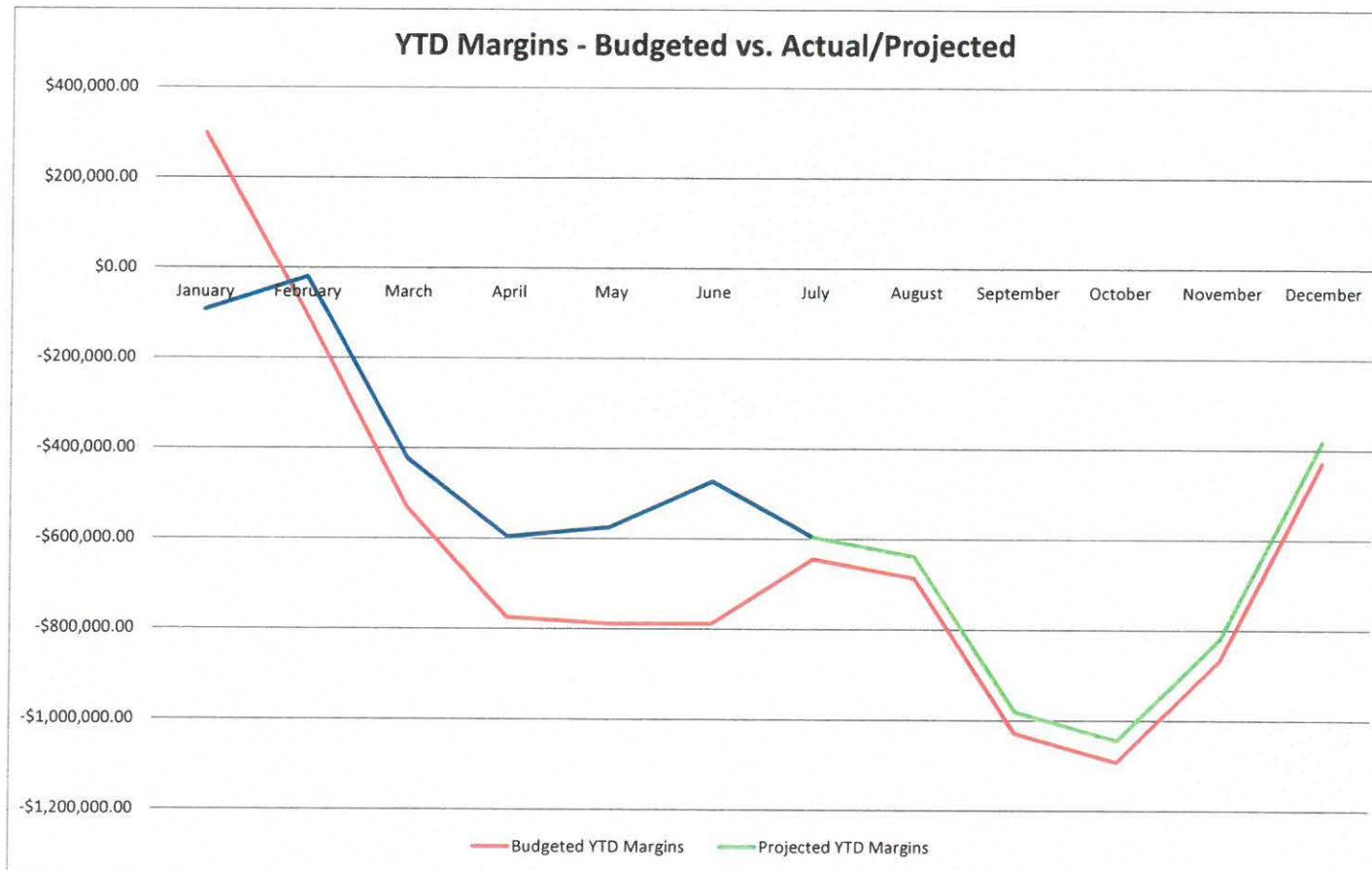
### Monthly Operating Revenue & Expenses

	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017
Revenue	(2,929,676)	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)	(2,008,830)	(2,274,060)	(2,596,741)	(2,548,401)
Purchased Power	1,677,929	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615	1,138,407	1,202,985	1,410,600	1,562,764
<b>Gross Margins</b>	<b>(1,251,747)</b>	<b>(930,952)</b>	<b>(676,259)</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>	<b>(612,007)</b>	<b>(870,423)</b>	<b>(1,071,075)</b>	<b>(1,186,141)</b>	<b>(985,637)</b>
Operations	113,125	(17,430)	107,241	132,244	107,439	71,603	125,057	107,653	109,697	139,866	101,961	102,602	116,084
Maintenance	308,579	241,629	239,132	224,687	216,900	306,970	301,310	260,849	318,113	286,651	287,387	303,369	354,631
Customer Service	92,739	98,769	107,556	99,297	100,977	(25,625)	103,387	92,262	97,131	92,360	96,019	95,044	94,080
Informational Advertising	7,349	18,752	32,916	19,504	18,288	20,450	21,735	22,152	21,158	19,678	26,985	16,390	16,492
Demonstration Advertising	1,258	1,460	2,783	1,658	1,565	1,276	2,314	1,641	2,166	1,751	2,267	1,489	1,341
Admin & General	152,473	170,645	131,232	170,663	196,718	173,417	156,210	142,366	163,245	141,462	166,710	198,796	150,623
Depreciation	279,062	280,885	281,062	282,191	283,297	283,911	284,902	285,509	286,723	288,292	288,987	289,702	290,289
Regulatory	3,342	3,342	3,342	3,342	3,342	3,345	3,389	3,389	3,389	3,389	3,389	3,389	4,022
Interest - LTD	76,423	76,601	75,759	75,748	74,859	61,057	87,616	73,542	72,685	80,130	79,188	79,454	85,529
Interest - Deposits	381	379	378	375	378	369	666	665	663	665	677	671	668
Miscellaneous Expense	2,300	36,615	5,565	9,631	5,953	3,092	6,114	2,889	1,099	1,004	693	1,764	1,550
Interest Income	(2,441)	(2,449)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)
Non-Electric Revenue	(125)	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)
Capital Credits	-	-	(4,059)	(4,884)	-	-	-	-	(53,470)	-	-	(52)	-
<b>Margins</b>	<b>(217,284)</b>	<b>(51,014)</b>	<b>307,900</b>	<b>(9,726)</b>	<b>(500,337)</b>	<b>(376,467)</b>	<b>93,390</b>	<b>(72,896)</b>	<b>402,230</b>	<b>173,610</b>	<b>(21,689)</b>	<b>(101,854)</b>	<b>123,799</b>
* ( )'s = positive margins													
Operating Expenses	1,037,029	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068	1,055,247	1,054,262	1,093,304	1,115,309
Monthly OTIER	3.84	1.67	(3.06)	1.13	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)
Revenue	(30,169,489)	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)	(29,839,936)	(29,786,754)	(29,805,014)	(29,423,738)
Purchased Power	17,608,756	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296	17,423,578	17,413,418	17,374,726	17,259,561
<b>Gross Margins</b>	<b>(12,560,733)</b>	<b>(12,581,231)</b>	<b>(12,559,721)</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>	<b>(12,301,354)</b>	<b>(12,416,358)</b>	<b>(12,373,336)</b>	<b>(12,430,288)</b>	<b>(12,164,177)</b>
Operations	1,314,347	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991	1,299,959	1,296,441	1,201,057	1,204,016
Maintenance	3,282,030	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630	3,360,269	3,315,246	3,295,574	3,341,626
Customer Service	1,131,331	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187	1,051,840	1,050,899	1,049,915	1,051,256
Informational Advertising	252,016	251,605	257,795	257,035	255,267	256,835	256,050	254,840	255,123	251,076	248,229	245,357	254,500
Demonstration Advertising	20,264	20,801	21,695	21,784	21,801	21,391	22,083	21,753	21,520	21,670	22,348	21,628	21,711
Admin & General	2,045,644	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307	1,923,844	1,919,970	1,963,936	1,962,086
Depreciation	3,289,876	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812	3,391,510	3,403,080	3,414,522	3,425,750
Regulatory	41,226	41,113	41,000	40,887	40,774	40,662	40,598	40,534	40,470	40,406	40,342	41,022	41,702
Interest - LTD	903,615	904,524	905,309	906,975	907,891	895,352	905,097	903,119	900,616	904,907	909,237	913,063	922,170
Interest - Deposits	3,331	3,586	3,841	4,094	4,350	4,514	4,805	5,098	5,389	5,674	5,973	6,267	6,554
Miscellaneous Expense	(3,191)	31,764	33,845	42,826	46,633	78,323	83,394	82,924	81,222	94,416	77,476	76,720	75,970
Interest Income	(29,806)	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)
Non-Electric Revenue	(56,722)	(96,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)
Capital Credits	(135,273)	(135,273)	(136,049)	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)
<b>Margins</b>	<b>(502,047)</b>	<b>(724,348)</b>	<b>(727,162)</b>	<b>(733,009)</b>	<b>(1,096,582)</b>	<b>(380,376)</b>	<b>(52,201)</b>	<b>(446,589)</b>	<b>(135,854)</b>	<b>(254,682)</b>	<b>(266,785)</b>	<b>(374,136)</b>	<b>(33,053)</b>
Operating Expense	12,280,487	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268	12,345,572	12,289,242	12,229,061	12,307,340
Rolling 12 Month OTIER	1.56	1.80	1.80	1.81	2.21	1.42	1.06	1.49	1.15	1.28	1.29	1.41	1.04





	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	-\$173,610.11	-\$243,866.72	\$70,256.61	-\$596,335.77	-\$774,457.16	\$178,121.39	-\$596,335.77
May	\$21,689.25	-\$13,323.72	\$35,012.97	-\$574,646.52	-\$787,780.88	\$213,134.36	-\$574,646.52
June	\$101,853.67	-\$31.72	\$101,885.39	-\$472,792.85	-\$787,812.60	\$315,019.75	-\$472,792.85
July	-\$123,799.30	\$143,434.28	-\$267,233.58	-\$596,592.15	-\$644,378.32	\$47,786.17	-\$596,592.15
August	\$0.00	-\$41,828.72			-\$686,207.04		-\$638,420.87
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$981,055.59
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$1,044,751.31
November	\$0.00	\$223,335.28			-\$869,202.20		-\$821,416.03
December	\$0.00	\$439,275.94			-\$429,926.26		-\$382,140.09





## Margins/Tier

### July

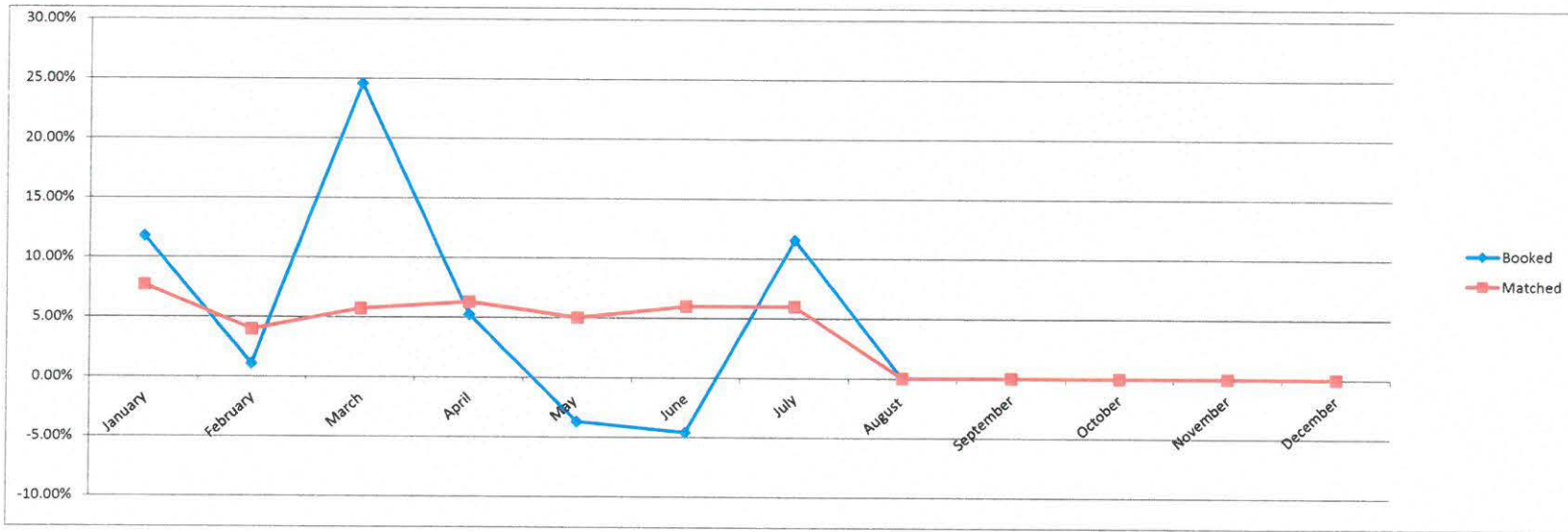
	2017	2016	2016-2014
Revenue	(2,548,401)	(2,929,676)	(2,762,777)
Purchase Power	1,562,764	1,677,929	1,656,728
<i>Gross Margins</i>	(985,637)	(1,251,747)	(1,106,049)
Operating Expenses	1,115,309	1,037,029	1,091,712
Margins	123,799	(217,284)	(87,718)
OTIER	(0.45)	3.84	1.29

### Year to Date

	2017	2016	2016-2014
Revenue	(16,671,285)	(17,758,690)	(18,568,943)
Purchase Power	9,897,429	10,555,246	11,362,114
<i>Gross Margins</i>	(6,773,856)	(7,203,444)	(7,206,829)
Operating Expenses	7,479,807	7,668,259	7,454,382
Margins	596,591	249,268	64,740
OTIER	-0.26	0.24	0.88



2017	January	February	March	April	May	June	July	August	September	October	November	December	Total 2016
<b>Sales</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00	20,538,661.00	20,681,489.00						133,892,617.00
<b>Purchases:</b>													
<b>Booked</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00	17,588,540.00	19,637,908.00	23,382,748.00						144,475,601.00
<b>Matched</b>	23,554,988.67	20,806,194.72	17,692,391.74	17,094,704.33	19,204,241.23	21,843,585.25	21,995,260.76						142,191,366.70
<b>kWh Loss</b>													
<b>Booked</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	2,701,259.00	0.00	0.00	0.00	0.00	0.00	10,582,984.00
<b>Matched</b>	1,807,351.67	826,022.72	1,008,612.74	1,075,825.33	962,241.23	1,304,924.25	1,313,771.76	0.00	0.00	0.00	0.00	0.00	8,298,749.70
<b>% Line Loss</b>													
<b>Booked</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	7.33%
<b>Matched</b>	7.67%	3.97%	5.70%	6.29%	5.01%	5.97%	5.97%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.74%





2017						
Current Year						
	Average	HDD	CDD	HDD	CDD	Average
21-Jul	81	0	16	0	13	78
22-Jul	82	0	17	0	13	78
23-Jul	77	0	12	0	11	76
24-Jul	79	0	14	0	10	75
25-Jul	72	0	7	0	13	78
26-Jul	74	0	9	0	12	77
27-Jul	73	0	8	0	12	77
28-Jul	75	0	10	0	10	75
29-Jul	70	0	5	0	7	72
30-Jul	70	0	5	0	8	73
31-Jul	75	0	10	0	13	78
1-Aug	74	0	9	0	15	80
2-Aug	75	0	10	0	18	83
3-Aug	75	0	10	0	15	80
4-Aug	72	0	7	0	10	75
5-Aug	67	0	2	0	9	74
6-Aug	68	0	3	0	12	77
7-Aug	68	0	3	0	14	79
8-Aug	71	0	6	0	16	81
9-Aug	69	0	4	0	15	80
10-Aug	71	0	6	0	16	81
11-Aug	75	0	10	0	17	82
12-Aug	75	0	10	0	12	77
13-Aug	71	0	6	0	14	79
14-Aug	72	0	7	0	7	72
15-Aug	79	0	14	0	9	74
16-Aug	78	0	13	0	8	73
17-Aug	80	0	15	0	10	75
18-Aug	78	0	13	0	5	70
19-Aug	77	0	12	0	5	70
20-Aug	78	0	13	0	10	75
	74.2	0	286	0	359	76.6
		286		359		

2016						
Previous Year						
	Average	HDD	CDD	HDD	CDD	Average
21-Jul	77	0	12	0	6	71
22-Jul	80	0	15	0	7	72
23-Jul	81	0	16	0	3	68
24-Jul	84	0	19	0	9	74
25-Jul	84	0	19	0	15	80
26-Jul	82	0	17	0	14	79
27-Jul	81	0	16	0	11	76
28-Jul	73	0	8	0	11	76
29-Jul	79	0	14	0	12	77
30-Jul	79	0	14	0	9	74
31-Jul	78	0	13	0	11	76
1-Aug	78	0	13	0	11	76
2-Aug	79	0	14	0	17	82
3-Aug	81	0	16	0	15	80
4-Aug	79	0	14	0	13	78
5-Aug	81	0	16	0	10	75
6-Aug	78	0	13	0	12	77
7-Aug	76	0	11	0	14	79
8-Aug	73	0	8	0	15	80
9-Aug	81	0	16	0	14	79
10-Aug	83	0	18	0	12	77
11-Aug	84	0	19	0	15	80
12-Aug	84	0	19	0	16	81
13-Aug	84	0	19	0	19	84
14-Aug	83	0	18	0	19	84
15-Aug	81	0	16	0	17	82
16-Aug	81	0	16	0	16	81
17-Aug	76	0	11	0	8	73
18-Aug	79	0	14	0	14	79
19-Aug	78	0	13	0	14	79
20-Aug	77	0	12	0	13	78
	79.8	0	459	0	392	77.6
		459		392		

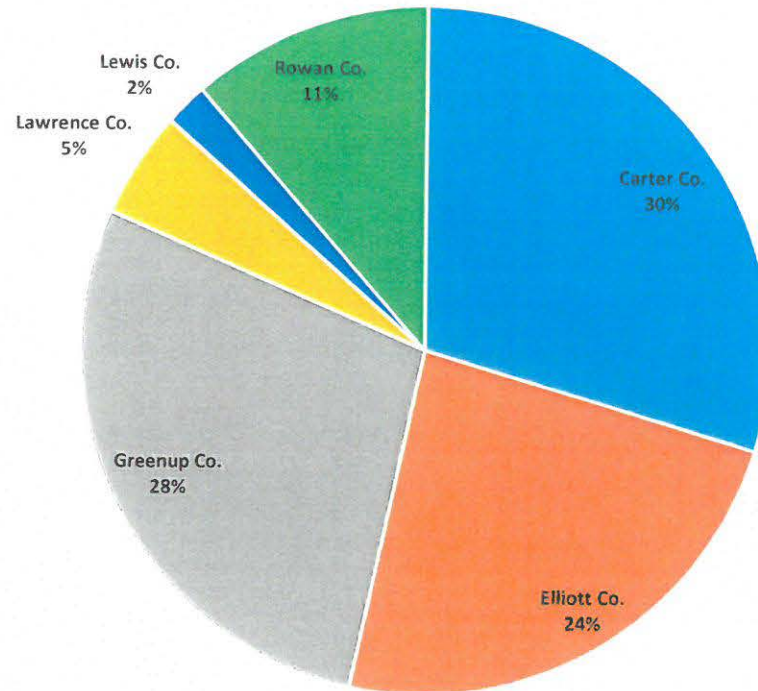




# Bills by County

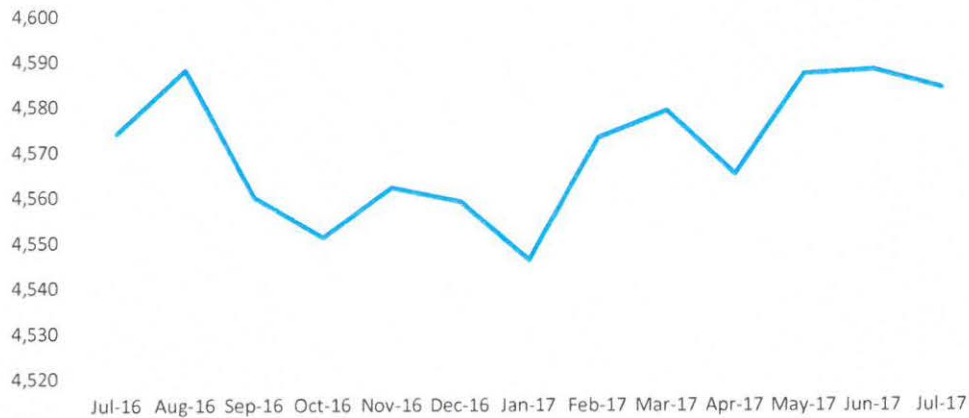
	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16
Carter Co.	4,584	4,588	4,587	4,565	4,579	4,573	4,546	4,559	4,562	4,551	4,560	4,588	4,574
Elliott Co.	3,666	3,665	3,642	3,638	3,640	3,668	3,653	3,645	3,679	3,650	3,644	3,672	3,651
Greenup Co.	4,357	4,352	4,334	4,342	4,300	4,323	4,287	4,283	4,326	4,311	4,335	4,332	4,333
Lawrence Co.	773	781	776	779	774	777	775	777	776	784	789	787	788
Lewis Co.	315	311	311	313	310	310	312	311	312	309	309	310	310
Rowan Co.	1,763	1,755	1,757	1,752	1,743	1,751	1,744	1,754	1,765	1,754	1,740	1,754	1,754
	15,458	15,452	15,407	15,389	15,346	15,402	15,317	15,329	15,420	15,359	15,377	15,443	15,410

# of Bills  
July 2017





Carter Co.



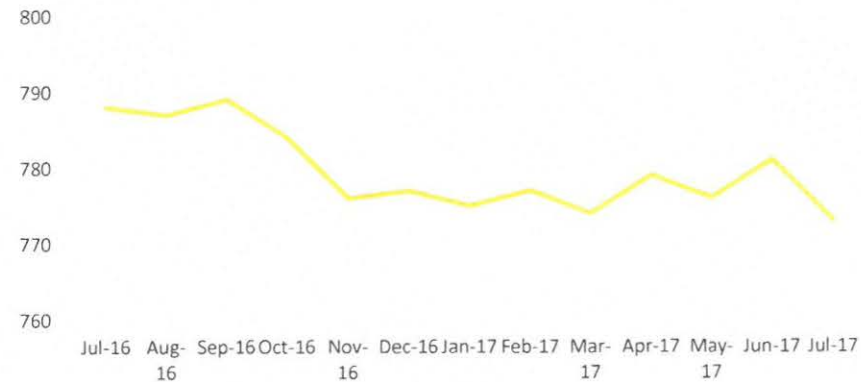
Elliott Co.



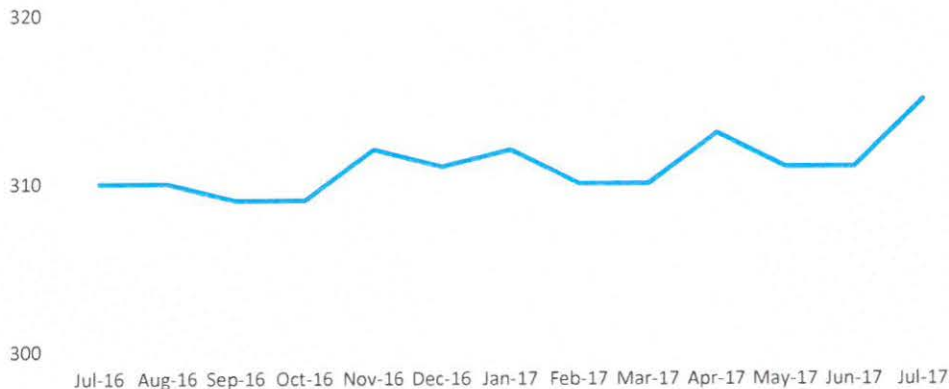
Greenup Co.



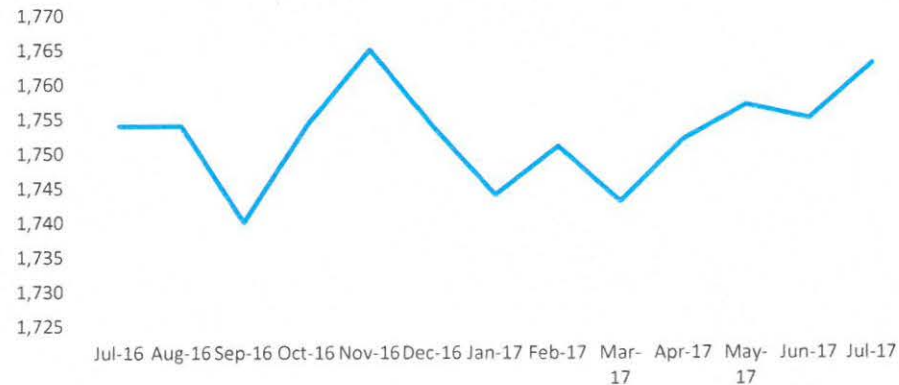
Lawrence Co.



Lewis Co.



Rowan Co.





**JULY 2017**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		18		162.27	(162.27)	
100	NEW LINE EXTENSIONS		29		86,793.27	86,793.27	2,992.87
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		0		0.00	0.00	0.00
603	SECTIONALIZERS		11		10,698.61	10,698.61	
604	REGULATORS						
606	POLES		29	POLES	76,606.22	76,606.22	2,641.59
701	SECURITY LIGHTS		26		19,212.34	19,212.34	738.94
1600	MINOR PROJECTS		4		5,554.18	5,554.18	
	<b>TOTAL</b>		<b>113</b>		<b>199,026.89</b>	<b>198,702.35</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	0		0.00	0.00	0.00
	METERS	370.00	96		16,531.20	16,531.20	172.20
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	<b>TOTAL</b>		<b>96</b>		<b>16,531.20</b>	<b>16,531.20</b>	
	MATERIAL				<b>26,018.84</b>		
	MATERIAL OH				<b>34,817.93</b>		
	LABOR				<b>19,393.34</b>		
	LABOR OH				<b>57,836.55</b>		









GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On October 30, 2017, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
  2. Invocation
  3. Approval of the Minutes From the September Board Meeting.
  4. Technical Services Report – Brian Poling, Manager of Technical Services
  5. Financial Report and Approval of the Financial & Statistical Report for August 2017 – Bradley Chery, Manager of Finance & Accounting
  6. Resolution Pertaining to NRECA 401(k) Contribution
  7. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
  8. Manager of Marketing & Member Services Report – Kim Bush
  9. Approval of Ninety-Four (94) New Memberships and Retirement of One Hundred Four (104) Existing Memberships for September 2017
  10. Consider Approval of Accounts to be Charged Off to Reserve \$2,354.50
  11. Consider Approval of President’s Business Expense in the Amount of \$59.91, Director’s Business Expense in the Amount of \$6,945.81 and Attorney’s Business Expense in the Amount of \$.00
  12. President’s Report – Carol Hall Fraley
  13. Cooperative Legal Matters – W. Jeffrey Scott
  14. KAEC Director’s Report – Jimmy Whitt
  15. EKPC Director’s Report – Kenneth Arrington
  16. Consider Community Service and / or Donations
  17. Attendance at Meetings – Directors and Employees
  18. Review and Consider Approval of Proposed Changes in Bylaws
  19. Confirm Date for November Board Meeting – Wednesday, November 29, 2017
  20. Additional Business
  21. Adjourn
-



On September 25, 2017 at 10:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Whitt gave the invocation.																					
APPROVAL OF MINUTES	Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the minutes from the August Board Meeting for informational purposes only.																					
APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve one hundred fifteen (115) new memberships and retirement of ninety-six (96) existing memberships for August.																					
BAD DEBT WRITE-OFFS	Motion was made by Director Bentley, seconded by Director Rice and unanimously agreed to charge off \$1,158.93 worth of bad debts and turn them over for collection.																					
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY'S BUSINESS EXPENSE	Motion was made by Director Martin, seconded by Director Whitt and unanimously agreed to approve the President's business expense of \$891.43, Directors business expenses of \$7,434.37 and Attorney's business expense of \$26.86.																					
RUS WORK ORDERS	Motion was made by Director Rice, seconded by Director Trent and unanimously agreed to approve the following 219 RUS Work Orders for the months of April, May, and June 2017 in the amount of \$873,781.13:																					
	<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">April 2017</td> <td style="width: 60%;">Work Order No. 1266</td> <td style="width: 25%; text-align: right;">\$480,118.11</td> </tr> <tr> <td></td> <td>Work Order No. 1267</td> <td style="text-align: right;">\$961.87</td> </tr> <tr> <td>May 2017</td> <td>Work Order No. 1268</td> <td style="text-align: right;">\$224,553.46</td> </tr> <tr> <td></td> <td>Work Order No. 1269</td> <td style="text-align: right;">\$1,580.33</td> </tr> <tr> <td>June 2017</td> <td>Work Order No. 1270</td> <td style="text-align: right;">\$160,681.04</td> </tr> <tr> <td></td> <td>Work Order No. 1271</td> <td style="text-align: right;">\$5,886.32</td> </tr> <tr> <td></td> <td style="text-align: right;">Total</td> <td style="text-align: right;">\$873,781.13</td> </tr> </table>	April 2017	Work Order No. 1266	\$480,118.11		Work Order No. 1267	\$961.87	May 2017	Work Order No. 1268	\$224,553.46		Work Order No. 1269	\$1,580.33	June 2017	Work Order No. 1270	\$160,681.04		Work Order No. 1271	\$5,886.32		Total	\$873,781.13
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	Total	\$873,781.13																				
MANAGER OF MARKETING & MEMBERS SERVICES	Kim Bush, Manager of Marketing and Member Services reported:																					
NEW BILLING CYCLE	We have started preparing our members for the upcoming changes in the dates their bills are due in the KY Living Magazine. Billing inserts will be in their October bills. Letters have been mailed to Auto-Pay and Draft accounts and information will be posted on our website and facebook. All billing cycle 1 accounts will receive their bills around the 6 <sup>th</sup> of each month and will be due on the 20 <sup>th</sup> of each month. Cycle 2 accounts will receive their bills around the 13 <sup>th</sup> of each month and will be due on the 27 <sup>th</sup> of each month. The due dates will not change due to holidays or weekends. We will be very 'forgiving' in the first couple of months on penalties for those that are not usually late. The November bill will be for forty days.																					

EKPC RATE DECREASE	A rate decrease from EKPC started last week, as approved by the PSC.
PREPAY AND DEBBT MANAGEMENT	PrePay and Debt Management continues to grow and more people may go on PrePay.
HONOR FLIGHT	Roger Kitchen and two Korean War Veterans from Greenup County flew to Washington D.C. September 16 <sup>th</sup> on the Honor Flight. They saw the memorials and monuments honoring veterans. Roger was guardian for Veteran Harlan Skaggs.
ENERGY EFFICIENCY	Tina Preece has been busy with energy audits. She completed one Touchstone Energy Home. Consumers have filed twenty-two appliance rebates filed online. We sold thirty EKPC solar panels at a cost of \$13,000 to Matt McGinnis in Greenup County. Director Trent asked how the mowing under the panels will be maintained. We do not have that information.
COMMUNITY PROGRAMS	Carter County Field Day was last week with Tony Brewer and Julie Lewis attending.
ANNOUNCEMENTS	The following announcements was made by Mrs. Bush: Carter County 4 <sup>th</sup> grade conservation at Camp Webb – October 2 and 3 Hosting the Grayson Area Chamber of Commerce at GRECC – October 10 First Responder Training at GRECC – October 10 <sup>th</sup> at 6:00 p.m. Service Awards Dinner at Olive Hill Historical Society – December 8th
TECHNICAL SERVICES	President Fraley reminded the Board that we have been preparing for the discussion of vendor selection for the new metering program. Our proposed timeline would have presented quotes to the Board at the October 2017 Board Meeting. However, the Employee Committee is prepared to make a recommendation today. Once the vendor has been selected by the Board and we have permission from the Public Service Commission, we can start on the metering program upgrade.
METER PROGRAM	<p>Brian Poling reported a committee of four employees worked on this program since the Board approved a study in January 2017. The Committee heard presentations from four vendors. Those vendors were Aclara, Eaton, Sensus (in partnership with NRTC), and Landis+Gyr. Two weeks after the presentation by Sensus, NRTC informed us that their partnership had ended. The Committee chose not to solicit a propagation study from Sensus. The Committee asked for propagation studies from the other three vendors.</p> <p>After visiting other utilities that utilize these vendors' technologies and evaluating the quotes, the Committee narrowed the choices to Aclara's TWACS (a power line carrier technology) and Landis+Gyr's Gridstream RF (a radio frequency technology). Aclara's Synergize (a radio frequency technology) required access to approximately thirty-five (35) 150' towers, which was not a viable option. Eaton's RF mesh network required 986 collectors, each requiring access to cellular data. This system was not a viable option for our territory due to lack of cellular coverage. It also would be an expensive monthly cost for 986 cellular data plans.</p> <p>The Committee also asked the staff to rank features of AMI by importance. The top ten items were: longevity, security, remote disconnect/prepaid,</p>





METER PROGRAM  
(CONTINUED)

reliability and maintenance, future capabilities, server environment, GIS and software integration, pinging of meters and Demand/time of use reporting.

From the beginning, the Committee's approach has been to remain neutral in its selection. Based on the fact that this upgrade is necessary due to Landis+Gyr's discontinuance of products and the perception that they would be most expensive, the Committee believed that we would be changing vendors.

After receiving the vendor budgetary quotes, we decided there were advantages to having remote disconnect switches on all single phase meters. The vendor quotes were recalculated to include remote disconnect switches on all single phase installations. Additionally, an estimate for materials and labor were included in an attempt to make the quotes comparable. The calculated bids are as follows:

Landis+Gyr Gridstream RF	\$3,380,410.80
Aclara TWACS	\$4,284,980.68
Eaton	\$4,743,124.40
Aclara Synergize RF	\$7,162,453.24

The RF technology allows for growth and flexibility in the future with potential distribution automation. It also allows the potential for gas and water utilities to read their meters across the RF network providing additional revenue to the Cooperative.

We have spoken with Mike Norman, RUS Field Representative, who said we would be able to finance 100% of the project through RUS. Currently, we have \$1.2 million remaining in the current work plan for meter upgrades. The remaining balance would be financed in the next Construction Work Plan.

Based on staff input, evaluated costs, and viability, it is the Committee's recommendation to contract with Landis+Gyr for their Gridstream RF solution.

LANDIS & GYR QUOTE

Director Martin made a motion to accept the Landis+Gyr quote, seconded by Director Bentley and unanimously agreed upon.

DAVEY RESOURCES

We are currently focusing on GPSing Mazie and the oil well. They are at Terryville. Bill DeLong will be with Davey next week to help locate oil wells.

CAPITAL CREDITS

In September we paid 8 accounts totaling \$9,675.72 and we have 15 outstanding capital credit applications. This year we have pad capital credit account totaling \$106,127.57.

FINANCIAL REPORT

Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for July 2017. Mr. Cherry reported on the following:

FINANCIAL & STATISTICAL  
REPORT FOR JULY 2017

Kilowatt hour sales for the month of July (7/21-8/20) were 8.27% over budget. Purchases for the time period of 7/1-30 were 6.60% under budget. Line loss for the last twelve months was 7.33%. Margins for the month were (\$123,799) and the budgeted year to date (\$644,378).

T.I.E.R

The monthly Operating T.I.E.R was .45 with the rolling 12 month O.T.I.E.R 1.04.

FUEL ADJUSTMENT	The fuel adjustment for the month was (0.006429).
ESC	The environmental surcharge was 10.13% for the month.
DEGREE DAYS	We had 286 cooling degree days and 0 heating degree days.
KWH PURCHASES	Director Whitt questioned why we purchased three million more KWH's than sold. Mr. Cherry explained it is due to the billing cycle and the temperature also plays a factor. The average temperature of daily activity was explained. When you purchase more than you use that is our line loss. The billing cycle change will help with more accurate temperature and sales.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR JULY 2017	Motion was made by Director Tent, seconded by Director Martin and unanimously agreed to approve the Financial and Statistical Report for July 2017, as presented for informational purposes only.
CRC	We received from CRC a patronage allocation for fiscal year 2016 in the amount of \$833,712 with a check for the pro-rata portion of \$506. The current balance is \$7,238.80.
UUS PATRONAGE	We received from UUS the 2016 patronage dividend allocation of 20%. The allocation was \$1,351 and the 20% was a check in the amount of \$270.
KAEC PATRONAGE	We received a check for 20% of the 2016 patronage dividend allocation of \$10,937 from KAEC in the amount of \$2,187.
CFC	We received a certificate from CFC's fiscal year 2017 for patronage capital in the amount \$18,982.01 and retirement of \$9,491.01
EKPC	Bradley reported that EKPC has decreased the cost of each KWH sold by \$.00252 by EKPC.
OPERATIONS REPORT	Kyle Clevenger, Manager of Operations gave the Operations Report. He reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.
CONSTRUCTION	Construction built one hundred thirteen (113) new work orders, including thirty (30) services added and nine (9) services retired for the month of August and worked zero (0) hours of overtime.
OVERTIME HOURS	The Maintenance Department worked two hundred seventy-one (271) hours of overtime during the month of August. They worked two hundred seventeen (217) hours overtime on work orders. Construction and Engineering worked zero (0) hours of overtime during the month of August.
DELINQUENT NOTICES	There were 123 delinquents for September. Ninety-five (95) cards were issued to be disconnected and 28 accounts were disconnected by remote meter. Field personnel disconnected an additional 5 meters for a total of 33 disconnects and 12 accounts were reconnected on September 7 <sup>th</sup> . September 8 <sup>th</sup> there were 5 meters disconnected. A total of 3 meters was reconnected.



## CONTRACT CREWS

Three (3) Pike crews have been working in the following areas:

Tony Seagraves – State Route 173, Rowan County

Bruce Wynn – Alcorn, Greenup County

Clyde Russell Thompson – miscellaneous pole changes

One crew went to Texas for two weeks.

One crew went to Florida for one week.

Our crew went to Georgia for one week.

Alcorn will be finished this week and will be starting on Lost Creek this week.

Tony is almost finished and would have been finished if he had not been sent to Texas by Pike.

We will be ordering material for 201 South this week.

## RIGHT-OF-WAY CREWS

We have ten (10) W a Kendall right-of-way crews working on random jobs and work orders at this time. Crews trimmed 980 trees, cut 627 trees, cut 33,650 feet of brush/line and sprayed 216 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties

2 cutting crews in Rowan and Elliott Counties

1 bucket truck crew in Carter, Lewis and Greenup Counties

1 bucket truck crew in Rowan County

1 bucket truck crew in Elliott County

1 tractor crew in Greenup County

3 spray crews in Greenup County

The Smith Tree Service has a circuit crew working in Elliott County

## ENGINEERING REPORT

The Engineering Department released one hundred six (106) prints consisting of 22,098 feet of primary line and 1,975 feet of service wire. We currently have two (2) new services to be staked, two (2) to be drawn and twelve (12) miscellaneous jobs to be staked or drawn.

## SAFETY REPORT

The following safety meetings were held during August:

August 7, Brian Poling, Manager of Technical Services, showed helpful tools to search consumers and different structures in UPN by using the Futura Catalyst map. Carol Ann Fraley read our Safety Improvement Plan for 2017 and gave us an update on Pike Construction. Kyle Clevenger went over two accidents that involved Priscilla Sparks and Mark Hutchinson. He requested everyone to watch over and take care of each other.

August 15, Andrea McCleese, Technical Services Supervisor, turned the meeting over to Robert Thornton with KAEC. He showed a power point on Distractive Driving, Do Not Talk, Text, or Look off While Driving. He also went over changes made by the Department of Transportation regarding the CDL drivers. Kyle Clevenger requested everyone to be careful and watch over each other.

August 21, Priscilla Sparks, Executive Assistant, turned the meeting over to Carol Ann Fraley, President and CEO. She went over our primary metering accounts and billings for Greenbo and Carter Caves State Parks. She stated

SAFETY REPORT  
(CONTINUED)

that we will soon be working on the new work plan contract and union contract. Kyle Clevenger requested everyone to be careful and have a safe week and watch out for other people during the eclipse.

August 28, Robert Brown, Geographical Information System Technician, presented a power point on Working with Stress and How to Manage Stress and Reducing Job Stress by Taking Care of Yourself, Prioritizing and Organizing and Improving Emotional Intelligence. Kyle Clevenger requested everyone to be careful and have a safe week and watch out for each other.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and using ground chains. A line is not dead until it is grounded.

## RESAP CERTIFICATE

We received our certificate of safety achievement for RESAP.

## CORRAL PARK

Mr. Jeffrey Wentz came to see President Fraley. She keeps Legal Counsel Scott up to date on everything. Mr. Wentz wants us to cut his trees to his specs and wants GRECC to come back when asked at no cost to him. He was told he would have to pay for any additional work and that we have our own specs and rules that is commonly used, approved by the Commission, the KY Vegetation Management and that we would not be doing anything different for him than anybody else. Legal Counsel read from a case that referred to the National Electric Code, SECTION 218 in regards to vegetation and maintaining the growth of vegetation. President Fraley said she talked to the Public Service Commission about our policy on forty feet right-of-way and she was told that whatever the company's common practice is to do what she would do for anybody else in regards to cutting right-of-way.

## SAFETY PROGRAM

Our safety program has good attendance and attention, and we try to involve a lot of people in our programs. Some will volunteer for the program.

## BREAK FOR LUNCH

The Board broke for lunch at 12:25 p.m. and reconvened at 1:30 p.m.

## PRESIDENT'S REPORT

President Fraley reported on the following:

## KAEC LINEMAN'S RODEO

we will leave Wednesday afternoon, September 27, 2017, for the KAEC 2017 KY Lineman's Rodeo. Priscilla has all the information for those attending.

Herbie Steagall will be judging this year and the men volunteering for the competitions are Bryan Rogers, Steven Burton, Shane McDavid, Tony Brewer and Justin Staniford. The men have had little time to practice due to going to Georgia to assist in storm work.

2017 BOARD MEETINGS AND  
EVENTS CALENDAR

President Fraley went over the updated 2017 Proposed Board Meetings and Events Calendar. The updated calendars were handed out to everyone.

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## PROPOSED BOARD MEETINGS AND EVENTS 2017

Staff Meeting to discuss AMI selection	Friday, September 22	8:30 a.m.
Planning and Review Committee to discuss AMI Selection	Thursday, October 19	9:30 a.m.
<del>CANCEL – This Was Board Approved Today, September 25, 2017.</del>		
Dan Bruning to conduct Wage and Salary Study	October 25, 26, 27	all day
Board Meeting - vote on Metering Plan	Wednesday, Thursday, Friday Monday, October 30	9:00 a.m.
Staff Meeting to discuss Wage and Salary Plan	Friday, November 3	8:30 a.m.
Union Negotiation Session	Tuesday, November 7	8:30 a.m.
Planning and Review Committee to discuss Wage and Salary Plan	Wednesday, November 15	9:00 a.m.
Negotiating Committee to discuss Union Contract	Thursday, November 16	9:00 a.m.
Board Meeting /vote on Union Contract and Wage and Salary	Wednesday, November 29	9:00 a.m.
Staff Meeting to discuss Budgets	Tuesday, December 5	8:30 a.m.
Planning and Review Committee to discuss Budget	Thursday, December 14	9:00 a.m.
Board Meeting /Vote on Budget Approval	Thursday, December 21	9:00 a.m.

## CLEANING DAY

President Fraley asked the office to be closed for Columbus Day, October 9, 2017 for the annual fall cleaning of offices, outside cleaning and cleaning of files.

Director Trent made a motion to allow the office to be closed on October 9, 2017 for cleaning, seconded by Director Martin and unanimously agreed upon.

## HEALTH INSURANCE

Director Arrington asked if we would be interested in EKPC insurance. President Fraley didn't think so, but would ask for a copy of their policy to read.

## COMMITTEES

The Planning and Review Committee is Eddie Martin, Chair; William 'Billy' T. Rice, Roger Trent and Harold Dupuy, ex-officio.  
The Negotiating Committee is Jimmy Whitt, Chair; Kenneth Arrington; Jim Bentley; and Harold Dupuy, ex-officio.

## GREENBO LAKE STATE

A couple of years ago President Fraley had a billing issue with an employee on Greenbo Lake State Park and it happened again. There are expenses with GLSP that were not invoiced.

## BUDGET MEETING

The staff will be having a 2018 budget meeting in October prior to the October Board Meeting. We are trying to keep everything at a minimum and hoping to hold off a rate increase. There are some things we don't need in this budget and will be winterizing the maintenance office. The blacktop was sealed in front and back of the office. We purchased a truck from McFarland Murray.

Director Trent suggested the front porch entrance be replaced.

## MAZIE TOWER

We are having trouble locating the owners of the Mazie tower. Former Lab-Tronic owner would like to purchase it. President Fraley will ask Legal Counsel Scott and his office to attempt to locate the Ison's.

KAEC DIRECTOR'S  
REPORT

Director Whitt presented the following to the Board:

Income to date for the business is \$31,000.

Co-Bank, Luke Gaines presented a check in the amount of \$15,000 for the 2017 Statewide Contribution.

Legislative visits are in January at Buffalo Trace.

The new office building has no place to have a board meeting.

A suggestion was made to lay off three employees at Kentucky Living; Tammy Simmons, Paula Sparrow and an 75 year old employee. They will receive 8 weeks severance, plus sick leave and vacation built up.

## EKPC DIRECTOR'S REPORT

Director Arrington reported the following to the Board:

Experts on federal and environmental regulations stated while the current administration steps slowed, calls for roll back on environmental regulations related to coal fire power plant are still preceding toward compliance, which could pertain to the Spurlock 2 plant. It's on the table at EK and they don't know hardly what to do, as they have to retrofit the Spurlock 2 to gas, or take a chance and wait on the next president. The good thing is the depreciation is good until 2030.

They are trying to change wet ash to dry ash. They are trying to store it and bring it over to Spurlock, if they should close Cooper.

Rest of the meeting went toward a couple of hours of insurance.

Margins and equity running the same as usual.

Cleaned out some old policies:

Board Policy 205 Investments – Cruise handles and he hedges a lot.

## DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Vanceburg Lions Club – 5 <sup>th</sup> Annual Heritage Fest	\$100
Carl W. McCoy – Olive Hill Nat'l Guard Armory Reunion	\$150
Nicholas Yancy Nischan Foundation – sponsorship Funtober Fest	\$125
East Carter FFA – Farm Safety kickoff sponsor for ECHS & WCHS	\$250
Elliott County 4-H Livestock – purchased goat	\$400
Big Sandy RECC – Wade May Memorial Scholarship Golf Scramble	\$50
Lewis Co Softball – Lewis Co. High School – golf scramble	\$50
Grayson Fire Department – sponsor Rescue & Recovery Dive Team	\$50
Rowan County Christmas	\$100
Lewis County Public Library	\$100
Vanceburg Lions Club – veterans	\$100
Ell. Co. Bd. of Ed. - Lakeside School– scoreboard sponsorship	\$200
Gerald Maggard Holy Roller - donation	\$50

Motion was made by Director Whitt, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

## MEETING ATTENDANCE

Meetings presented for attendance this month:

The Regions 2 and 3 Meeting is October 12-13, 2017, in Chattanooga, TN.

President Fraley will be attending the Mountain Meeting October 23, 2017 at Fleming Mason Energy.

MEETING ATTENDANCE  
(CONTINUED)

We may host a meeting for the Public Service Commission on LIHEAP Training, as they are not holding a Statewide meeting this year.

KAEC Annual Meeting, Louisville, KY, November 20-21, 2017, Directors Trent, Rice, Dupuy, Whitt, Arrington, Bentley and staff Bradley Cherry, Kim Bush, Priscilla Sparks and President Fraley. Directors Martin and Arrington may be taking education classes.

NRECA Director's Winter School is in Nashville, TN, December 1-6, 2017. Directors Martin, Trent, Dupuy, Whitt and Bentley plan on attending.

VOTING DELEGATES TO  
CFC DISTRICT 3 MEETING

Director Whitt will serve as the Voting Delegate to CFC District 3 Meeting on October 12-13, 2017 in Chattanooga, TN, and Director Trent will serve as the Alternate Voting Delegate.

2017 KAEC ANNUAL  
MEETING VOTING

Chairman Dupuy will serve as the voting delegate to the 2017 KAEC Annual Meeting and Director Trent will serve as the alternate voting delegate.

DELEGATES AND  
2017 BOARD MEMBERS

President Fraley and Director Whitt will serve as the 2017 KAEC Board Members.

BOARD MEETING DATES

The October Board Meeting will be Monday, October 30, 2017.

ADDITIONAL BUSINESS

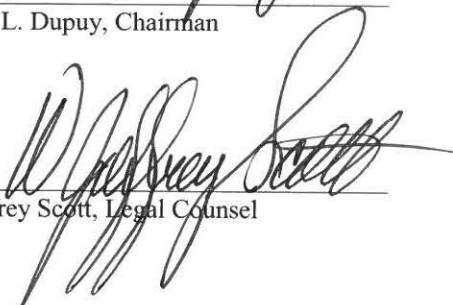
Director Martin asked to table the Bylaws until the October Board Meeting. Chairman Dupuy said there was a consensus of a change or two.

ADJOURN

Chairman Dupuy adjourned the meeting at 2:27 p.m.

  
Harold L. Dupuy, Chairman

  
Billy E. (Eddie) Martin, Secretary/Treasurer

  
W. Jeffrey Scott, Legal Counsel































President and CEO's Expenses

July 2017 - August 2017

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
08/14/17	172389	*Sam's Club – membership renewal	\$45.00
09/07/17	172553	Visa Expenses: <u>July</u> *7/28 – GRECC Board Meeting – meal expense	\$14.91
		Total Expenses	\$59.91

\*Prorated



## DIRECTORS & ATTORNEY EXPENSES

August-17

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### KENNETH ARRINGTON

Per Diem - GRECC Bd. Mtg. (8/25)	\$ 342.80
MISC -	-
VISA - Lunch GRECC Bd. Mtg. (7/28)	14.91
<b>Cash in Lieu of Insurance</b>	637.63
24 - Hr. Insurance	0.49
<b>TOTAL -</b>	<b>\$ 995.83</b>

### JIM BENTLEY

Per Diem - GRECC Bd. Mtg. (8/25)	\$ 301.07
MISC -	-
VISA -	-
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	1.08
<b>TOTAL</b>	<b>\$ 939.78</b>

### HAROLD DUPUY

Per Diem - GRECC Bd. Mtg. (8/25)	\$ 332.10
MISC -	-
VISA - Lunch GRECC Bd. Mtg. (7/28)	14.91
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	0.70
<b>TOTAL -</b>	<b>\$ 985.34</b>

### EDDIE MARTN

Per Diem GRECC Bd. Mtg. (8/25)	\$ 308.56
MISC -	-
VISA -	-
<b>Cash in Lieu of Insurance</b>	637.63
24 - Hr. Insurance	1.08
<b>TOTAL -</b>	<b>\$ 947.27</b>

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**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (8/25)	\$ 321.40
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 959.52</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (8/25)	\$ 337.45
<b>MISC</b>	-	-
<b>VISA</b>	Lunch GRECC Bd. Mtg. (7/28)	14.91
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 990.48</u>

**JIMMY WHITT**

<b>Per Diem</b>	GRECC Bd. Mtg. (8/25)	\$ 322.47
<b>MISC</b>	-	-
<b>VISA</b>	KAEC Bd. Mtg.	166.41
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,127.59</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ -</u>

































# Grayson Rural Electric Financial Report

October 30, 2017

## At A Glance....

August

<u>kWh Sales (08/21 - 09/20)</u>		<u>Margins</u>	
Month	-11.19%	Month \$	(206,574.62)
YTD	-8.51%	YTD \$	(803,166.77)
<u>kWh Purchases (08/01 - 08/30)</u>		<u>OTIER</u>	
Month	-1.62%	Month	(1.41)
YTD	-10.31%	YTD	(0.25)
<u>Line Loss</u>			
Month	14.47%		
YTD	8.23%		

Fuel Adjustment (0.006213)

ESC 9.86%

Degree Days 159

Heating Degree Days 26

Cooling Degree Days 133

### Notes:

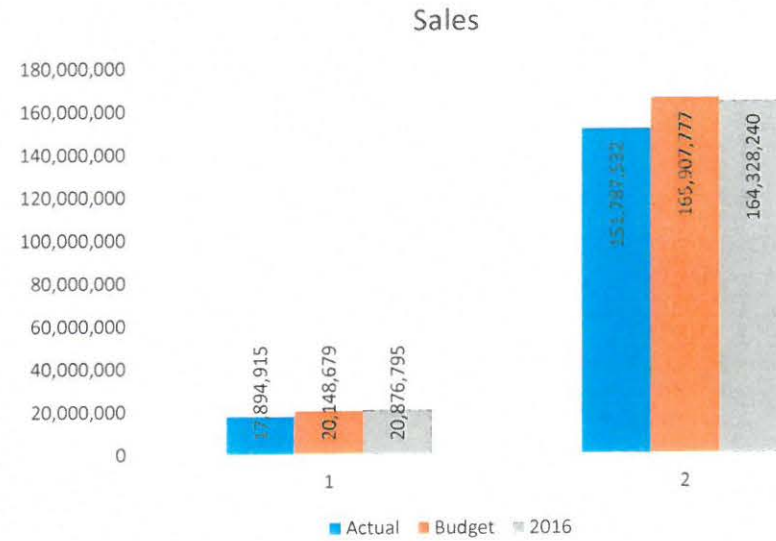
- Capital Credits
- 401K Employer Contribution Rate
- Wage & Salary



## Sales

August

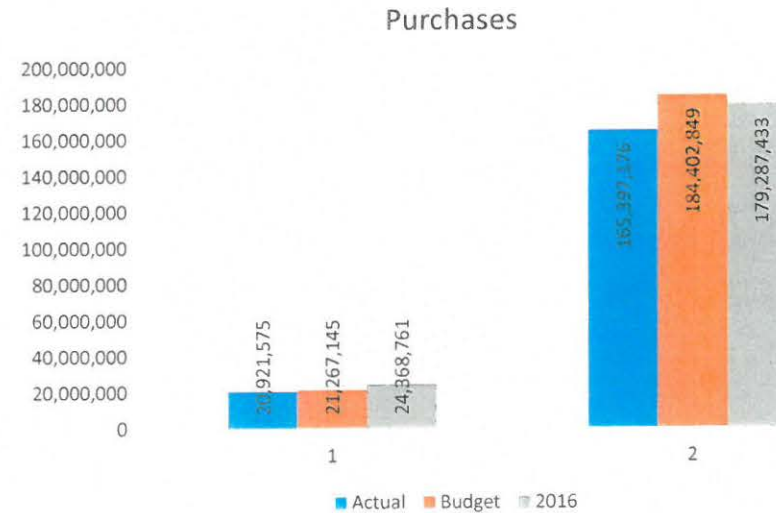
	2017	2016	2016-2014
Actual	17,894,915	20,876,795	19,739,864
Budget	20,148,679		
Difference	(2,253,764)	(2,981,880)	(1,844,949)
	-11.19%	-14.28%	-9.35%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	151,787,532	164,328,240	166,724,793
Budget	165,907,777		
Difference	(14,120,245)	(12,540,708)	(14,937,261)
% Difference	-8.51%	-7.63%	-8.96%



## Purchases

August

	2017	2016	2016-2014
Actual	20,921,575	24,368,761	22,316,528
Budget	21,267,145		
Difference	(345,570)	(3,447,186)	(1,394,953)
	-1.62%	-14.15%	-6.25%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	165,397,176	179,287,433	183,132,034
Budget	184,402,849		
Difference	(19,005,673)	(13,890,257)	(17,734,858)
% Difference	-10.31%	-7.75%	-9.68%









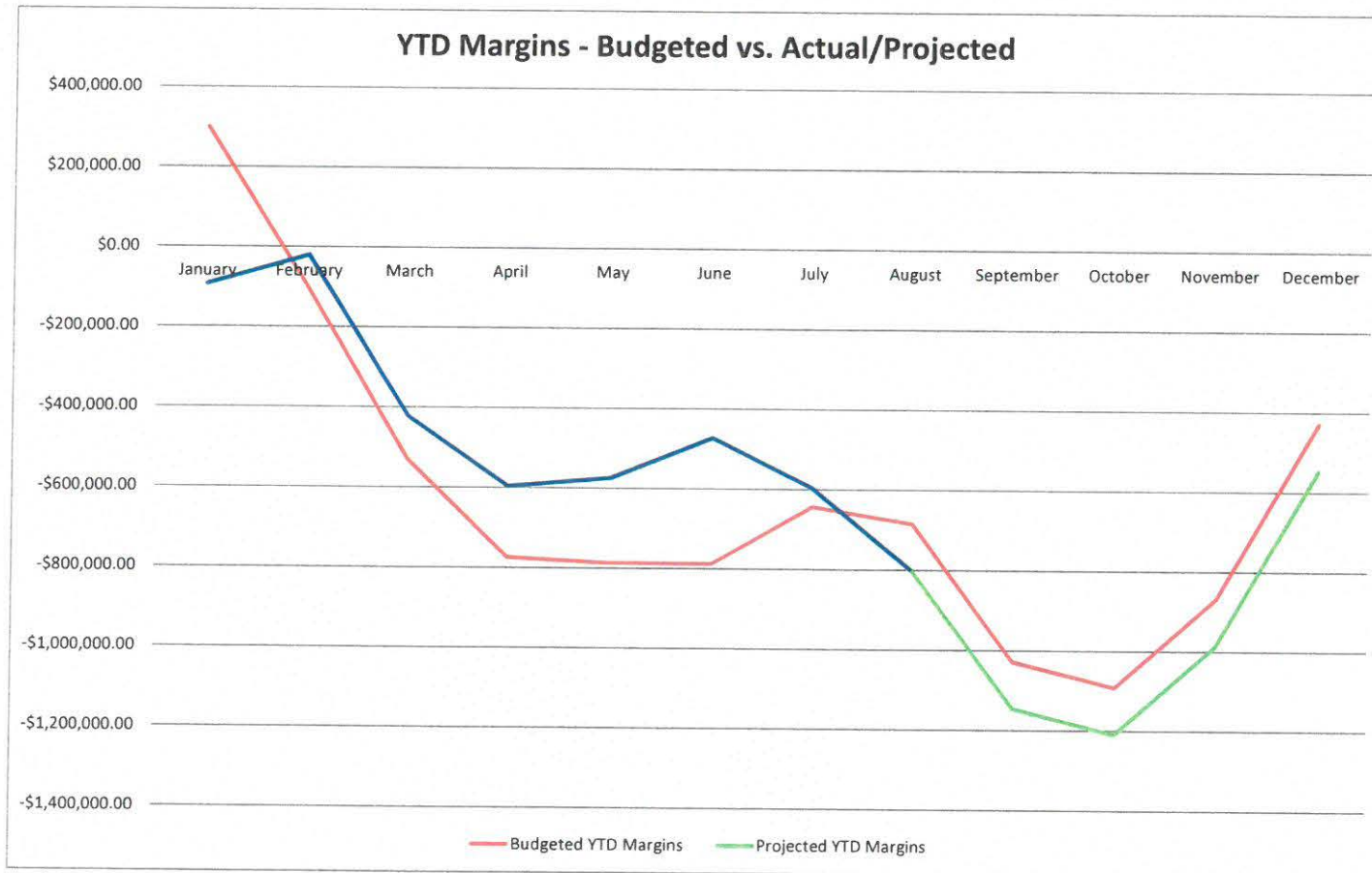


### Monthly Operating Revenue & Expenses

	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017
Revenue	(2,617,477)	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)	(2,008,830)	(2,274,060)	(2,596,741)	(2,548,401)	(2,238,839)
Purchased Power	1,686,525	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615	1,138,407	1,202,985	1,410,600	1,562,764	1,462,002
Gross Margins	<b>(930,952)</b>	<b>(676,259)</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>	<b>(612,007)</b>	<b>(870,423)</b>	<b>(1,071,075)</b>	<b>(1,186,141)</b>	<b>(985,637)</b>	<b>(776,837)</b>
Operations	(17,430)	107,241	132,244	107,439	71,603	125,057	107,653	109,697	139,866	101,961	102,602	116,084	104,155
Maintenance	241,629	239,132	224,687	216,900	306,970	301,310	260,849	318,113	286,651	287,387	303,369	354,631	250,089
Customer Service	98,769	107,556	99,297	100,977	(25,625)	103,387	92,262	97,131	92,360	96,019	95,044	94,080	91,671
Informational Advertising	18,752	32,916	19,504	18,288	20,450	21,735	22,152	21,588	19,678	26,985	16,390	16,492	18,832
Demonstration Advertising	1,460	2,783	1,658	1,565	1,276	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874
Admin & General	170,645	131,232	170,663	196,718	173,417	156,210	142,366	163,245	141,462	166,710	198,796	150,623	160,727
Depreciation	280,885	281,062	282,191	283,297	283,911	284,902	285,509	286,723	288,292	288,987	289,702	290,289	287,738
Regulatory	3,342	3,342	3,342	3,342	3,345	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022
Interest - LTD	76,601	75,759	75,748	74,859	61,057	87,616	73,542	72,685	80,130	79,188	79,454	85,529	85,676
Interest - Deposits	379	378	375	378	369	666	665	663	665	677	671	668	670
Miscellaneous Expense	36,615	5,565	9,631	5,953	3,092	6,114	2,889	1,099	1,004	693	1,764	1,550	3,960
Interest Income	(2,449)	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)
Non-Electric Revenue	(29,261)	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)
Capital Credits	-	(4,059)	(4,884)	-	-	-	-	(53,470)	-	-	(524)	-	-
Margins	(51,014)	307,900	(9,726)	(500,337)	(376,467)	93,390	(72,896)	402,230	173,610	(21,689)	(101,854)	123,799	206,575
* ( )'s = positive margins													
Operating Expenses	911,648	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068	1,055,247	1,054,262	1,093,304	1,115,309	1,009,414
Monthly OTIER	1.67	(3.06)	1.13	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)
Revenue	(30,386,135)	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)	(29,839,936)	(29,786,754)	(29,805,014)	(29,423,738)	(29,045,100)
Purchased Power	17,804,904	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296	17,423,578	17,413,418	17,374,726	17,259,561	17,035,038
Gross Margins	<b>(12,581,231)</b>	<b>(12,559,721)</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>	<b>(12,301,354)</b>	<b>(12,416,358)</b>	<b>(12,373,336)</b>	<b>(12,430,288)</b>	<b>(12,164,177)</b>	<b>(12,010,062)</b>
Operations	1,197,833	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991	1,299,959	1,296,441	1,201,057	1,204,016	1,325,602
Maintenance	3,191,056	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630	3,360,269	3,315,246	3,295,574	3,341,626	3,350,086
Customer Service	1,130,245	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187	1,051,840	1,050,899	1,049,915	1,051,256	1,044,158
Informational Advertising	251,605	257,795	257,035	255,267	256,835	256,050	254,840	255,123	251,076	248,229	245,357	254,500	254,579
Demonstration Advertising	20,801	21,695	21,784	21,801	21,391	22,083	21,753	21,520	21,670	22,348	21,628	21,711	22,125
Admin & General	2,044,129	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307	1,923,844	1,919,970	1,963,936	1,962,086	1,952,168
Depreciation	3,301,456	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812	3,391,510	3,403,080	3,414,522	3,425,750	3,432,603
Regulatory	41,113	41,000	40,887	40,774	40,662	40,598	40,534	40,470	40,406	40,342	41,022	41,702	42,382
Interest - LTD	904,524	905,309	906,975	907,891	895,352	905,097	903,119	900,616	904,907	909,237	913,063	922,170	931,245
Interest - Deposits	3,586	3,841	4,094	4,350	4,514	4,805	5,098	5,389	5,674	5,973	6,267	6,554	6,845
Miscellaneous Expense	31,764	33,845	42,826	46,633	78,323	83,394	82,924	81,222	94,416	77,476	76,720	75,970	43,315
Interest Income	(29,693)	(29,560)	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)
Non-Electric Revenue	(96,261)	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)
Capital Credits	(135,273)	(136,049)	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)
Margins	(724,348)	(727,162)	(733,009)	(1,096,582)	(380,376)	(52,201)	(446,589)	(135,854)	(254,682)	(266,785)	(374,136)	(33,053)	224,535
Operating Expense	12,118,111	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268	12,345,572	12,289,242	12,229,061	12,307,340	12,405,106
Rolling 12 Month OTIER	1.80	1.80	1.81	2.21	1.42	1.06	1.49	1.15	1.28	1.29	1.41	1.04	0.76



	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	-\$173,610.11	-\$243,866.72	\$70,256.61	-\$596,335.77	-\$774,457.16	\$178,121.39	-\$596,335.77
May	\$21,689.25	-\$13,323.72	\$35,012.97	-\$574,646.52	-\$787,780.88	\$213,134.36	-\$574,646.52
June	\$101,853.67	-\$31.72	\$101,885.39	-\$472,792.85	-\$787,812.60	\$315,019.75	-\$472,792.85
July	-\$123,799.30	\$143,434.28	-\$267,233.58	-\$596,592.15	-\$644,378.32	\$47,786.17	-\$596,592.15
August	-\$206,574.62	-\$41,828.72	-\$164,745.90	-\$803,166.77	-\$686,207.04	-\$116,959.73	-\$803,166.77
September	\$0.00	-\$342,634.72			-\$1,028,841.76		-\$1,145,801.49
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$1,209,497.21
November	\$0.00	\$223,335.28			-\$869,202.20		-\$869,202.20
December	\$0.00	\$439,275.94			-\$429,926.26		-\$546,885.99





## Margins/Tier

### August

	2017	2016	2016-2014
Revenue	(2,238,839)	(2,617,477)	(2,530,063)
Purchase Power	1,462,002	1,686,525	1,597,628
<i>Gross Margins</i>	(776,837)	(930,952)	(932,435)
Operating Expenses	1,009,414	911,648	1,014,919
Margins	206,575	(51,014)	73,841
OTIER	(1.41)	1.67	0.04

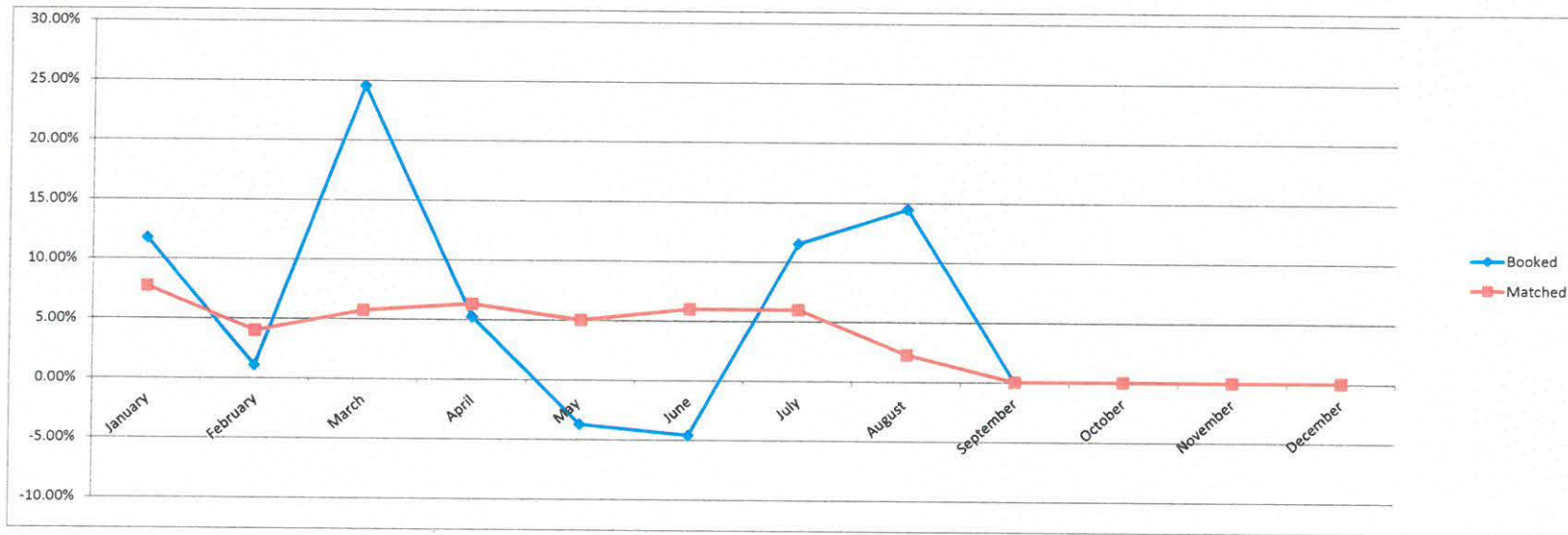
### Year to Date

	2017	2016	2016-2014
Revenue	(18,910,124)	(20,376,167)	(21,099,007)
Purchase Power	11,359,431	12,241,771	12,959,743
<i>Gross Margins</i>	(7,550,693)	(8,134,396)	(8,139,264)
Operating Expenses	8,489,221	8,579,908	8,469,300
Margins	803,166	198,255	138,581
OTIER	-0.25	0.67	0.78





2017	January	February	March	April	May	June	July	August	September	October	November	December	Total 2017
<b>Sales</b>	21,747,637.00	19,980,172.00	16,683,779.00	16,018,879.00	18,242,000.00	20,538,661.00	20,681,489.00	17,894,915.00					151,787,532.00
<b>Purchases:</b>													
<b>Booked</b>	24,645,811.00	20,197,845.00	22,119,941.00	16,902,808.00	17,588,540.00	19,637,908.00	23,382,748.00	20,921,575.00					165,397,176.00
<b>Matched</b>	23,554,988.67	20,806,194.72	17,692,391.74	17,094,704.33	19,204,241.23	21,843,585.25	21,995,260.76	18,303,320.25					160,494,686.95
<b>kWh Loss</b>													
<b>Booked</b>	2,898,174.00	217,673.00	5,436,162.00	883,929.00	-653,460.00	-900,753.00	2,701,259.00	3,026,660.00	0.00	0.00	0.00	0.00	13,609,644.00
<b>Matched</b>	1,807,351.67	826,022.72	1,008,612.74	1,075,825.33	962,241.23	1,304,924.25	1,313,771.76	408,405.25	0.00	0.00	0.00	0.00	8,707,154.95
<b>% Line Loss</b>													
<b>Booked</b>	11.76%	1.08%	24.58%	5.23%	-3.72%	-4.59%	11.55%	14.47%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	8.23%
<b>Matched</b>	7.67%	3.97%	5.70%	6.29%	5.01%	5.97%	5.97%	2.23%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.26%





2017						
Current Year						
	Average	HDD	CDD	HDD	CDD	Average
21-Aug	79	0	14	0	9	74
22-Aug	80	0	15	0	10	75
23-Aug	70	0	5	0	10	75
24-Aug	67	0	2	0	7	72
25-Aug	68	0	3	0	2	67
26-Aug	68	0	3	0	3	68
27-Aug	72	0	7	0	3	68
28-Aug	69	0	4	0	6	71
29-Aug	71	0	6	0	4	69
30-Aug	73	0	8	0	6	71
31-Aug	73	0	8	0	10	75
1-Sep	65	0	0	0	10	75
2-Sep	62	3	0	0	6	71
3-Sep	69	0	4	0	7	72
4-Sep	73	0	8	0	14	79
5-Sep	66	0	1	0	13	78
6-Sep	61	4	0	0	15	80
7-Sep	59	6	0	0	13	78
8-Sep	62	3	0	0	12	77
9-Sep	63	2	0	0	13	78
10-Sep	62	3	0	0	14	79
11-Sep	60	5	0	0	15	80
12-Sep	65	0	0	0	5	70
13-Sep	69	0	4	0	2	67
14-Sep	66	0	1	0	3	68
15-Sep	69	0	4	0	3	68
16-Sep	71	0	6	0	7	72
17-Sep	71	0	6	0	4	69
18-Sep	71	0	6	0	6	71
19-Sep	72	0	7	0	8	73
20-Sep	76	0	11	0	8	73
	68.5	26	133	0	248	73.0
			159		248	

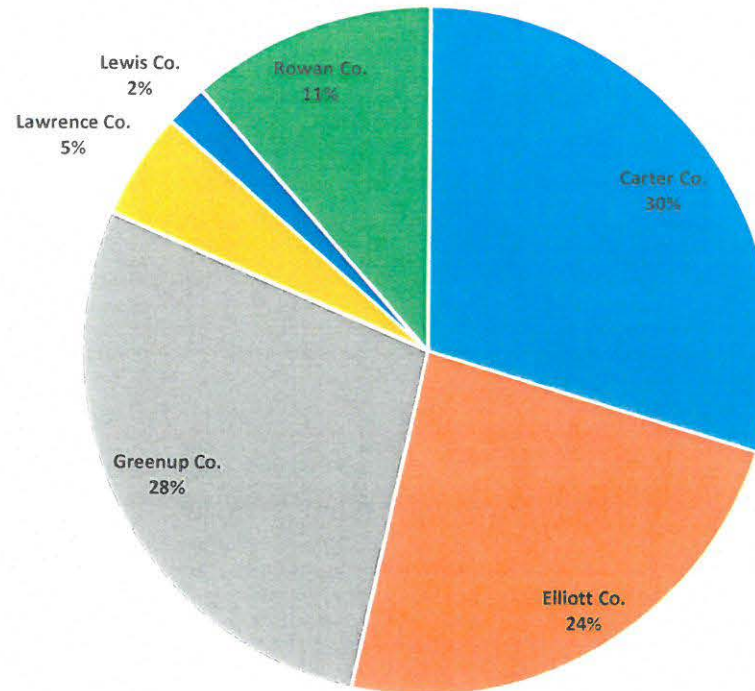
2016						
Previous Year						
	Average	HDD	CDD	HDD	CDD	Average
21-Aug	73	0	8	0	13	78
22-Aug	69	0	4	0	14	79
23-Aug	70	0	5	0	16	81
24-Aug	74	0	9	0	14	79
25-Aug	83	0	18	0	16	81
26-Aug	82	0	17	0	13	78
27-Aug	84	0	19	0	11	76
28-Aug	83	0	18	0	8	73
29-Aug	81	0	16	0	16	81
30-Aug	80	0	15	0	18	83
31-Aug	78	0	13	0	19	84
1-Sep	73	0	8	0	19	84
2-Sep	71	0	6	0	19	84
3-Sep	70	0	5	0	18	83
4-Sep	72	0	7	0	16	81
5-Sep	74	0	9	0	16	81
6-Sep	78	0	13	0	11	76
7-Sep	80	0	15	0	14	79
8-Sep	82	0	17	0	13	78
9-Sep	78	0	13	0	12	77
10-Sep	82	0	17	0	8	73
11-Sep	71	0	6	0	4	69
12-Sep	71	0	6	0	5	70
13-Sep	76	0	11	0	9	74
14-Sep	77	0	12	0	18	83
15-Sep	75	0	10	0	17	82
16-Sep	77	0	12	0	19	84
17-Sep	80	0	15	0	18	83
18-Sep	72	0	7	0	16	81
19-Sep	77	0	12	0	15	80
20-Sep	76	0	11	0	13	78
	76.4	0	354	0	438	79.1
			354		438	



## Bills by County

	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16
Carter Co.	4,607	4,584	4,588	4,587	4,565	4,579	4,573	4,546	4,559	4,562	4,551	4,560	4,588
Elliott Co.	3,686	3,666	3,665	3,642	3,638	3,640	3,668	3,653	3,645	3,679	3,650	3,644	3,672
Greenup Co.	4,368	4,357	4,352	4,334	4,342	4,300	4,323	4,287	4,283	4,326	4,311	4,335	4,332
Lawrence Co.	782	773	781	776	779	774	777	775	777	776	784	789	787
Lewis Co.	313	315	311	311	313	310	310	312	311	312	309	309	310
Rowan Co.	1,771	1,763	1,755	1,757	1,752	1,743	1,751	1,744	1,754	1,765	1,754	1,740	1,754
	15,527	15,458	15,452	15,407	15,389	15,346	15,402	15,317	15,329	15,420	15,359	15,377	15,443

# of Bills  
August 2017





Carter Co.



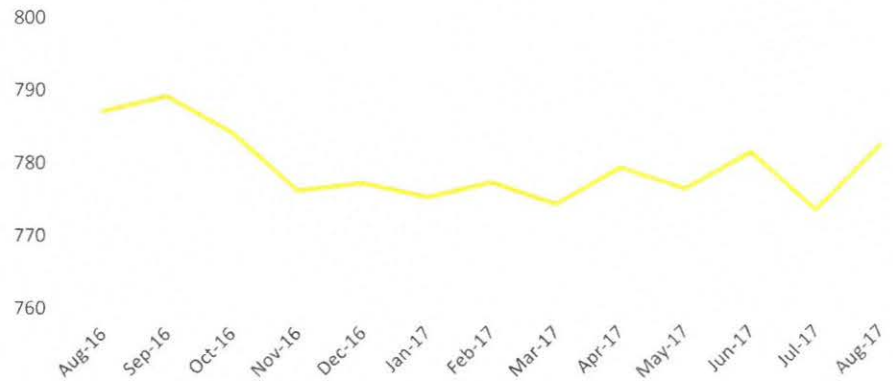
Elliott Co.



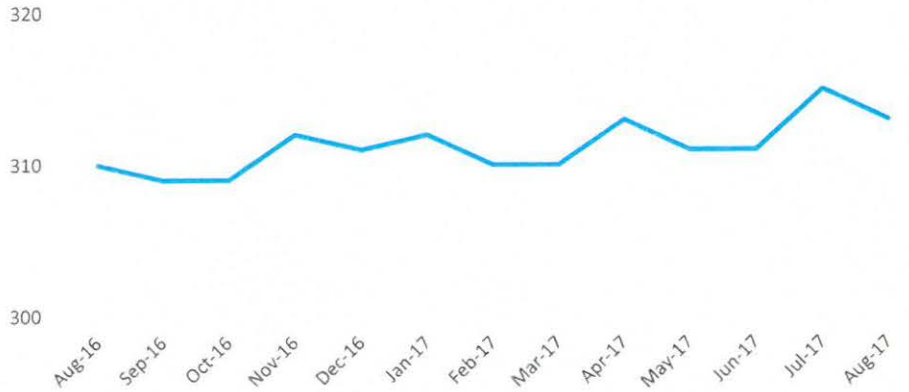
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.







**AUGUST 2017**

**219 ANALYSIS**

W/O							BUDGETED
NBRS	DESCRIPTION		NUMBER		COST	LOAN FUNDS	UNIT COST
							UNIT COST
9	RETIREMENTS		31		467.63	(467.63)	
100	NEW LINE EXTENSIONS		30		84,761.95	84,761.95	2,825.40
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		2		3,735.92	3,735.92	1,867.96
603	SECTIONALIZERS		5		6,026.36	6,026.36	
604	REGULATORS						
606	POLES		31	POLES	117,024.72	117,024.72	3,774.99
701	SECURITY LIGHTS		41		25,513.13	25,513.13	622.27
1600	MINOR PROJECTS		5		8,763.56	8,763.56	
	<b>TOTAL</b>		<b>142</b>		<b>246,293.27</b>	<b>245,358.01</b>	
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	30		25,477.90	25,477.90	849.26
	METERS	370.00	196		47,986.36	47,986.36	244.83
	TURTLES	370.10	0		0.00	0.00	0.00
	DISCONNECT METERS	370.20	0		0.00	0.00	0.00
	OTHER SP EQUIP	365.00	0		0.00	0.00	0.00
	<b>TOTAL</b>		<b>226</b>		<b>73,464.26</b>	<b>73,464.26</b>	
	MATERIAL				<b>59,770.58</b>		
	MATERIAL OH				<b>42,477.24</b>		
	LABOR				<b>25,298.80</b>		
	LABOR OH				<b>64,632.19</b>		







# Grayson Rural Electric Cooperative Corporation

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109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

November 17, 2017

W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION will be held on Wednesday, November 29, 2017 at 9:00 a.m.

We look forward to seeing you at the Board Meeting.

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis



# Grayson Rural Electric Cooperative Corporation

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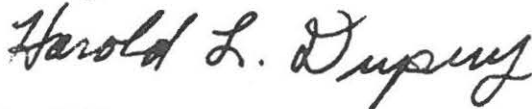
November 17, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and Wednesday, the twenty-ninth day of November, 2017 at 9:00 a.m., for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis





GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION  
BOARD MEETING AGENDA

On November 29, 2017, the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the October 30, 2017 Monthly Board Meeting
4. Technical Services Report – Brian Poling, Manager of Technical Services
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for September 2017 – Bradley Cherry
  - a. Adoption of Wage & Salary Plan to Commence September 1, 2018 - Planning and Review Committee
  - b. Consideration of Hourly & Salaried Employee Wages – Planning & Review Committee
  - c. Consideration of Ratification of Union Contract 2018 thru 2023 – Negotiating Committee
6. Manager of Marketing & Member Services Report – Kim Bush
7. Operations Report and Safety Report – Kyle Clevenger, Manager of Operations
8. Approval of One Hundred Fourteen (114) New Memberships and Retirement of One Hundred Twenty (120) Existing Memberships for October 2017
9. Consider Approval of Accounts to be Charged Off to Reserve \$1,421.16
10. Consider Approval of President’s Business Expense in the Amount of \$40.88, Director’s Business Expense in the Amount of \$10,674.99 and Attorney’s Business Expense in the Amount of \$.00
11. President’s Report – Carol Hall Fraley
12. Cooperative Legal Matters – W. Jeffrey Scott
13. KAEC Director’s Report – Jimmy Whitt
14. EKPC Director’s Report – Kenneth Arrington
15. Consider Community Services and/or Donations
16. Attendance at Meetings – Directors & Employees
17. Review and Consider Approval of Proposed Changes in Bylaws
18. Confirm Date for the December Board Meeting Thursday, December 21, 2017
19. Additional Business
20. Adjourn



On October 30, 2017 at 9:00 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Rice gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve the minutes from the September Board Meeting for informational purposes only.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Technical Services Supervisor, gave the IT Department report.
DAVEY RESOURCE GROUP	Davey Resource Group has almost completed the field inventory on our system. There will still be someone in the field checking the data for a while. We also will have two people in the Pactolus, Warnock and Low Gap area collecting additional pole attachment data. We changed the way we wanted the attachments counted before they started Argentum, therefore the data on the first three substations will be changed. State Route 201 and couple of oil wells remain to be completed. To date we have spent \$532,952.22 on the project. Our budget was \$800,930.
PSC-CPCN-AMI PSC CASE # 201-00419	<p>We have submitted an application to the Public Service Commission for our proposed AMI upgrade. The PSC has given us a case number of 2017-00419. We also received the 'Acknowledgement Letter' and the 'No Deficiency Letter' meaning the application was properly filed. We expect to answer additional questions on a conference call.</p> <p>Someone with the Attorney General's office called Legal Counsel Scott and he was unavailable. He will return their call and set up a date and time for the conference call.</p>
CYBER SECURITY RISK ASSESSMENT	We have contracted NetGain Technologies to conduct a Cyber Security Risk Assessment. They will be onsite Wednesday and Thursday of this week then evaluate us by remote for the next few weeks. Chairman Dupuy said at the Regions 2 & 3 Meeting the speaker's topic, IT3 Cyber Security Program, had an app that could pick up your cell number/info.
MICROSOFT AUDIT	<p>Microsoft informed us last week that we have been chosen for an audit of all our Microsoft Products and Licenses. They ask for certain information to be returned by the 8<sup>th</sup> of November. Due to the large amount of time required to gather the information, we have asked for an extension.</p> <p>Other cooperatives who have been asked in the past to do the same. Those who ignored the request received a visit from Microsoft's investigation team and ultimately paid fines to Microsoft for violations.</p>
ANITA BELLEW / PEGGY SKAGGS	Brian said that Anita Bellew has moved from the billing department and will serve as Billing Administrator. Peggy Skaggs has become the AMI Administrator, a new position that is needed with the mapping program.

ANITA BELLEW/  
PEGGY SKAGGS  
(CONTINUED)

President Fraley said that leaves four employees In the Member Service Service Department. Our two new billing cycles should spread the work load for those four to handle the work. Half of the work will be done the first two weeks. Then the second cycle will be due and finish the last of the month.

It looks as though EKPC will stop sponsoring Demand Side Management programs and Tina Preece will handle high bill complaints, assist in the Member Services Department and home energy audits. Her job description will need to be redone. We have four additional people answering the phones: Nancy Madden, Caitlin Hutchinson, Sue Roberts and Julie Lewis.

RIGHT-OF-WAY EASEMENTS

President Fraley asked Legal Counsel Scott for his advice on handling GRECC's right-of-way easements. Many easements cannot be identified with current property descriptions. We have many out of state property owners and also a lot of property owned by more than one family member or partner. We are asking all new property owners to provide us with a new Right-of-Way Easement.

Legal Counsel Scott felt we should get an easement on all property owners, and record then along with other easements we have that are not already recorded. The recording fee is \$13 per easement. This establishes a contractual relationship between member and GRECC.

NATHAN WHITT

We received a call from Nathan Whitt regarding work we had done on his property. He would like to be reimbursed for any damages. Upon advice from Legal Counsel Scott, President Fraley notified Federated Insurance.

FINANCIAL REPORT

Bradley Cherry, Manager of Finance and Accounting, presented the Financial & Statistical Report for August 2017, as follows:

FINANCIAL & STATISTICAL  
REPORT FOR AUGUST 2017

Kilowatt hour sales for the month of August (8/21-9/20) were -11.19% over budget. Purchases for the time period of 8/1-30 were -1.62% over budget. Line loss for the last twelve months was 8.23%. Year to date margins were (\$803,167) with the budgeted amount of (\$686,207).

SALES AND PURCHASES

Sales were down (11.19%) and purchases were down (1.62%). This has to do with line loss and temperature data. Next month he will present the last two years of sales and purchases. November thru January and June and July are our kWh sales months. The 2017 projected margins are (\$546,886). Chairman Dupuy pointed out we lost \$400,000 since last year and thinks it would be interesting to see the difference over a 5 year period. Mr. Cherry stated we are \$600,000 off of what our average usually is.

MOUNTAIN GROUP

When the Mountain Group met last week everyone discussed the impact of low usage and kWh sales. Licking Valley, may have to go in for another rate increase after the one they were awarded a few months ago. Big Sandy went in for an increase of \$21.25 on customer charge and hardly anything on kWh. The customer charges for Ohio, Indiana and Tennessee are between \$40 and \$60.

T.I.E.R

The monthly O.T.I.E.R is (1.41%) and the rolling 12 months average is 0.76 O.T.I.E.R.

FUEL ADJUSTMENT

The fuel adjustment factor for the period was (0.006213).

ESC

The environmental surcharge was 9.86%.

DEGREE DAYS	There were 159 degree days; 133 cooling degree days and 26 heating degree days for this period. There was a 6.1 degree difference from last year to this year.
CONSUMERS BY COUNTY	For the month of August the number of bills by county was: Carter 4,607 (30%), Elliott 3,686 (24%), Greenup 4,368 (28%), Lawrence 782 (5%), Lewis 313 (2%) and Rowan 1,771 (11%), an increase of 69 bills.
CAPITAL CREDITS	We paid fifteen (15) capital credits applications in October in the amount of \$16,067.97. The total number of deceased estates paid to date is one hundred twenty-two (122) for a total of \$122,195.54. We have fourteen (14) incomplete applications at this time.
RATE INCREASE	Due to a (\$600,000) deficit, we are possibly going to look at a rate increase, using 2017 as a test year. We will need a Cost of Service Study. Once this is done, the PSC will allow us to structure our rate case.
PLANNING REVIEW COMMITTEE MEETING	The Planning and Review Committee will meet on November 15, 2017 at 9:00 a.m. to review our Wage and Salary Study.
APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR AUGUST 2017	Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for August 2017 as presented, for informational purposes only.
RESOLUTION AUTHORIZING THE AMENDMENT OF THE NRECA 401(K) PENSION PLAN ADOPTION AGREEMENT "A" RUS#: 18061-001; 18061-002	As part of our 401(k) plan the Co-op each year contributes an amount that coincides with the long term disability plan. Next year our long term disability rate goes from \$.0618 per \$100 to \$.0645. We have to change our Employer Based Contribution percentage and that requires a Board Resolution. The Resolution will state the increase shall be from .7416% of the Participant's Base Compensation to .7740% from this year to next year.

GO TO PAGE 4

RESOLUTION AUTHORIZING THE AMENDMENT  
OF THE NRECA 401(K) PENSION PLAN ADOPTION  
AGREEMENT 'A' RUS#: 18061-001 18061-002 (CONTINUED)

**RESOLUTION  
AUTHORIZING THE AMENDMENT OF THE  
NRECA 401(k) PENSION PLAN  
Adoption Agreement "A"  
RUS#: 18061-001; 18061-002**

**WHEREAS**, Grayson Rural Electric Cooperative Corporation ("Grayson RECC") is participating in the NRECA sponsored defined contribution plan, the 401(k) Pension Plan (the "401(k) Plan"), and;

**WHEREAS**, The Board of Directors of Grayson RECC ("the Board") now desires to amend this plan pursuant to Section 18.2 of the 401(k) Plan document and does hereby authorize the amendment effective January 1, 2018, by executing the appropriate Adoption Agreements;

**BE IT RESOLVED**, that the amendment to the 401(k) Plan is as follows:

The Employer Base Contribution shall be increased from .7416% of the Participant's Base Compensation to .7740% of the Participant's Base Compensation. All other Plan provisions shall remain unchanged.

**BE IT FURTHER RESOLVED**, that the Board does hereby authorize and direct Carol Hall-Fraleay, the President & CEO or her designee, to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

**CERTIFICATE OF SECRETARY**

I, Billy E. "Eddie" Martin, certify that I am Secretary of the Grayson RECC Board of Directors and that the above is a true excerpt from the minutes of a regular board meeting of the Board of Directors held on the 30<sup>th</sup> day of October, 2017, at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

**IN WITNESS WHEREOF**, I have set my hand and affixed the seal of Grayson Rural Electric Cooperative Corporation this 30 day of October, 2017.

(Seal)

  
(Signature of Secretary)

Motion was made by Director Trent to approve the proposed Resolution Authorizing the Amendment of the NRECA 401(k) Pension Plan Adoption Agreement "A" RUS#: 18061-001; 18061-002 as presented, seconded by Director Martin and unanimously agreed upon.

## OPERATIONS REPORT

Kyle Clevenger, Manager of Operations, gave the Operations Report & Safety Report. Mr. Clevenger reported on the following:

There were no lost time accidents to report this month.

## SAFETY REPORT

The following safety meetings were held during September:

September 5 – Sherry Buckler, Manager of Accounting & Human Resources, turned the meeting over to Robert Brown who presented a power point on Fire Extinguisher Safety and explained where all the extinguishers were at the Co-op. Kyle Clevenger reminded everyone that it is wet outside and to be careful with slips, trips, and falls.

September 12 – Kim Bush, Manager of Marketing and Member Services, turned the meeting over to Robert Thornton with KAEC. He presented a power point on Basic Work Zone Traffic Control and Flagger Refresher Training. He also encouraged Material Handling, check all materials used, “Inspect, Inspect, Inspect”. Chris Mosier had prayer for Jamey Withrow, Justin Staniford, Ryan Rice, and Bryan Rogers that will be going to help our sister Co-op in Georgia with storm work. Kyle Clevenger reminded everyone to be careful this week.

September 18 – Bradley Cherry, Manager of Finance and Accounting, turned the meeting over to Tina Preece who presented a power point on Net Metering, Member’s Responsibility, Grayson’s Responsibility, and the Cooperative Solar Project. Certificates were given to Justin Staniford for Basic Skills Workshop and Roger Kitchen and Joe Sargent for Haz-Mat Refresher. Kyle Clevenger reminded everyone to be careful this week.

September 25 – Kyle Clevenger, Manager of Operations, was in charge of meeting. Gina Damron and Kenny Redmond with Dr. Gupta’s office was here to administer flu shots to the Board members and employees.

Kyle continues to mention the necessity and importance of hard hats, rubber gloves and the use of ground chains. A line is not dead until it is grounded.

## CONSTRUCTION

Construction built one hundred forty-two (142) new work orders for the month of September and worked zero (0) hour of overtime.

## OVERTIME HOURS

The Maintenance Department worked five hundred ninety-eight (598) hours of overtime during the month of September. The Engineering Department worked zero (0) hours of overtime.

## DELINQUENT NOTICES

There were 186 delinquents for October. One hundred fifty-two (152) cards were issued to be disconnected and 34 accounts were disconnected by remote meter. Field personnel disconnected an additional 6 meters for a total of 40 disconnects and 14 accounts were reconnected on October 5<sup>th</sup>. On October 10<sup>th</sup> there were 10 meters disconnected. A total of 0 meters was reconnected.

CONTRACT CREWS

We have three (3) Pike crews working in the following areas:

Tony Seagraves – ST RT 173, Rowan County. He will be moving to Blaine on ST RT 201.

Bruce Wynn – Alcorn, Greenup County. He moved to Lost Creek, Greenup County the last half of September.

Clyde Russell Thompson – Miscellaneous pole changes. This crew has been let go.

RIGHT-OF-WAY CREWS

We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 593 trees, cut 1,085 trees, cut 42,440 feet of brush/line and sprayed 250 spans of line. The crews are working in the following areas:

1 cutting crew in Carter, Lewis and Greenup Counties

2 cutting crews in Rowan and Elliott Counties

1 bucket truck crew in Carter, Lewis and Greenup Counties

1 bucket truck crew in Rowan County

1 bucket truck crew in Elliott County

1 tractor crew in Greenup County

3 spray crews in Greenup County

Bobby Smith Tree Service – circuit crew is working at Corral Park. We will have the left side finished this week.

ENGINEERING REPORT

The Engineering Department released one hundred eighteen (118) prints consisting of 20,247 feet of primary line and 2,486 feet of service wire. We currently have two (2) new services to be staked and two (2) to be drawn. There are approximately seventeen (17) miscellaneous jobs to be staked or drawn.

STATE ROUTE 201 JOB

Director Arrington discussed the ST RT 201 job with Kyle. It stopped at Harris Branch. The next span covers about one tenth to two tenths of a mile to a new house at Raccoon. He thinks there is a creek crossing at the mouth of Raccoon that could be tied together to avoid crossing the creek. Another option might be to bring it along the road, if the state would allow it. Kyle said he would look at the print and check with Joe Sargent.

SCHULTZ – BRIARY R/W

Chairman Dupuy asked Mike Martin if he would look at the Schultz to Briary right-of-way. Mike said there is a tractor working the area now.

RAY BALDRIDGE

Director Trent asked Kyle if Ray Baldrige was checked and taken care of and Kyle said he was.

MANAGER OF MARKETING AND MEMBER SERVICES

Kim Bush, Manager of Marketing and Member Services, gave her report:

NEW BILL CHANGE DATES

The Member Services Department is getting ready for the cycle change coming in November. Over 1,500 letters were mailed to members that utilize our Auto-Pay service as well as Draft on their accounts. We have advertised the changes on our website, facebook page, twitter and with an email blast to all members that have give us an email address.



LIHEAP We are also getting ready for the 2017/2018 LIHEAP season. All employees have been updated on the PSC Rules and Regulations and their requirements have been met. Pre-applications are being taking for the elderly and the sick.

PREPAYS Prepays continue to grow with 688 active prepay accounts.

PrePay Summary:

15 Inactive Accounts  
Average Balance on accounts – ( \$45.15)  
Avg kWh Usage – 28 daily  
Total Number of Payments in 30 days – 2,597  
Average Payment – \$32.39  
Total Payment Amount – \$84,118.32

DEBT MANAGEMENT Debt Management Summary:

64 active accounts with debt management  
Total amount in Debt Management=\$18,035.37  
9% of active accounts have Debt Management  
Under \$100=18                      \$100-\$199=13                      \$200-\$299=11  
\$300-\$399=10                      \$400-\$499=7                      over \$500=5

ENERGY EFFICIENCY Tina is busy with energy audits. Audits performed were:  
12 Energy Audits; 1 Commercial Lighting (in progress); 1 Billing Insights  
Rebates for our members: 3 Clothes Washer; 1 Dishwasher; 1 Refrigerator;  
and Freezers  
We sold 33 Coperative Solar One panels (3 members).

SCHOOL/COMMUNITY PROGRAMS October 2-3 Robert and Julie worked the Carter County Conservation District – 4<sup>th</sup> graders– 500 kids  
October 10 – Carter, Greenup, Elliott and Rowan First Responders – 87  
October 26 - Lawrence County – Blaine Elementary Safe Trick or Treating - 300 worked by Peggy Wells  
October 7 – Bblaine Autumn Fest – worked by Kenneth and Edna Arrington

ANOUNCEMENTS Dec. 8 – Service Award Dinner 6:00 – 9:00 p.m. Olive Hill Historical Soc.  
Dec. 21 – 12:00 p.m. – Board lunch with the employees

APPROVAL OF NEW MEMBERSHIPS & RETIREMENT OF EXISTING MEMBRISIPS Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve ninety-four (94) new memberships and retirement of one hundred four (104) existing memberships for September 2017.

BAD DEBT WRITE-OFFS Motion was made by Director Bentley, seconded by Director Whitt and unanimously agreed to charge off \$2,354.50 worth of bad debts and turn them over for collection.

APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY BUSINESS EXPENSES Motion was made by Director Trent, seconded by Director Rice and unanimously agreed to approve the President's business expense of \$59.51, Director's business expenses of \$6,945.81 and Attorney's business expense of \$.00.

PRESIDENT'S REPORT President Fraley reported on the following:

PROPOSED WRITE-OFF'S

The accounting department gave President Fraley four names to submit to the Board for approval of write-offs on account numbers 142.20 and 142.21. They are:

Bradley A. Cordle – car accident – broken pole at River Park 2014	\$1,080.39
Jessica A. Henderson – car accident – broken pole at Christy Creek 2012	\$1,077.67
Randal Thomas – accident on State Route 2 (7/20/2016) –	\$ 98.20
Kyle Reynolds – stolen meter (June 2015) – Olive Hill customer using our meter –	
	<u>\$ 134.33</u>
Total amount asked to be charged off:	\$2,390.59

Motion was made to write off the four accounts totaling \$2,390.59 by Director Martin, seconded by Director Arrington and unanimously agreed upon.

CALENDAR UPDATES

President Fraley went over the upcoming meeting dates for November and December 2017. The scheduled meeting dates are:

\*Wednesday, November 1, 10:00 a.m. – EKPC Solar Panel dedication – EKPC – Director Arrington, President Fraley, Tina Preece and Kim Bush will be attending.

\*Wednesday, November 15, 9:00 a.m. – Planning and Review Committee (Directors Martin, Rice, Trent and Dupuy) to discuss Wage and Salary Study.

\*Thursday, November 16, 9:00 a.m. – Negotiating Committee (Directors Whitt, Arrington, Bentley and Dupuy) to discuss union contract. President Fraley is having a meeting with the union on Tuesday, November 7, 8:30 a.m. She hopes to have something for the committee to adopt.

\*Wednesday, November 29, 9:00 a.m. – November Board Meeting. There will also be a vote on the union contract and a vote on the wage and salary plan.

\*Thursday, December 14, 9:00 a.m. – Planning and Review Committee (Directors Martin, Rice, Trent and Dupuy) to discuss the 2018 budget.

\*Thursday, December 21, 9:00 a.m. – December Board Meeting and Christmas lunch with the employees.

The Wage and Salary Plan was conducted last Wednesday and Thursday with Dan Bruning from NRECA. He compared our wages to the local co-ops and the job market in Ohio, Kentucky and West Virginia. All staff was involved and worked on job description. We will be presenting the study to the Planning and Review Committee on Wednesday, November 15, 2017.

GREENBO LAKE STATE PARK

President Fraley is working with Greenbo Lake State Park to reconcile some invoices.

RATE CASE

We are going to continue to work on the possibility of a rate case and will keep the Board informed each month.

KAEC VOTING DELEGATES

Chairman Dupuy appointed Director Roger Trent, 2017 KAEC Voting Delegate, Chairman Dupuy, Alternate Voting Delegate, President Carol Hall Fraley and Director Jimmy Whitt as 2018 KAEC Board Members.

OCONEE EMC

Terry Howard, COO at Oconee EMC, Dudley, Georgia, praised Jamey Withrow and his crew for assistance with storm work Hurricane Erma caused in Georgia.

RESAP GRECC received from KAEC a Certificate of Safety Achievement (RESAP) for 2017.

Director Martin mentioned Carl Wright from MACED would pay energy advisors wages for nine months. President Fraley said she would check with Tina.

LEGAL COUNSEL'S REPORT Legal Counsel Scott stated he discussed his report during the meeting.

Legal Counsel asked for permission to attend the legal counsel session at the KAEC Annual Meeting on November 18-20 in Louisville, KY. The Board agreed to him attending the meeting.

KAEC DIRECTOR'S REPORT Director Whitt reported the following:

Handed out KAEC September minutes showing year to date revenue in the amount of \$31,000.

Chris Perry, President, was evaluated by the Board and given a raise.

Handed out KAEC's October's Board Meeting minutes.

EKPC DIRECTOR'S REPORT Director Arrington gave the EKPC report as follows:

3 year project to remove ash from Dale Station.

In 2015, 36,000 truckloads of ash was excavated and transported to Dale Station to the landfill at Smith Station. State officials certified that the ash has been removed from several areas of the plant where it had been stored over the years. Last week, over a four day period, crews worked around the clock to remove ash from the sensitive area near the Kentucky River and stack it in former pole yard.

EKPC's solar panels has been completed with 320,000 solar panels installed. More than 400 panels have been licensed. Crews are completing the wiring of feeding the energy to the grid.

Mosier reviewed the option of insuring Spurlock Station to bring into compliance that the regulators was able to meet the governmental impact of coal and ash from the plant.

Rodney Hitch received a Reward of Excellence in Economic Development at the International Economic Development Conference in Toronto, Canada.

Margins and equity running the same.

THANK YOU We received a thank you letter from the Lions Club, Lewis County.

DONATIONS President Fraley presented to the Board for their consideration the following donation requests:

Elliott County Archery Team – sponsorship	\$100
First Baptist Church – meals for the holidays	\$125
Friends of the Program – Raider Turkey Trot 5k run	\$100
Project Merry Christmas	\$200

Motion was made by Director Whitt, seconded by Director Martin and unanimously agreed to approve the donations as presented.

KAEC / WIRE MEETINGS Directors that will be attending the KAEC Annual Meeting on November 20-21, 2017 in Louisville, KY are Directors Dupuy, Trent, Whitt and Arrington. Director Arrington will also be attending a class on November 19, 2017. Legal

KAEC / WIRE MEETINGS  
(CONTINUED)

Counsel Scott will be attending the KAEC Attorney's Meeting on Sunday, November 19<sup>th</sup> and Monday, November 20<sup>th</sup>. President Fraley, Kimberly Bush, Priscilla Sparks and Bradley Cherry will be attending the KAEC Annual Meeting and W.I.R.E. Meeting.

BYLAWS

The Bylaws were tabled until the November Board Meeting.

ADDITIONAL BUSINESS

There was no additional business.

BOARD MEETING DATE

The November Board Meeting will be on Wednesday, November 29<sup>th</sup>.

EXECUTIVE SESSION

President Fraley asked to go into Executive Session at 12:09 p.m.

ADJOURN

Chairman Dupuy adjourned the meeting at 1:04 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

---

W. Jeffrey Scott, Legal Counsel

Minutes of the Executive Session of the October 30, 2017 GRECC Board Meeting

On October 30, 2017 Grayson Rural Electric Cooperative Corporation held an executive session during its regular board meeting.

EXECUTIVE SESSION

President Fraley asked to go into Executive Session at 12:09 p.m.

The meeting was in regards to the upcoming union contract.

The meeting was called to come out of Executive Session at 1:04 p.m.

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Harold Dupuy, Chairman

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Billy E. (Eddie) Martin, Secretary/Treasurer

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W. Jeffrey Scott, Legal Counsel































President and CEO's Expenses

August 2017 - September 2017

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
10/05/17	172804	Visa Expenses	
		*8/19 – Staff Meeting – meal expense	\$13.94
		*8/25 – GRECC Board Meeting – meal expense	\$15.82
		*9/07 – Collections – worked lunch – meal expense	\$11.12
		Total Expenses	\$40.88

\*Prorated



## DIRECTORS & ATTORNEY EXPENSES

September-17

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### KENNETH ARRINGTON

<b>Per Diem</b> - GRECC Bd. Mtg. (9/25)	\$ 342.80
<b>MISC</b> -	-
<b>VISA</b> - Registration Region II & III	1,044.00
<b>Cash in Lieu of Insurance</b>	637.63
24 - Hr. Insurance	0.49
<b>TOTAL</b> -	<u>\$ 2,024.92</u>

### JIM BENTLEY

<b>Per Diem</b> - GRECC Bd. Mtg. (9/25)	\$ 301.07
<b>MISC</b> -	-
<b>VISA</b> - Registration II & III	1,044.00
Lunch GRECC Bd. Mtg. (8/25)	15.82
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	1.08
<b>TOTAL</b>	<u>\$ 1,999.60</u>

### HAROLD DUPUY

<b>Per Diem</b> - GRECC Bd. Mtg. (9/25)	\$ 332.10
<b>MISC</b> -	-
<b>VISA</b> - Registration Region II & III	435.00
<b>Cash in Lieu of Insurance</b>	637.63
24-Hr. Insurance	0.70
<b>TOTAL</b> -	<u>\$ 1,405.43</u>

### EDDIE MARTN

<b>Per Diem</b> GRECC Bd. Mtg. (9/25)	\$ 308.56
<b>MISC</b> -	-
<b>VISA</b> - Lunch GRECC Bd. Mtg. (8/25)	15.82
<b>Cash in Lieu of Insurance</b>	637.63
24 - Hr. Insurance	1.08
<b>TOTAL</b> -	<u>\$ 963.09</u>

**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (9/25)	\$ 321.40
<b>MISC</b>	-	-
<b>VISA</b>	- Lunch GRECC Bd. Mtg. (8/25)	15.82
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 975.34</u>

**ROGER TRENT**

<b>Per Diem</b>	GRECC Bd. Mtg. (9/25)	\$ 337.45
<b>MISC</b>	-	-
<b>VISA</b>	- Registration Region II & III	435.00
	Lunch GRECC Bd. Mtg. (8/25)	15.82
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 1,426.39</u>

**JIMMY WHITT**

<b>Per Diem</b>	KAEC Bd. Mtg. (9/18); GRECC Bd. Mtg. (9/25)	\$ 806.51
<b>MISC</b>	-	-
<b>VISA</b>	- Registration Region II & III	435.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 1,880.22</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ -</u>





































# Grayson Rural Electric Financial Report

November 29, 2017

## At A Glance....

September

<u>kWh Sales (09/21 - 09/30)</u>		<u>Margins</u>	
Month	-11.19%	Month	\$ (1,292,347.44)
YTD	-8.51%	YTD	\$ (2,095,514.21)
<u>kWh Purchases (09/01 - 09/30)</u>		<u>OTIER</u>	
Month	-1.62%	Month	
YTD	-10.31%	YTD	
<u>Line Loss</u>			
Month	57.35%		
YTD	12.95%		

Fuel Adjustment (0.008140)

ESC 8.80%

## Degree Days

Heating Degree Days

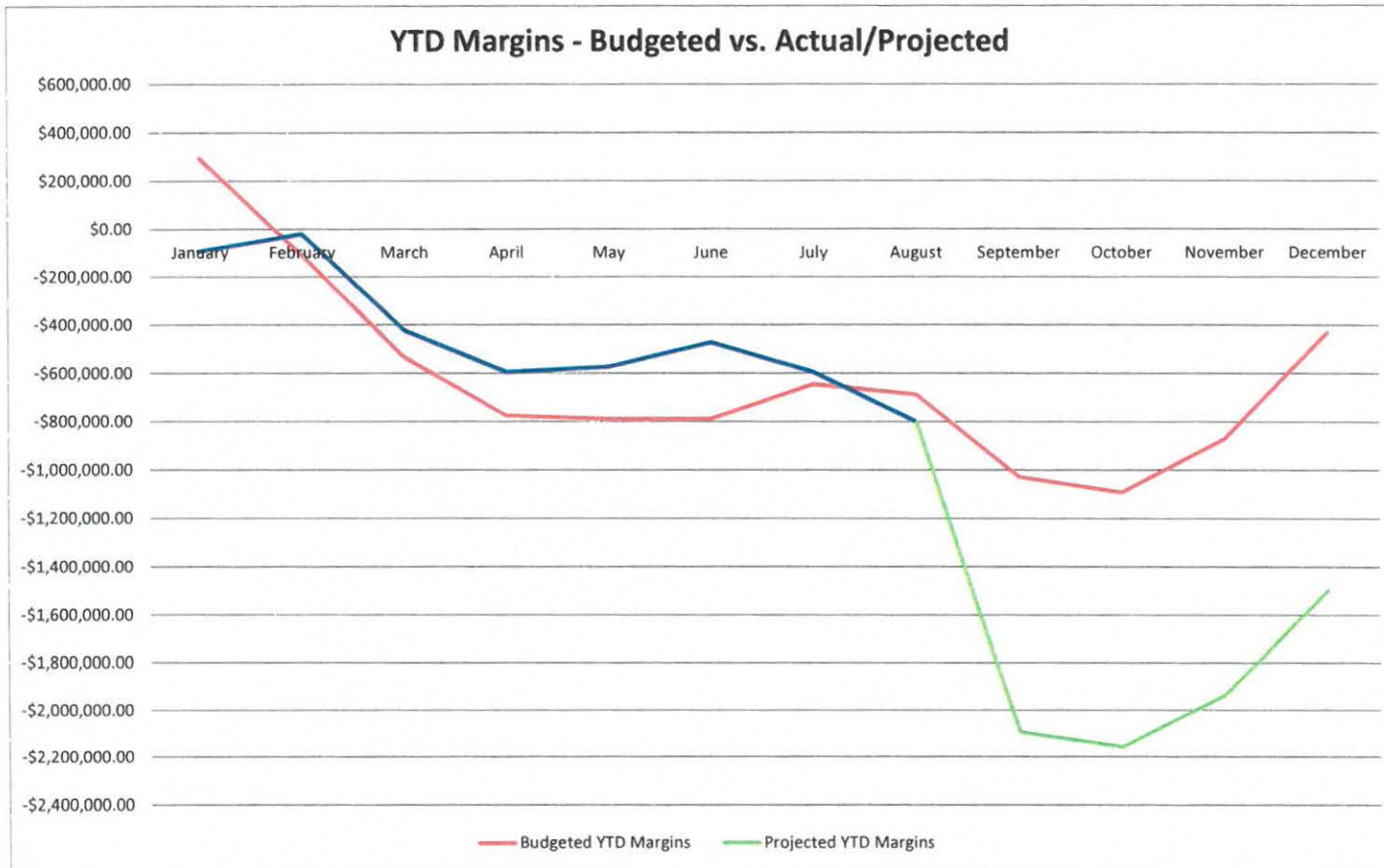
Cooling Degree Days

## Notes:





	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	-\$173,610.11	-\$243,866.72	\$70,256.61	-\$596,335.77	-\$774,457.16	\$178,121.39	-\$596,335.77
May	\$21,689.25	-\$13,323.72	\$35,012.97	-\$574,646.52	-\$787,780.88	\$213,134.36	-\$574,646.52
June	\$101,853.67	-\$31.72	\$101,885.39	-\$472,792.85	-\$787,812.60	\$315,019.75	-\$472,792.85
July	-\$123,799.30	\$143,434.28	-\$267,233.58	-\$596,592.15	-\$644,378.32	\$47,786.17	-\$596,592.15
August	-\$206,574.62	-\$41,828.72	-\$164,745.90	-\$803,166.77	-\$686,207.04	-\$116,959.73	-\$803,166.77
September	-\$1,292,347.44	-\$342,634.72	-\$949,712.72	-\$2,095,514.21	-\$1,028,841.76	-\$1,066,672.45	-\$2,095,514.21
October	\$0.00	-\$63,695.72			-\$1,092,537.48		-\$2,159,209.93
November	\$0.00	\$223,335.28			-\$869,202.20		-\$1,935,874.65
December	\$0.00	\$439,275.94			-\$429,926.26		-\$1,496,598.71





### Monthly Operating Revenue & Expenses

	September 2016	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017
Revenue	(2,057,493)	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)	(2,008,830)	(2,274,060)	(2,596,741)	(2,548,401)	(2,238,839)	(816,087)
Purchased Power	1,381,234	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615	1,138,407	1,202,985	1,410,600	1,562,764	1,462,002	1,136,518
<b>Gross Margins</b>	<b>(676,259)</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>	<b>(612,007)</b>	<b>(870,423)</b>	<b>(1,071,075)</b>	<b>(1,186,141)</b>	<b>(985,637)</b>	<b>(776,837)</b>	<b>320,431</b>
Operations	107,241	132,244	107,439	71,603	125,057	107,653	109,697	139,866	101,961	102,602	116,084	104,155	99,913
Maintenance	239,132	224,687	216,900	306,970	301,310	260,849	318,113	286,651	287,387	303,369	354,631	250,089	246,528
Customer Service	107,556	99,297	100,977	(25,625)	103,387	92,262	97,131	92,360	96,019	95,044	94,080	91,671	94,306
Informational Advertising	32,916	19,504	18,288	20,450	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967
Demonstration Advertising	2,783	1,658	1,565	1,276	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490
Admin & General	131,232	170,663	196,718	173,417	156,210	142,366	163,245	141,462	166,710	198,796	150,623	160,727	183,781
Depreciation	281,062	282,191	283,297	283,911	284,902	285,509	286,723	288,292	288,987	289,702	290,289	287,738	292,205
Regulatory	3,342	3,342	3,342	3,345	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022
Interest - LTD	75,759	75,748	74,859	61,057	87,616	73,542	72,685	80,130	79,188	79,454	85,529	85,676	85,030
Interest - Deposits	378	375	378	369	666	665	663	665	677	671	668	670	671
Miscellaneous Expense	5,565	9,631	5,953	3,092	6,114	2,889	1,099	1,004	693	1,764	1,550	3,960	4,080
Interest Income	(2,421)	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)
Non-Electric Revenue	3,675	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,339)	(23,477)	(30,761)
Capital Credits	(4,059)	(4,884)	-	-	-	-	(53,470)	-	-	(524)	-	-	(33,801)
Margins	307,900	(9,726)	(500,337)	(376,467)	93,390	(72,896)	402,230	173,610	(21,689)	(101,854)	123,799	206,575	1,292,347
* ( )s = positive margins													
Operating Expenses	986,965	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068	1,055,247	1,054,262	1,093,304	1,115,309	1,009,414	1,038,993
Monthly OTIER	(3.06)	1.13	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)
Revenue	(30,410,401)	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)	(29,839,936)	(29,786,754)	(29,805,014)	(29,423,738)	(29,045,100)	(27,803,694)
Purchased Power	17,850,680	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296	17,423,578	17,413,418	17,374,726	17,259,561	17,035,038	16,790,322
<b>Gross Margins</b>	<b>(12,559,721)</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>	<b>(12,301,354)</b>	<b>(12,416,358)</b>	<b>(12,373,336)</b>	<b>(12,430,288)</b>	<b>(12,164,177)</b>	<b>(12,010,062)</b>	<b>(11,013,372)</b>
Operations	1,200,403	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991	1,299,959	1,296,441	1,201,057	1,204,016	1,325,602	1,318,274
Maintenance	3,161,822	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630	3,360,269	3,315,246	3,295,574	3,341,626	3,350,086	3,357,482
Customer Service	1,134,529	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187	1,051,840	1,050,899	1,049,915	1,051,256	1,044,158	1,030,908
Informational Advertising	257,795	257,035	255,267	256,835	256,050	254,840	255,123	251,076	248,229	245,357	254,500	254,579	248,631
Demonstration Advertising	21,695	21,784	21,801	21,391	22,083	21,753	21,520	21,670	22,348	21,628	21,711	22,125	20,832
Admin & General	2,007,729	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307	1,923,844	1,919,970	1,963,936	1,962,086	1,952,168	2,004,716
Depreciation	3,312,328	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812	3,391,510	3,403,080	3,414,522	3,425,750	3,432,603	3,443,746
Regulatory	41,000	40,887	40,774	40,662	40,598	40,534	40,470	40,406	40,342	41,022	41,702	42,382	43,062
Interest - LTD	905,309	906,975	907,891	895,352	905,097	903,119	900,616	904,907	909,237	913,063	922,170	931,245	940,516
Interest - Deposits	3,841	4,094	4,350	4,514	4,805	5,098	5,389	5,674	5,973	6,267	6,554	6,845	7,138
Miscellaneous Expense	33,845	42,826	46,633	78,323	83,394	82,924	81,222	94,416	77,476	76,720	75,970	43,315	41,829
Interest Income	(29,560)	(29,523)	(29,518)	(29,382)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,611)	(33,611)	(33,688)	(33,781)
Non-Electric Revenue	(82,128)	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(79,668)	(73,884)	(108,320)
Capital Credits	(136,049)	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(92,679)
Margins	(727,162)	(733,009)	(1,096,582)	(380,376)	(52,201)	(446,589)	(135,854)	(254,682)	(266,785)	(374,136)	(33,053)	224,535	1,208,983
Operating Expense	12,080,296	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268	12,345,572	12,289,242	12,229,061	12,307,340	12,405,106	12,457,135
Rolling 12 Month OTIER	1.80	1.81	2.21	1.42	1.06	1.49	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)



2017	RESIDENTIAL						GENERAL					
	Actual			Budget			Actual			Budget		
		\$	UNIT				KWH	\$	UNIT			
JANUARY	15,097,155	\$1,950,596	0.1292	21,072,262	\$2,635,811	0.1251	480,831	\$ 121,108	0.2519	649,086	\$141,131	0.2174
FEBRUARY	13,860,781	\$1,742,652	0.1257	14,456,245	\$1,888,962	0.1307	438,551	\$ 109,355	0.2494	453,990	\$119,683	0.2636
MARCH	10,338,784	\$1,328,854	0.1285	11,855,628	\$1,494,999	0.1261	376,816	\$ 101,105	0.2683	393,000	\$100,804	0.2565
APRIL	9,949,882	\$1,310,874	0.1317	9,735,854	\$1,280,854	0.1316	385,697	\$ 104,804	0.2717	355,779	\$98,049	0.2756
MAY	11,613,308	\$1,518,712	0.1308	12,320,105	\$1,582,847	0.1285	495,023	\$ 120,644	0.2437	487,225	\$116,797	0.2397
JUNE	13,473,987	\$1,776,939	0.1319	13,359,751	\$1,730,728	0.1295	566,899	\$ 134,108	0.2366	523,963	\$123,271	0.2353
JULY	13,117,104	\$1,702,347	0.1298	15,106,651	\$1,955,975	0.1295	546,686	\$ 129,587	0.2370	592,211	\$133,490	0.2254
AUGUST	10,893,429	\$1,444,834	0.1326	12,985,523	\$1,696,060	0.1306	474,043	\$ 119,714	0.2525	523,714	\$122,670	0.2342
SEPTEMBER	3,489,627	\$429,385	0.1230	9,746,263	\$1,302,283	0.1336	145,206	\$ 32,706	0.2252	409,653	\$105,599	0.2578
OCTOBER			#DIV/0!	11,285,018	\$1,478,337	0.1310			#DIV/0!	409,801	\$108,843	0.2656
NOVEMBER			#DIV/0!	15,664,651	\$1,969,047	0.1257			#DIV/0!	494,439	\$117,874	0.2384
DECEMBER			#DIV/0!	18,059,374	\$2,333,271	0.1292			#DIV/0!	571,830	\$133,694	0.2338
	101,834,057	13,205,194	\$0.1297	165,647,323	21,349,173	\$0.1289	3,909,752	\$973,131	\$0.2489	5,864,691	\$1,421,906	\$0.2425
				120,638,281		-15.59%				4,388,621		-10.91%



2017	SMALL COMMERCIAL						LARGE POWER					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	1,425,396	\$ 192,363	0.1350	1,854,665	\$243,882	0.1315	2,332,677	\$ 240,395	0.1031	2,639,812	\$258,187	0.0978
FEBRUARY	1,314,527	\$ 175,164	0.1333	1,414,860	\$195,317	0.1380	2,103,592	\$ 216,309	0.1028	2,199,871	\$231,952	0.1054
MARCH	1,205,653	\$ 161,101	0.1336	1,265,109	\$168,165	0.1329	2,172,205	\$ 212,048	0.0976	2,126,190	\$205,581	0.0967
APRIL	1,176,035	\$ 161,210	0.1371	1,142,767	\$156,703	0.1371	2,132,944	\$ 212,324	0.0995	2,110,824	\$210,764	0.0998
MAY	1,299,954	\$ 176,548	0.1358	1,336,589	\$180,370	0.1349	2,301,051	\$ 226,748	0.0985	2,382,823	\$231,079	0.0970
JUNE	1,387,294	\$ 192,104	0.1385	1,375,341	\$187,954	0.1367	2,383,417	\$ 241,648	0.1014	2,373,971	\$235,820	0.0993
JULY	1,390,888	\$ 188,211	0.1353	1,483,568	\$202,335	0.1364	2,631,004	\$ 258,786	0.0984	2,622,898	\$260,364	0.0993
AUGUST	1,298,372	\$ 177,950	0.1371	1,373,955	\$188,115	0.1369	2,302,864	\$ 238,145	0.1034	2,508,823	\$252,681	0.1007
SEPTEMBER	403,856	\$ 50,743	0.1256	1,186,179	\$163,578	0.1379	759,810	\$ 67,564	0.0889	2,110,040	\$223,307	0.1058
OCTOBER			#DIV/0!	1,174,641	\$163,745	0.1394			#DIV/0!	2,128,579	\$221,585	0.1041
NOVEMBER			#DIV/0!	1,419,030	\$190,150	0.1340			#DIV/0!	2,202,557	\$229,066	0.1040
DECEMBER			#DIV/0!	1,603,106	\$218,984	0.1366			#DIV/0!	2,363,235	\$242,704	0.1027
	10,901,975	\$1,475,395	\$0.1353	16,629,808	\$2,259,299	\$0.1359	19,119,564	\$1,913,967	\$0.1001	27,769,623	\$2,803,090	\$0.1009
				12,433,032	-12.31%					21,075,252	-9.28%	





2017	LARGE INDUSTRIAL						STREET LIGHTING					
	Actual			Budget			Actual			Budget		
	KWH	\$	UNIT				KWH	\$	UNIT			
JANUARY	2,407,447	\$ 154,603	0.0642	2,640,487	\$164,716	0.0624	4,131	\$ 651	0.1577	4,230	\$631	0.1492
FEBRUARY	2,258,647	\$ 140,154	0.0621	2,544,007	\$167,243	0.0657	4,074	\$ 627	0.1539	4,230	\$627	0.1482
MARCH	2,586,247	\$ 150,406	0.0582	2,528,167	\$149,312	0.0591	4,074	\$ 620	0.1522	4,230	\$600	0.1420
APRIL	2,370,247	\$ 146,742	0.0619	2,439,007	\$148,830	0.0610	4,074	\$ 632	0.1552	4,195	\$609	0.1452
MAY	2,528,647	\$ 159,616	0.0631	2,491,207	\$150,511	0.0604	4,017	\$ 640	0.1592	4,195	\$620	0.1479
JUNE	2,723,047	\$ 175,478	0.0644	2,659,807	\$170,105	0.0640	4,017	\$ 658	0.1637	4,195	\$632	0.1507
JULY	2,991,847	\$ 184,793	0.0618	2,735,887	\$176,939	0.0647	3,960	\$ 644	0.1626	4,217	\$662	0.1570
AUGUST	2,922,247	\$ 178,404	0.0611	2,752,447	\$177,614	0.0645	3,960	\$ 643	0.1624	4,217	\$655	0.1552
SEPTEMBER	2,702,647	\$ 160,595	0.0594	2,538,607	\$161,338	0.0636	966	\$ 151	0.1565	4,217	\$641	0.1521
OCTOBER			#DIV/0!	2,519,047	\$160,211	0.0636			#DIV/0!	4,200	\$637	0.1516
NOVEMBER			#DIV/0!	2,489,407	\$155,837	0.0626			#DIV/0!	4,200	\$643	0.1532
DECEMBER			#DIV/0!	2,606,867	\$169,186	0.0649			#DIV/0!	4,168	\$669	0.1604
	23,491,023	\$1,450,793	\$0.0618	30,944,944	\$1,951,841	\$0.0631	33,273	\$5,266	\$0.1583	50,494	\$7,627	\$0.1511
				23,329,623		0.69%						



2017	TOTAL SALES						
	KWH	Actual			Budget		
		\$	UNIT		\$		
JANUARY	21,747,637	\$ 2,659,717	0.1223	28,860,541	\$ 3,444,359	0.1193	
FEBRUARY	19,980,172	\$ 2,384,261	0.1193	21,073,203	\$ 2,603,784	0.1236	
MARCH	16,683,779	\$ 1,954,135	0.1171	18,172,323	\$ 2,119,461	0.1166	
APRIL	16,018,879	\$ 1,936,587	0.1209	15,788,427	\$ 1,895,809	0.1201	
MAY	18,242,000	\$ 2,202,908	0.1208	19,022,145	\$ 2,262,225	0.1189	
JUNE	20,538,661	\$ 2,520,935	0.1227	20,297,029	\$ 2,448,511	0.1206	
JULY	20,681,489	\$ 2,464,369	0.1192	22,545,431	\$ 2,729,765	0.1211	
AUGUST	17,894,915	\$ 2,159,691	0.1207	20,148,679	\$ 2,437,794	0.1210	
SEPTEMBER	7,502,112	\$ 741,145	0.0988	15,994,959	\$ 1,956,746	0.1223	
OCTOBER	0	\$ -	#DIV/0!	17,521,285	\$ 2,133,358	0.1218	
NOVEMBER	0	\$ -	#DIV/0!	22,274,283	\$ 2,662,617	0.1195	
DECEMBER	0	\$ -	#DIV/0!	25,208,580	\$ 3,098,508	0.1229	
	159,289,644	\$19,023,746	\$0.1194	246,906,883	\$29,792,936	\$0.1207	

Actual vs. Budget				
7,502,112	Month	2017	15,994,959	-53.10%
159,289,644	YTD		181,902,735	-12.43%
Compared to 2016				
7,502,112	Month		16,145,867	-53.54%
159,289,644	YTD		180,474,107	-11.74%



**TOTAL PURCHASES**

2017	Actual					Budget		
	DEMAND	KWH	\$	UNIT	LD.FCT			
JANUARY	58,550	24,645,811	\$ 1,751,480	0.0711	58.46%	31,488,776	\$2,138,362	0.0679
FEBRUARY	56,356	20,197,845	\$ 1,411,578	0.0699	49.78%	29,189,056	\$1,999,981	0.0685
MARCH	54,226	22,119,941	\$ 1,419,615	0.0642	56.66%	24,142,763	\$1,536,583	0.0636
APRIL	35,482	16,902,808	\$ 1,138,407	0.0674	66.16%	17,338,856	\$1,131,919	0.0653
MAY	39,105	17,588,540	\$ 1,202,985	0.0684	62.47%	18,421,772	\$1,267,791	0.0688
JUNE	44,636	19,637,908	\$ 1,410,600	0.0718	61.11%	20,618,908	\$1,440,785	0.0699
JULY	46,886	23,382,748	\$ 1,562,764	0.0668	69.27%	21,935,573	\$1,578,574	0.0720
AUGUST	46,901	20,921,575	\$ 1,462,002	0.0699	61.96%	21,267,145	\$1,471,867	0.0692
SEPTEMBER	40,517	17,591,772	\$ 1,136,518	0.0646	60.30%	18,201,065	\$1,291,624	0.0710
OCTOBER				#DIV/0!	#DIV/0!	17,830,547	\$1,189,297	0.0667
NOVEMBER				#DIV/0!	#DIV/0!	21,494,376	\$1,431,525	0.0666
DECEMBER				#DIV/0!	#DIV/0!	23,659,714	\$1,651,448	0.0698
<b>TOTAL</b>						<b>265,588,550</b>	<b>\$18,129,758</b>	<b>\$0.0683</b>

Actual vs. Budget 2017			
17,591,772	Month	18,201,065	-3.35%
182,988,948	YTD	202,603,914	-9.68%



**GROSS MARGINS**

2017	Actual	Budget	Variance	Line Loss	Fuel Adj.	Fuel Adj. \$	ESC Rate	ESC \$
JANUARY	\$908,237	\$ 1,305,997	(\$397,759)	11.76%	(0.003431)	(74,431)	9.16%	224,221
FEBRUARY	\$972,683	\$ 603,803	\$368,880	1.08%	(0.004516)	(89,180)	5.86%	134,944
MARCH	\$534,520	\$ 582,878	(\$48,358)	24.58%	(0.007547)	(124,262)	6.89%	124,883
APRIL	\$798,180	\$ 763,890	\$34,290	5.23%	(0.007371)	(118,177)	8.88%	156,211
MAY	\$999,923	\$ 994,434	\$5,489	-3.72%	(0.005565)	(102,783)	8.77%	177,115
JUNE	\$1,110,335	\$ 1,007,726	\$102,609	-4.59%	(0.004803)	(99,266)	11.27%	252,526
JULY	\$901,605	\$ 1,151,191	(\$249,586)	11.55%	(0.006429)	(131,614)	10.13%	227,033
AUGUST	\$697,689	\$ 965,927	(\$268,239)	14.47%	(0.006213)	(111,324)	9.86%	193,435
SEPTEMBER	(\$395,373)	\$ 665,122	(\$1,060,496)	57.35%				
OCTOBER	\$0	\$ 944,061	(\$944,061)	#DIV/0!				
NOVEMBER	\$0	\$1,231,092	(\$1,231,092)	#DIV/0!				
DECEMBER	\$0	\$1,447,060	(\$1,447,060)	#DIV/0!				
			<b>(\$3,688,322)</b>	12.95%	(0.005734)	<b>(851,037)</b>	8.85%	<b>1,490,368</b>





LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
1.00		440.10		RESIDENTIAL SALES	13,205,126.45-	15,568,519.00-	2,363,392.55-	15.2
1.00		440.40		CAMP & BARN SALES	973,131.07-	1,061,494.00-	88,362.93-	8.3
1.00		442.10		SMALL COMMERCIAL SALES	1,475,395.07-	1,686,419.00-	211,023.93-	12.5
1.00		442.20		LARGE POWER SALES	1,913,966.73-	2,109,735.00-	195,768.27-	9.3
1.00		442.30		LARGE INDUSTRIAL(OVER 1,000 KVA)	1,450,972.94-	1,466,608.00-	15,635.06-	1.1
1.00		444.00		STREET LIGHT SALES	5,266.21-	5,677.00-	410.79-	7.2
1.00		450.00		FORFEITED DISCOUNTS	284,297.56-	318,749.94-	34,452.38-	10.8
1.00		454.00		RENT FROM ELECTRIC PROPERTY	373,680.00-	370,312.47-	3,367.53	.9-
1.00		456.00		OTHER ELECTRIC SERVICE	44,374.93-	41,999.85-	2,375.08	5.7-
1.00				TOTAL	19,726,210.96-	22,629,514.26-	2,903,303.30-	12.8
3.00		555.00		PURCHASED POWER	12,495,949.00	13,857,484.00	1,361,535.00	9.8
3.00				TOTAL	12,495,949.00	13,857,484.00	1,361,535.00	9.8
6.00		583.00		OVERHEAD LINE EXPENSE	434,849.98	399,646.17	35,203.81-	8.8-
6.00		586.00		METER EXPENSE	325,663.48	384,331.32	58,667.84	15.3
6.00		586.10		METER OPERATION SURVEY	49,799.01	20,038.05	29,760.96-	148.5-
6.00		586.20		AUTOMATED METER EQUIP EXPENSE	30,604.94	22,806.63	7,798.31-	34.2-
6.00		588.00		MAPPING EXPENSE	162,227.30	108,515.52	53,711.78-	49.5-
6.00		588.10		MAPPING OPERATIONS	3,843.88	8,117.46	4,273.58	52.6
6.00				TOTAL	1,006,988.59	943,455.15	63,533.44-	6.7-
7.00		590.00		MAINTENANCE SUPERVISION	219,312.34	229,129.47	9,817.13	4.3
7.00		593.00		MAINTENANCE OF OVERHEAD LINES	998,647.69	1,003,424.22	4,776.53	.5
7.00		593.10		MAINTENANCE OF LINE RIGHT-OF-WAY	1,271,428.18	1,284,099.03	12,670.85	1.0
7.00		593.20		MAINTENANCE STORM EXPENSES	86,072.84	375,137.28	289,064.44	77.1
7.00		594.00		MAINTENANCE OF UNDERGROUND LINES	1,000.00	.00	1,000.00-	100.0-



LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
7.00		595.00		MAINTENANCE OF TRANSFORMERS	8,014.29	10,405.08	2,390.79	23.0
7.00		596.00		MAINTENANCE OF STREET LIGHTS	35.83	579.96	544.13	93.8
7.00		598.00		MAINTENANCE-MISC DISTRIBUTION	24,414.25	33,345.81	8,931.56	26.8
7.00				TOTAL	2,608,925.42	2,936,120.85	327,195.43	11.1
8.00		901.00		SUPERVISION - BILLING	104,567.81	109,638.81	5,071.00	4.6
8.00		902.00		METER READING EXPENSE	.00	212.58	212.58	100.0-
8.00		903.00		CUSTOMERS RECORDS & COLLECTIONS	691,935.29	716,181.93	24,246.64	3.4
8.00		903.10		CASH DRAWER-OVERAGES & SHORTAGES	92.40-	.00	92.40	100.0-
8.00		904.00		UNCOLLECTIBLE ACCOUNTS	59,850.00	39,375.00	20,475.00-	52.0-
8.00				TOTAL	856,260.70	865,408.32	9,147.62	1.1
9.00		909.00		INFORMATIONAL ADVERTISING	190,388.78	196,078.77	5,689.99	2.9
9.00				TOTAL	190,388.78	196,078.77	5,689.99	2.9
10.00		912.00		DEMONSTRATION & SELLING EXPENSE	15,164.17	15,426.99	262.82	1.7
10.00		913.00		ADVERTISING	1,168.08	1,462.41	294.33	20.1
10.00				TOTAL	16,332.25	16,889.40	557.15	3.3
11.00		920.00		ADMINISTRATIVE-GENERAL SALERIES	816,801.56	862,230.78	45,429.22	5.3
11.00		921.00		OFFICE SUPPLIES & EXPENSES	120,563.49	206,105.13	85,541.64	41.5
11.00		923.00		OUTSIDE SERIVCES	49,146.57	56,437.38	7,290.81	12.9
11.00		926.00		EMPLOYEE BENEFITS	.00	.99	.99	100.0-
11.00		928.00		REGULATORY COMMISSION EXPENSES	.00	4,534.11	4,534.11	100.0-
11.00		930.20		ANNUAL MEETING EXPENSES	64,937.46	57,283.74	7,653.72-	13.4-
11.00		930.30		MISCELLANEOUS GENERAL EXPENSES	27,516.15	18,524.88	8,991.27-	48.5-
11.00		930.40		MISC FIELD TRAINING	21,860.50	32,411.97	10,551.47	32.6
11.00		930.60		BOARD OF DIRECTOR'S EXPENSES	88,839.51	116,704.53	27,865.02	23.9



LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
11.00		930.70		DUES - NRECA & KAEC	43,272.00	43,499.97	227.97	.5
11.00		932.00		MAINTENANCE OF GENERAL PLANT	230,980.77	237,371.76	6,390.99	2.7
11.00				TOTAL	1,463,918.01	1,635,105.24	171,187.23	10.5
13.00		403.60		DEPRECIATION-DISTRIBUTION PLANT	2,405,685.49	2,377,143.00	28,542.49-	1.2-
13.00		403.70		DEPRECIATION-GENERAL PLANT	188,661.41	183,167.19	5,494.22-	3.0-
13.00				TOTAL	2,594,346.90	2,560,310.19	34,036.71-	1.3-
14.00		408.60		REGULATORY COMMISSION ASSESSMENT	33,033.00	31,124.97	1,908.03-	6.1-
14.00				TOTAL	33,033.00	31,124.97	1,908.03-	6.1-
15.00		408.20		TAXES - FEDERAL UNEMPLOYMENT	.00	.00	.00	.0
15.00		408.30		TAXES - FICA	.00	.00	.00	.0
15.00		408.40		TAXES - STATE UNEMPLOYMENT	.00	.00	.00	.0
15.00				TOTAL	.00	.00	.00	.0
16.00		427.20		INTEREST - COBANK	286,184.02	299,999.97	13,815.95	4.6
16.00		427.30		INTEREST-CFC	277,075.41	333,749.97	56,674.56	17.0
16.00		427.60		INTEREST - FFB	165,592.83	67,500.00	98,092.83-	145.3-
16.00				TOTAL	728,852.26	701,249.94	27,602.32-	3.9-
18.00		431.30		INTEREST-REFUND CUSTOMER DEPOSIT	6,016.00	2,250.00	3,766.00-	167.4-
18.00				TOTAL	6,016.00	2,250.00	3,766.00-	167.4-
19.00		426.10		MISCELLANEOUS DEDUCTION-DONATION	11,936.77	8,812.44	3,124.33-	35.5-
19.00		430.00		INTEREST ASSOCIATED ORGANIZATION	11,215.98	18,749.97	7,533.99	40.2
19.00				TOTAL	23,152.75	27,562.41	4,409.66	16.0
22.00		419.00		INTEREST INCOME NON-OPERATING	24,420.84-	21,393.63-	3,027.21	14.2-



LINE NO	DPT	ACCT	ITEM	DESCRIPTION	ACTUAL ANNUAL	BUDGET	DIFFERENCE	% CHANGE FROM BUDGET
22.00		419.20		NOW ACCOUNT INTEREST	351.69-	187.47-	164.22	87.6-
22.00		419.30		COMMERCIAL PAPER INTEREST	1,779.43-	187.47-	1,591.96	849.2-
22.00				TOTAL	26,551.96-	21,768.57-	4,783.39	22.0-
25.00		415.00		REVENUE-MERCHANDISE, JOB, CONTRACT	264.12-	.00	264.12	100.0-
25.00		415.40		RENTAL PROPERTY - REVENUE	3,600.00-	.00	3,600.00	100.0-
25.00		415.50		MACED REVENUE	199.50	2,999.97-	3,199.47-	106.7
25.00		416.00		INCENTIVES/GEOTHERMAL, ETS, MISC	49,848.97-	9,749.79-	40,099.18	411.3-
25.00		416.40		RENTAL PROPERTY - EXPENSE	400.90	.00	400.90-	100.0-
25.00		416.50		MACED EXPENSE	23,865.68-	19,510.56	43,376.24	222.3
25.00		421.00		MISC NON-OPERATING INCOME	.00	1,499.94-	1,499.94-	100.0-
25.00		421.20		LOSS/GAIN DISPOSITION PROPERTY	11,113.29-	.00	11,113.29	100.0-
25.00				TOTAL	88,091.66-	5,260.86	93,352.52	1774.5
27.00		424.00		OTHER CAP CR & PATRONAGE ALLOC	87,794.87-	98,174.79-	10,379.92-	10.6
27.00				TOTAL	87,794.87-	98,174.79-	10,379.92-	10.6
TOTAL FOR 400 TO 999					2,095,514.21	1,028,842.48	1,066,671.73-	103.7-





# Grayson Rural Electric Cooperative Corporation

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

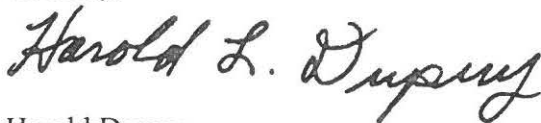
December 15, 2017

Dear Director:

A Regular Meeting of the Board of Directors is hereby called. I do hereby fix the GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION headquarters in Grayson, Commonwealth of Kentucky, as the place, and Thursday, the twenty-first day of December, 2017 at 9:00 a.m., for holding of said meeting for the following purposes:

To take any and all action and to transact any and all business which may be necessary, convenient, or desirable in connection with any of the foregoing and the organization of the Corporation at said meeting or at any adjournment or adjournments thereof; and for the transaction of such other business which may come before the meeting or any adjournment or adjournments thereof, as well as consider altering, amending, or repealing the current Bylaws of the Corporation in the manner hereinafter set forth.

Sincerely,



Harold Dupuy  
Chairman

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

HD/pfs

Enclosures:

1. Agenda
2. Miscellaneous Analysis



# Grayson Rural Electric Cooperative Corporation

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109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

## *Memorandum*

***Date:***        ***December 15, 2017***  
***To:***           ***GRECC Directors' & Legal Counsel***  
***From:***       ***Priscilla Sparks, Executive Assistant***  
***Re:***           ***December 2017 Board Packet Financial Report***

.....

Bradley Cherry's Financial Report was not ready to be mailed with the Board Packet and will be mailed separate. He and President Fraley have been spending extra hours on the Union Contract, 2018 Budget and Long Term Workplan.

If you have any questions, please call me.

Thanks.



# Grayson Rural Electric Cooper

109 Bagby Park • Grayson, KY 41143-1292  
Telephone 606-474-5136 • 1-800-562-3532 • Fax 606-474-5862

December 15, 2017

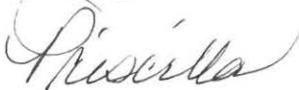
W. Jeffrey Scott,  
Attorney at Law  
P. O. Box 608  
Grayson, KY 41143

Dear Jeffrey:

A Regular Board Meeting of GRAYSON CORPORATION will be held on Thursday, December

We look forward to seeing you at the Board Me

Sincerely,



Priscilla Sparks  
Executive Assistant

GRAYSON RURAL ELECTRIC  
COOPERATIVE CORPORATION

Enclosures:

1. Agenda
2. Miscellaneous Analysis

## IMPORTANT MESSAGE

FOR Priscilla  
DATE 12/18/17 TIME 9:33 A.M.  
P.M.  
M. W Jeffrey Scott  
OF Caller id: Edgar B. Everman  
PHONE 474-0084  
AREA CODE NUMBER EXTENSION  
 FAX  
 MOBILE AREA CODE NUMBER TIME TO CALL

TELEPHONED	PLEASE CALL
CAME TO SEE YOU	WILL CALL AGAIN
WANTS TO SEE YOU	RUSH
RETURNED YOUR CALL	WILL FAX YOU

MESSAGE minutes for November  
are good.

SIGNED Priscilla

universal. UNV48005

MADE IN U.S.A.



GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD MEETING AGENDA

On December 21, 2017 the Directors of Grayson Rural Electric Cooperative Corporation were called to meet by the Chairman.

1. Sign Wavier of Notice
2. Invocation
3. Approval of the Minutes from the November Board Meeting
4. Technical Services Report – Brian Poling, Manger of Technical Services
5. Manager of Finance & Accounting Report and Approval of the Financial & Statistical Report for October 2017 – Bradley Cherry, Manager of Finance & Accounting
6. Consideration and Appropriate Action on the 2018 Budget – Jimmy Whitt
7. Operations Report and Safety Report– Kyle Clevenger, Manager of Operations
8. Approval of Eighty-Five (85) New Memberships and Retirement of Eighty-Three (83) Existing Memberships for November 2017
9. Consider Approval of Accounts to be Charged Off to Reserve \$3,514
10. Consider Approval of President’s Business Expense in the Amount of \$523.21, Director’s Business Expense in the Amount of \$23,191.31 and Attorney’s Business Expense in the Amount of \$.00
11. President’s Report – Carol Hall Fraley
12. Cooperative Legal Matters – W. Jeffrey Scott
13. KAEC Director’s Report – Jimmy Whitt
14. EKPC Director’s Report – Kenneth Arrington
15. Consider Community Service and/or Donations
16. Attendance at Meetings – Directors and Employees
17. Review and Consider/Approval and/or Reaffirming of Board Policies and Bylaws
18. Confirm Date for the January 2018 Board Meeting
19. Additional Business
  - a. IBEW 317 Contract Signing
20. Adjourn

*Christmas luncheon will be served. Please bring your spouses!*

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On November 29, 2017 at 9:09 a.m. Grayson Rural Electric Cooperative Corporation held a regular board meeting at its office in Grayson, Kentucky called by the Chairman, for the transaction of such business as outlined in the letter of call. Chairman Dupuy called the meeting to order pursuant to the Waiver of Notice signed by the Directors and all were present. Others present included: Carol Hall Fraley, President and CEO; W. Jeffrey Scott, Legal Counsel; and Priscilla Sparks, Executive Assistant.

INVOCATION	Director Dupuy gave the invocation.
APPROVAL OF MINUTES	Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the minutes from the October Board Meeting for informational purposes only.
MANAGER OF TECHNICAL SERVICES	Brian Poling, Manager of Technical Services, reported on the following:
DAVEY RESOURCE	Davey Resource Group have three men in the field finishing cleanup of the inventory. Plans are to have the project completed by the end of December.
PSC / AMI / CPCN	Mr. Poling reported on our application to the PSC for the AMI CPCN, since last board meeting.  The Commission issued an order outlining the procedures and timeframe for anyone to intervene. November 17 <sup>th</sup> was the deadline and no one made application.
ATTORNEY GENERAL	The Attorney General contacted Legal Counsel concerning our redaction in the application, asking for full disclosure to the AG only. It was agreed upon verbally and we are currently awaiting the contractual agreement. Legal Counsel Scott said it was okay to proceed, as they did not intervene.
PSC	The PSC issued their data request concerning this project yesterday. It consists of only four (4) questions with multiple parts to each question. Answers are to be back at the commission on December 14 <sup>th</sup> .
NETGAIN	Mr. Poling turned the meeting over to Andrea McCleese, who talked about NetGain's Vulnerability Risk Assessment Audit and Microsoft Audit.  Andrea reported she met with NetGain last month who gathered data for our Risk Assessment, in accordance with NIST standards. There were two parts to the Risk Assessment. The first one was Risk Analysis:  1) Risk Analysis had three parts: Administrative Safe Guards, Physical Safe Guards and Technical Safe Guards.  A. Administrative Safe Guard – which needs improvement in security awareness and training; a.) BYOD (bring your own devices) and the need for a better board policy; b.) business continuity as related to technology and where we would go in the event our headquarters building was destroyed; and c.) the non-requirement of signing non-closure agreements on personal information we handle.  Good marks were given on: a.) complex passwords.

NETGAIN (CONTINUED)	<p>B) Physical Safe Guards – overall was good.</p> <p>a.) we got good reviews on surveillance; limited access to visitors; power management (with backup generation;</p> <p>b.) limiting personal use of internet and computer, as well as work areas with documents exposed.</p> <p>C. Technical Safe Guards – we are not blocking websites from employees that have limited access; encryption of email and data in general and email on personal phones; remote access on personal devices and concern about antivirus protection. We received good reviews on our computer locking after a certain time of inactivity, our firewall, and our antivirus.</p> <p>2) Risk Assessment was second in the Vulnerability Assessment and we received a very good review with very low risk on external network. SilverSky monitors us all the time and blocks anything that try to attack us. We had a couple of vulnerability issues with our hostess domain through our website which will be addressed. One was Touchstone Energy which is a software update. Our internal network in social engineering (emailing) was more at high risk.</p>
MICROSOFT AUDIT	The Microsoft audit is due at the end of this week. They are making sure we are appropriately licensed paying all required fees. We have had an open volume licenses in the past few years on servers and computers for MilSoft, SEDC, Virtualization, etc.
OFFICE & MEMBER SERVICES REPORT	Bradley Cherry, Manager of Finance and Accounting presented the Financial & Statistical Report for September 2017. Mr. Cherry reported on the following:
FINANCIAL & STATISTICAL REPORT FOR SEPTEMBER	<p>Kilowatt hour sales for the month of September (9/21-10/20) were 11.19% under budget. Purchases for the time period of 9/1-30 were 1.62% under budget. Line loss for the last twelve months was 12.95%. Year-to-date margins were (\$2,095,514) and we budgeted for (\$1,028,842).</p> <p>Mr. Cherry noted September is smaller due to the change in the billing cycle. Only Smithfield and the prison were billed on the regular cycle. They reported 10.2% under budget for those ten days. Our purchases for the month of September were down 1.6% with year to date down 10%+. The negative year-to-date two million dollars in margins is due to the change in our billing cycle and lack of sales.</p>
FUEL ADJUSTMENT FACTOR	The fuel adjustment factor for the month was (0.008140).
ESC	The environmental surcharge for the month was 8.80%.
T.I.E.R.	The rolling twelve month O.T.I.E.R. was (0.29) at the end of September.
ELECTRIC CARS	East Kentucky and Grayson Rural Electric are looking at the impact of electric vehicles and their effect on electric rates and usage. They could affect the transformer size due to charging the vehicles, and how will we recoup the investment. One third of vehicle manufacturing is electric. President Fraley said the impact on the member would be a consideration of when we would do this.

CAPTIAL CREDITS Twenty four (24) capital credits were issued in the month of November 2017, totaling \$30,312.41. Year to date we have paid \$152,507.95. We have 18 outstanding capital credit applications.

APPROVAL OF FINANCIAL & STATISTICAL REPORT FOR SEPTEMBER 2017 Motion was made by Director Trent, seconded by Director Whitt and unanimously agreed to approve the Financial and Statistical report for September 2017 as presented for informational purposes only.

WAGE AND SALARY PLAN / PLANNING & REVIEW The Planning & Review Committee met on November 15, 2017 at 9:00 a.m. to review the proposed 2017-2018 Wage and Salary Plan. President Fraley read the minutes for Director Martin. Directors Rice and Trent served on this committee with Chairman Dupuy as ex-officio.

Bradley showed a comparison of the COMPensate program (entry, midpoint and end of career). The 3.67% would bring them closer to the minimum in 2018. Nine employees were below the entry level. Adjustments toward the mid-point will start in 2018. If the Board chooses to give 3.67% this year, the cost would be \$48,000 in wages and \$21,723.20 in benefits.

MIN	Market Range			MAX	GRADE
	LWR THD	MP	UPR THD		
\$19,474	\$22,082	\$23,386	\$24,690	\$27,299	1
\$23,307	\$26,481	\$28,068	\$29,654	\$32,828	2
\$27,129	\$30,883	\$32,760	\$34,637	\$38,391	3
\$30,984	\$35,341	\$37,520	\$39,698	\$44,055	4
\$34,872	\$39,855	\$42,346	\$44,837	\$49,820	5
\$38,793	\$44,424	\$47,240	\$50,055	\$55,686	6
\$42,747	\$49,049	\$52,200	\$55,351	\$61,654	7
\$46,732	\$53,729	\$57,228	\$60,726	\$67,723	8
\$50,749	\$58,465	\$62,322	\$66,180	\$73,896	9
\$54,797	\$63,255	\$67,484	\$71,713	\$80,171	10
\$58,876	\$68,100	\$72,713	\$77,325	\$86,550	11
\$62,984	\$73,000	\$78,009	\$83,017	\$93,033	12
\$67,122	\$77,955	\$83,371	\$88,788	\$99,621	13
\$71,290	\$82,964	\$88,801	\$94,639	\$106,313	14
\$75,486	\$88,027	\$94,298	\$100,569	\$113,111	15
\$79,710	\$93,145	\$99,862	\$106,580	\$120,014	16
\$83,962	\$98,316	\$105,493	\$112,670	\$127,024	17
\$88,241	\$103,541	\$111,191	\$118,841	\$134,141	18
\$92,547	\$108,820	\$116,956	\$125,092	\$141,365	19

Director Martin made a motion to adopt the 2017-2018 Wage and Salary Plan retroactive September 1, 2017, seconded by Director Trent and unanimously agreed upon.

Director Martin made a motion to modify the language in the previous motion:

To adopt the Wage and Salary Plan effective September 1, 2017 and, to approve a 3.67% raise to employees for 2017-18 retroactive September 1, 2017, and to give President Fraley a reserve of \$5,000 to be used for merits. She did not spend any of the merit reserve in 2016-17). Motion was seconded by Director Trent, and unanimously agreed upon.

2018 IBEW UNION CONTRACT President Fraley read changes in the proposed union contract effective January 1, 2018.

NEGOITATING COMMITTEE The Negotiating Committee met on November 16, 2017 at 9:17 a.m. President Fraley read the minutes from the meeting for Chairman Whitt. Mr. Cherry showed a chart reflecting an increase of 50 cents per hour for the first four years, and seventy five cents per hour for the last two years of the contract. Medical insurance would be paid at 100% by the Cooperative for the life of the contract, in addition to basic life, retirement, 401k, nine holidays, vacation, sick leave, safety incentive, union allowance for FR clothing, an increase of \$1.00 per hour for the Mechanic.

Three grades for the Mechanic's position will be established starting at \$25.82 entry level (or 75% of grade one, \$30.98 or 90% of grade one for second level, and top level at 100% which is \$34.43. Entry level is for the 90 days probationary period. Second and first level will be based on competencies and determined by the Manager of Operations and the Union Steward.

1. The Cooperative will help search for Dental and Optical Insurance Coverage, to be paid for by the employee. The Cooperative withholds coverage costs, as a courtesy for those members who participate.
2. Cell Phone coverage will be \$50, straight for all eligible employees.
3. The Cooperative and the Union agree to work together to keep overtime hours equitably distributed. Language shall be included as follows: Article II, Section 17.

It is the intention of the Cooperative to offer overtime to all qualified employees. Certain classifications such as Metering, Engineering, Mechanic, Warehouseman, Groundmen and Apprentices should be considered for all overtime work for which they are qualified. When calling CRC, Maintenance Leadman and Crew Foremen should be specific when asking for additional help. The 40 hour differential shall be considered at all times. However, restoration of power and service to our members shall remain our top priority.

4. The contract shall commence January 1, 2018 and continue through December 31, 2023.
5. Grayson Rural Electric Cooperative Corporation and Local Union 317 of the International Brotherhood of Electrical Workers, AFL-CIO, agree to abide by the Kentucky Right to Work Law, legislated in 2016.
6. Wages will increase 50 cents per hour in 2018, 50 cents per hour in 2018, 50 cents per hour in 2020, 50 cents per hour in 2021, 75 cents per hour in 2022, and 75 cents per hour in 2023.

Director Whitt, Negotiating Committee Chairman, made a motion to accept the proposed union contract as presented by President Fraley, seconded by Director Rice and unanimously agreed upon.

MANAGER OF MARKETING AND MEMBER SERVICES

Kim Bush's report was read by Julie Lewis, Member Service Secretary, who reported on the Marketing and Member Services:

LIHEAP

2017/2018 LIHEAP payments received from:

Northeast	\$61,994
Gateway	\$ 3,724
Licking Valley	<u>\$ 1,246</u>
TOTAL	\$66,964

LIHEAP (CONTINUED)	# of Winter Hardship Reconnects – 1 # of 30-day extentions through LIHEAP – 1
PREPAID	Summary of PrePay's: 690 Active PrePay Accounts Total Payment Amount=\$121,874.72
DEBT MANAGEMENT	Debt Management summary: 60 active accounts with Debt Management Total amount in Debt Management=\$15,556.43 9% of active accounts have Debt Management
SOLAR	Cooperative Solar Farm One Inquiries=2    Total Panel Sales to Date=33
SCHOOL/COMMUNITY PROGRAMS	11/22 – Reality Store—Carter County—500 students 11/15 &16 – Reality Store—Greenup County—700 students 11/27 – Carter Caves Display Windows for Christmas
ANNOUNCEMENTS	12/8 – Service Awards Dinner at 6 p.m., Olive Hill Historical Building
LICENSE PLATE SALES	Lineman license plate sales totaled approximately \$9,172, an increase of \$500 since 2016.
OPERATIONS REPORT	Mike Martin, Assistant Manager of Operations gave the Operations Report. He reported on the following:
EMPLOYEE/LOST TIME ACCIDENT	There were no lost time accidents to report this month.  The following safety meetings were held during October:
SAFETY MEETING REPORTS	October 5 – Carol Fraley, President and CEO, discussed the rodeo and our cleaning day scheduled for Monday, October 9 <sup>th</sup> . Linville Spangler with EKPC was present and was scheduled to perform Substation Restoration.  October 11 – Mike Martin, Assistant Manager of Operations, turned the meeting over to Robert Thornton with KAEC who discussed Hurt Man Rescue, Mayday Calls, Rigging, Tools, and Bucket Truck Rescue and the lower controls on the truck. The men were dismissed to perform Pole Top Rescue. Kyle Clevenger reminded everyone to work safe.  October 16 – Andrea McCleese, Technical Services Supervisor, turned the meeting over to Chase Krigler with KAEC spoke on the Action Committee for Rural Electrification (ACRE) and Political Action Committee (PAC). Breakfast and a gift was given in honor of Boss's Day for Carol Ann Fraley. Kyle Clevenger reminded everyone to work safe and asked for maintenance men to mark the map of their areas where the radio service is not working for East Kentucky.  October 23 – Brian Poling, Manager of Technical Services, turned the meeting over to Cindy Poling, Respiratory Therapist at St. Mary's Medical Center. She discussed the use of Cigarettes and Smokeless Tobacco and had employees to fill out a survey for the evidence of nicotine dependence. She also explained how smokeless tobacco equals up to smoking cigarettes and

SAFETY MEETING REPORTS (CONTINUED)	<p>remedies to use to try to stop this addiction. Kyle Clevenger stated that it would be slick and wet outside today and to be careful.</p> <p>October 30 – Priscilla Sparks, Executive Assistant, asked Nancy Madden to read the Bloodborn Pathogens exposure control plan and asked employees questions. Kyle Clevenger requested everyone to be careful and watch for slips, trips and falls.</p>
CONSTRUCTION	Construction built one hundred one (101) new work orders for the month of October which included 22 services added and 2 services retired and no overtime hours.
OVERTIME HOURS	The Maintenance Department worked three hundred seventy (370) hours of overtime during the month of October. Engineering Department worked zero (0) overtime hours.
DELINQUENT NOTICES	There were zero (0) delinquents for November. Zero (0) cards were issued to be disconnected and zero (0) accounts were disconnected by remote meter. Field personal disconnected an additional zero (0) meters for a total of zero (0) disconnects and zero (0) accounts were reconnected in November.
CONTRACT CREWS	<p>We have three (3) Pike crew working:</p> <p>Tony Seagraves – State Route 173, Rowan County (finished); State Route 201 Blaine  Bruce Wynn – Lost Creek Road, Greenup County  Clyde Russell Thompson – Miscellaneous pole changes</p>
RIGHT-OF-WAY CREWS	<p>We have ten (10) W A Kendall right-of-way crews working on random jobs and work orders at this time. Crew's trimmed 716 trees, cut 819 trees, cut 26,620 feet of brush/line and sprayed 111 spans of line. The crews are working in the following areas:</p> <p>2 cutting crews in Carter, Lewis and Greenup Counties  2 cutting crews in Rowan and Elliott Counties  1 bucket truck crew in Carter, Lewis and Greenup Counties  1 bucket truck crew in Rowan County  1 bucket truck crew in Elliott County  1 tractor crew in Greenup County  2 spray crews in Carter County</p> <p>The Bobby Smith Tree Company has a circuit crew at Corral Park, Carter County. They are almost finished.</p>
ENGINEERING REPORT	The Engineering Department released one hundred ninety-one (191) prints consisting of 8,128 feet of primary line and 4,372 feet of service wire. They currently have fifteen (15) new services to be staked, two (2) to be drawn and eight (8) miscellaneous jobs to be staked or drawn.
RIGHT-OF-WAY	President Fraley asked the Board how they wanted to handle the recording of right-of-way easements commencing with today and into the future. Director Martin made a motion to start filing the recording of all right-of-way easements and pick up those in the past that have not been recorded, seconded by Director Rice and unanimously agreed upon.

APPROVAL OF NEW MEMBERSHIP & RETIREMENT OF EXISTING MEMBERSHIPS	Motion was made by Director Trent, seconded by Director Martin and unanimously agreed to approve one hundred fourteen (114) new memberships and retirement of one hundred twenty (120) existing memberships for October 2017.
BAD DEBT WRITE-OFFS	Motion was made by Director Bentley, seconded by Director Martin and unanimously agreed to charge off \$1,421.16 worth of bad debts and turn them over for collection.
APPROVAL OF CEO'S, DIRECTOR'S & ATTORNEY DIRECTOR'S & ATTORNEY BUSINESS EXPENSES	Motion was made by Director Martin, seconded by Director Rice and unanimously agreed to approve the President's business expense of \$40.88, Director's business expense of \$10,674.99 and Attorney's business expense of \$.00.
PRESIDENT'S REPORT	President Fraley reported on the following:
WAGE & SALARY	Most of her work time has been spent working on the Wage & Salary Plan and the Union Negotiating Contract.
METERING	A lot of time has been spent with Brian Poling on the metering program proposal. We have three (3) filed with the PSC and the additional information needed by the Commission.
BUDGET MEETING	The budget meeting is scheduled for the 18 <sup>th</sup> December 2017.
NATHAN WHITT	We have been working with Park Priest on the Nathan Whitt lawsuit. Mr. Whitt has retained a lawyer in Lexington, McBrayer McGinnis law firm.
KAEC 2016	We received a check in the amount of \$8,968 for November 2017 dues rebate from KAEC based on the performance of KAEC in 2016.
LEGAL COUNSEL'S REPORT	Legal Counsel Scott reported on the following:
KAEC LEGAL SEMINIAR	He attended the KAEC Legal Seminar. There are some new lawyers in the program; Earl Rogers at Fleming Mason, Marvin Suit retiring. Capital credits were also discussed.
KAEC DIRECTOR'S REPORT	Director Whitt had no report, as the KAEC Annual Meeting was held last week instead of a November monthly meeting.
EKPC DIRECTOR'S REPORT	Director Arrington reported updates given at the EKPC monthly board meeting:  Maintenance is top priority on Spurlock Unit 1. Crews will be working on a major planned outage on Spurlock Unit 2 in September and another one on Unit 1. Largest scheduled outage EKPC has ever seen in manpower (120,000 man hours) and outage. The cost would be \$28.9 million. Crews will shorten planned outage on Spurlock Unit 1. Forced outages caused interruption to the International Paper Plant adjacent to the Spurlock Station. Don Mosier said EKP was working closing with International Paper to assure ongoing communication. CFO Mike McNally, reported on complying with coal combustion residuals (CCR).

EKPC DIRECTOR'S REPORT  
(CONTINUED)

President Fraley said she phone conferenced the Manager's Quarterly Meeting yesterday with EKPC and they discussed capital credits. A lot of Cooperatives oppose this, because they would have to return them to members immediately. They would not improve our T.I.E.R. or O.T.I.E.R. Many suggested pre-paying Smith Plant expenses.

THANK YOU

GRECC received a thank you note from Wade May Memorial Golf Scramble and from Hope's Place Child Advocacy Center Golf Scramble.

DONATIONS

President Fraley presented to the Board for their consideration the following donation requests:

Elliott County Pride Cheer Team	\$100
Sandy Hook First Baptist Church – backpack ministry	\$150
Carter County Community Chorus – Christmas chorus	\$50
KCU – basketball challenge	\$100
Shop With a Trooper – Elliott & Rowan Counties kids	\$200
Grahn School Community Center – family Christmas give away	\$100
East Carter Boys Basketball – tournament	\$250
West Carter Boys Basketball – Jack Fultz Classic	\$100
	\$1,050

Motion was made by Director Trent, seconded by Director Bentley and unanimously agreed to approve the donations as presented.

MEETING ATTENDANCE

The following request to attend upcoming meetings were presented to the Board:

Kyle Clevenger, Priscilla Sparks and Nancy Madden are scheduled to attend the 2017 Safety Coordinators' Conference in Lexington, KY on December 7-8, 2017.

Robert Brown leaves for the Management Internship Program in Madison, Wisconsin

on December 3, 2017 for two weeks.

The Planning and Review Committee will meet at the Cooperative on Monday, December 18, 2017 at 9:00 a.m.

Directors attending the Winter School in Nashville, TN in December are Jimmy Whitt, Roger Trent, Jim Bentley and Harold Dupuy.

BYLAWS

President Fraley said Board Policy 530, Cell Phone Policy, will show a \$50 cell phone allowance in the policy.

BOARD MEETING DATES

The December Board Meeting is scheduled for Thursday, December 21, 2017 at 9:00 a.m. and we will have our annual Christmas lunch with the employees following the adjournment of the board meeting.

ADDITIONAL BUSINESS

There was no additional business reported.



ADJOURN

Chairman Dupuy adjourned the meeting at 12:52 p.m.

\_\_\_\_\_  
Harold Dupuy, Chairman

\_\_\_\_\_  
Billy E. (Eddie) Martin, Secretary/Treasurer

\_\_\_\_\_  
W. Jeffrey Scott, Legal Counsel



































President and CEO's Expenses

September 18 - October 2017

<u>Check Date</u>	<u>Check</u>	<u>Description</u>	<u>Amount</u>
11/06/17	173033	Visa Expenses	
		Meal expenses:	
		9/18-19 – KAEC Board Meeting, Louisville, KY	\$49.87
		*9/20 – LVRECC calendar work, Grayson, KY	\$15.60
		*9/27-29 – KAEC 2017 Lineman's Rodeo, London, KY	\$16.15
		*9/27 – KAEC 2017 Lineman's Rodeo, London, KY	\$25.73
		*9/28 – KAEC 2017 Lineman's Rodeo, London, KY	\$17.72
		*10/3 – Working thru lunch, Grayson, KY	\$5.02
		*10/17 – Corral Park r/w meeting, Grayson, KYK	\$11.30
		Room expenses:	
		9/18-19 – KAEC Board Meeting, Louisville, KY	\$150.57
		10/16-17 – KAEC Board Meeting, Louisville, KY	\$148.57
		*9/27-29 – KAEC 2017 Lineman's Rodeo, London, KY	\$82.68
		Total Expenses	\$523.21

\*Prorated



## DIRECTORS & ATTORNEY EXPENSES

October-17

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### KENNETH ARRINGTON

<b>Per Diem</b>	- Lineman's Rodeo (9/25-27); Region II & III (10/10-13); GRECC Bd. Mtg. (10/30)	\$ 3,014.96
<b>MISC</b>	-	-
<b>VISA</b>	- Region II & III	701.05
	Lineman's Rodeo	312.00
<b>KAEC</b>	- Wire Lunch - Spouse	40.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 4,706.13</u>

### JIM BENTLEY

<b>Per Diem</b>	- Region II & III (10/10-13); GRECC Bd. Mtg. (10/30)	\$ 1,878.78
<b>MISC</b>	-	-
<b>VISA</b>	- Region II & III	668.20
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 3,185.69</u>

### HAROLD DUPUY

<b>Per Diem</b>	- Lineman's Rodeo (9/25-27); Region II & III (10/11-3); GRECC Bd. Mtg. (10/30)	\$ 2,763.84
<b>MISC</b>	-	-
<b>VISA</b>	- Region II & III	504.49
	Lineman's Rodeo	328.53
<b>KAEC</b>	- Wire Lunch - Spouse	40.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24-Hr. Insurance	0.70
<b>TOTAL</b>	-	<u>\$ 4,275.19</u>

### EDDIE MARTN

<b>Per Diem</b>	GRECC Bd. Mtg. (10/30)	\$ 308.56
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 - Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 947.27</u>

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**WILLIAM T. RICE**

<b>Per Diem</b>	GRECC Bd. Mtg. (10/30)	\$ 321.40
<b>MISC</b>	-	-
<b>VISA</b>	-	-
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 959.52</u>

**ROGER TRENT**

<b>Per Diem</b>	Lineman's Rodeo (9/25-27); Region II & III (10/11-13); GRECC Bd. Mtg. (10/30)	\$ 2,660.14
<b>MISC</b>	-	-
<b>VISA</b>	- Region II & III	450.49
	Lineman's Rodeo	312.00
<b>KAEC</b>	- Wire Lunch - Spouse	40.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	0.49
<b>TOTAL</b>	-	<u>\$ 4,100.75</u>

**JIMMY WHITT**

<b>Per Diem</b>	Lineman's Rodeo (9/25-27); Region II & III (10/11-13); KAEC Bd. Mtg. (10/16); GRECC Bd. Mtg. (10/30)	\$ 3,151.35
<b>MISC</b>	-	-
<b>VISA</b>	- KAEC Bd. Mtg. (9/18-19)	174.59
	Lineman's Rodeo	327.78
	KAEC Bd. Mtg. (10/16-17)	165.21
	Region II & III	519.12
<b>KAEC</b>	- Wire Lunch - Spouse	40.00
	<b>Cash in Lieu of Insurance</b>	637.63
	24 – Hr. Insurance	1.08
<b>TOTAL</b>	-	<u>\$ 5,016.76</u>

**JEFF SCOTT**

<b>Per Diem</b>	-	\$ -
<b>MISC</b>	-	-
<b>VISA</b>	-	-
<b>TOTAL</b>	-	<u>\$ -</u>

































# Grayson Rural Electric Financial Report

December 21, 2017

## At A Glance....

October

<u>kWh Sales (10/01 - 10/31)*</u>		<u>Margins</u>	
Month	26.44%	Month	\$ (306,528.97)
YTD	-9.02%	YTD	\$ (2,402,043.18)
<u>kWh Purchases (10/01 - 10/31)</u>		<u>OTIER</u>	
Month	2.53%	Month	(2.65)
YTD	-8.69%	YTD	(2.73)
<u>Line Loss</u>			
Month	-21.19%		
YTD	9.85%		

Fuel Adjustment (0.010194)

ESC 9.70%

## Degree Days

Heating Degree Days

Cooling Degree Days

## Notes:

- Capital Credits
- Budget
-

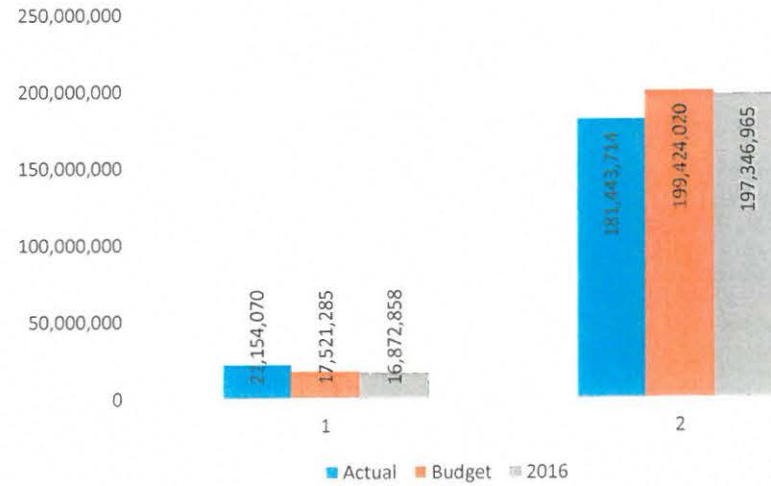


**Sales**

**October**

	2017	2016	2016-2014
Actual	22,154,070	16,872,858	18,396,425
Budget	17,521,285		
Difference	4,632,785 26.44%	5,281,212 31.30%	3,757,645 20.43%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	181,443,714	197,346,965	201,009,638
Budget	199,424,020		
Difference	(17,980,306)	(15,903,251)	(19,565,924)
% Difference	-9.02%	-8.06%	-9.73%

**Sales**

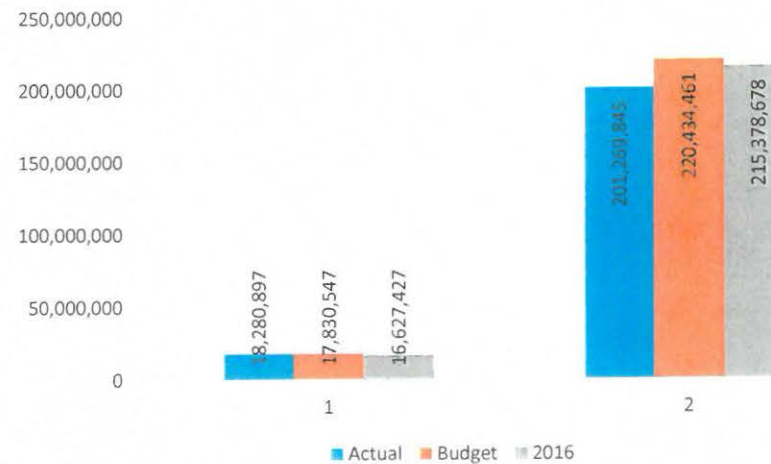


**Purchases**

**October**

	2017	2016	2016-2014
Actual	18,280,897	16,627,427	17,350,212
Budget	17,830,547		
Difference	450,350 2.53%	1,653,470 9.94%	930,685 5.36%
<hr/>			
	YTD-2017	YTD-2016	YTD-Prev 3
Actual	201,269,845	215,378,678	219,036,109
Budget	220,434,461		
Difference	(19,164,616)	(14,108,833)	(17,766,264)
% Difference	-8.69%	-6.55%	-8.11%

**Purchases**





**REVENUE SUMMARY**  
**OCTOBER 2017**  
**(ACTUAL)**

ENERGY	FUEL	LIGHTS	GREEN POWER	PRE-PAY FEE	SUR-CHARGE	SUB-TOTAL	PENALTY	SALES TAX	SCHOOL TAX	# of BILLS	KWH
\$ 338,808.67	\$ (22,680.45)	\$ 5,607.70	\$ 13.75	\$ 3,227.49	\$ 28,680.40	\$ 353,657.56	\$ 8,409.78	\$ 8.58	\$ 7,526.81	2,530	2,856,550
\$ 342,815.18	\$ (23,133.80)	\$ 10,735.13	\$ 24.75	\$ 1,356.96	\$ 29,228.56	\$ 361,026.78	\$ 6,221.74	\$ -	\$ 7,489.10	2,937	2,870,510
\$ 78,171.19	\$ (5,153.75)	\$ 1,541.56	\$ 5.50	\$ 750.61	\$ 6,646.10	\$ 81,961.21	\$ 1,820.33	\$ -	\$ 1,782.73	665	649,309
\$ 897,188.06	\$ (62,203.34)	\$ 17,702.01	\$ 74.25	\$ 3,141.84	\$ 75,403.31	\$ 931,306.13	\$ 16,205.01	\$ 28.69	\$ 19,800.25	5,775	7,709,687
\$ -	\$ (72.34)	\$ 1,273.27	\$ 2.75	\$ -	\$ 105.81	\$ 1,309.49	\$ (11.56)	\$ 1.91	\$ 31.87	98	8,887
\$ 1,656,983.10	\$ (113,243.68)	\$ 36,859.67	\$ 121.00	\$ 8,476.90	\$ 140,064.18	\$ 1,729,261.17	\$ 32,645.30	\$ 39.18	\$ 36,630.76	12,005	14,094,943
\$ 22,151.65	\$ (924.83)	\$ 492.75	\$ -	\$ -	\$ 1,911.32	\$ 23,630.89	\$ 484.41	\$ -	\$ 310.06	359	113,625
\$ 26,610.85	\$ (1,179.87)	\$ 288.94	\$ -	\$ 73.30	\$ 2,269.86	\$ 28,063.08	\$ 658.56	\$ 13.22	\$ 281.15	364	145,853
\$ 19,235.15	\$ (622.73)	\$ 712.38	\$ -	\$ 28.66	\$ 1,701.31	\$ 21,054.77	\$ 427.99	\$ 4.31	\$ 347.35	446	76,576
\$ 43,471.08	\$ (1,618.65)	\$ 1,014.57	\$ -	\$ 39.07	\$ 3,774.54	\$ 46,680.61	\$ 676.85	\$ 216.77	\$ 1,064.48	839	199,006
\$ 8,742.62	\$ (363.07)	\$ 192.83	\$ -	\$ 25.32	\$ 756.48	\$ 9,354.18	\$ 233.40	\$ 43.74	\$ 148.99	143	44,871
\$ 1,184.47	\$ (44.57)	\$ 39.47	\$ -	\$ -	\$ 103.78	\$ 1,283.15	\$ 8.30	\$ -	\$ 34.76	25	5,476
\$ 1,031.82	\$ (26.19)	\$ 10.15	\$ -	\$ 12.66	\$ 90.85	\$ 1,119.29	\$ 10.98	\$ -	\$ 27.48	28	3,501
\$ 122,427.64	\$ (4,779.91)	\$ 2,751.09	\$ -	\$ 179.01	\$ 10,608.14	\$ 131,185.97	\$ 2,500.49	\$ 278.04	\$ 2,214.27	2,204	588,908
\$ 182,608.38	\$ (12,437.20)	\$ 3,408.26	\$ 5.50	\$ -	\$ 15,275.02	\$ 188,859.96	\$ 3,320.70	\$ 8,518.11	\$ 4,659.35	960	1,527,892
\$ -	\$ (16.49)	\$ 295.14	\$ -	\$ -	\$ 24.55	\$ 303.20	\$ 2.10	\$ 15.35	\$ 8.78	9	2,026
\$ 15,137.52	\$ (935.16)	\$ 1,562.01	\$ -	\$ -	\$ 1,387.32	\$ 17,151.69	\$ 111.01	\$ 352.40	\$ 365.52	156	114,874
\$ 197,745.90	\$ (13,388.85)	\$ 5,265.41	\$ 5.50	\$ -	\$ 16,686.89	\$ 206,314.85	\$ 3,433.81	\$ 8,885.86	\$ 5,033.65	1,125	1,644,792
\$ 233,329.27	\$ (21,299.91)	\$ 993.03	\$ -	\$ -	\$ 18,745.99	\$ 231,768.38	\$ 6,092.37	\$ 8,810.29	\$ 5,736.53	67	2,616,699
\$ 155.31	\$ (7.17)	\$ -	\$ -	\$ -	\$ 13.04	\$ 161.18	\$ (8.21)	\$ 9.67	\$ -	1	840
\$ 45,008.59	\$ (4,051.12)	\$ 478.85	\$ -	\$ -	\$ 3,646.42	\$ 45,082.74	\$ 3.14	\$ -	\$ 1,352.47	8	497,681
\$ 278,493.17	\$ (25,358.20)	\$ 1,471.88	\$ -	\$ -	\$ 22,405.45	\$ 277,012.30	\$ 6,087.30	\$ 8,819.96	\$ 7,089.00	76	3,115,220
\$ 163,111.24	\$ (22,028.85)	\$ 28.94	\$ -	\$ -	\$ 12,417.79	\$ 153,529.12	\$ -	\$ 6,288.61	\$ 4,605.87	2	2,706,247
\$ 163,111.24	\$ (22,028.85)	\$ 28.94	\$ -	\$ -	\$ 12,417.79	\$ 153,529.12	\$ -	\$ 6,288.61	\$ 4,605.87	2	2,706,247
\$ -	\$ (32.23)	\$ 601.78	\$ -	\$ -	\$ 50.12	\$ 619.67	\$ -	\$ -	\$ 18.59	1	3,960
\$ -	\$ (32.23)	\$ 601.78	\$ -	\$ -	\$ 50.12	\$ 619.67	\$ -	\$ -	\$ 18.59	1	3,960
\$ 2,418,761.05	\$ (178,831.72)	\$ 46,978.77	\$ 126.50	\$ 8,655.91	\$ 202,232.57	\$ 2,497,923.08	\$ 44,666.90	\$ 24,311.65	\$ 55,592.14	15,413	22,154,070
									<b>TOTAL TAXES</b>		
									\$ 79,903.79		
						<b>TOTAL REVENUE</b>	\$ 2,622,493.77				



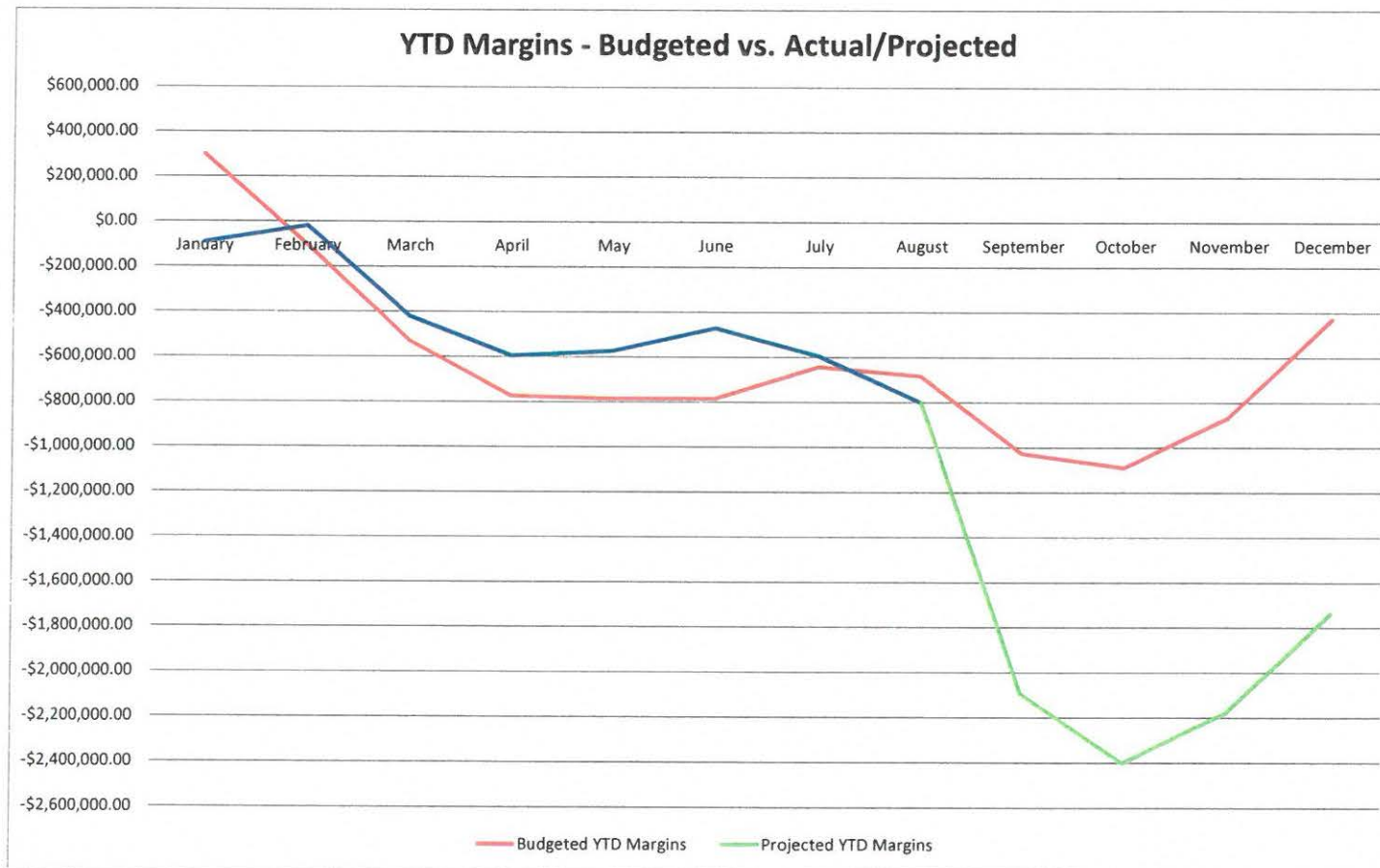


### Monthly Operating Revenue & Expenses

	October 2016	November 2016	December 2016	January 2017	February 2017	March 2017	April 2017	May 2017	June 2017	July 2017	August 2017	September 2017	October 2017
Revenue	(2,122,157)	(2,845,855)	(3,109,471)	(2,747,100)	(2,464,532)	(2,031,622)	(2,008,830)	(2,274,060)	(2,596,741)	(2,548,401)	(2,238,839)	(816,087)	(2,021,100)
Purchased Power	1,109,197	1,344,264	1,840,912	1,751,480	1,411,578	1,419,615	1,138,407	1,202,985	1,410,600	1,562,764	1,462,002	1,136,518	1,264,064
<b>Gross Margins</b>	<b>(1,012,960)</b>	<b>(1,501,591)</b>	<b>(1,268,559)</b>	<b>(995,620)</b>	<b>(1,052,954)</b>	<b>(612,007)</b>	<b>(870,423)</b>	<b>(1,071,075)</b>	<b>(1,186,141)</b>	<b>(985,637)</b>	<b>(776,837)</b>	<b>320,431</b>	<b>(757,036)</b>
Operations	132,244	107,439	71,603	125,057	107,653	109,697	139,866	101,961	102,602	116,084	104,155	99,913	126,149
Maintenance	224,687	216,900	306,970	301,310	260,849	318,113	286,651	287,387	303,369	354,631	250,089	246,528	253,612
Customer Service	99,297	100,977	(25,625)	103,387	92,262	97,131	92,360	96,019	95,044	94,080	91,671	94,306	92,563
Informational Advertising	19,504	18,288	20,450	21,735	22,152	21,158	19,678	26,985	16,390	16,492	18,832	26,967	25,590
Demonstration Advertising	1,658	1,565	1,276	2,314	1,641	2,166	1,751	2,267	1,489	1,341	1,874	1,490	1,688
Admin & General	170,663	196,718	173,417	156,210	142,366	163,245	141,462	166,710	198,796	150,623	160,727	183,781	185,069
Depreciation	282,191	283,297	283,911	284,902	285,509	286,723	288,292	288,987	289,702	290,289	287,738	292,205	292,657
Regulatory	3,342	3,342	3,345	3,389	3,389	3,389	3,389	3,389	4,022	4,022	4,022	4,022	4,022
Interest - LTD	75,748	74,859	61,057	87,616	73,542	72,685	80,130	79,188	79,454	85,529	85,676	85,030	83,986
Interest - Deposits	375	378	369	665	665	663	665	677	671	668	670	671	668
Miscellaneous Expense	9,631	5,953	3,092	6,114	2,889	1,099	1,004	693	1,550	3,960	4,081	2,249	2,249
Interest Income	(2,441)	(2,449)	(2,338)	(2,441)	(2,967)	(5,670)	(2,684)	(2,618)	(2,599)	(2,534)	(2,526)	(2,514)	(2,465)
Non-Electric Revenue	(8,781)	(6,012)	(5,435)	(1,248)	(9,893)	(2,691)	(8,530)	(2,258)	(5,894)	(3,391)	(23,477)	(30,761)	(2,224)
Capital Credits	(4,884)	-	-	-	-	(53,470)	-	-	(524)	-	-	(33,801)	-
<b>Margins</b>	<b>(9,726)</b>	<b>(500,337)</b>	<b>(376,467)</b>	<b>93,390</b>	<b>(72,896)</b>	<b>402,230</b>	<b>173,610</b>	<b>(21,689)</b>	<b>(101,854)</b>	<b>123,799</b>	<b>206,575</b>	<b>1,292,347</b>	<b>306,529</b>
* ( )'s = positive margins													
Operating Expenses	1,019,340	1,009,715	899,866	1,092,699	992,918	1,076,068	1,055,247	1,054,262	1,093,304	1,115,309	1,009,414	1,038,993	1,068,254
Monthly OTIER	1.13	7.68	7.17	(0.07)	1.99	(4.53)	(1.17)	1.27	2.28	(0.45)	(1.41)	(14.20)	(2.65)
Revenue	(30,301,193)	(30,595,960)	(30,511,143)	(29,855,591)	(29,892,962)	(29,740,650)	(29,839,936)	(29,786,754)	(29,805,014)	(29,423,738)	(29,045,100)	(27,803,694)	(27,702,638)
Purchased Power	17,732,353	17,630,782	17,917,378	17,606,080	17,294,951	17,439,296	17,423,578	17,413,418	17,374,726	17,259,561	17,035,038	16,790,322	16,945,189
<b>Gross Margins</b>	<b>(12,568,840)</b>	<b>(12,965,178)</b>	<b>(12,593,765)</b>	<b>(12,249,511)</b>	<b>(12,598,011)</b>	<b>(12,301,354)</b>	<b>(12,416,358)</b>	<b>(12,373,336)</b>	<b>(12,430,288)</b>	<b>(12,164,177)</b>	<b>(12,010,062)</b>	<b>(11,013,372)</b>	<b>(10,757,449)</b>
Operations	1,280,516	1,272,254	1,262,833	1,269,871	1,274,999	1,274,991	1,299,959	1,296,441	1,201,057	1,204,016	1,325,602	1,318,274	1,312,179
Maintenance	3,117,764	3,102,169	3,500,339	3,480,167	3,472,954	3,400,630	3,360,269	3,315,246	3,295,674	3,341,626	3,350,086	3,357,482	3,386,407
Customer Service	1,132,319	1,132,784	1,080,016	1,074,344	1,064,353	1,059,187	1,051,840	1,050,899	1,049,915	1,051,256	1,044,158	1,030,908	1,024,175
Informational Advertising	257,035	255,267	256,835	256,050	254,840	255,123	251,076	248,229	245,357	254,500	254,579	248,631	254,717
Demonstration Advertising	21,784	21,801	21,391	22,083	21,753	21,520	21,670	22,348	21,628	21,711	22,125	20,832	20,862
Admin & General	1,965,556	2,005,791	2,013,640	1,972,289	1,924,758	1,929,307	1,923,844	1,919,970	1,963,936	1,962,086	1,952,168	2,004,716	2,019,122
Depreciation	3,321,945	3,332,218	3,341,887	3,354,290	3,366,733	3,379,812	3,391,510	3,403,080	3,414,522	3,425,750	3,432,603	3,443,746	3,454,212
Regulatory	40,887	40,774	40,662	40,598	40,534	40,470	40,406	40,342	41,022	41,702	42,382	43,062	43,743
Interest - LTD	906,975	907,891	895,352	905,097	903,119	900,616	904,907	909,237	913,063	922,170	931,245	940,516	948,755
Interest - Deposits	4,094	4,350	4,514	4,805	5,098	5,389	5,674	5,973	6,267	6,554	6,845	7,138	7,431
Miscellaneous Expense	42,826	46,633	78,323	83,394	82,924	81,222	94,416	77,476	76,720	75,970	43,315	41,829	34,447
Interest Income	(29,523)	(29,518)	(29,392)	(29,371)	(29,846)	(33,003)	(33,196)	(33,363)	(33,518)	(33,611)	(33,688)	(33,781)	(33,804)
Non-Electric Revenue	(87,665)	(85,138)	(114,330)	(100,115)	(94,605)	(87,041)	(87,975)	(86,602)	(76,454)	(73,884)	(73,884)	(108,320)	(101,763)
Capital Credits	(138,681)	(138,681)	(138,681)	(136,192)	(136,192)	(62,725)	(62,725)	(62,725)	(62,937)	(62,937)	(62,937)	(92,679)	(87,795)
<b>Margins</b>	<b>(733,009)</b>	<b>(1,096,582)</b>	<b>(380,376)</b>	<b>(52,201)</b>	<b>(446,589)</b>	<b>(135,854)</b>	<b>(254,682)</b>	<b>(266,785)</b>	<b>(374,136)</b>	<b>(33,053)</b>	<b>224,535</b>	<b>1,208,983</b>	<b>1,525,239</b>
Operating Expense	12,091,699	12,121,932	12,495,793	12,462,988	12,412,064	12,348,268	12,345,572	12,289,242	12,229,061	12,307,340	12,405,106	12,457,135	12,506,049
Rolling 12 Month OTIER	1.81	2.21	1.42	1.06	1.49	1.15	1.28	1.29	1.41	1.04	0.76	(0.29)	(0.61)



	2017 Monthly Margins			2017 YTD Margins			2017 Projected Margins
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	YTD + Actual
January	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46	\$298,239.28	-\$391,629.74	-\$93,390.46
February	\$72,895.27	-\$403,953.00	\$476,848.27	-\$20,495.19	-\$105,713.72	\$85,218.53	-\$20,495.19
March	-\$402,230.47	-\$424,876.72	\$22,646.25	-\$422,725.66	-\$530,590.44	\$107,864.78	-\$422,725.66
April	-\$173,610.11	-\$243,866.72	\$70,256.61	-\$596,335.77	-\$774,457.16	\$178,121.39	-\$596,335.77
May	\$21,689.25	-\$13,323.72	\$35,012.97	-\$574,646.52	-\$787,780.88	\$213,134.36	-\$574,646.52
June	\$101,853.67	-\$31.72	\$101,885.39	-\$472,792.85	-\$787,812.60	\$315,019.75	-\$472,792.85
July	-\$123,799.30	\$143,434.28	-\$267,233.58	-\$596,592.15	-\$644,378.32	\$47,786.17	-\$596,592.15
August	-\$206,574.62	-\$41,828.72	-\$164,745.90	-\$803,166.77	-\$686,207.04	-\$116,959.73	-\$803,166.77
September	-\$1,292,347.44	-\$342,634.72	-\$949,712.72	-\$2,095,514.21	-\$1,028,841.76	-\$1,066,672.45	-\$2,095,514.21
October	-\$306,528.97	-\$63,695.72	-\$242,833.25	-\$2,402,043.18	-\$1,092,537.48	-\$1,309,505.70	-\$2,402,043.18
November	\$0.00	\$223,335.28			-\$869,202.20		-\$2,178,707.90
December	\$0.00	\$439,275.94			-\$429,926.26		-\$1,739,431.96





## Margins/Tier

### October

	2017	2016	2016-2014
Revenue	(2,021,100)	(2,122,157)	(2,332,578)
Purchase Power	1,264,064	1,109,197	1,186,303
<i>Gross Margins</i>	(757,036)	(1,012,960)	(1,146,275)
Operating Expenses	1,068,254	1,019,340	1,032,411
Margins	306,529	(9,726)	(131,734)
OTIER	(2.65)	1.13	2.69

### Year to Date

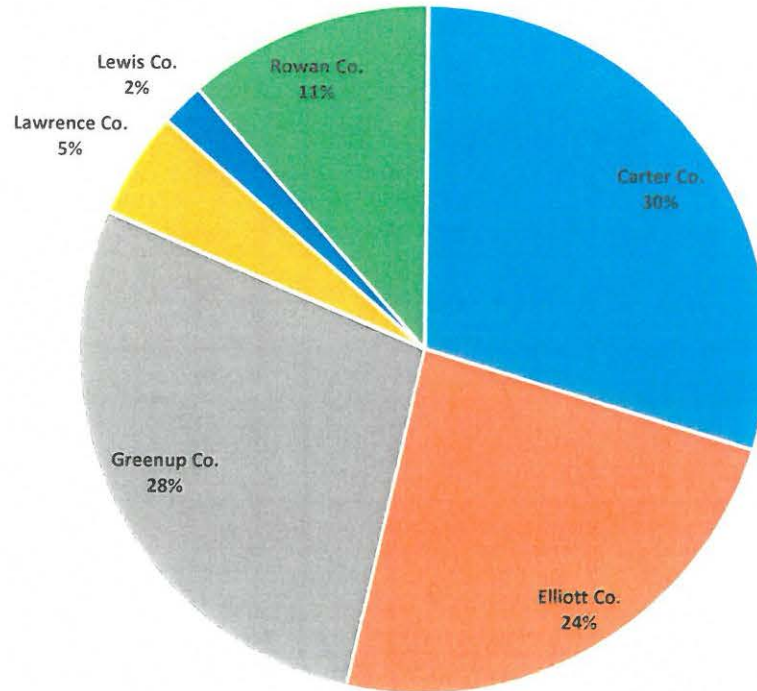
	2017	2016	2016-2014
Revenue	(21,747,311)	(24,555,817)	(25,504,904)
Purchase Power	13,760,013	14,732,202	15,514,655
<i>Gross Margins</i>	(7,987,298)	(9,823,615)	(9,990,249)
Operating Expenses	10,596,468	10,586,212	10,516,728
Margins	2,402,043	496,429	308,911
OTIER	-2.73	0.18	0.60



# Bills by County

	Oct-17	Sep-17	Aug-17	Jul-17	Jun-17	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	Oct-16
Carter Co.	4,572		4,607	4,584	4,588	4,587	4,565	4,579	4,573	4,546	4,559	4,562	4,551
Elliott Co.	3,662		3,686	3,666	3,665	3,642	3,638	3,640	3,668	3,653	3,645	3,679	3,650
Greenup Co.	4,319		4,368	4,357	4,352	4,334	4,342	4,300	4,323	4,287	4,283	4,326	4,311
Lawrence Co.	774		782	773	781	776	779	774	777	775	777	776	784
Lewis Co.	316		313	315	311	311	313	310	310	312	311	312	309
Rowan Co.	1,770		1,771	1,763	1,755	1,757	1,752	1,743	1,751	1,744	1,754	1,765	1,754
	15,413	-	15,527	15,458	15,452	15,407	15,389	15,346	15,402	15,317	15,329	15,420	15,359

# of Bills  
October 2017







Carter Co.



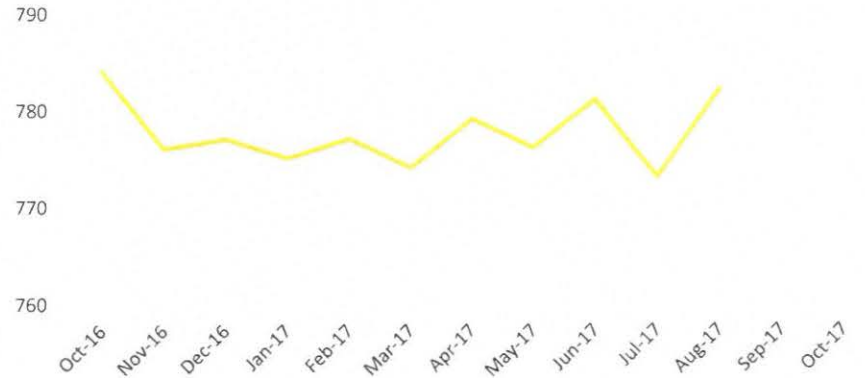
Elliott Co.



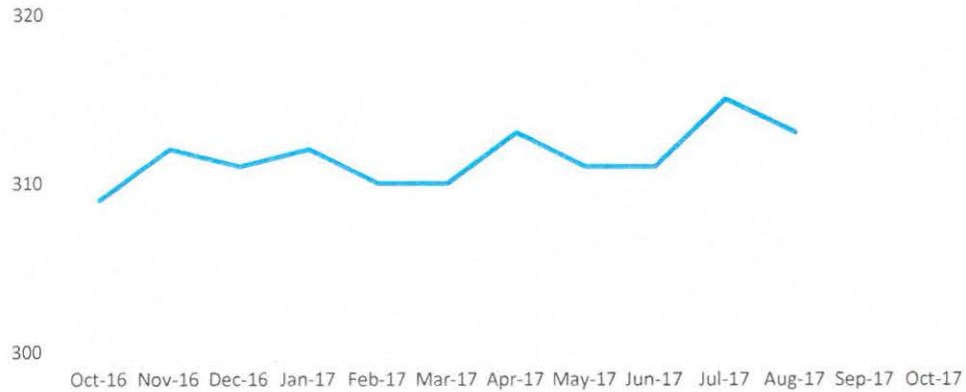
Greenup Co.



Lawrence Co.



Lewis Co.



Rowan Co.





**OCTOBER 2017**

**219 ANALYSIS**

W/O							BUDGETED
<u>NBRS</u>	<u>DESCRIPTION</u>		<u>NUMBER</u>	<u>COST</u>	<u>LOAN FUNDS</u>	<u>UNIT COST</u>	<u>UNIT COST</u>
9	RETIREMENTS		29	223.91	(223.91)		
100	NEW LINE EXTENSIONS		25	84,869.15	84,869.15	3,394.77	3,229.93
200	TIE LINES						
300	MAJOR PROJECTS						
602	SERVICE UPGRADES		1	915.11	915.11	915.11	1,920.25
603	SECTIONALIZERS		4	3,926.79	3,926.79		
604	REGULATORS						
606	POLES		23	88,073.09	88,073.09	3,829.26	2,410.75
701	SECURITY LIGHTS		54	30,823.63	30,823.63	570.81	423.50
1600	MINOR PROJECTS		1	1,348.59	1,348.59		
	<b>TOTAL</b>		<b>137</b>	<b>210,180.27</b>	<b>209,732.45</b>		
601	<u>SPECIAL EQUIPMENT</u>	<u>ACCT#</u>					
	TRANSFORMERS	368.00	0	0.00	0.00	0.00	1,120.00
	METERS	370.00	0	0.00	0.00	0.00	160.00
	TURTLES	370.10	0	0.00	0.00	0.00	
	DISCONNECT METERS	370.20	0	0.00	0.00	0.00	
	OTHER SP EQUIP	365.00	1	6,269.85	6,269.85	6,269.85	
	<b>TOTAL</b>		<b>1</b>	<b>6,269.85</b>	<b>6,269.85</b>		
	MATERIAL			<b>67,607.14</b>			
	MATERIAL OH			<b>38,748.32</b>			
	LABOR			<b>23,117.34</b>			
	LABOR OH			<b>48,345.36</b>			





